



STATE OF WISCONSIN
Department of Employee Trust Funds
Robert J. Conlin
SECRETARY

Wisconsin Department
of Employee Trust Funds
PO Box 7931
Madison WI 53707-7931
1-877-533-5020 (toll free)
Fax 608-267-4549
etf.wi.gov

Correspondence Memorandum

Date: November 26, 2018
To: Employee Trust Funds Board
From: John Voelker
Deputy Secretary
Subject: ETF Operational Metrics

This memo is for informational purposes only. No Board action is required.

Attached is the *ETF Operational Metrics* report, which includes information through September 30, 2018. The metrics report was first presented to the Board at the March 29, 2018, meeting and will be submitted to the Board on a quarterly basis. We expect that as we enhance the performance measurement process at ETF, the contents and format of this report may change. Changes will be highlighted in an accompanying cover memo. There are no significant changes in the attached report.

The performance metrics chart on page 3 includes data on how well ETF is meeting operational targets. On the positive side, in the third quarter there were five areas in which ETF met the performance objective 100% of the time. These included the following:

- Members received an email response within two days.
- Members expressed a high level of satisfaction with the quality of their appointment.
- Retiree benefits were started by next payroll or desired effective date.
- Death benefits were terminated within two days of receiving death notice.
- Beneficiary designations were effective within five days.

Conversely, there were two objectives that continued to present a challenge. These included the following:

- Lump sum death benefits were being paid within 30 days of application 81% of the time. The target is 90% of the time. ETF recently kicked off a process improvement project to assess the death benefit payment process in order to identify possible improvements in the payment of lump sum death benefits.
- The average wait time for the next available individual counseling session is 28 days. The target is 15 days. This wait time seems to be a result of increased

Board	Mtg Date	Item #
ETF	12.13.18	5B

demand. There was a 38% increase in retirement estimates completed between the last quarter of 2017 to the first quarter of 2018, and the second quarter of 2018 went up an additional 6%.

Some third quarter statistics of note from the specific performance charts include the following:

- Average speed of answer in the call center has generally improved. (page 11)
- Call abandonment rate fell to 5% of incoming calls, down from 12% in the first quarter and 8% in the second quarter. (page 12)
- There are no audit recommendations that are overdue. Of the 11 new action items identified by the Office of Internal Audit in 2018, 10 have been implemented. (page 14)
- Average wait time for retirement estimates is below the service goal of 15 days. This is expected as the third quarter typically has a lower volume of requests. (page 15)

Staff will be available at the meeting to answer questions. Contact me at 608-266-9854 (email john.voelker@etf.wi.gov) with questions or comments.

Attachments: A. ETF Operational Metrics report

Office of the Secretary

ETF Operational Metrics Report -through 2018 Quarter 3



November 16, 2018

Prepared for the ETF Board Meeting, December 13, 2018

ETF Operational Metrics

We support the ETF vision by encouraging data-driven decisions for continuous improvement in the following strategic areas:

FINANCIAL

ETF Financial Stewardship

How ETF executes Financial Stewardship, achieving sustainability through responsible budgeting, accounting and spending.

WORKFORCE

ETF Workforce Sustainability

How ETF manages learning and growth of its human resources, maintaining staffing levels and growing an engaged workforce.

CUSTOMER

ETF Customer Service

How ETF engages customers, provides products and services, and responds to member needs for insurance and financial security in retirement.

PROCESS

ETF Evolving Processes

How ETF evaluates, improves, and measures how internal processes are functioning from the standpoint of security, productivity, efficiency, and customer impact.

ETF Operational Metrics

Performance

Report as of 9/30/2018

					Quarter				Year		
					Current				Current		
Category	Chart Measure	Performance Objective	Calendar Year:	Target	Q4-17	Q1-18	Q2-18	Q3-18	FY16 2016	FY17 2017	FY18 YTD 2018
FINANCIAL	F1	Total Operational Cost	Total operational cost per member including insurance and capitalized costs (Fiscal Year, Annual)	NA					\$94	\$112	\$94
	F1	Pension Fund Cost	Pension fund operational cost per member as a percent of peer average (Fiscal Year, Annual)	70%					74%	77%	TBA
	F2	Operational Budget	Projected expenses covered by operational budget (Fiscal Year)	100%					100%	100%	100%
	F3	Vendor Payment	Vendor invoices paid within 30 days (no interest charges)	98%	96%	98%	100%	96%	85%	95%	98%
CUSTOMER Call Center	C2	Call Speed of Answer	Member calls answered within 2 minutes	50%	58%	35%	54%	64%	52%	52%	51%
	C2	Call Speed of Answer	Member calls answered within 3 minutes	70%	65%	42%	61%	71%	59%	60%	58%
	C3	Call Abandonment	Member calls answered before call is abandoned	90%	94%	88%	92%	94%	89%	92%	91%
		Call Quality	Members expressing high level satisfaction with call	99%	99%	99%	99%	99%	99%	99%	99%
		Email Response	Member emails receiving a response within 2 days	95%	100%	100%	100%	100%	100%	100%	100%
Retirement Services		Appointment Quality	Members expressing high level satisfaction with appointment	95%	98%	99%	100%	100%	99%	98%	100%
		Payroll Inception	Retiree benefits starting by next payroll or desired effective date	100%	100%	100%	100%	100%	100%	100%	100%
		Final Annuities	Members receiving final annuity calculation within 5 months	90%	32%	53%	47%	81%	38%	76%	60%
		Separation benefits	Separation benefits paid to members within 30 days (75 days in Q1)	90%	82%	88%	78%	90%	83%	83%	85%
Survivor Benefits		Death Benefits Paid	Lump sum death benefit paid within 30 days of beneficiary application	90%	79%	55%	67%	81%	67%	74%	68%
		Death Benefit Cancellation	Death benefits ended within 2 days of receiving death notice	100%	100%	100%	100%	100%	100%	100%	100%
		Beneficiary Designations	Beneficiary designations effective within 5 days	90%	100%	100%	100%	100%	100%	100%	100%
WORKFORCE	W2	Retention / Turnover	Employees retained as a percent of total positions (Annual)	85%					91%	89%	89%
PROCESS	P2	Retirement Estimates	Average wait for retirement estimate is within 15 days of request	15	13	11	21	13	13	16	15
	P3	Individual Appointments	Average wait for next available individual session is within 15 days	15	21	28	30	28	22	17	29
	P3	Group Appointments	Average wait for next available group sessions under 15 days	15	7	6	3	2	6	4	4

ETF Operational Metrics Services Delivered

Report as of 9/30/2018

Report as of 9/30/2018			Quarter				Current	Year				Current
Category	Chart	Output	Calendar Quarter:					FY15	FY16	FY17	FY18	
			Q4-17	Q1-18	Q2-18	Q3-18	2015	2016	2017	YTD 2018		
FINANCIAL		Invoices Processed (Fiscal Year, Annual)							985	904		
		Vendor Relationships (Fiscal Year, Annual)							116	126		
CUSTOMER Communication	C1	Website Visitors	216,101	200,900	194,410	188,141	527,897	576,009	708,022	583,451		
		Website Visits	456,444	422,986	380,630	394,617	1,036,664	1,107,832	1,395,938	1,198,233		
		Website Viewed Pages	2,683,539	2,301,412	2,085,658	2,189,426	3,631,385	3,939,516	6,015,742	6,576,496		
		Twitter Number of Tweets Sent	152	133	140	110					383	
		Twitter Followers (current)	662	718	732	775					775	
		Twitter Impressions (views)	71,600	106,100	90,100	101,500					297,700	
		Email Campaigns - GovDelivery	67	48	39	47	184	260	251	134		
		Email Subscribers (current)	43,051	43,859	43,650	44,047	42,511	39,910	43,051	44,047		
Call Center		Calls received	51,886	52,642	43,800	39,335	180,165	175,329	184,374	135,777		
		Emails processed	2,719	4,375	4,620	3,116	13,005	12,459	12,718	12,111		
Retirement Education		Field Presentations	1,576	814	1,122	1,016	6,021	6,890	4,379	2,952		
		Webinar Presentations	1,254	1,977	1,350	1,982	8,294	7,139	6,400	5,309		
		Group Appointments	551	675	666	483		2,648	2,172	1,824		
		Individual Appointments	789	1,010	876	800	3,573	3,792	3,777	2,686		
		On-line Appointments	159	232	240	220	-	23	348	692		
		Walk-in Service	1,879	1,398	982	621	3,297	3,249	5,499	3,001		
		Total Members Served	6,208	6,106	5,236	5,122	23,926	23,741	22,575	16,464		
Retirement Services		Beneficiary Designations	5,727	5,799	7,888	6,242	24,950	27,984	27,352	19,929		
		Retirement Applications Received	2,920	3,139	4,941	2,720	13,278	12,715	13,111	10,800		
		Retirement Estimates Requested	5,004	7,482	6,948	5,430	24,315	22,958	24,341	19,860		
		Retirement Estimates Completed	5,071	6,998	7,412	5,788	24,728	25,483	23,649	20,198		
		New Annuities Estimated	1,297	2,249	3,566	3,378	10,174	10,107	9,776	9,193		
		Annuities Finalized	2,733	2,114	2,555	2,746	9,240	11,442	9,043	7,415		
		Lump Sum Retirement Payments	750	592	1,201	973	2,710	2,782	3,027	2,766		
		Monthly Annuity Payments	607,801	610,996	614,865	622,885	2,254,435	2,331,538	2,404,502	1,848,746		
	Disability Benefits Paid	22,078	29,329	29,357	29,199	91,026	90,160	88,834	87,885			
WORKFORCE		Departures Processed (Annual)					40	25	29	31		
		New Hires and Transfers (Annual)					82	83	58	67		
		Staff Training Hours (Fiscal Year, Annual)								8,884		
PROCESS	P1	Internal Audit recommendations (Annual)					N/A	14	33	11		

Legend: Blue = Fiscal Year, Black = Calendar Year, Bold = Most Recent Value (current quarter or year-to-date cumulative total)
Twitter Followers and Email Subscribers represent current point in time values and are not cumulative for the year.



ETF Operational Metrics - Appendix

Chart	Name	Description
F1	Operational Cost Per Member	Total Operational cost per member (active and annuitant) by fiscal year. Total includes health insurance, third- party administrators, and capitalized costs. Reference lines show cost for ETF Pension Fund only; ETF and the corresponding fiscal year 2017 CEM Peer average. Breakdown by Other Overhead, TIM Initiative, IT Operations and State Personnel.
F2	Operational Budget	Operations budget comparison of New Authority versus Actual Expenditures by fiscal year.
F3	Vendor Payment Timeliness	Tracks vendor invoices payment timeliness before and after internal audit recommendations were implemented. Charts invoices paid within the 30-day no-interest period, and those that went over 30 days, by month and fiscal year for FY17-FY18. Data indicates the efficacy of process improvements made in late 2017.
C1	Website Usage	Visitors and pages viewed on etf.wi.gov by month for the last 3 calendar years.
C2	Call Center - Speed of Answer	Call Center speed of answer shown as percentage of calls answered within the 2 and 3 minute service goals. Performance is shown by month for the last calendar year and year to date with overlay of total call volumes.
C3	Call Center – Abandoned Calls	The percentage of abandoned calls by month for the previous year and current year to date with an overlay of total call volumes. Compares results to a “range” goal based on balancing cost with customer satisfaction.
W1	Workforce Turnover	Turnover as a percent of authorized positions, by departures versus internal movement. Historic view by calendar year. Includes the distribution by departure reason (resigned, retired, terminated) for last 3 years.
P1	Internal Auditing	Total Internal Auditing recommendations and the current status of resolution by calendar year of audit.
P2	Retirement Estimates	Retirement estimate production and turnaround time, by month for the last calendar year and year to date.
P3	Member Appointment Scheduling	Visitors and pages viewed on etf.wi.gov by month for the last 3 calendar years.

How to read these charts

- ✓ Line types used for trend lines, goals, caps, or benchmarks have meaning: solid=cap, dashed=target, dotted=trend or projection
- ✓ The colors used for data bars, lines, and pie charts match the colors in the legends, and commonly imply a meaning: **green**=desirable, **pink/red**=concern, **yellow**=neutral or unclear, **black**=external event)

Matches the area name and chart number as listed in the scorecard (p. 3)



Scorecard Area – Chart#

Overview

Why is this metric important, how measured, and outside influences.

Current Status

Current year results, historic performance, trends and specific areas of concern.

Outlook

Challenges in measurement, current environment, and prospects for meeting goals in the future.

Describes the chart and gives guidance on interpreting it



Report data is “as of” the calendar quarter end (or nearest reporting period) unless otherwise specified in the chart title.

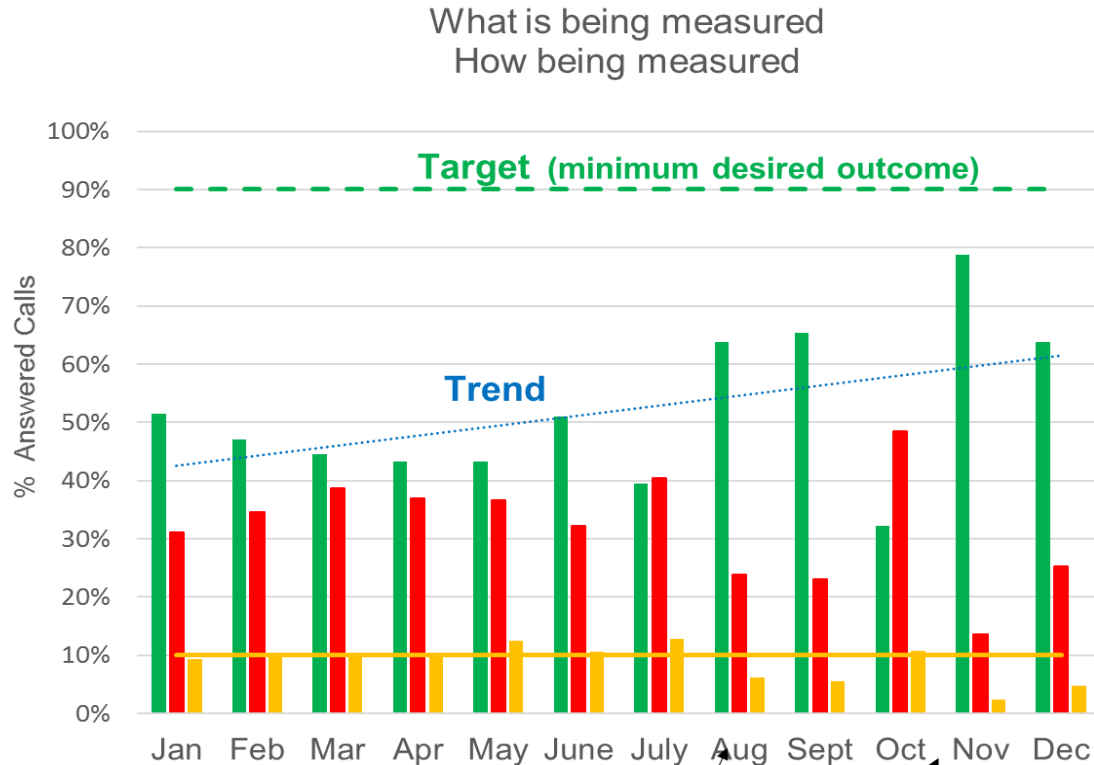


Chart Legend



- Within 3 Min
- Over 3 Min
- Abandoned
- % Answer in 3 min Goal (Target)
- % Abandoned Goal (Cap)

Cap (maximum desired outcome)

Events Impacting Results



5 staff vacancies

It's Your Choice

Overview

Total ETF Cost includes all ETF operational and capitalized costs.

CEM values include pension fund administration costs only and excludes capitalized and insurance costs.

Current Status

The decrease in **Total ETF Cost** per member in FY18 is primarily due to the suspension of the **BAS project** as part of the TIM Initiative to **Transform, Integrate and Modernize** the benefits administration system.

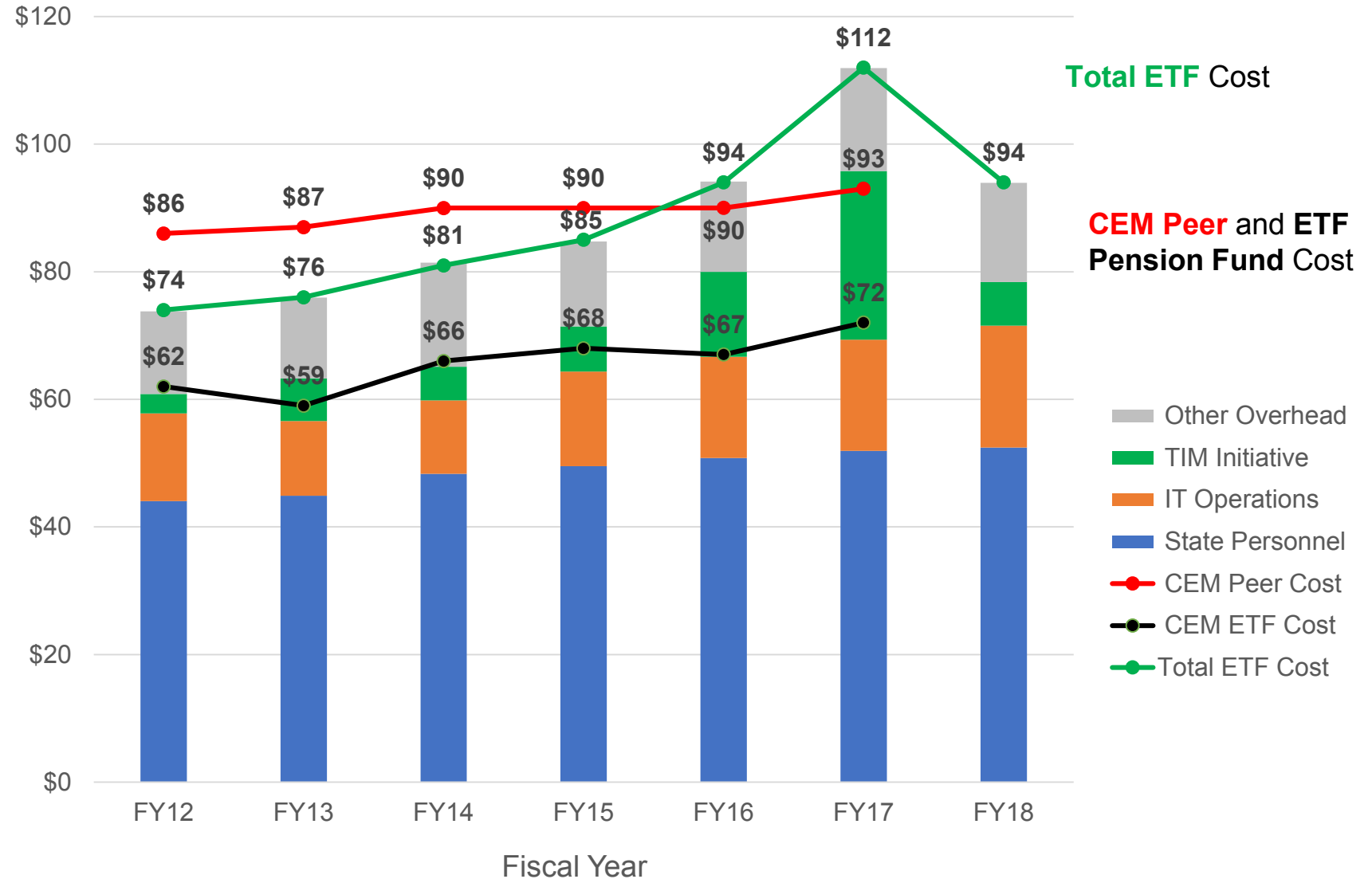
Pension fund cost per member remained below the CEM FY17 peer average.

Outlook

The redirection of BAS project resources to other technology and process improvements is expected to improve service to members.

This chart will be next updated in June 2019 (CEM data) and Sept 2019 (all other).

Operational Cost Per Member Active & Annuitant



Overview

Managing the agency operations budget and expenses is a key component of financial stewardship.

Current Status

The department has consistently managed operational costs within budget.

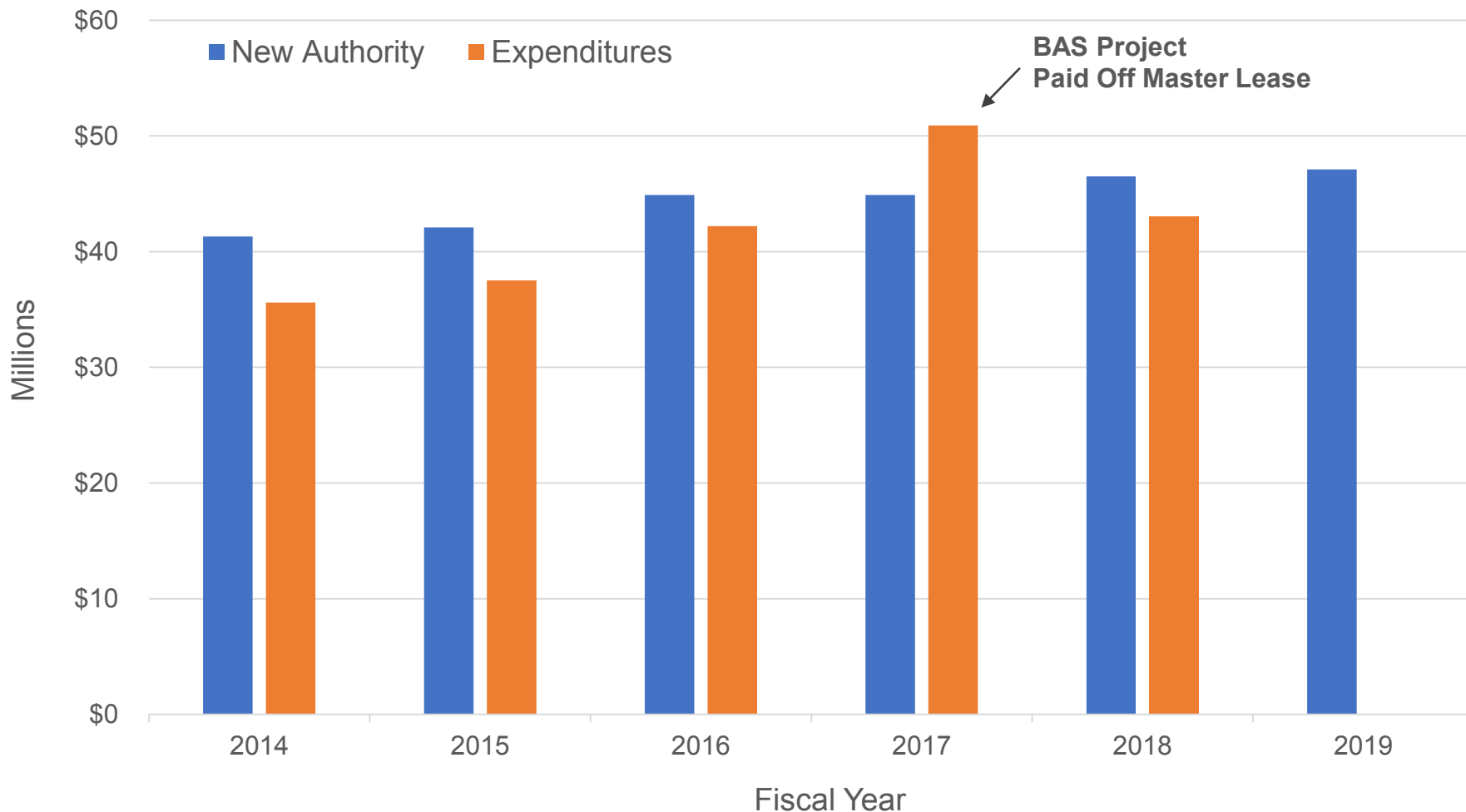
Fiscal year 2017 is an outlier in that Benefit Administration System (BAS) project costs resulted in spending over the level of new budget authority for that year. Those extra costs were covered from budget authority carried over from prior years.

Outlook

Fiscal year 2019 operating budgets have been established and spending will be managed to those budgets.

The biennial budget request is being developed to address anticipated changes in operational funding needs for the next two years. This will be available mid 2019.

Operational Budget New Authority vs. Actual Expenditures



ETF Vendor Payment Timeliness FY17 - FY18 (YTD)

Annual Volume (FY18)
 1073 invoices
 \$13 million
 131 vendors

Overview

Timely Vendor Payment

- *Promotes good vendor relationships
- *Reduces workload of vendor inquiries
- *Avoids interest payments (>30 days)

New process and backlog processing in Oct 2017 resolved preventable causes of late payments.

Current Status

The jump in late payments in July were primarily due to system timing issues with the July 4th holiday and Fiscal Year-End with minimal interest due.

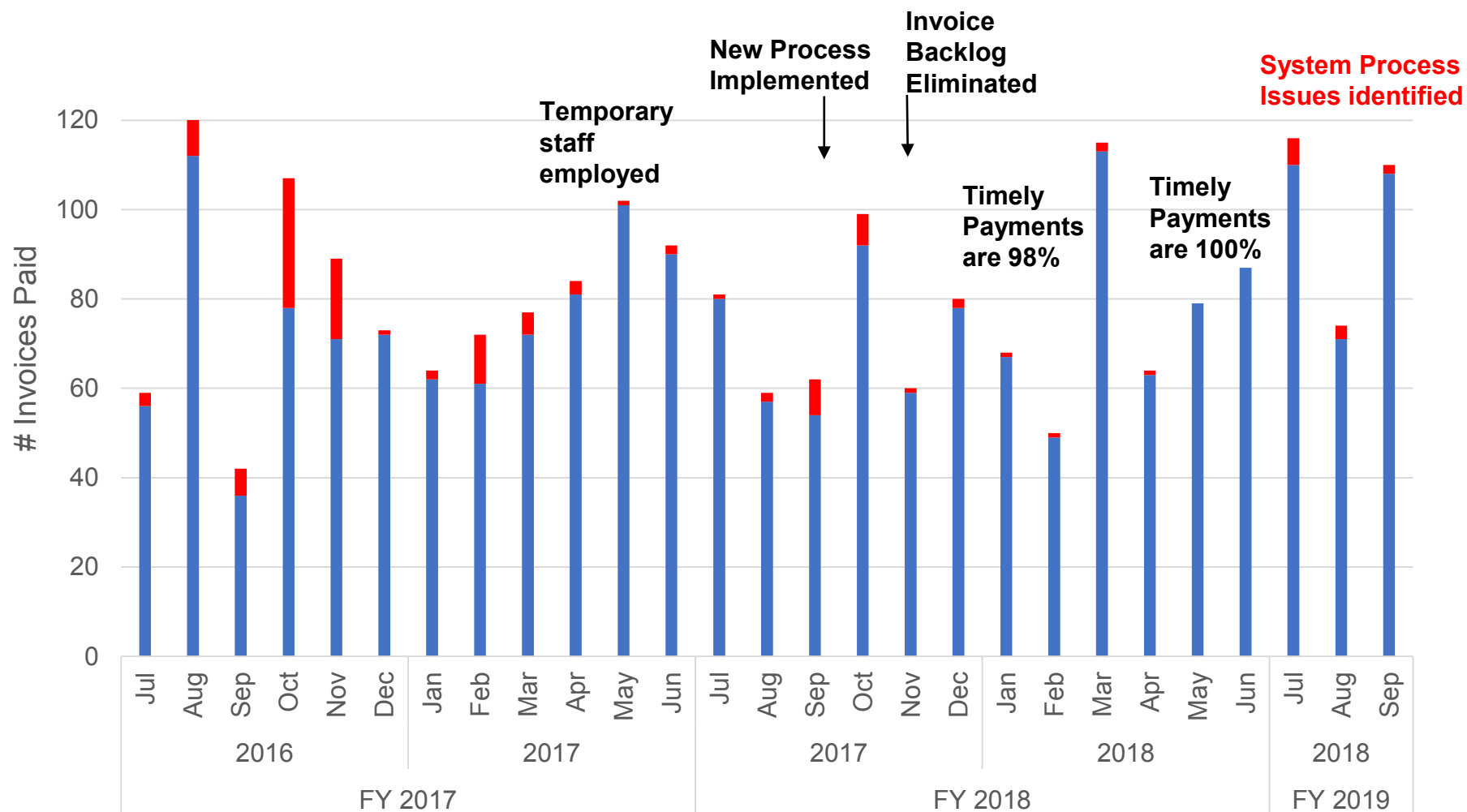
Invoices processed within 30 days:

FY17	FY18	Current Quarter
90%	97%	96%

Outlook

Some late payments may occur with Nov and Dec holidays based on STAR system processing, but with minimal impact.

ETF internal invoice processing is now averaging 6 days, far exceeding the internal goal of 18-day turnaround.



CUSTOMER – C1

Overview

Web traffic to etf.wi.gov is an indicator of customer engagement. The website is a key channel for ETF to communicate to members and employers.

Current Status

Unique Visitors to the ETF website continues to grow, exceeding the internal goal for 15% growth per year.

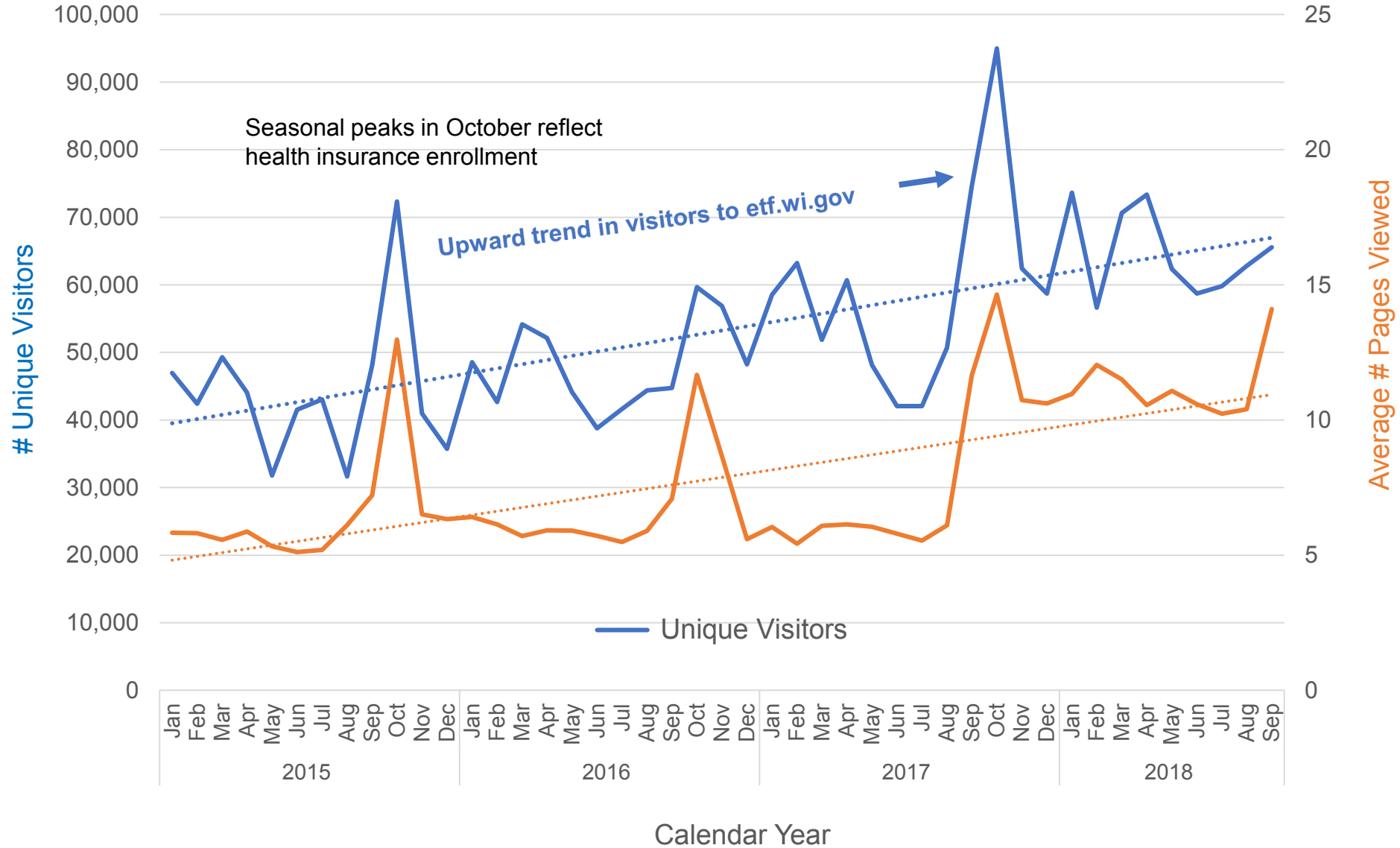
2016	9%
2017	23%
2018 YTD	19%

The jump in visitors during open enrollment last year was sustained and is expected to jump again this October.

Outlook

The redesigned website, targeted for Q2 2019, is expected to reduce the number of pages visited with improved navigation, search, personalization and responsive design for electronic devices.

Website Usage Unique Visitors and Pages Viewed



CUSTOMER – C₂

Overview

Responsiveness is measured by the speed calls are answered, which affects customer satisfaction.

2018 Service Goals help understand the percentage of callers having a good experience This includes:
 50% of calls answered in 2 minutes
 70% of calls answered within 3 minutes.

Current Status

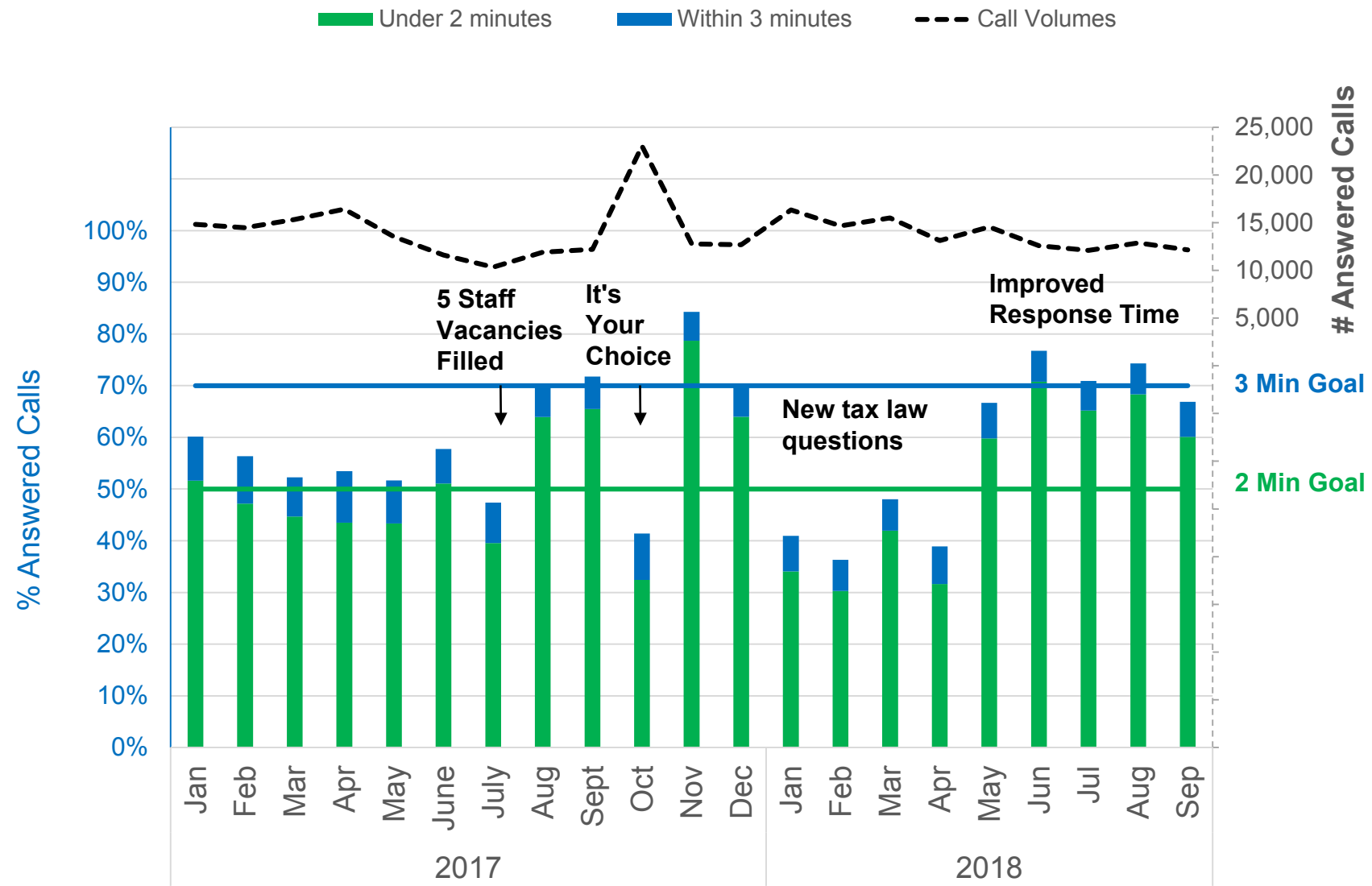
Speed of Answer in Q3 2018 showed continued improvement over Q3 2017 despite similar or higher call volumes.

There was a small dip in performance in September as members anticipated the start of *It's Your Choice*.

Outlook

Call volumes are expected to rise during health enrollment in October similar to Q4 2017 resulting in fewer calls meeting goals of answer within 2 and 3 minutes.

Call Center - Speed of Answer



CUSTOMER – C3

Overview

The Call Center receives an average of 15K calls per month peaking in October with 25K calls. However, some callers hang up before their call is answered.

Service Goals

To balance cost and customer satisfaction, an **optimal range** was determined as between 5% to 10%.

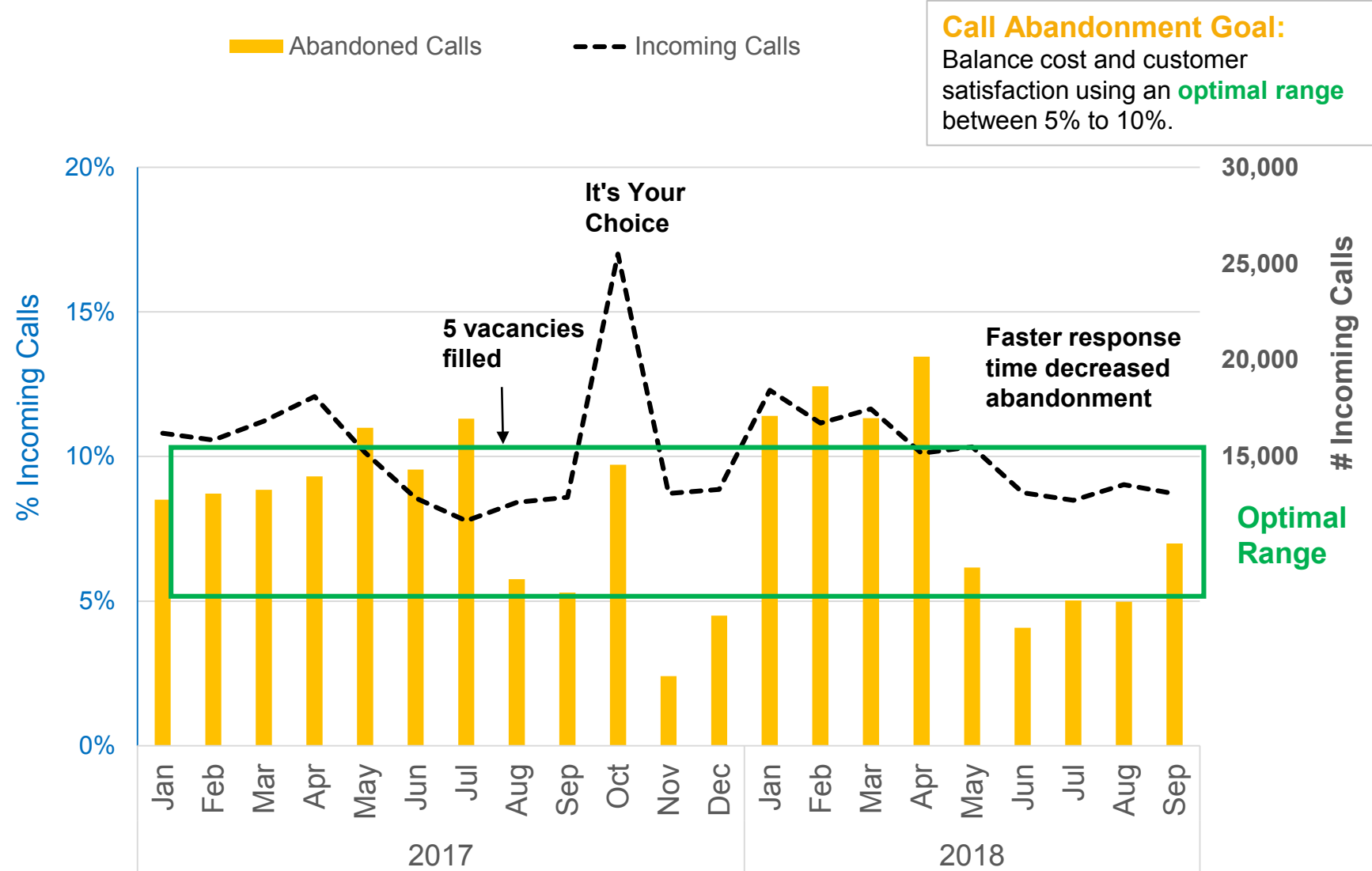
Current Status

Call Abandonment Rate in Q3 2018 fell to 5% of incoming calls, down from 12% in Q1 and 8% in Q2. Abandonment rates were within the desired range and were consistent with lower wait times.

Outlook

Seasonal peak of calls is expected in October due to the *It's Your Choice* enrollment period. Based on current performance, the abandonment rate is expected to stay within or near the optimal range.

Call Center - Abandoned Calls



Overview

ETF facilitates internal movement to retain knowledge, improve engagement, and avoid hiring costs and loss of productivity.

Current Status

Turnover as of Q3 2018 is at 11%, matching the turnover level for all of 2017.

Departures so far in 2018 far outweigh internal transfers. This coincides with compensation plan changes which reduced incentives to transfer, though it has not yet been determined if this is the primary cause.

Departure reasons in 2018 are consistent with those in 2015-2017 previously reported.

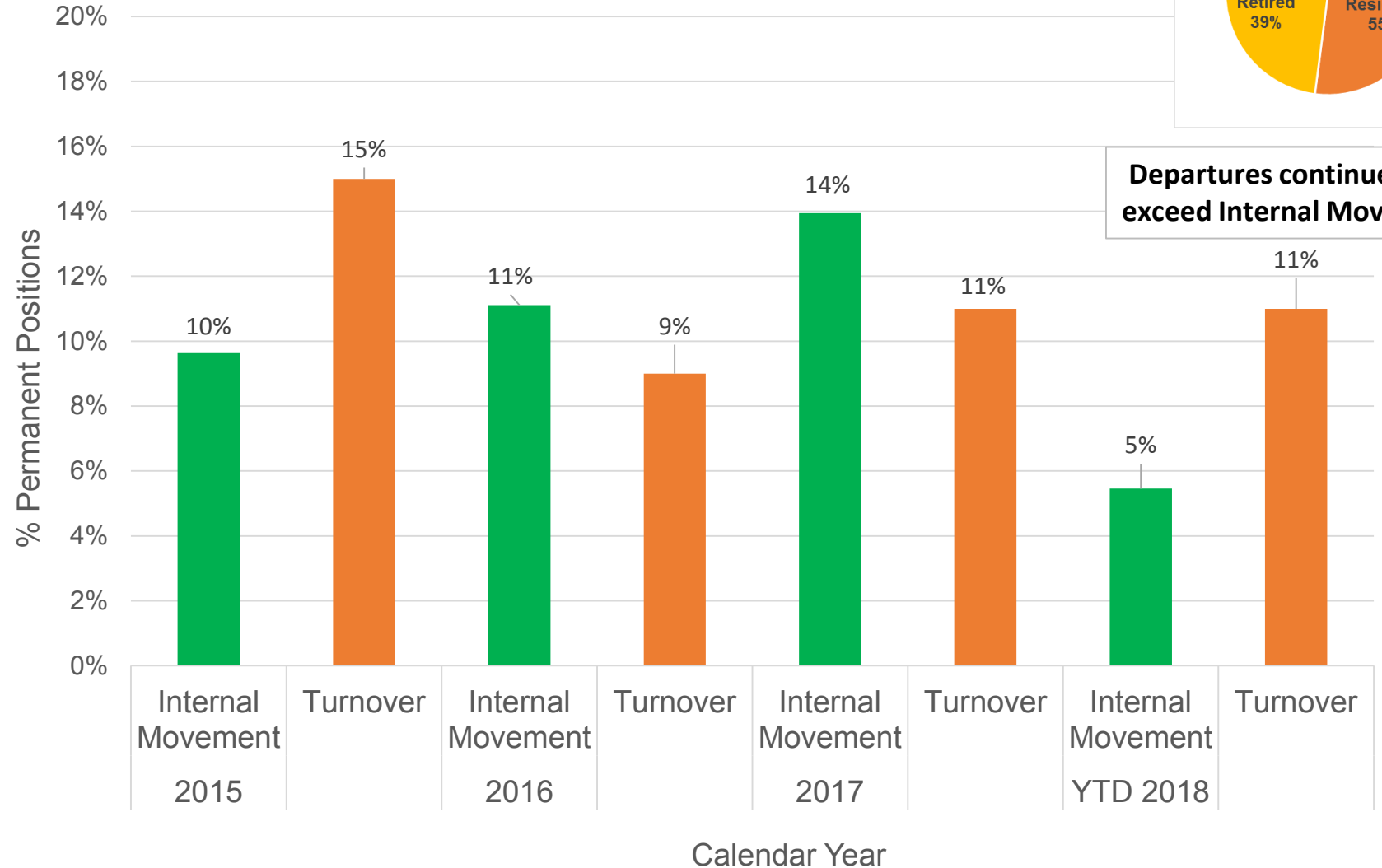
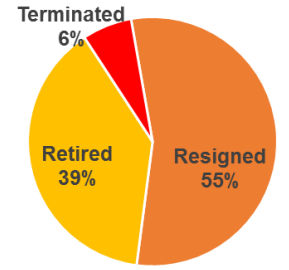
Outlook

Departures have continued indicating that early 2018 departures were additional and not just expedited resignations due to the building move.

2018 departures are currently tracking higher than that of 2015 which resulted in loss of staff from 15% of authorized positions.

Workforce Turnover Departures versus Internal Movement Q3 2018

Departures By Reason
YTD as of Q3 2018



Overview

Internal audits provide unbiased assessment of operations to ensure effective risk management, internal control, and governance processes.

Current Status

Internal audits in 16 business areas were completed since 2014 identifying **92 action items**. Of these, only 4 are still open.

Action items from 2015-2016 related to the BAS technology project were closed where no longer relevant.

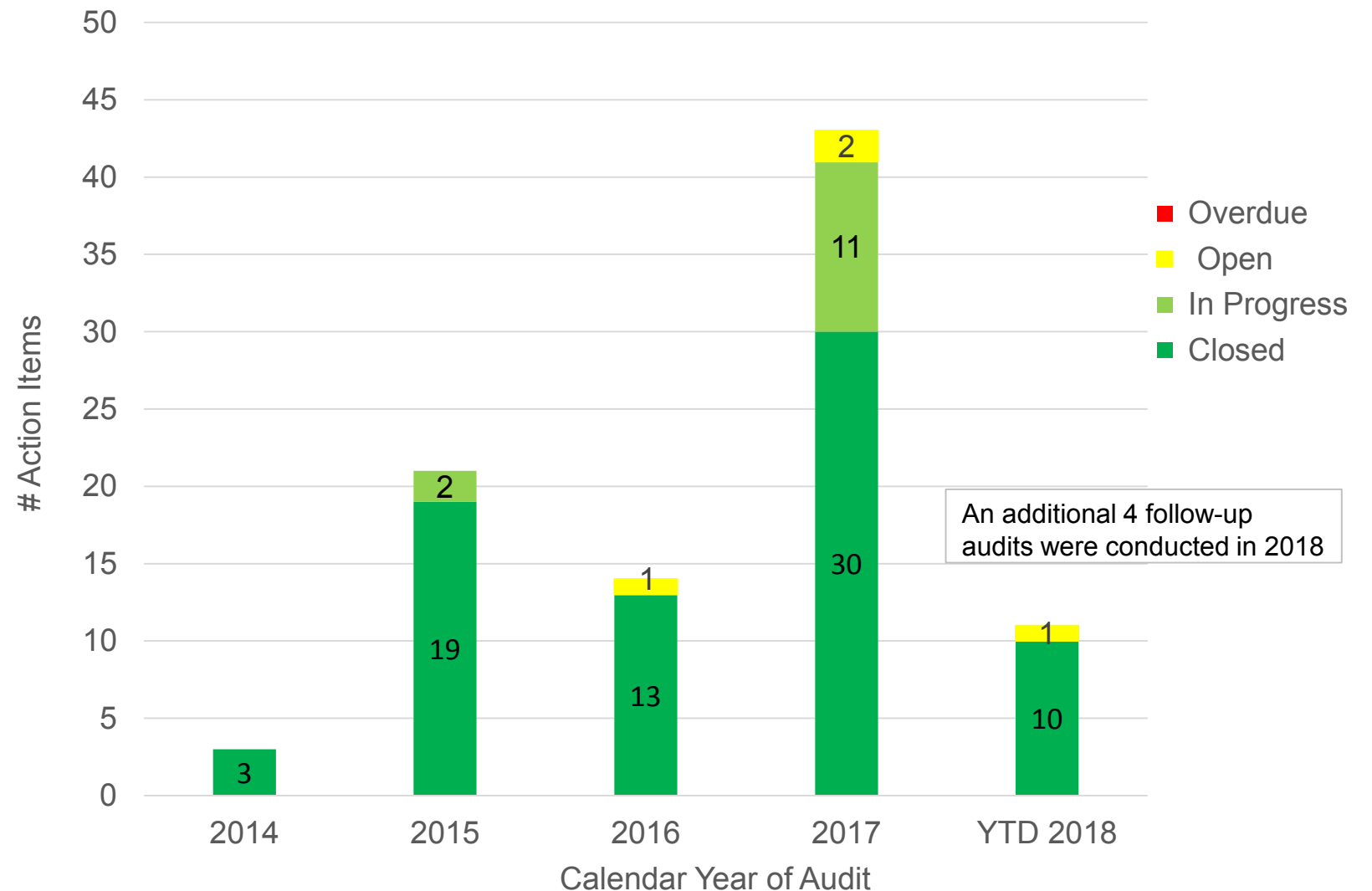
Of the 11 new action items identified in 2018, **10** have already been implemented.

4 follow-up audits in 2018 confirmed satisfactory results of corrective actions when measured 1 year after implementation.

Outlook

The results of a follow-up audit on mobile computing devices will be reported to the board in March 2019.

Internal Auditing Recommendations by Status As of 11/1/2018



PROCESS – P2

Retirement Estimates Volumes and Turnaround Time

Overview

Retirement estimates (approx. 24K per year) are critical for members to make informed retirement decisions.

The service goal of 15-day turnaround is met on average with expected peaks early in the year for teacher requests.

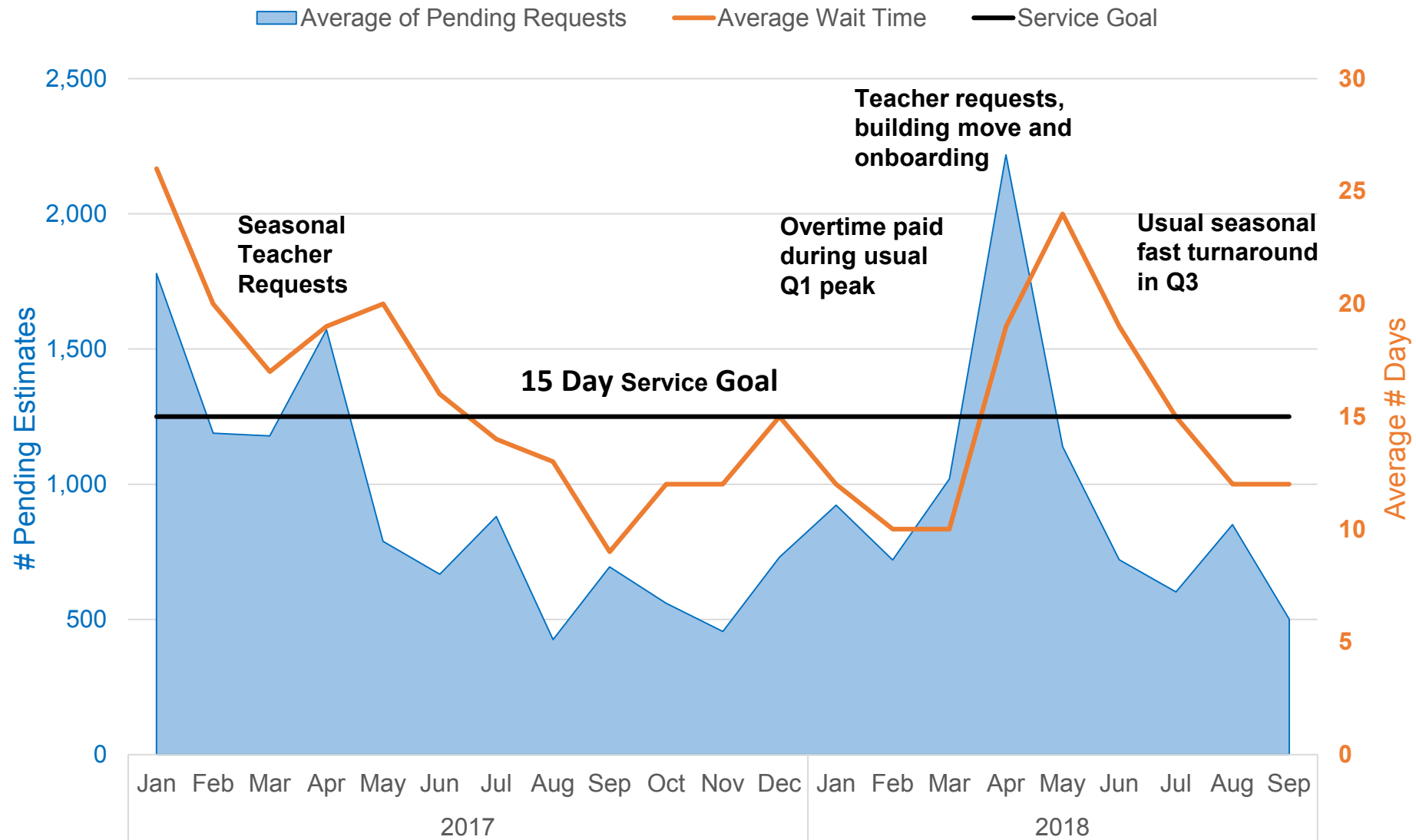
Current Status

Q3 returned to the fast turnaround expected for this time of year with a lower volume of requests.

The impact of the building move and new staff onboarding were no longer issues.

Outlook

The normal seasonal pattern of lower request volumes and the associated fast turnaround are expected to continue in Q4. Current work basket volumes support this assumption.



PROCESS – P3

Overview

Member counseling appointments (primarily retirement related) in 2017 included:

Individual face-to-face	(4,335)
Individual online	(348)
Group appointment	(2,172)

This excludes field presentations (4,379) and “Quick Service” without an appointment (4,941).

Wait times are measured from request to the first available appointment, not the selected appointment.

Current Status

In Q3 2018, the wait for an individual appointment remained high. Despite delivering 5% more individual sessions and tripling the use of virtual sessions in 2018 (versus year to date 2017), demand exceeded capacity.

Outlook

The increased demand for retirement counseling is an outcome of more retirement estimate requests and applications in previous quarters.

Members will continue to be offered group counseling sessions within the 15-day service goal. As demand slows, the wait for an individual session is expected to drop.

Member Appointment Scheduling Wait Times

