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Correspondence Memorandum

Date: February 22, 2019
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 the fourth quarter of 2018. The metrics report was first presented to the Board at the March 29, 2018, meeting and will continue to be updated and submitted to the Board on a quarterly basis. It is expected that as work is done to enhance the performance measurement process at ETF, the contents and format of the report may change. Any changes will be highlighted in an accompanying cover memo. There are no significant changes in the attached report.

As demonstrated by the green shading within the table on page three, 9 of the 14 objectives met performance targets in the fourth quarter. Of those that did not meet the targets, three stand out and trigger the need for further review. These include:

- **Member calls answered within 3 minutes.** As noted in the table, the performance target is 70% of calls to be answered within 3 minutes. In the fourth quarter, 55% were answered within this timeframe. The decline in performance from the third quarter can largely be attributed to high call volume during the health care enrollment period. During the four-week enrollment period in October, the call center received 26,770 calls. This compares to total of 21,552 calls during the other two months of the quarter. The spike in calls can exceed our capacity and drive up overall speed of answer metrics. In review of the other two months of the quarter, data shows that performance targets were met with 70% answered within 3 minutes and 64% answered within 2 minutes.
- **Members receiving final annuity calculation within 5 months.** The performance target is that 90% of the time members will get final annuity calculations within 5 months. In the fourth quarter, only 28% of members received final calculations in this timeframe. Clearly this falls short of the stated

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ETF	3.21.19	6C

goal. This level of performance results from the reassignment of staff to higher-priority functions. For example, three staff were assigned to an employer reporting problem that required the time-consuming process of correcting hundreds of annuities. In addition, priority was placed on getting year-end retirees on the payroll on a timely basis. It should be noted that while the 5-month target was not met, 96% of members received final annuity calculations within 6 months.

- **Average wait for next available individual session is under 15 days.** In 2017, the average wait for an individual session was 17 days. In 2018, despite staff delivering 551 more appointments (combination of individual, online, and group), the demand has stretched the agency's capacity to meet the performance target. The average wait in 2018 was 28 days. In addition, new counseling staff need months of training prior to meeting with members on their own. Currently, ETF has multiple business process improvement projects under way. One project is examining the appointment scheduling process. One possible outcome of the project is the identification of possible improvements in this process.

Page 4 of the report provides information on the level of services delivered by ETF. Interesting information of note includes the following:

- **The number of viewed pages on the website has increased significantly since 2015.** In 2015, more than 3.6 million pages were viewed. In 2018, the number of pages viewed totaled 9.2 million, a 156% increase.
- **The number of online appointments conducted has continually increased.** Online appointments started in 2016, with 23 completed. In 2018, 916 were completed. This offering has evolved into a service that is both convenient and effective for members.
- **The total number of monthly annuity payments processed has increased slightly.** In 2018 the number of monthly annuity payments processed by ETF was 2,474,269. This is about a 3% increase from 2017.

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

Attachments: A. ETF Operational Metrics report

Office of the Secretary

ETF Operational Metrics Report - through 2018 Q4



February 21, 2019

Prepared for the ETF Board Meeting, March 21, 2019

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 12/31/2018

Report as of 12/31/2018					Quarter				Year		
					Current				FY16	FY17	FY18
Category	Chart Measure	Performance Objective	Calendar Year:	Target	Q1-18	Q2-18	Q3 - 18	Q4 - 18	2016	2017	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% - 100%					74%	77%	TBA
	F2	Operational Budget	Projected expenses covered by operational budget (Fiscal Year)	100%					100%	100%	100%
CUSTOMER	C2	Call Speed of Answer	Member calls answered within 3 minutes	70%	42%	61%	70%	55%	59%	60%	57%
Call Center	C3	Call Abandonment	Member calls answered before call is abandoned	90%	88%	92%	94%	91%	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%
		Appointment Quality	Members expressing high level satisfaction with appointment	95%	99%	100%	100%	100%	100%	98%	100%
Retirement Services		Payroll Inception	Retiree benefits starting by next payroll or desired effective date	100%	100%	100%	100%	100%	100%	100%	100%
		Final Annuity Calculations	Members receiving final annuity calculation within 5 months	90%	53%	47%	81%	28%	38%	76%	52%
		Separation benefits	Separation benefits paid to members within 30 days (75 days in Q1)	90%	88%	78%	90%	80%	83%	83%	84%
		Death Benefits Paid	Lump sum death benefit paid within 30 days of beneficiary application	90%	55%	67%	81%	78%	67%	74%	70%
Survivor Benefits		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%
		Retention / Turnover	Employees retained as a percent of total positions (Annual)	85%					91%	89%	89%
PROCESS	P2	Retirement Estimate	Average wait for retirement estimate is within 15 days of request	15	11	21	13	10	13	16	14
	P3	Individual Appointments	Average wait for next available individual session is under 15 days	15	28	30	28	24	22	17	28
	P3	Group Appointments	Average wait for next available group sessions under 15 days	15	6	3	2	3	6	4	3



ETF Operational Metrics Services Delivered

Report as of 12/31/2018

Report as of 12/31/2018			Quarter				Year				
Category	Chart	Output	Calendar Quarter:				Current				
			Q1-18	Q2-18	Q3-18	Q4-18	FY15 2015	FY16 2016	FY17 2017	FY18 2018	
FINANCIAL		Invoices Processed (Fiscal Year, Annual)							985	904	
		Vendor Relationships (Fiscal Year, Annual)							116	126	
CUSTOMER Communication	C1	Website Visitors	200,900	194,410	188,141	202,021	527,897	576,009	708,022	785,472	
		Website Visits	422,986	380,630	394,617	454,719	1,036,664	1,107,832	1,395,938	1,652,952	
		Website Viewed Pages	2,301,412	2,085,658	2,189,426	2,644,701	3,631,385	3,939,516	6,015,742	9,221,197	
		Twitter Number of Tweets Sent	133	140	110	163					546
		Twitter Followers (current)	718	732	775	829					829
		Twitter Impressions (views)	106,100	90,100	101,500	174,900					472,600
		Email Campaigns - GovDelivery	48	39	47	62	184	260	251		196
		Email Subscribers (current)	43,859	43,650	44,047	43,947	42,511	39,910	43,051		43,947
Call Center		Calls received	52,642	43,800	39,335	48,322	180,165	175,329	184,374	184,099	
		Emails processed	4,375	4,620	3,116	3,675	13,005	12,459	12,718	15,786	
Retirement Education		Field Presentations	814	1,122	1,016	1,253	6,021	6,890	4,379	4,205	
		Webinar Presentations	1,977	1,350	1,982	1,811	8,294	7,139	6,400	7,120	
		Group Appointments	675	666	483	585	2,741	2,648	2,172	2,409	
		Individual Appointments	1,010	876	800	837	3,573	3,792	3,777	3,523	
		On-line Appointments	232	240	220	224	-	23	348	916	
		Walk-in Service	1,398	982	621	1,310	3,297	3,249	5,499	4,311	
Retirement Services		Beneficiary Designations	5,799	7,888	6,242	6,536	24,950	27,984	27,352	26,465	
		Retirement Estimates Completed	6,998	7,412	5,788	4,686	24,728	25,483	23,649	24,884	
		New Annuities Estimated	2,249	3,566	3,378	1,350	10,174	10,107	9,776	10,543	
		Annuities Finalized	2,114	2,555	2,746	2,872	9,240	11,442	9,043	10,287	
		Lump Sum Retirement Payments	592	1,201	973	678	2,710	2,782	3,027	3,444	
		Monthly Annuity Payments	610,996	614,865	622,885	625,523	2,254,435	2,331,538	2,404,502	2,474,269	
	Disability Benefits Paid	29,329	29,357	29,199	29,100	91,026	90,160	88,834	116,985		
WORKFORCE		Departures Processed (Annual)					40	25	29	35	
		New Hires and Transfers (Annual)					82	83	58	69	
		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 - Definitions

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.
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.

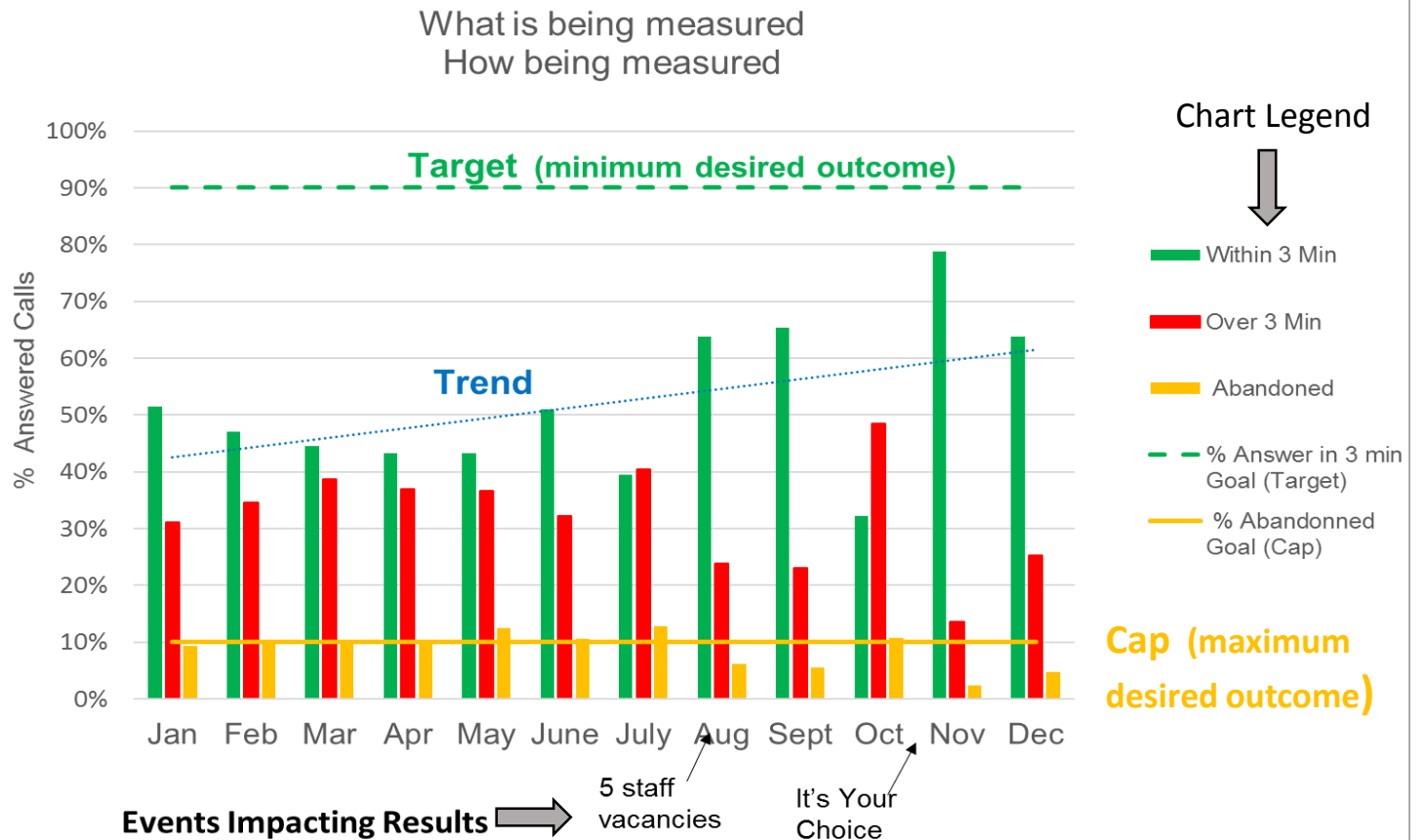
Outlook

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.



FINANCIAL – F1

Overview

Total ETF Cost includes all ETF operational and capitalized costs.

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

Current Status

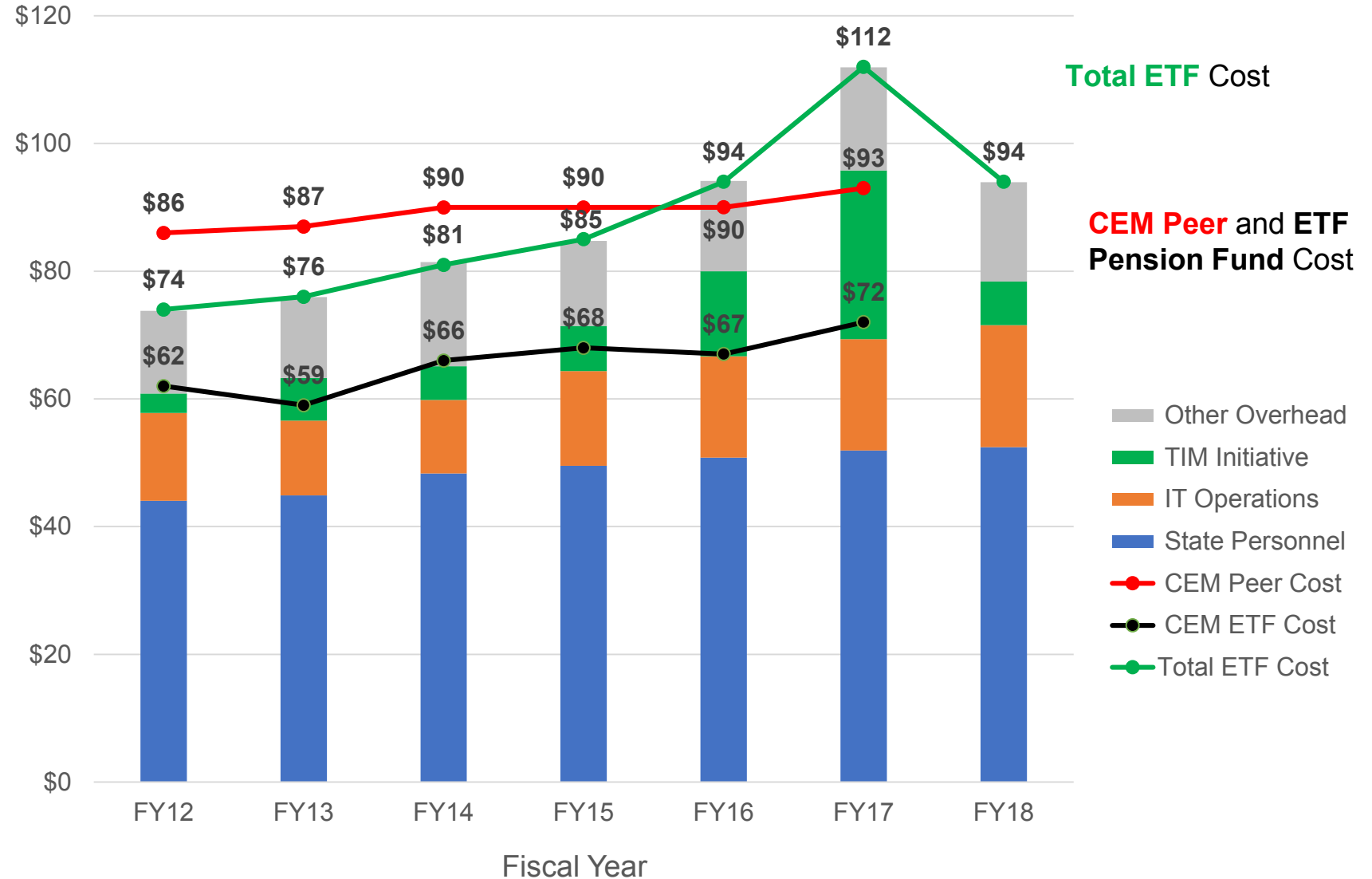
The decrease in **Total ETF Cost** per member in FY18 is primarily due to the suspension of the **BAS project** as part of the TIM Initiative to **Transform, Integrate and Modernize** the benefits administration system.

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. Costs per member may go up considering the number of process improvement projects in the pipeline.

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.

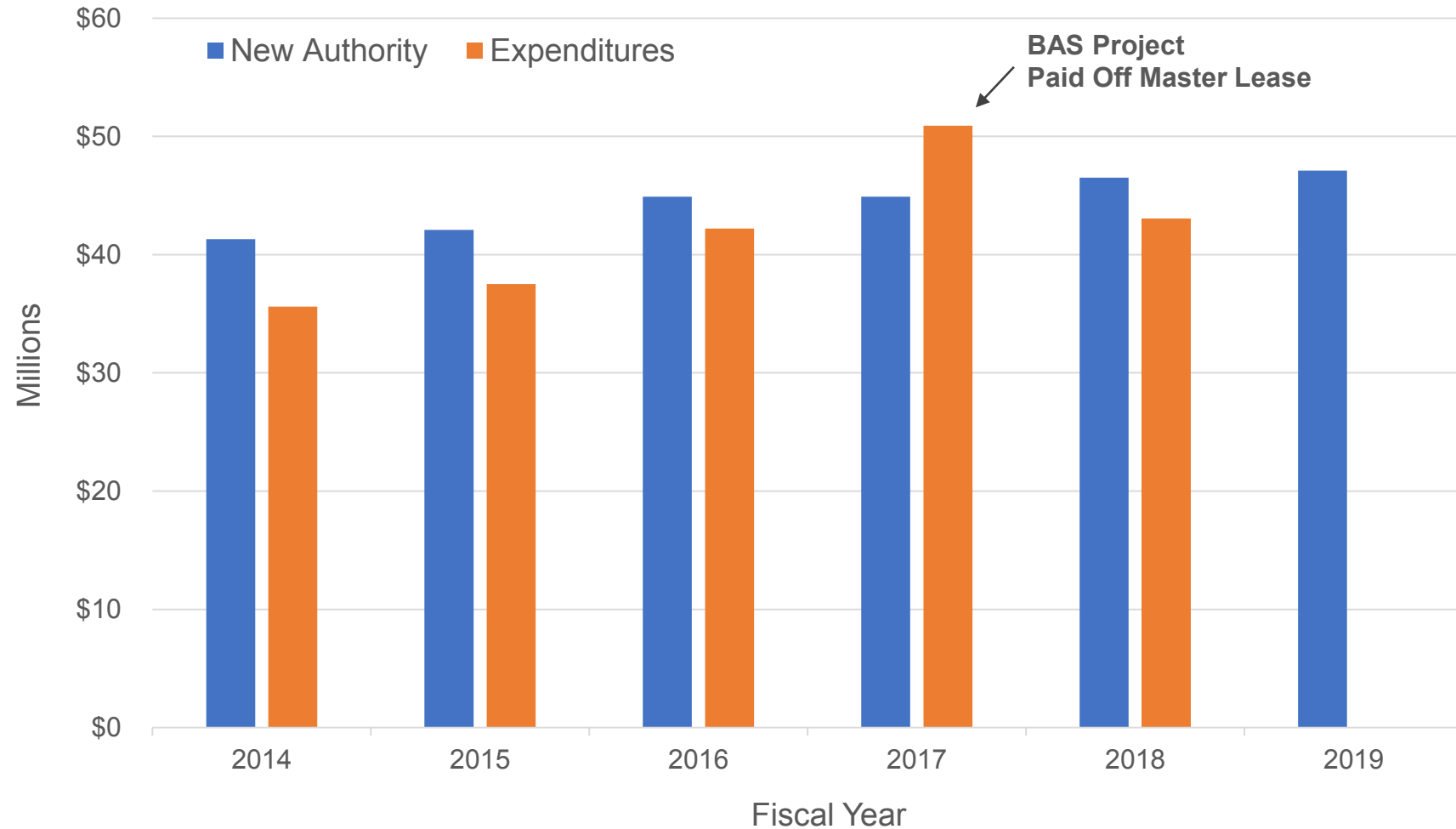
Fiscal year 2017 is an outlier in that Benefit Administration System (BAS) project costs resulted in spending over the level of new budget authority for that year. Those extra costs were covered from budget authority carried over from prior years.

Outlook

Fiscal year 2019 operating budgets have been established and spending will be managed to those budgets. Based on a review of budget items and expenditures through Q2, projections remain consistent with ETF's FY19 budget.

The agency's 2019-21 biennial budget request was submitted in October and any changes will be implemented once the new budget bill is enacted later this year.

Operational Budget New Authority vs. Actual Expenditures



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.

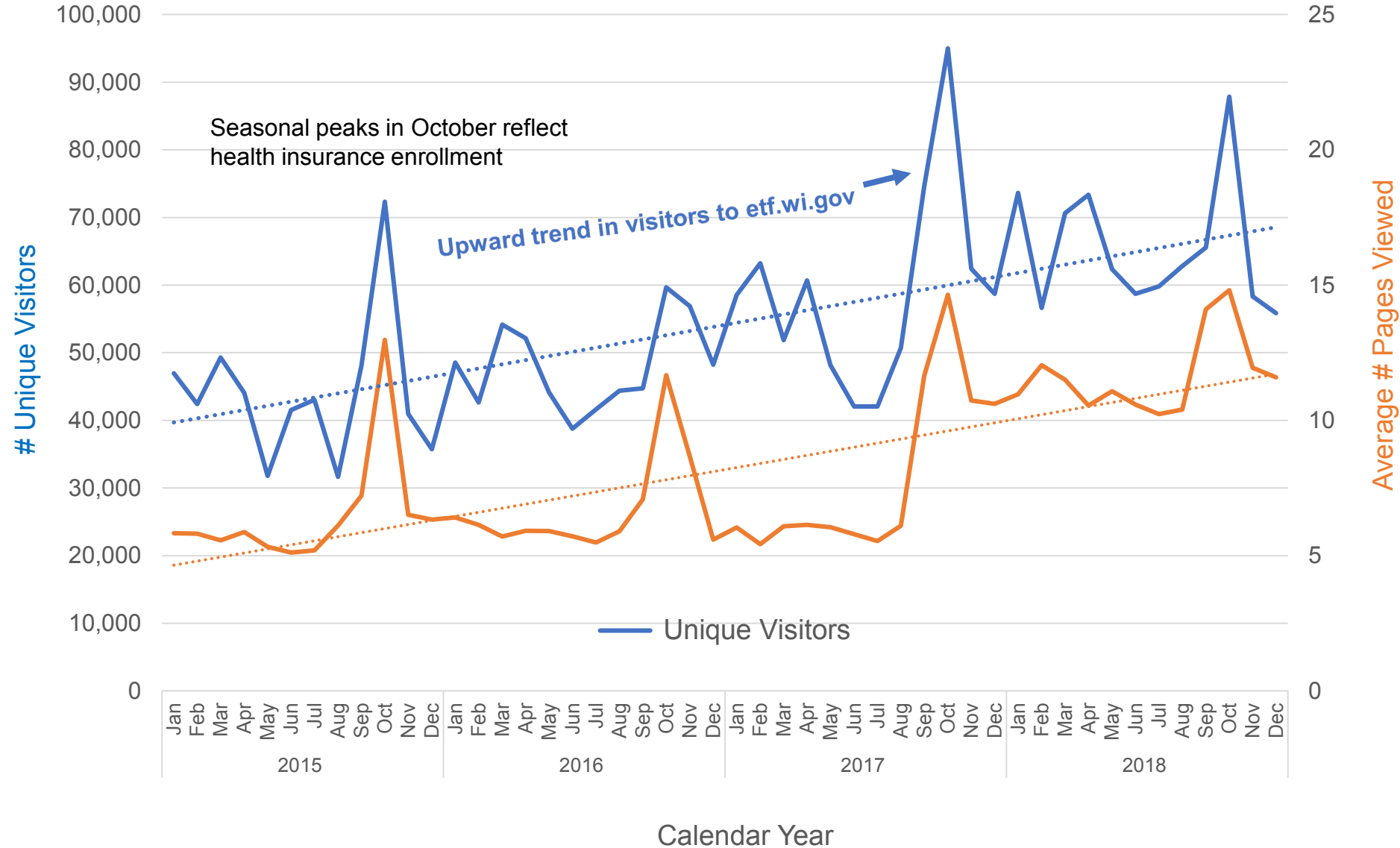
Current Status

The increase in unique visitors slowed in 2018. However the total number of visitors increased. Unique visitors increased 34% in the last 2 years, meeting the 15% goal on average.

Outlook

With the redesigned website, targeted for Q2 2019, we anticipate an initial increase in website usage stemming from rollout promotions. Customer satisfaction will also be measured through qualitative surveys.

Website Usage Unique Visitors and Pages Viewed



CUSTOMER – C2

Overview

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

2018 Service Goals indicate the percentage of callers that reach a representative in a timely manner.

- This includes:
 - 50% of calls answered in 2 minutes
 - 70% of calls answered within 3 minutes.

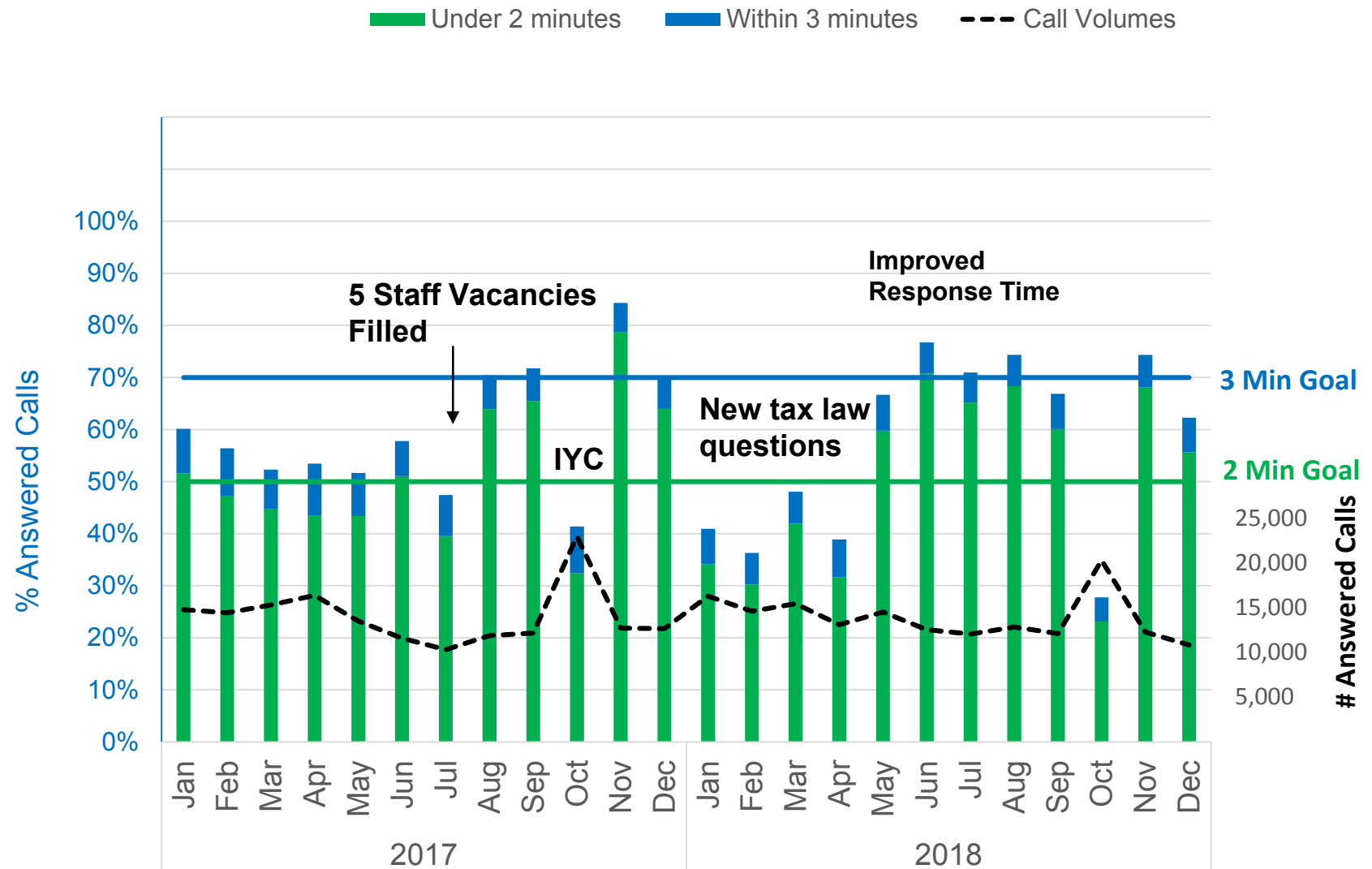
Current Status

Q4 2018 saw a drop in the **number of calls answered** compared to Q3 2018, especially in the month of October due to Its Your Choice(IYC). However it bumped back up in November as this typically marks the end of the IYC.

Outlook

Speed of answer was lower compared to IYC 2017 despite lower call volume. The average call time during IYC this year was 2 minutes longer compared to last year because of the supplemental plan change questions.

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

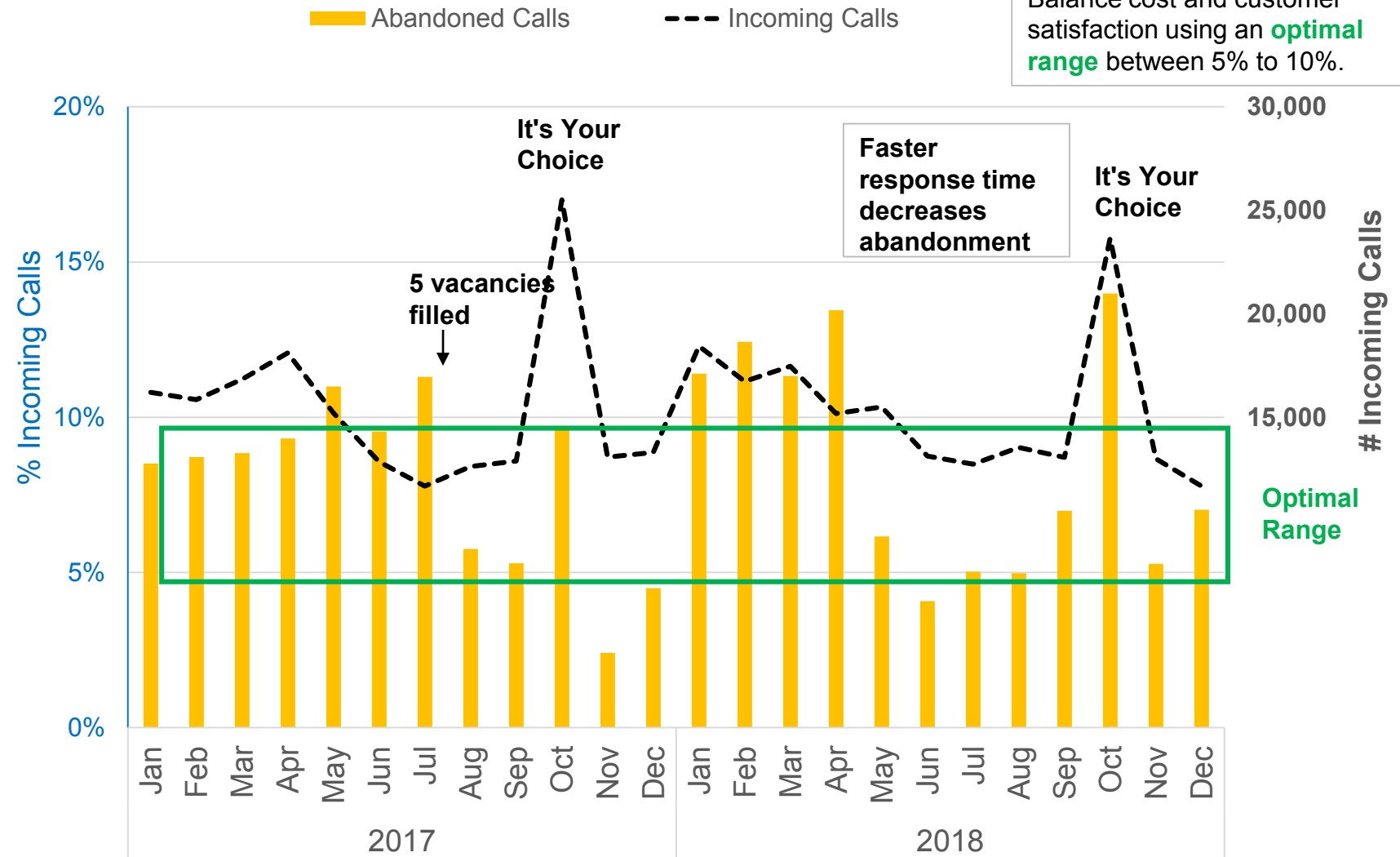
Call Abandonment Rate in Q4 2018 rose by 3% compared to Q4 2017. The increase is attributed to lower speed of answer as seen on chart C2. This caused callers to wait longer.

Outlook

Based on experience calls are expected to increase in January 2019, due to seasonal questions about effective rates and annuity adjustments, tax documents, and lump sums delayed until the effective rate is established.

Call Center - Abandoned Calls

Call Abandonment Goal: Balance cost and customer satisfaction using an **optimal range** between 5% to 10%.



WORKFORCE – W1

Overview

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

Current Status

Turnover as of Q4 2018 was 13%, exceeding turnover of 2017.

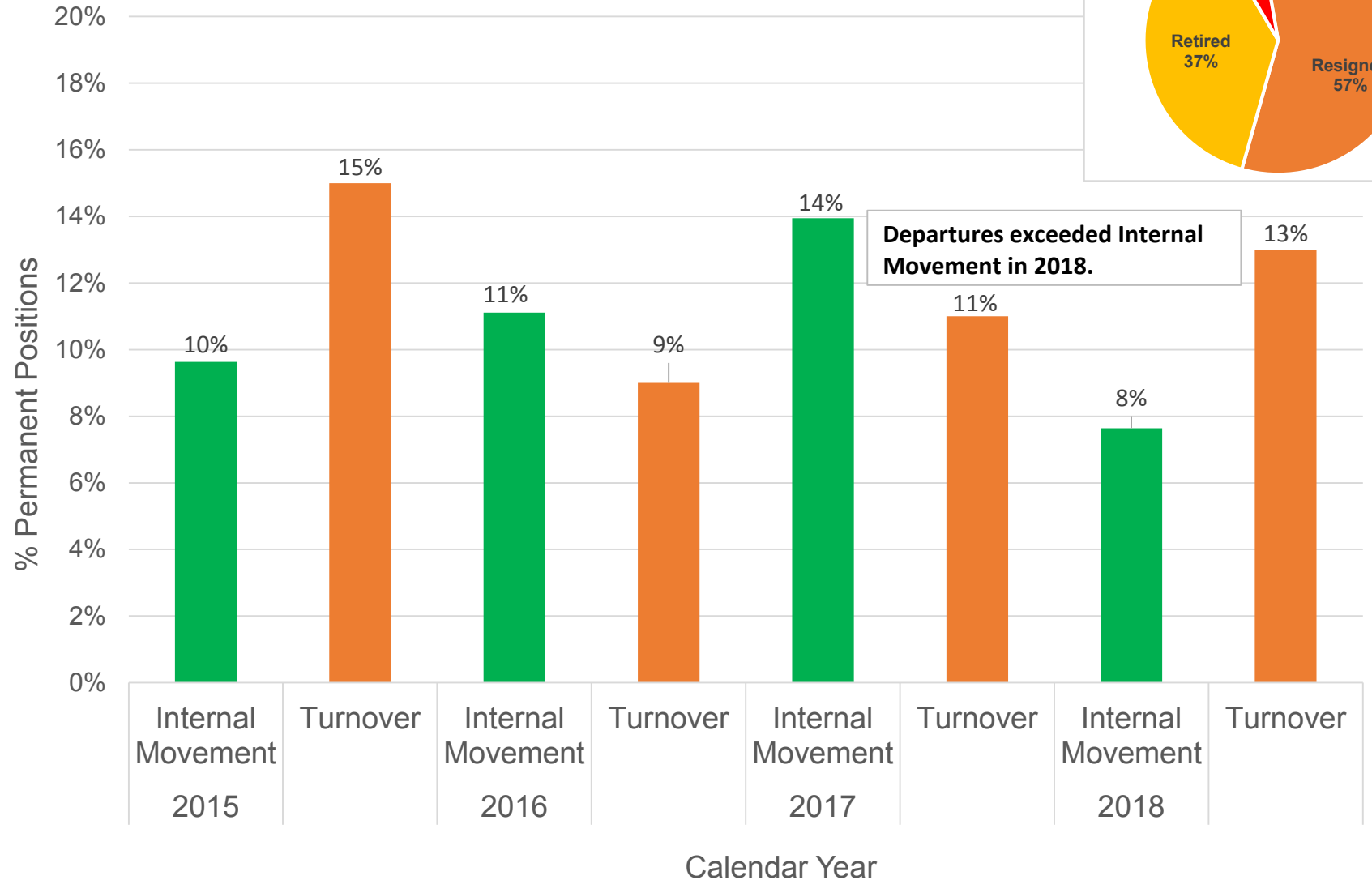
Internal transfers dropped significantly in 2018 coinciding with compensation plan changes and the building move though it has not been determined these are the cause.

Outlook

With high turnover early in the year it was unclear if departures were expedited due to the building move or if we would see a higher overall turnover rate for the year. The latter was the case with 2% increase over last year.

Internal movement and turnover was 4% lower than in 2017. It is expected that turnover should move toward prior year levels even if internal movement does not rebound.

Workforce Turnover Departures versus Internal Movement Q4 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 1 is still open.

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

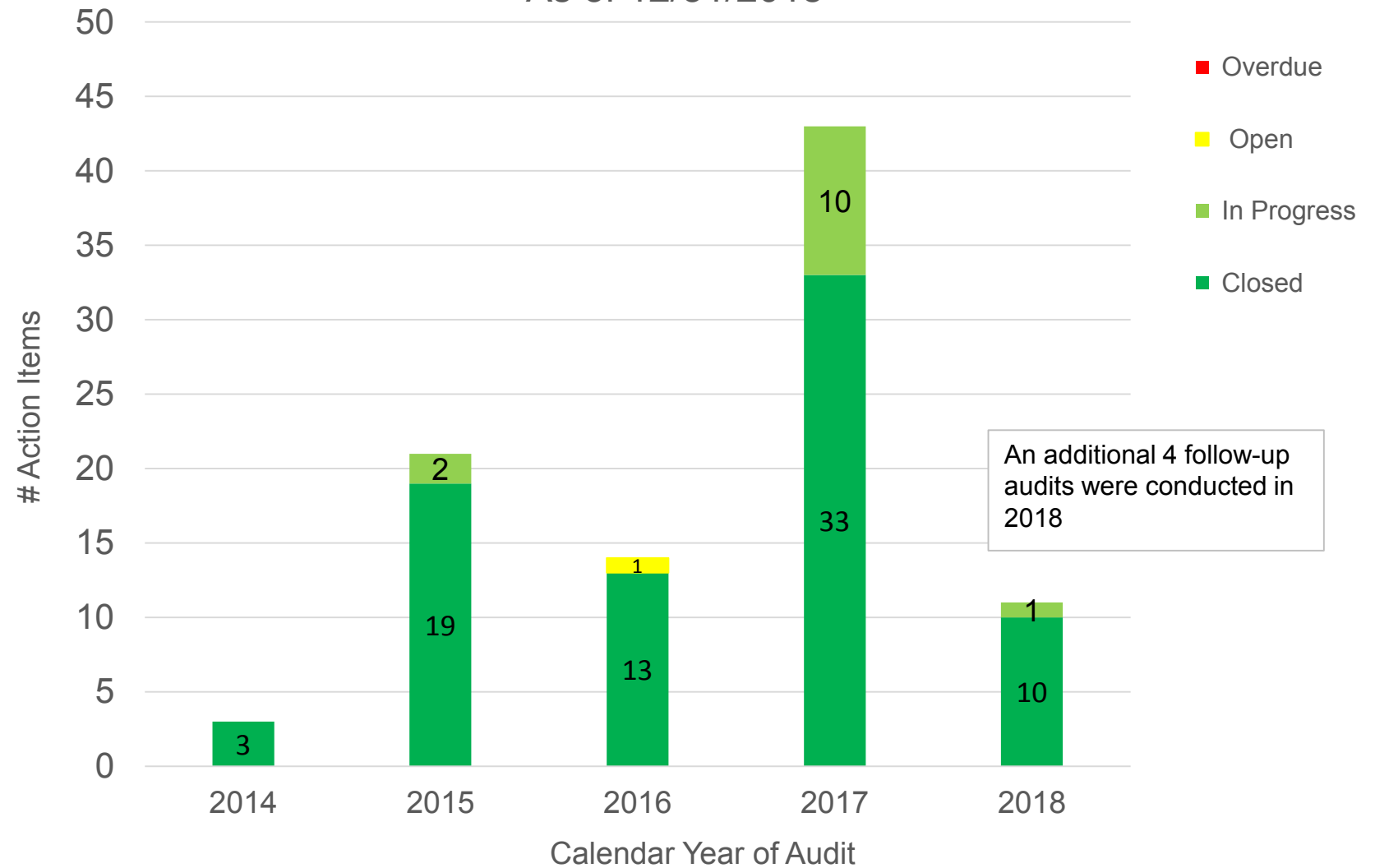
Of the 11 new action items identified in 2018, **10** have already been implemented.

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. Two additional follow-up audits are scheduled in 2019 to assess effectiveness of management corrective actions. 1 item from 2016 is on hold due to the BAS project.

Internal Auditing Recommendations by Status As of 12/31/2018



PROCESS – P2

Retirement Estimates Volumes and Turnaround Time

Overview

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

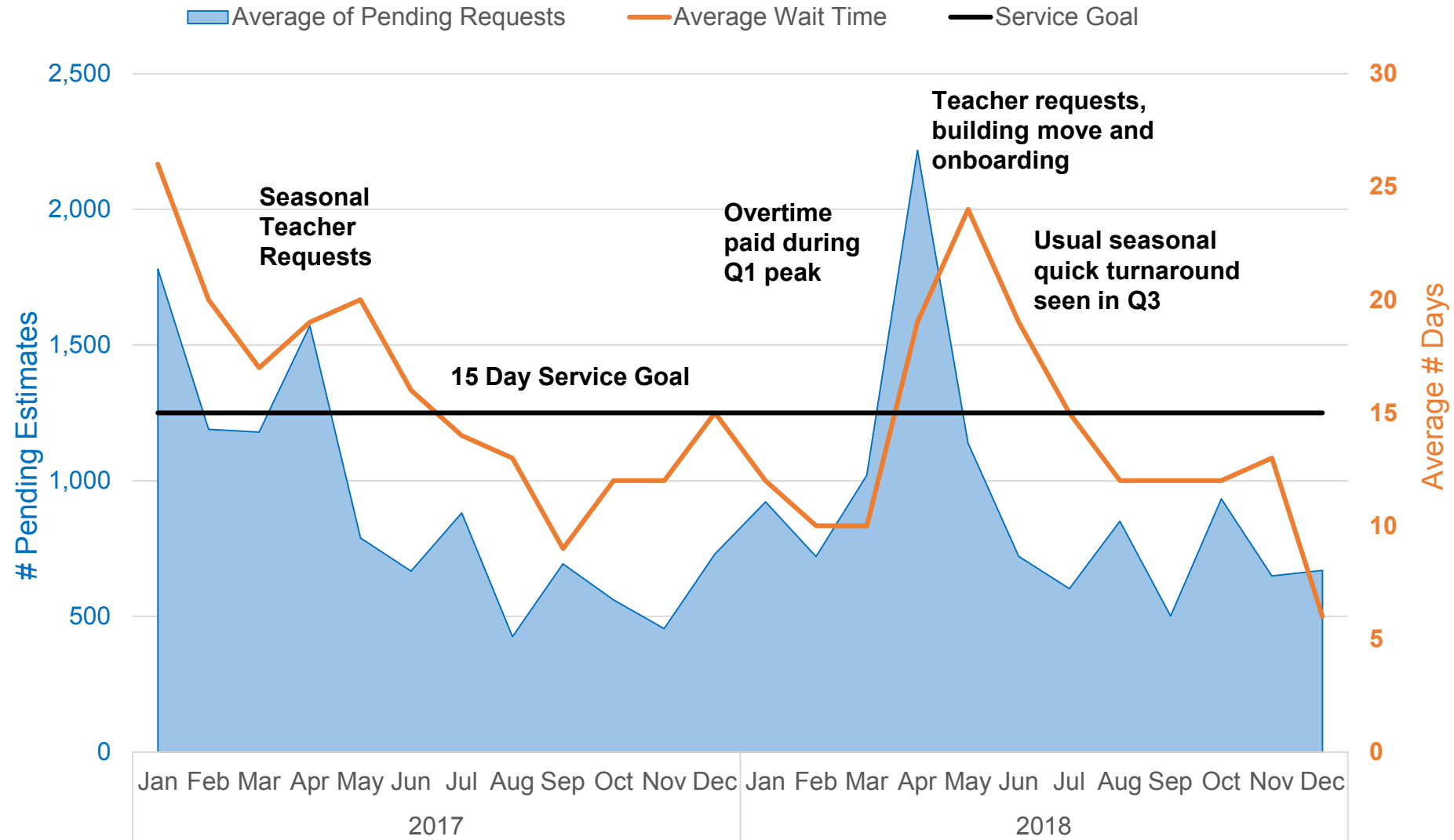
The service goal of 15-day turnaround is met on average with expected peaks early in the year for teacher requests.

Current Status

Q4 had the expected fast turnaround with low volume of request.

Outlook

The current work basket volumes indicate there will be a rise in the number of retirement estimates for Q1 compared to last year.



PROCESS – P3

Overview

Member counseling appointments (primarily retirement related) in 2018 included:

Individual face-to-face	(3523)
Individual online	(916)
Group appointment	(2,409)

This excludes field presentations (4,205) and Walk- ins (4311).

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

Current Status

In 2018, the wait for an individual appointment remained high. Despite delivering 8% more individual and virtual sessions (versus 2017), demand exceeded capacity.

Outlook

Appointment wait times may stay the same based on the current work basket volumes. Demand is expected to remain high during Q1 2019.

Member Appointment Scheduling Wait Times

