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## ***Correspondence Memorandum***

**Date:** August 26, 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 second quarter of 2019. As we continue to enhance the performance measurement process at ETF, the contents of this report may be modified. In this report there are no changes of note.

The second quarter saw significant improvement in the call speed of answer, evident by the fact this measure moved from red to green (Slide 3). This is despite handling 750 more calls than in the first quarter. As you look closer at the detail of this performance objective (Slide 10) you see that May and June were the two best months we have had in speed of answer since November 2017. While not as clear, but equally as positive, is the fact that the call center was able to respond favorably to a spike in demand in April. Spikes in demand always add pressure to our capacity; our ability to address these spikes is necessary to provide consistent service. The third quarter will include the impact of a new automated call distribution system. This new system, implemented in late August, will also enhance the customer experience when they call ETF.

As illustrated on slide 3, the challenges in meeting performance objectives continue to center around timely availability of individual retirement counseling sessions, both in person and online. The average wait time for an individual appointment is almost double our target of 15 days. This is largely due to demand being greater than our capacity. Considering this, we are making changes to improve capacity. First, we plan to implement a new appointment scheduling system, set for go live in the first quarter of 2020. Second, we have developed a new Member Services Bureau staffing model, which should increase the availability of appointments. As these changes become fully operational, we would expect the wait time to decrease.

Board	Mtg Date	Item #
ETF	9.19.19	5C

ETF Operational Metrics

August 26, 2019

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While the retirement estimates performance objective is also red, this is the result of a significant increase in demand from teachers preparing to retire at the end of the school year. It is expected that quarter 3 will see a noticeable decrease in pending retirement estimates due to lower volume, new staff being assigned, and improved efficiency following a recent business process improvement project in this area.

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

Attachments: A. ETF Operational Metrics report

# ***Office of the Secretary***

## *ETF Operational Metrics Report - through 2019 Q2*



August 23, 2019

Prepared for the ETF Board Meeting, September 19, 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.

## CUSTOMER

### ETF Customer Service

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

## WORKFORCE

### ETF Workforce Sustainability

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

## 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 06/30/2019

					Quarter				Year		
									Current		Current
Category	Chart Measure	Performance Objective	Calendar Year:	Target	Q3-18	Q4-18	Q1-19	Q2-19	FY17 2017	FY18 2018	FY19 YTD 2019
FINANCIAL	F1	Total Operational Cost	Total operational cost per member including insurance and capitalized costs (Fiscal Year, Annual)	NA					\$112	\$94	\$94
	F1	Pension Fund Cost	Pension fund operational cost per member as a percent of peer average (Fiscal Year, Annual)	70%					77%	73%	
	F2	Operational Budget	Ratio of the actual expenses to approved budget (Fiscal Year)	<100%					113%	93%	93%
CUSTOMER Call Center	C2	Call Speed of Answer	Member calls answered within 3 minutes	70%	70%	55%	54%	73%	60%	57%	64%
	C3	Call Abandonment	Member calls answered before call is abandoned	90%	94%	91%	91%	94%	92%	91%	93%
		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%	100%	100%	99%	99%	98%	100%	99%
		Payroll Inception	Retiree benefits starting by next payroll or desired effective date	100%	100%	100%	100%	100%	100%	100%	100%
		Separation benefits	Separation benefits paid to members within 30 days (75 days in Q1)	90%	90%	80%	91%	88%	83%	84%	90%
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%
WORKFORCE	W2	Retention / Turnover	Employees retained as a percent of total positions (Annual)	85%					89%	88%	
PROCESS	P2	Retirement Estimates	Average wait for retirement estimate is within 15 days of request	15	13	10	13	20	16	14	17
	P3	Individual Appointments	Average wait for next available individual session is within 15 days	15	28	24	28	29	17	28	29
	P3	Virtual Appointments	Average Wait for the next available Virtual Appointment under 15 days	15	15	12	24	25	8	14	25
	P3	Group Appointments	Average wait for next available group sessions under 15 days	15	2	3	5	5	4	3	5

## ETF Operational Metrics Services Delivered

Report as of 06/30/2019

		Quarter				Year					
		Current				Current					
Category	Chart	Calendar Quarter:		Q3-18	Q4-18	Q1-19	Q2-19	2016	2017	2018	YTD 2019
<b>CUSTOMER</b>	<b>C1</b>	Website Visitors	188,141	202,021	181,122	<b>175,903</b>	576,009	708,022	785,472	<b>357,025</b>	
		Website Visits	394,617	454,719	404,283	<b>370,788</b>	1,107,832	1,395,938	1,652,952	<b>775,071</b>	
		Website Viewed Pages	2,189,426	2,644,701	2,631,569	<b>2,129,190</b>	3,939,516	6,015,742	9,221,197	<b>4,760,759</b>	
		Twitter Number of Tweets Sent	110	163	176	<b>167</b>			546	<b>343</b>	
		Twitter Followers (current)	775	829	831	<b>875</b>			829	<b>1,706</b>	
		Twitter Impressions (views)	101,500	174,900	122,600	<b>125,900</b>			472,600	<b>248,500</b>	
		Email Campaigns - GovDelivery	47	62	55	<b>48</b>	260	251	196	<b>103</b>	
		Email Subscribers (current)	44,047	43,947	111,1	<b>69,561</b>	39,910	43,051	43,947	<b>111,157</b>	
<b>Call Center</b>		Calls received	39,335	48,322	48,655	<b>49,405</b>	175,329	184,374	184,099	<b>98,060</b>	
		Emails processed	3,116	3,675	4,102	<b>4,200</b>	12,459	12,718	15,786	<b>8,302</b>	
<b>Retirement Education</b>		Field Presentations	1,016	1,253	917	<b>1,430</b>	6,890	4,379	4,205	<b>2,347</b>	
		Webinar Presentations	1,982	1,811	1,608	<b>3,058</b>	7,139	6,400	7,120	<b>4,666</b>	
		Group Appointments	483	585	647	<b>692</b>	2,648	2,172	2,409	<b>1,339</b>	
		Individual Appointments	1,020	1,061	1,113	<b>1,026</b>	3,815	4,125	4,439	<b>2,139</b>	
		In Person Appointments	800	837	872	<b>834</b>	3,792	3,777	3,523	<b>1,706</b>	
		Virtual Appointments	220	224	241	<b>192</b>	23	348	916	<b>433</b>	
		Walk-in Service	621	1,310	810	<b>892</b>	3,249	5,499	4,311	<b>1,702</b>	
		Members Interactions	5,122	6,020	5,095	<b>7,098</b>	23,741	22,575	22,484	<b>12,193</b>	
<b>Retirement Services</b>		Beneficiary Designations	6,242	6,536	6,695	<b>8,347</b>	27,984	27,352	26,465	<b>15,042</b>	
		Retirement Estimates Completed	5,788	4,686	6,176	<b>7,353</b>	25,483	23,649	24,884	<b>13,529</b>	
		Annuities Started	2,812	1,350	2,354	<b>3,415</b>	10,107	9,776	9,977	<b>5,769</b>	
		Lump Sum Retirement Payments	973	678	488	<b>803</b>	2,782	3,027	3,444	<b>1,291</b>	
		Monthly Annuity Payments	622,885	625,523	629,456	<b>633,219</b>	2,331,538	2,404,502	2,474,269	<b>1,262,675</b>	
		Disability Benefits Paid	29,199	29,100	28,980	<b>28,840</b>	90,160	88,834	116,985	<b>57,820</b>	
<b>WORKFORCE</b>		Departures Processed	7	3	10	<b>3</b>	25	29	35	<b>13</b>	
		New Hires	17	5	12	<b>19</b>	83	58	69	<b>31</b>	
<b>PROCESS</b>	<b>P1</b>	Internal Audit recommendations (Annual)					14	33	11	<b>6</b>	

Legend: **Bold = Current Value**

- 1.2019 Email subscriber numbers includes StayWell participant list for targeted communications about health benefits.
- 2.Twitter Followers and Email Subscribers represent current point in time values and are not cumulative for the year.
- 3.Transition phase to the new website saw a momentary drop in the website visit numbers.

## ETF Operational Metrics - Definitions

Chart	Name	Description
<b>F1</b>	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.
<b>F2</b>	Operational Budget	Operations budget comparison of New Authority versus Actual Expenditures by fiscal year.
<b>C1</b>	Website Usage	Visitors and pages viewed on etf.wi.gov by month for the last 3 calendar years.
<b>C2</b>	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.
<b>C3</b>	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.
<b>W1</b>	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.
<b>P1</b>	Internal Auditing	Total Internal Auditing recommendations and the current status of resolution by calendar year of audit.
<b>P2</b>	Retirement Estimates	Retirement estimate production and turnaround time, by month for the last calendar year and year to date.
<b>P3</b>	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.

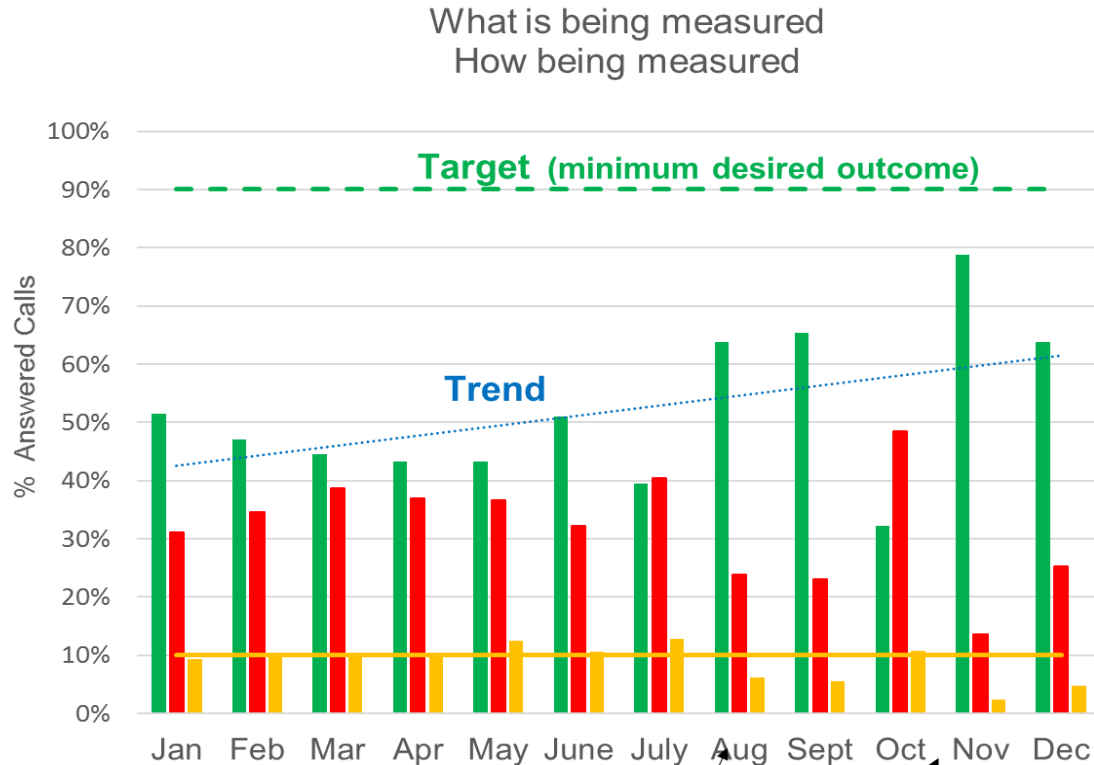
### Outlook

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





# 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.

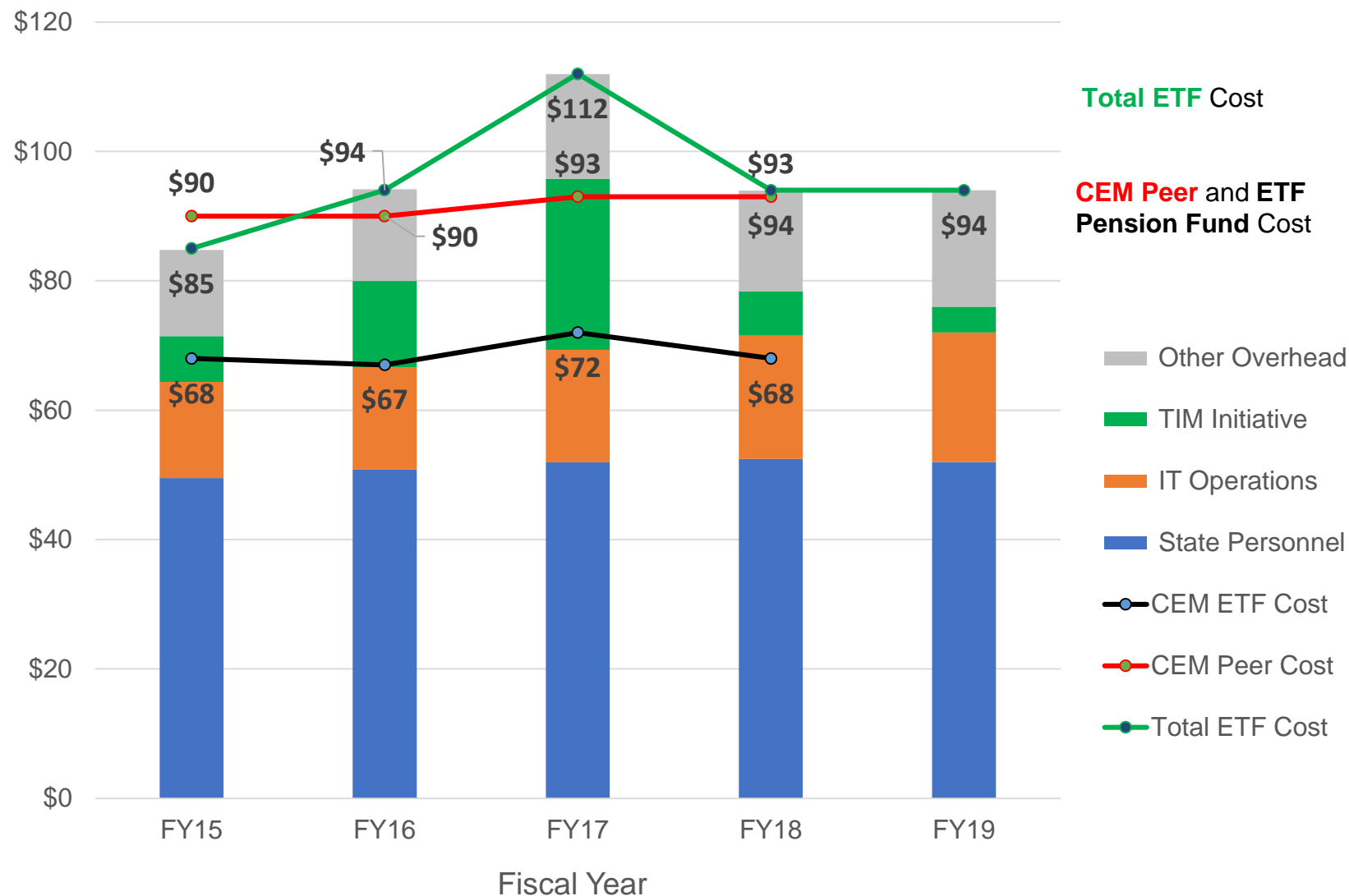
## Current Status

FY19 saw a drop in **TIM Initiative** cost and an increase in the **Other Overhead** cost. ETF overall costs remained consistent with FY18.

## Outlook

Future costs per member may increase due to investments in modernization efforts that are expected to improve member experience.

## Operational Cost Per Member Active & Annuitant



# FINANCIAL – F2

## Overview

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

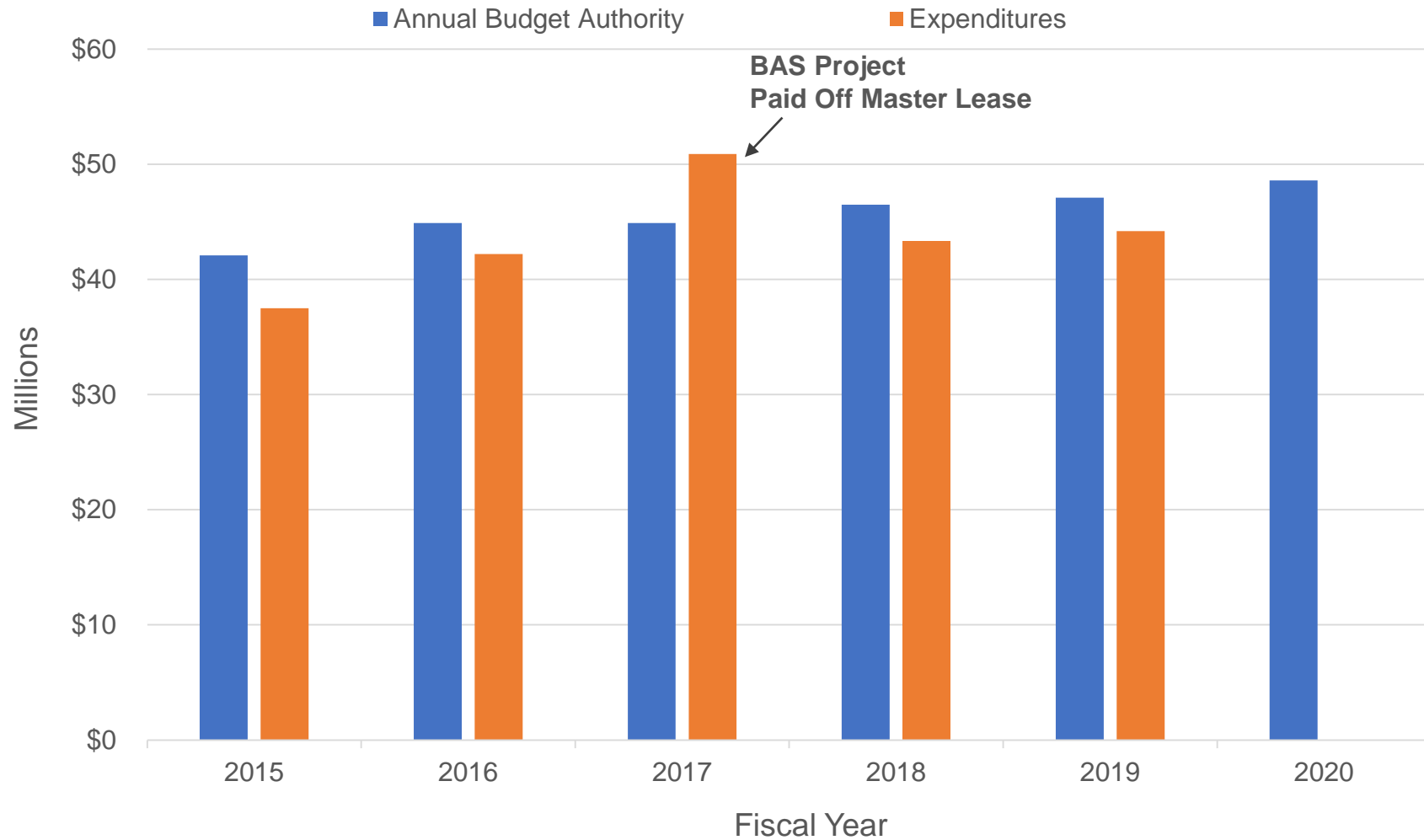
## Current Status

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 2020 operating budgets have been established and spending will be managed to those budgets.

## Operational Budget Annual Budget 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.

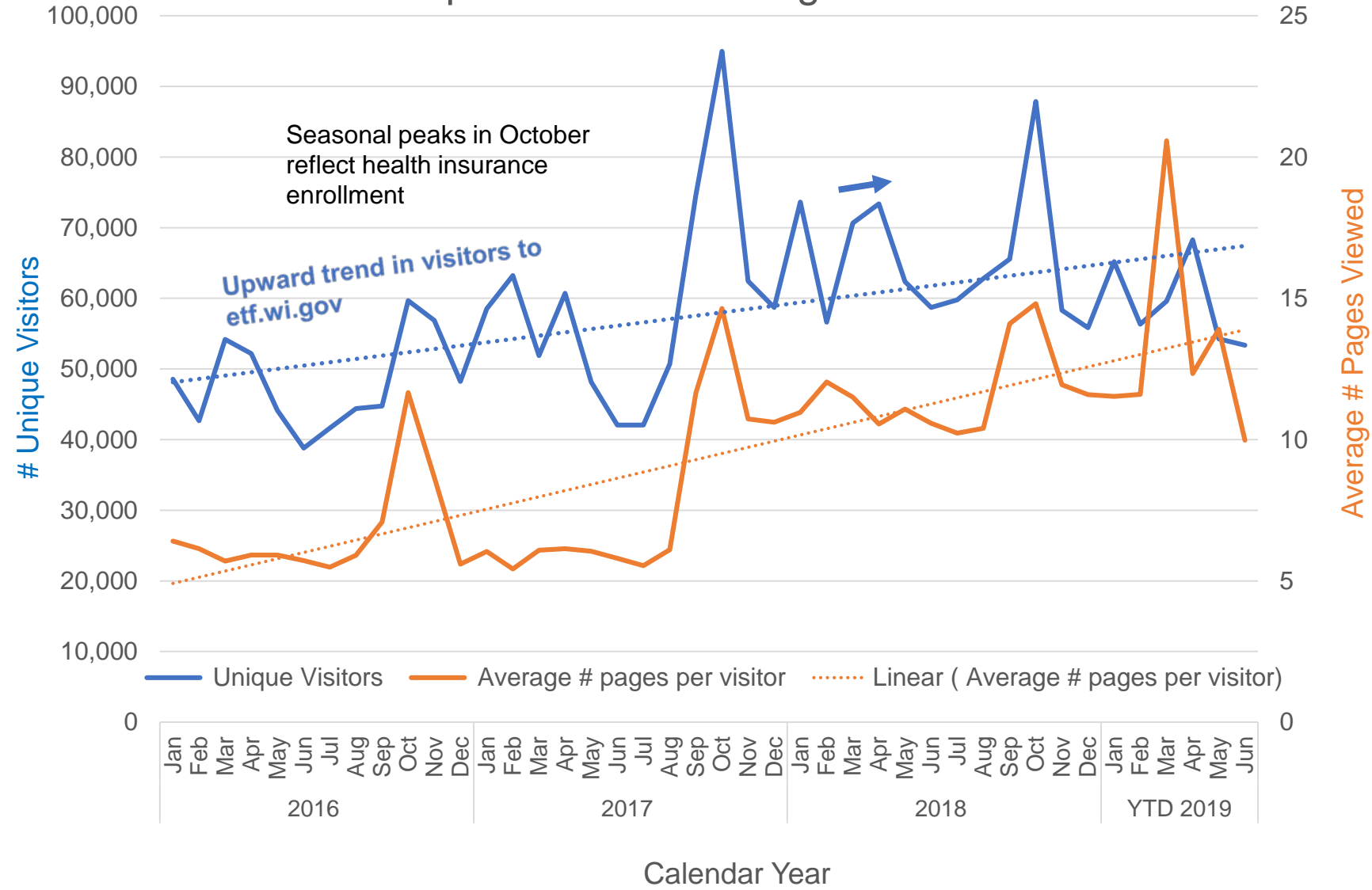
## Current Status

There has been an average drop of 12% in the number of unique visitors and pages viewed in Q2 compared to the Q1 over the last 3 years. This could be attributed to a seasonal spike in Q1 due to annuity adjustments and taxes when compared to Q2 of every year.

## Outlook

A decrease in pages viewed per visitor is expected because of the new website's task based navigation and improved search. This should lead to fewer clicks per visit, which aligns with one of our goals of the new website redesign.

## Website Usage Unique Visitors and Pages Viewed



# CUSTOMER – C2

## Overview

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

**2019 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.

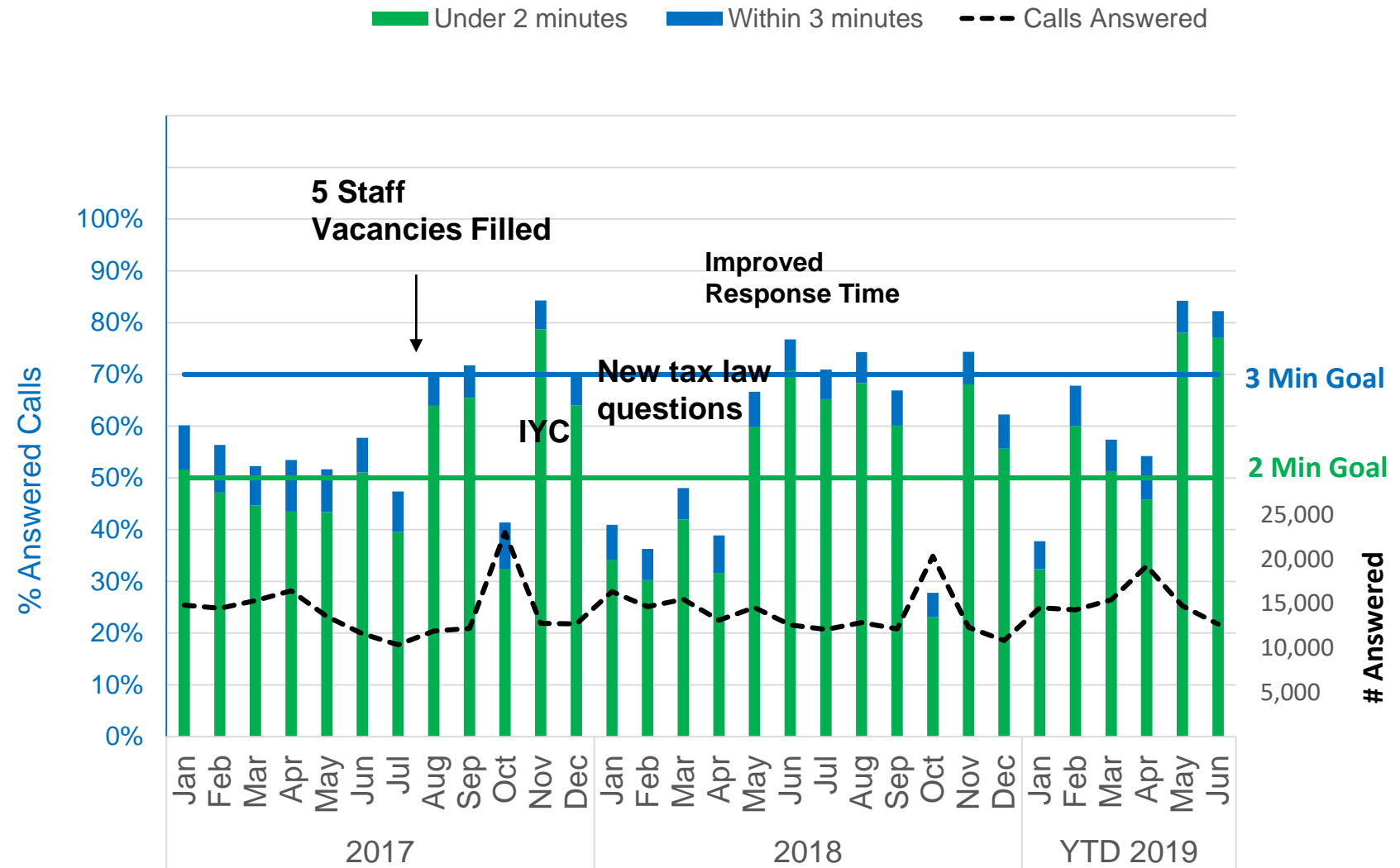
## Current Status

The average speed of answer improved by 7% in Q2 2019 compared to Q2 2018. All of this improvement was observed for calls under 2 minutes.

## Outlook

Trends for Q3 over the last 2 years suggests the speed of answer will improve because of the seasonal decrease in call volume. But Q4 may see a drop due to year end activities.

## 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

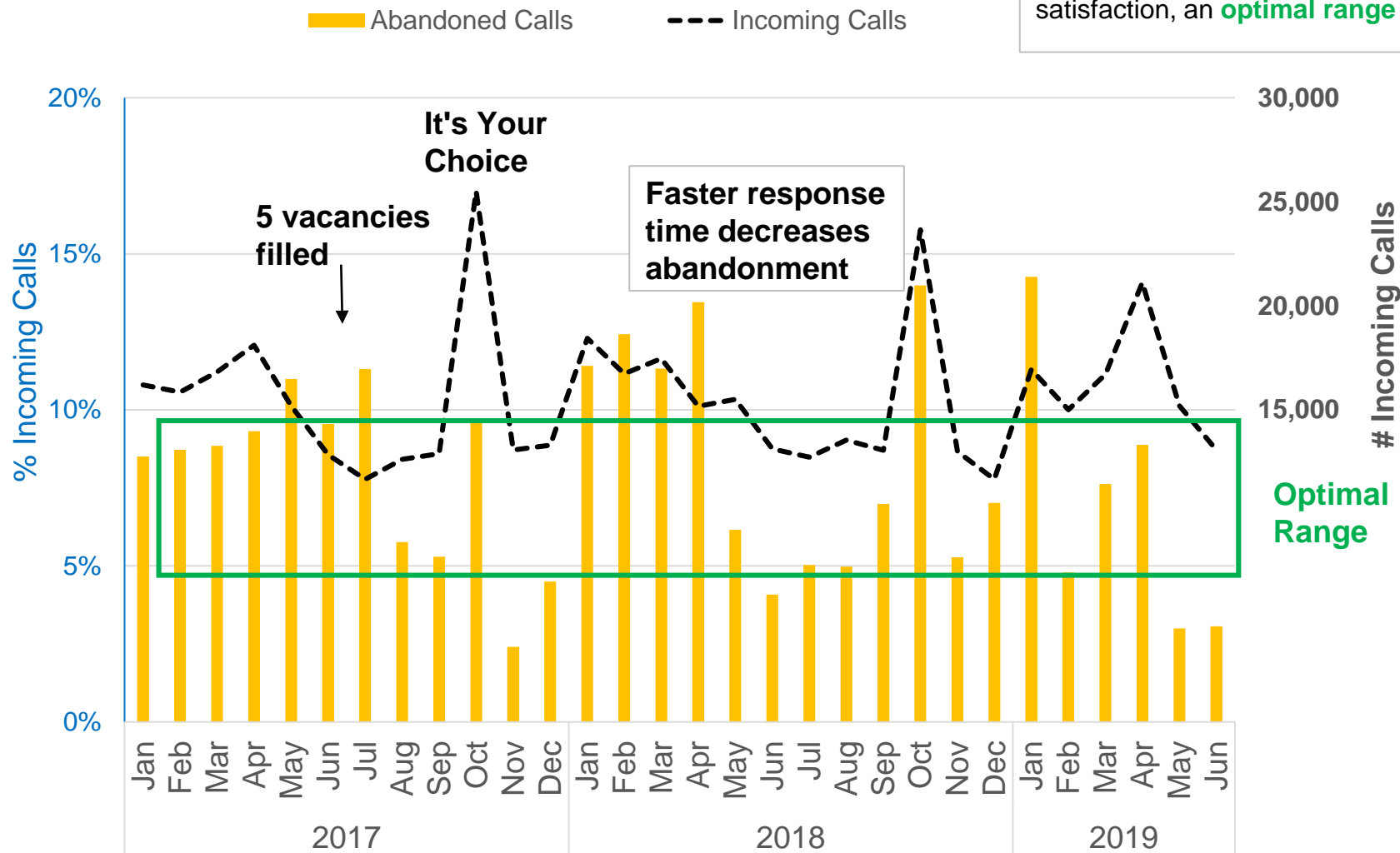
**Call Abandonment Rate** in Q2 2019 improved by 4% compared to the Q1 2019 and by 3% compared to Q2 2018. This improved performance could be attributed to the 20% improvement in number of calls answered under 2 minutes. This implies agents were readily available to answer the calls.

## Outlook

Q3 2019 is expected to follow a seasonal trend of low abandonment rate.

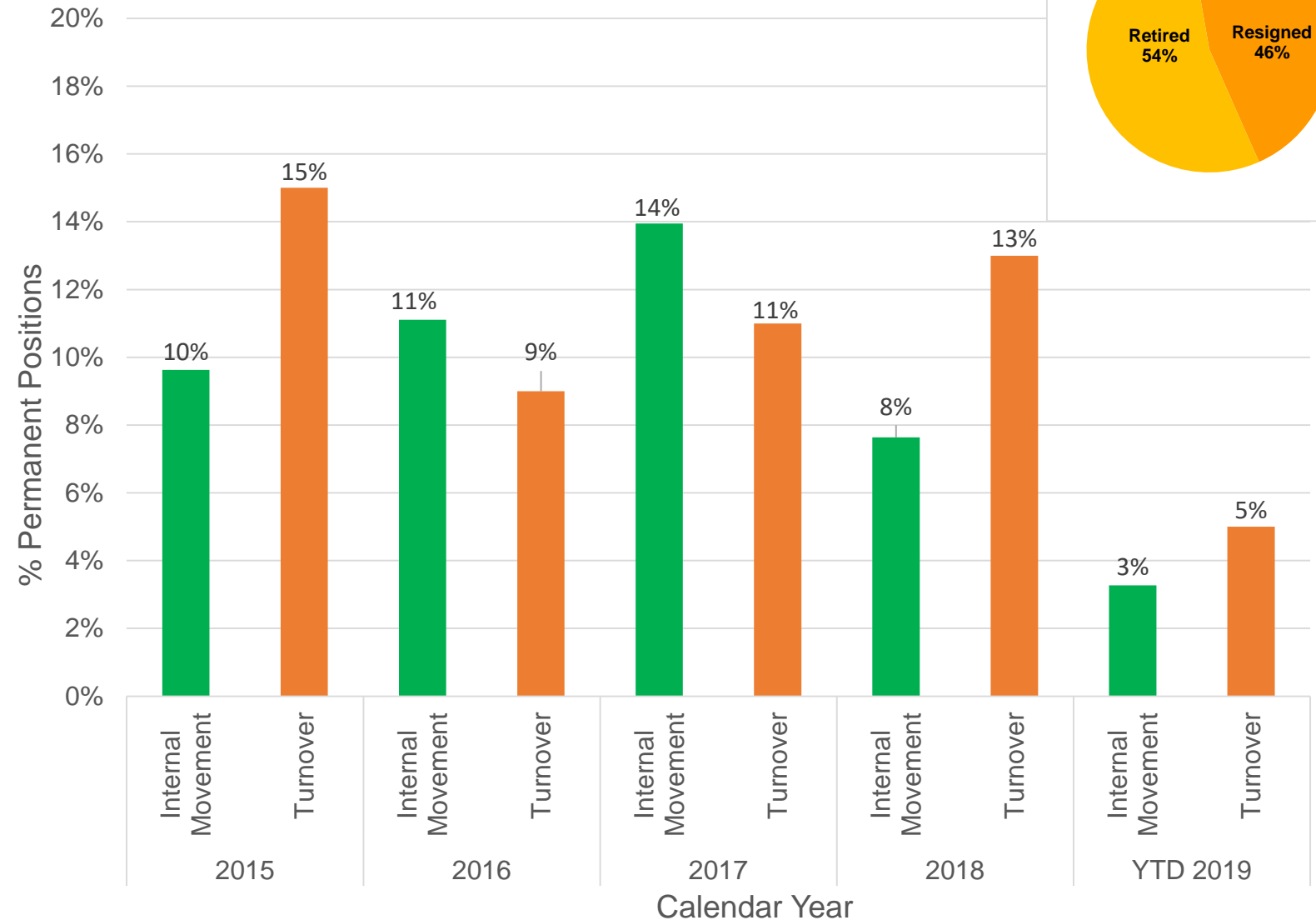
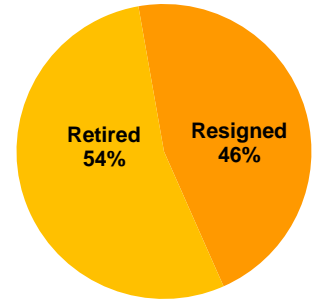
## Call Center - Abandoned Calls

**Call Abandonment Goal:**  
To balance cost and customer satisfaction, an **optimal range**



## Workforce Turnover Departures versus Internal Movement Q2 2019

Departures by Reason  
2019



### Overview

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

### Current Status

Internal movement saw a rise of 1% in Q2 2019 from Q1 2019. Turnover saw a 48% drop in Q2 2019 (13 departures) compared to Q2 2018 (25 departures). There have been 13 departures in 2019 so far, out of those 13, 6 of them were due to resignations (46%). The remaining 7 were due to retirement (54%). In Q2 2019 there has only been one resignation.

### Outlook

Analyzing the data from the last 4 years, internal movement has decreased by an average of 22% between Q2 and Q3. However, Q2 2019 can be seen as an outlier as it only has 3 internal movers as compared to the yearly Q2 average of 8. Therefore we can expect an increase in Q3 2019 due to that quarter's yearly average being 6. Turnover has decreased by an average of 47% between Q2 and Q3. However, Q2 2019 can be seen as an outlier as it only has 3 departures as compared to the yearly Q2 average of 10. Therefore we can expect a modest increase in Q3 2019 due to that quarter's yearly average being 5.

# PROCESS – P1

## Overview

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

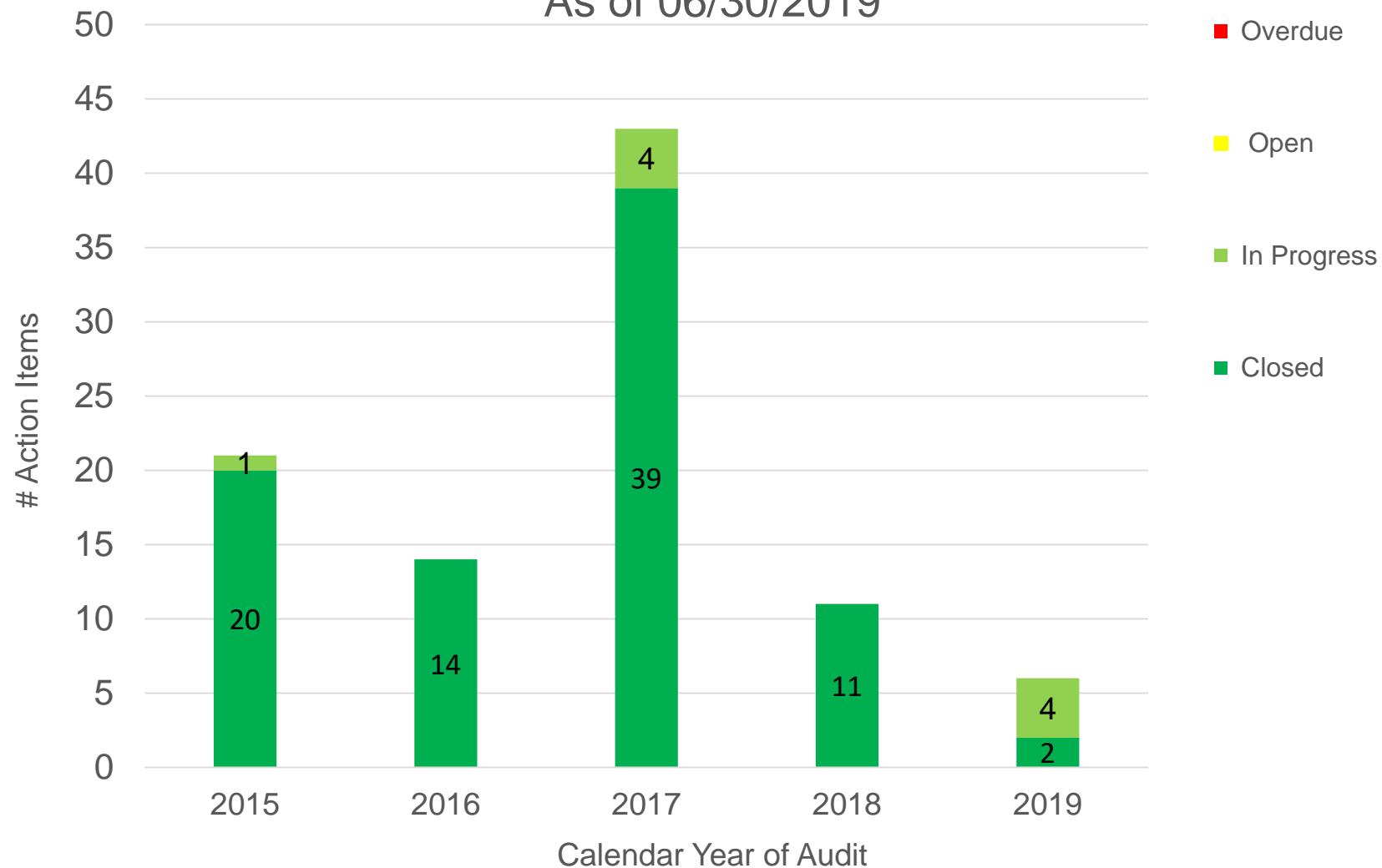
## Current Status

Of the 98 action items identified by the OIA (Office of Internal Audit) as of 6/30/2019, 91% were completed by the management.

## Outlook

The in-progress items as of second quarter of 2019 are expected to be completed by December 31, 2019.

### Internal Auditing Recommendations by Status As of 06/30/2019



# PROCESS – P2

## 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.

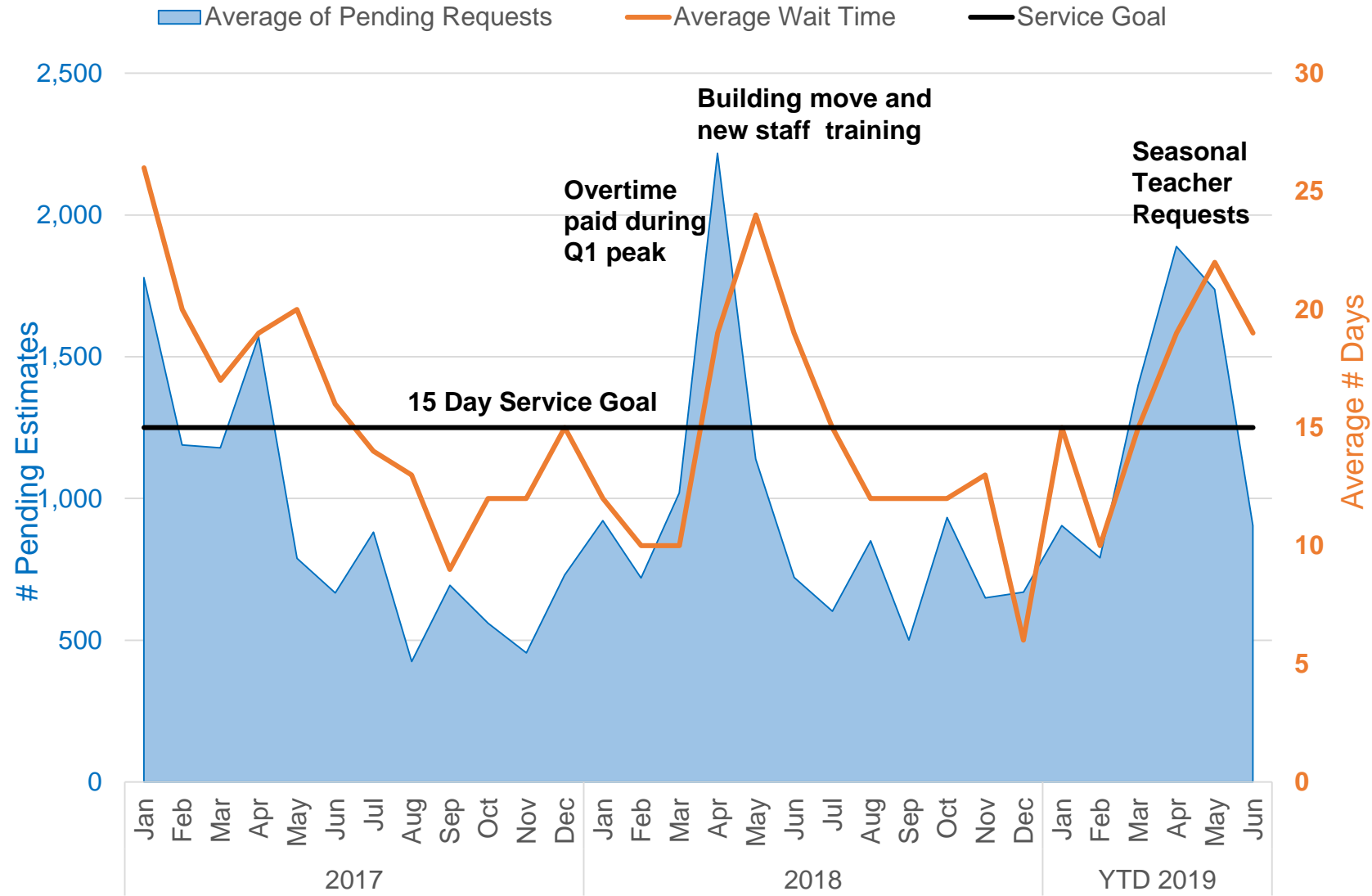
## Current Status

The number of retirement estimates and the average wait time requests rose in Q2 2019. This could be attributed to seasonal teacher requests. Teachers tend to retire by the end of the year in June.

## Outlook

A decrease in pending retirement estimates is expected for Q3 due to new staff members being allocated to work on retirement estimates. In addition, some Business Process Management (BPM) initiatives to improve efficiency should be completed in Q3. The staff time to produce each retirement estimate is expected to decrease by approximately 25%.

## Retirement Estimates Volumes and Turnaround Time





# PROCESS – P3

## Overview

Member counseling appointments (primarily retirement related) in the 2nd quarter of 2019 included:

Individual face-to-face	(834)
Individual online	(192)
Group appointment	(692)

This excludes field presentations (1430) and Walk-ins (892). Wait times are measured from request to the first available appointment, not the selected appointment.

## Current Status

As expected, demand for appointments remained high in Q2 2019. A new appointment scheduling system has caused ETF to take a new look at service delivery. Specifically, a new staffing model that in the long term should allow for more appointments.

## Outlook

Demand is expected to remain high and to increase in the future. We anticipate that the new staffing model should increase overall appointment availability, although probably most of the increase will be to the number of individual face-to-face appointments.

## Member Appointment Scheduling Wait Times

