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Correspondence Memorandum

Date: May 20, 2020
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 first quarter of 2020.

At the March 29, 2018, ETF Board meeting I presented the first operational metrics report. At the time, the objective of the report was two-fold. First, it was intended to enhance the Board's oversight function through improved agency performance information. Second, it was envisioned as a major step toward expanding the use of metrics-based decision-making throughout the agency which was one of the agency's strategic goals.

The attached metrics report is a significant milestone regarding agency performance in that it is the first without any "red" objectives in the most recent quarter. The report has evolved based on Board member feedback, the availability of data, and the ongoing assessment regarding the value of each measurement. More importantly, as represented in the current report, the focus on performance management has resulted in improved service levels. The table signifying performance with red, yellow and green was first introduced in September 2018. At the time there were five performance objectives that were designated as "red." Progressing to the point in which we have none is commendable.

Over the past two years staff have worked hard to evaluate and make changes in areas that were not meeting performance targets. This has included reevaluating staffing models, changing training approaches, and improving processes. I have noted in the past few metrics memos that we were expecting a series of changes to come together that would address our struggles to reduce the wait time for individual appointments. I am pleased to report that this has occurred, and the wait time is now three days below

Board	Mtg Date	Item #
ETF	6.18.20	6B

our performance target. In addition, a new appointment scheduling software system (Qflow) was successfully implemented in April, which will further improve efficiency and member communication. Phase two of this software implementation will allow members to schedule their own appointments online. Hopefully this will be operational by the end of the calendar year.

While our current performance measurement approach has facilitated operational improvements, the time is right for the agency to further mature in this area. This means advancing from a tactical operational approach to a strategic enterprise emphasis. This will require expanding from reviewing individual transaction performance to assessing how well the agency is doing in achieving its broader strategic goals. These include:

- Create an effortless customer experience;
- Implement outcomes driven performance measurement and process management;
- Build a talented and agile workforce; and
- Implement modern, secure, and resilient information technologies.

If aligned properly, progress in meeting organizational goals should move the agency closer to the achieving the vision we have for the organization. The agency vision was developed by agency leadership as part of our most recent strategic planning process and included input from all staff. This vision is as follows:

Enhancing the well-being of our members by delivering expert guidance, strong, sustainable benefit programs, and an exceptional customer experience.

At a future meeting you will learn more about our use of NorthStar metrics. This will include information on what we will measure for each strategic goal, and our short-term and long-term performance targets. Over time these goal-oriented measurements will replace the current operational metrics. Once completed, this approach should provide the Board an on-going scorecard on overall agency performance. This will not be an easy undertaking, but necessary to further mature our efforts in this area.

I will be available at the meeting to answer questions. Contact John Voelker 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 2020 Q1



May 1, 2020

Prepared for the ETF Board Meeting, Jun 18, 2020

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 3/31/2020

					Quarter			Current	Year			Current
Category	Chart Measure	Performance Objective	Calendar Year:	Target	Q3-19	Q4-19	Q1-20	FY17 2017	FY18 2018	FY19 2019	FY20 YTD 2020	
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%	88%		
	F2	Operational Budget	Ratio of the actual expenses to approved budget (Fiscal Year)	90-100%				113%	93%	93%		
CUSTOMER Call Center	C2	Call Speed of Answer	Member calls answered within 3 minutes	70%	87%	77%	61%	60%	57%	73%	61%	
	C3	Call Abandonment	Member calls answered before call is abandoned	90%	97%	95%	90%	92%	91%	94%	90%	
		Call Quality	Members expressing high level satisfaction with call	99%	98%	98%	97%	99%	99%	99%	97%	
		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%	99%	99%	99%	98%	100%	99%	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%	86%	83%	95%	83%	84%	87%	95%	
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%	88%		
PROCESS	P2	Retirement Estimates	Average wait for retirement estimate is within 15 days of request	15	13	7	12	16	14	13	12	
	P3	Individual Appointments	Average wait for next available individual session is within 15 days	15	26	25	12	17	28	27	12	
	P3	Virtual Appointments	Average Wait for the next available Virtual Appointment under 15 days	15	16	10	6	8	14	19	6	
	P3	Group Appointments	Average wait for next available group sessions under 15 days	15	5	5	4	4	3	5	4	

ETF Operational Metrics Services Delivered

Report as of 03/31/2020

Report as of 03/31/2020		Quarter			Current	Year			Current	
Category	Chart	Output	Calendar Quarter:				2017	2018	2019	YTD 2020
			Q2-19	Q3-19	Q4-19	Q1-20				
CUSTOMER	C1	Website Visitors	175,903	198,499	156,717	243,098	708,022	778,453	712,241	243,098
		Website Visits	370,788	330,862	259,646	388,831	1,395,938	1,662,618	1,365,579	388,831
		Website Viewed Pages	2,129,190	1,487,722	1,248,682	1,432,849	6,015,742	9,663,340	7,497,163	1,432,849
		Twitter Number of Tweets Sent	167	176	184	118		612	703	118
		Twitter Followers (current)	875	911	936	1,000		829	3,553	1,000
		Twitter Impressions (views)	125,900	98,900	107,400	102,800		493,700	454,800	102,800
		Email Campaigns - GovDelivery	48	65	56	46	251	204	224	46
		Email Subscribers (current)	69,561	82,803	75,517	75,954	43,051	43,947	227,881	75,954
Call Center		Calls received	49,405	40,261	47,417	53,816	184,374	193,419	185,738	53,816
		Emails processed	4,200	2,809	4,079	5,651	12,718	16,772	15,190	5,651
Retirement Education		Field Presentations	1,430	1,207	946	1,167	4,379	4,106	4,500	1,167
		Webinar Presentations	3,058	1,635	2,090	2,577	6,400	6,746	8,391	2,577
		Group Appointments	692	597	493	342	2,172	2,573	2,429	342
		Individual Appointments	1,026	1,077	1,100	1,260	4,125	4,532	4,316	1,260
		In Person Appointments	834	857	891	1,093	3,777	3,595	3,454	1,093
		Virtual Appointments	192	220	209	167	348	937	862	167
		Walk-in Service	892	563	1,126	668	5,499	4,500	3,391	668
	Members Interactions	7,098	5,079	5,755	6,014	22,575	22,457	23,027	6,014	
Retirement Services		Beneficiary Designations	8,347	8,977	6,756	7,782	27,352	26,918	30,775	7,782
		Retirement Estimates Completed	7,353	6,369	5,995	9,067	23,649	25,272	25,893	9,067
		Annuities Started	3,415	3,060	1,344	2,561	9,776	9,519	10,173	2,561
		Lump Sum Retirement Payments	803	1,115	696	1,055	3,027	2,959	3,102	1,055
		Annuity Payments	633,219	642,180	644,515	648,391	2,404,502	2,480,840	2,549,370	648,391
	Disability Benefits Paid	28,840	28,691	28,608	28,470	88,834	116,766	115,119	28,470	
WORKFORCE		Departures Processed	3	12	3	10	29	35	28	10
		New Hires	19	17	7	10	58	69	55	10
PROCESS	P1	Internal Audit recommendations (Annual)					33	11	11	

Legend: **Bold = Current Value**

- 1.2019 Email subscriber numbers includes StayWell participant list for targeted communications about health benefits. Q2 2019 includes ERA/HSA participants.
- 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 in Q2. A technical snag in Q4 caused the numbers to drop drastically.

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.

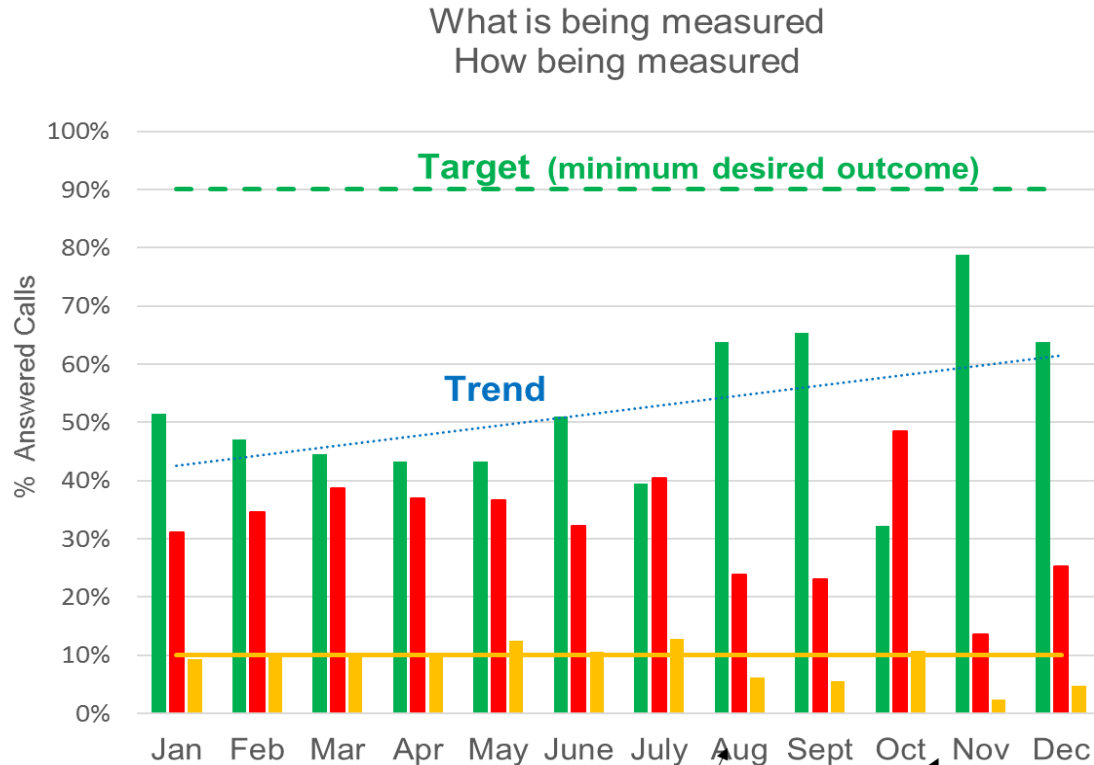


Chart Legend



- 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.

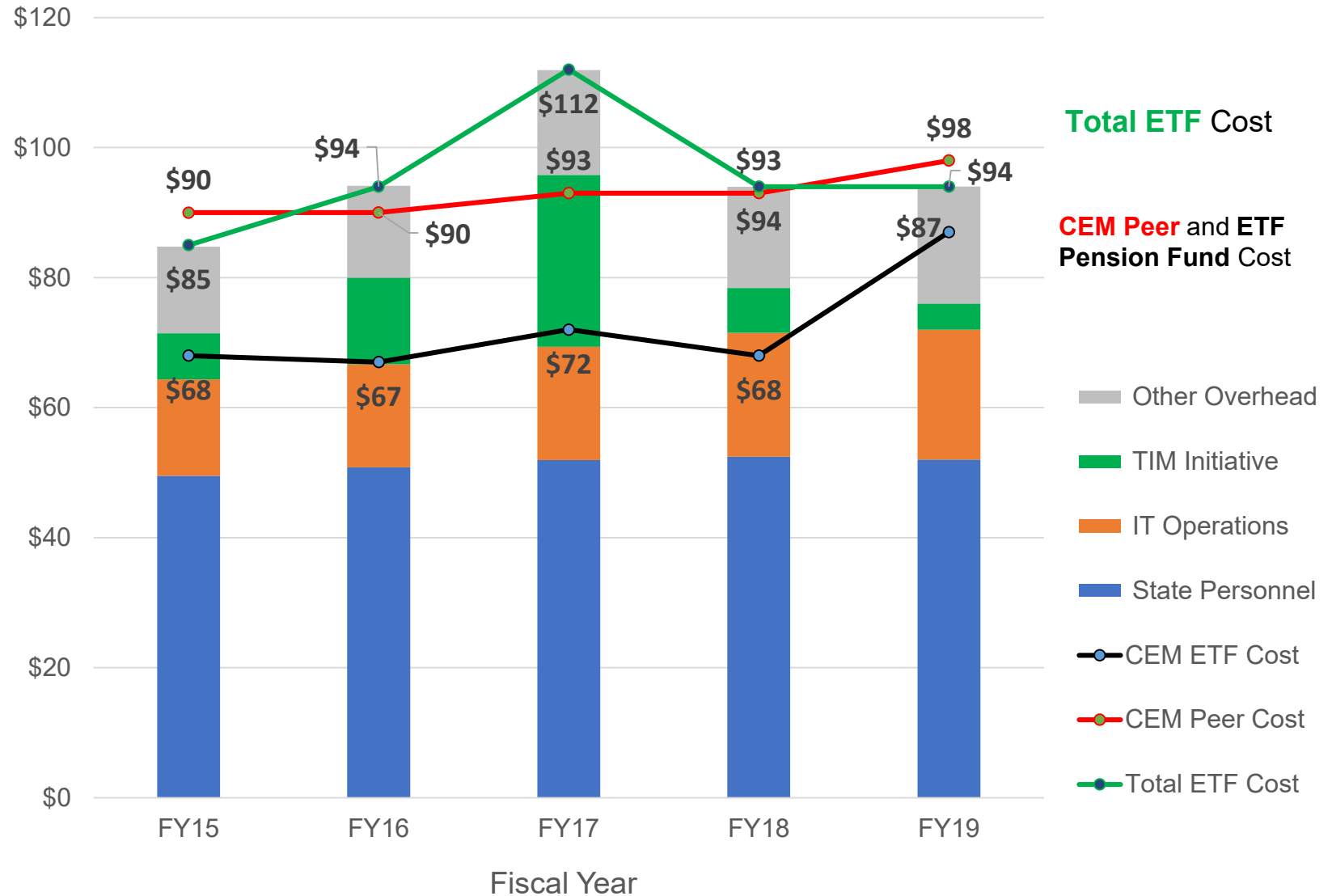
Current Status

CEM ETF cost per member has seen a spike from \$68 to \$87 in FY 2019. The increase in cost/member is due to shifting of IT efforts from system development to operational maintenance/ enhancements.

Outlook

Future costs per member may increase due to investments in modernization efforts that are expected to improve member experience. **This chart will be updated in Sep 2020 for all other non CEM items.**

Operational Cost Per Member Active & Annuitant



FINANCIAL – F2

Overview

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

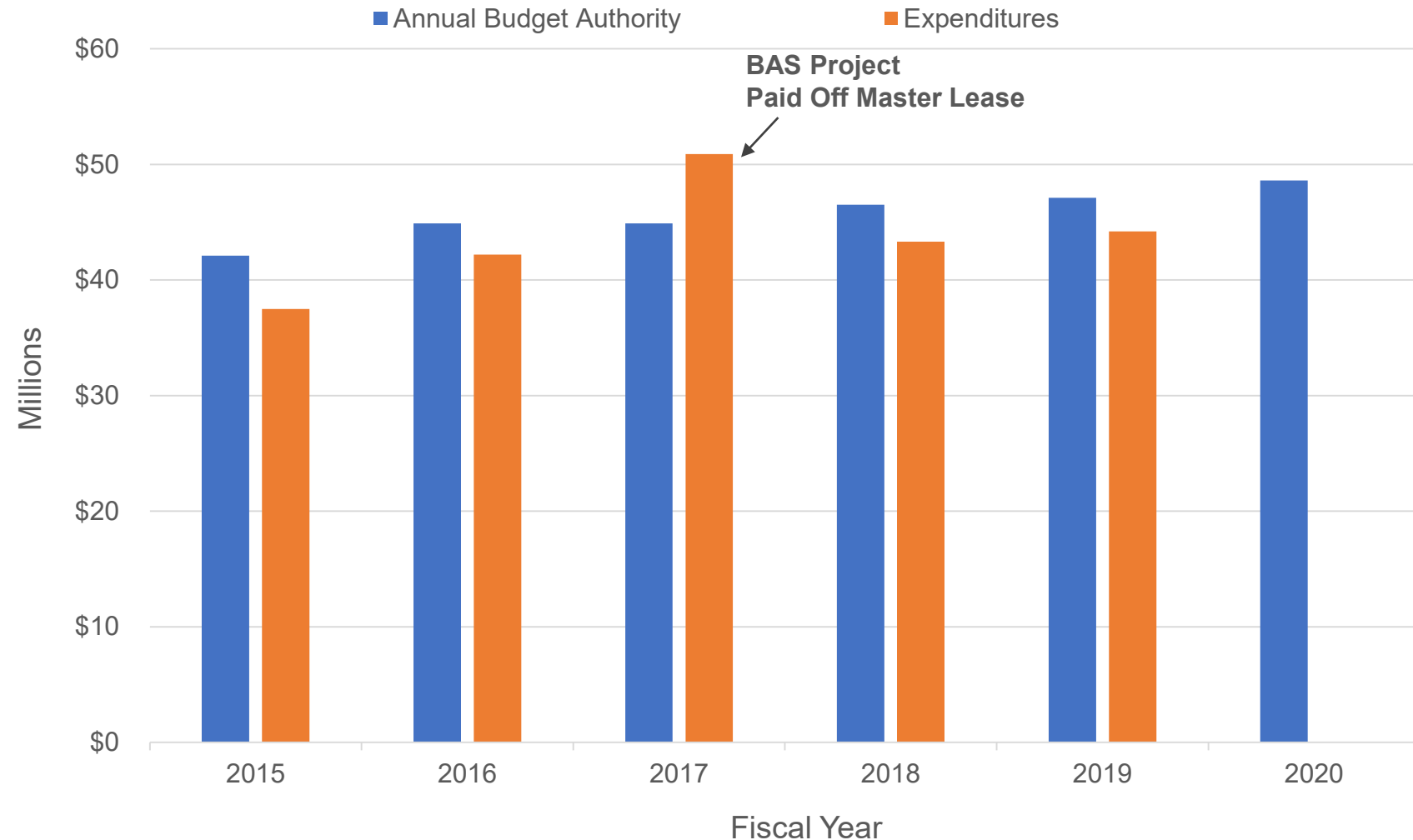
Current Status

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

The most recent quarterly review of the FY20 operational budget indicates that FY20 spending is consistent with budget. **This chart will be updated for the September board meeting when the expenditure numbers for 2020 become available.**

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.

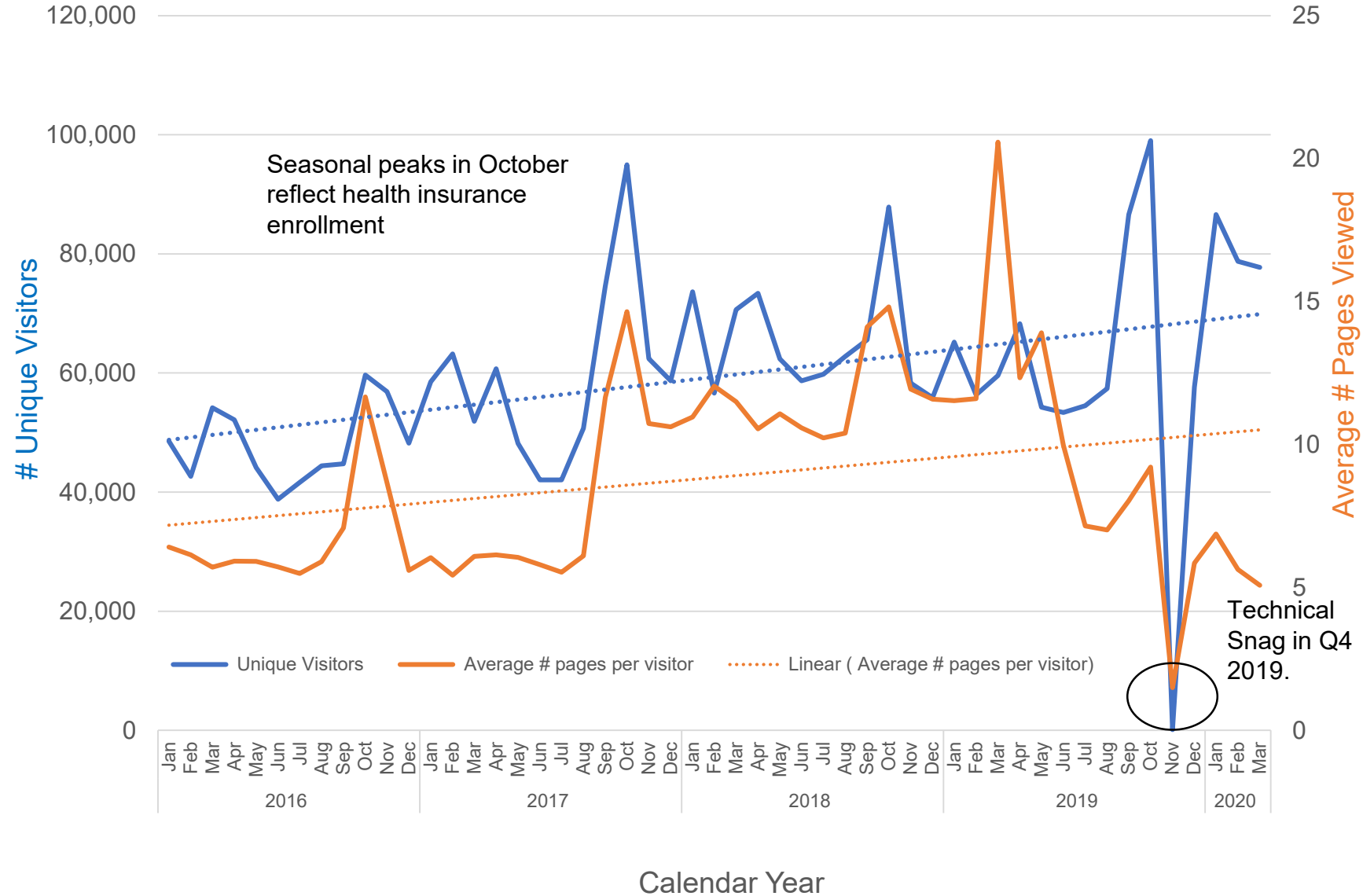
Current Status

Page views decreased as predicted due to the site's improved navigation and search. While unique visitors followed the seasonal decrease post-open enrollment, there was a marked increase compared to the same time in previous years. A 12-months baseline for the new site is needed. There are no indicators that would affect traffic in Jan. or Feb. **COVID-19** communications in March likely affected traffic.

Outlook

There is an anticipated increase in unique visitors due to the ongoing *pandemic* and heightened interest in the impact on WRS benefits and investments for the WRS trust funds. ETF is also sending timely mass emails with links to web resources.

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.

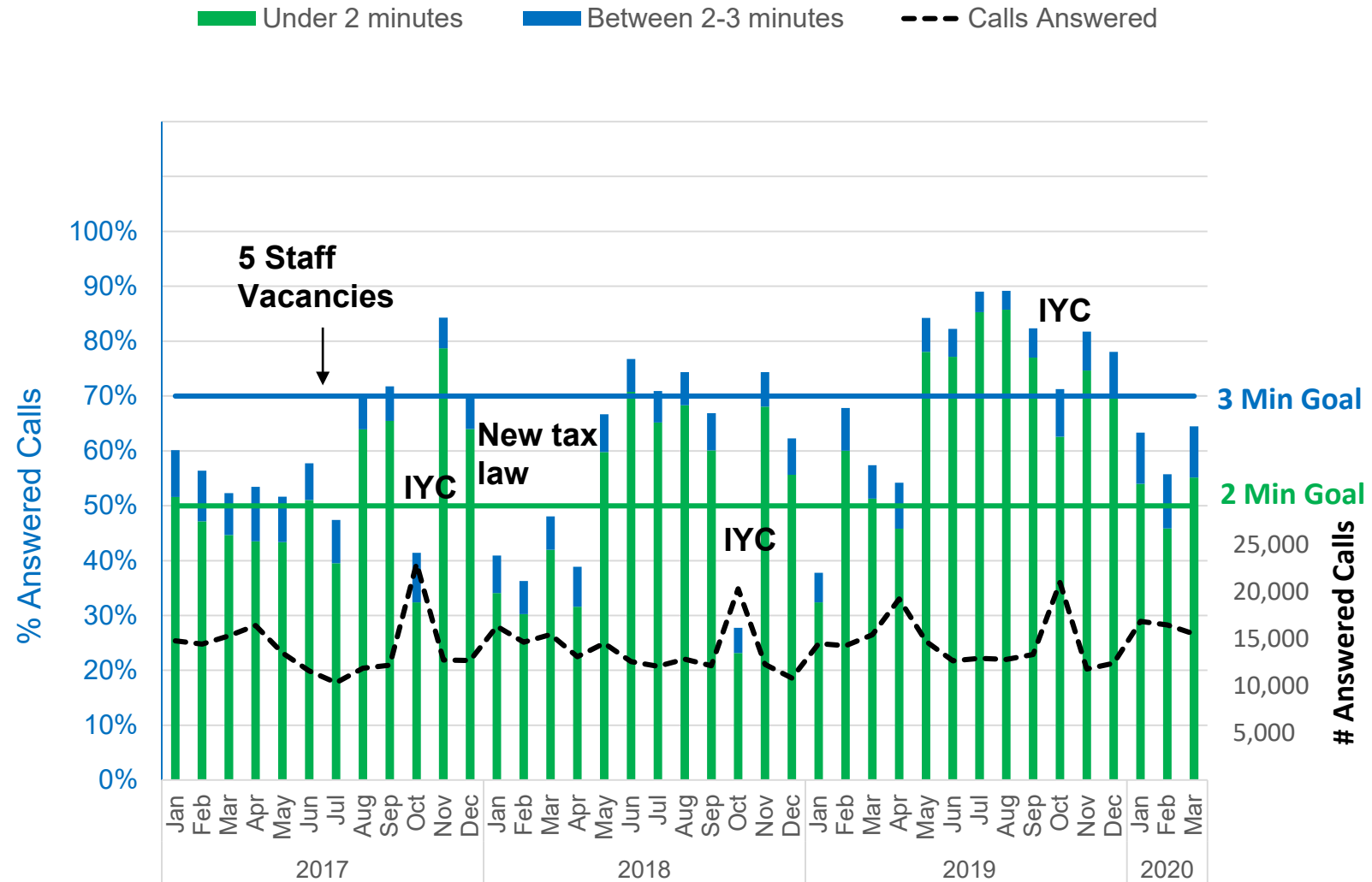
Current Status

As expected, we saw a higher call volume in Q1 2020 and answered more calls than Q1 last year. This is due in part to the fact that we had more staff able to answer calls during this quarter.

Outlook

Call volume in Q2 will likely be high, as is typical at this time of year. The **COVID-19** pandemic is having an effect on calls. Rather than causing a dramatic increase in calls, it is changing the *character* of calls. We expect this to continue and will be watching the impact on retirement decisions.

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

During Q1, the abandonment rate has stayed similar to Q1 of last year. About 9% of callers abandoned before their calls were answered and this is within our target range.

Outlook

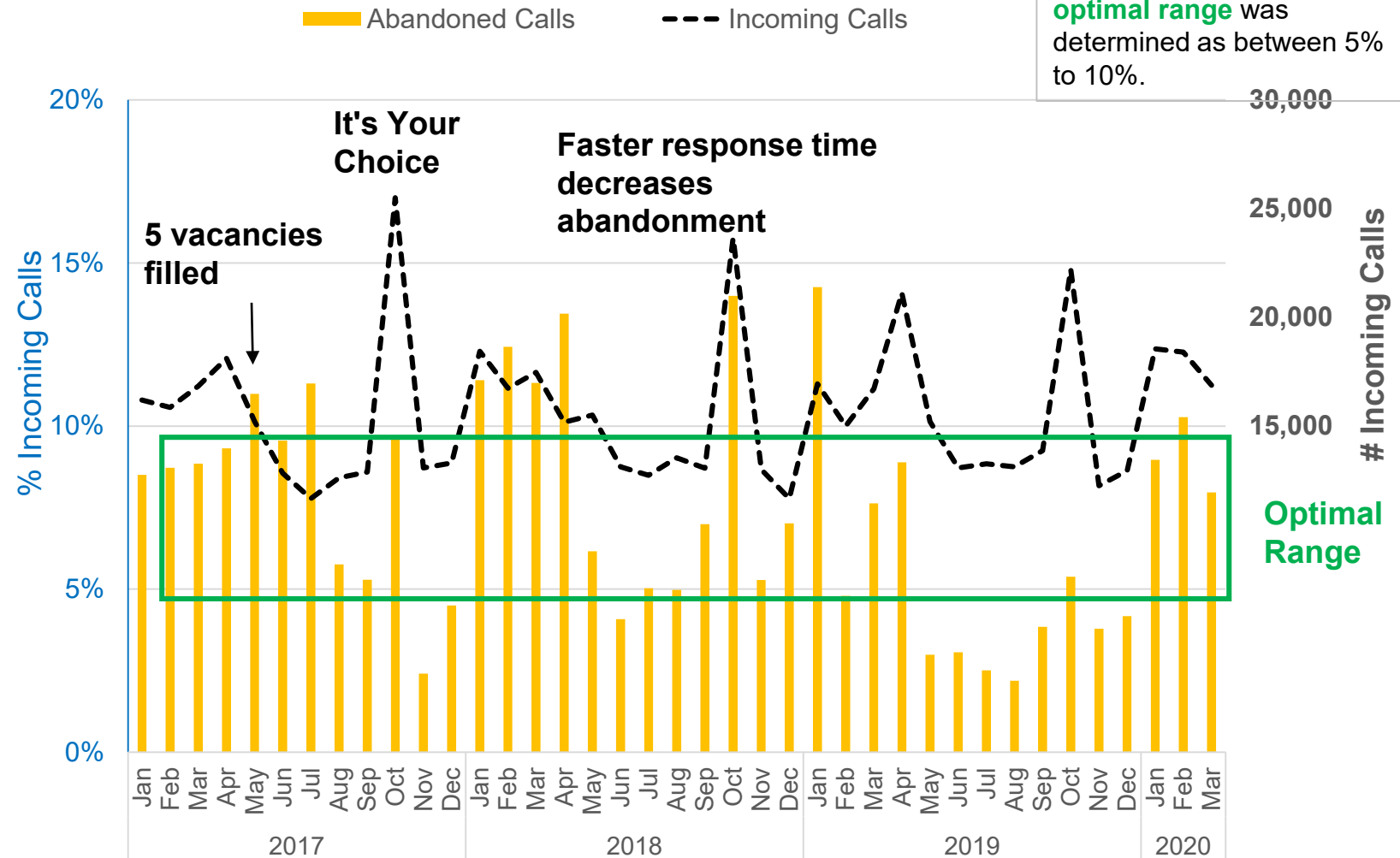
It is expected that the abandonment rate will be in the target range during Q2. Call volume will be higher, as is typical, however, this volume will be spread out over the quarter rather than spiking at the start. This is due to a delay in mailing Annual Statements to local employers.

Call Center - Abandoned Calls

Call Abandonment Goal:

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

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



WORKFORCE – W1

Overview

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

***Note:** Beginning Q1 2020 this year, filled position totals were used instead of total number of authorized positions.

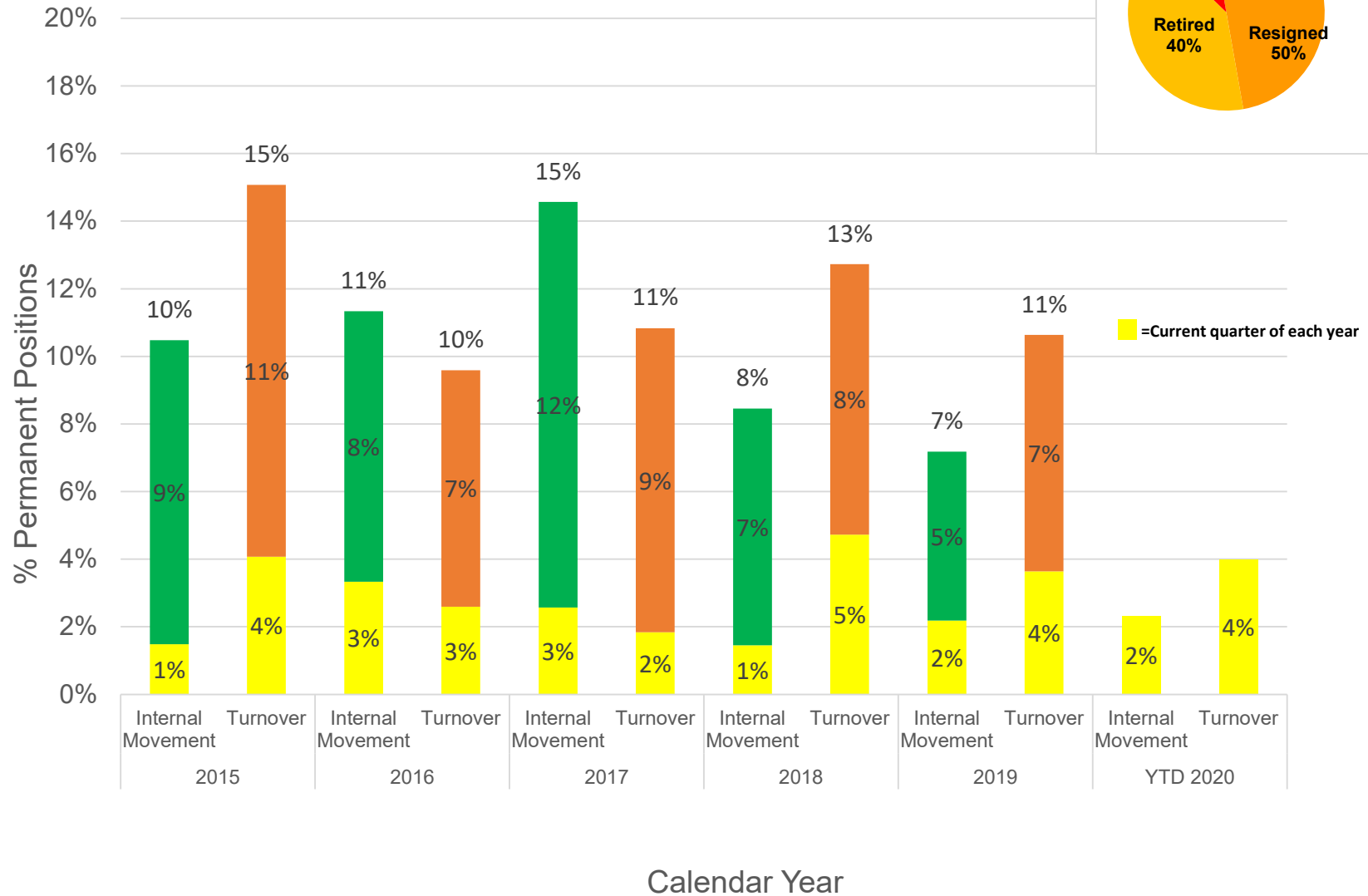
Current Status

Q1 2020 followed the predicted pattern of low turnover. Except for 2018, we predicted low turnover will occur in a year when there was high turnover the preceding year and vice versa. Q1 2020 maintained the similar trend of internal movement into mid-level positions just like the previous quarter, but this could be coincidental. Lastly, as a result of performance management efforts, there was 1 termination in Q1 2020 out of 10 departures.

Outlook

It is possible turnovers from resignations will decrease the next quarter due to impacts of the **COVID-19** pandemic. This could be attributed to the uncertainty that looms large in the job market, which could deter employees from potential changes in employment. Secondly, as the executive orders related to COVID-19 pandemic protracts, hiring may dwindle as only essential positions are filled. Consequently, some positions may remain vacant for as long as the executive order lasts.

Workforce Turnover Departures versus Internal Movement Q1 2020



PROCESS – P1

Overview

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

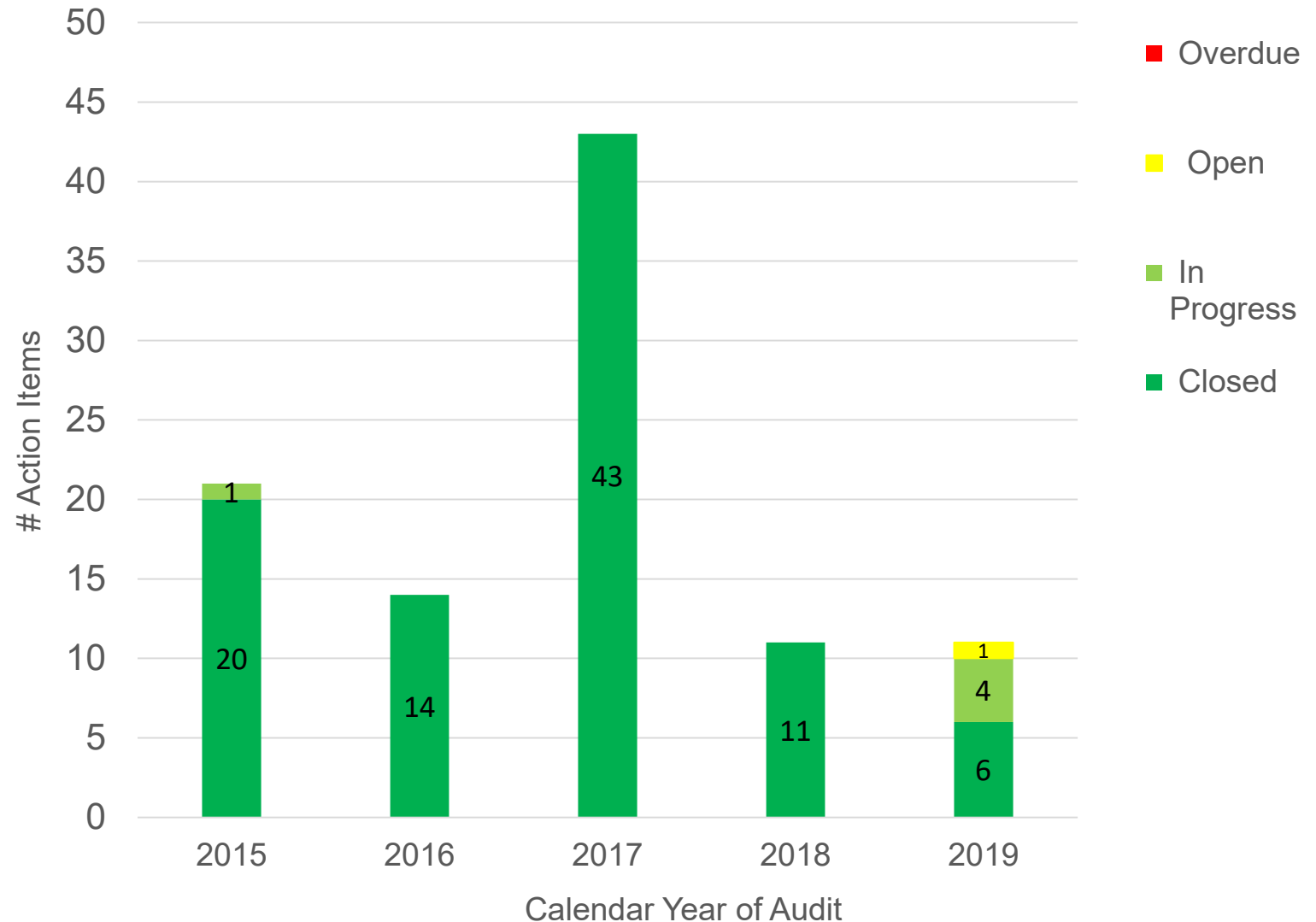
Current Status

Since 2014 the OIA (Office of Internal Audit) has identified 103 action items, 94 % of the items have been implemented. The one item from the *ICI Enrollment and Premium Reporting* audit from 2015 has been in progress due to BAS project decommission. An offshoot of this project namely the *Enrollment database* is expected to be completed by the end of 2020.

Outlook

Out of the 4 *In progress* items in 2019, 1 from *IT Asset Management Audit* is expected to be completed by Apr 1 2020. The remaining 3 items belong to LTDI (Long Term Disability Insurance) which is slated to be completed by July 1, 2020, January 1st 2021 and Apr 1 2021 respectively. The only open item in 2019 belongs to Health Insurance Billing audit with a planned completion date of June 30, 2020. **This chart will be updated for the 2nd Quarter 2020.**

Internal Auditing Recommendations by Status As of 12/31/2019



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.

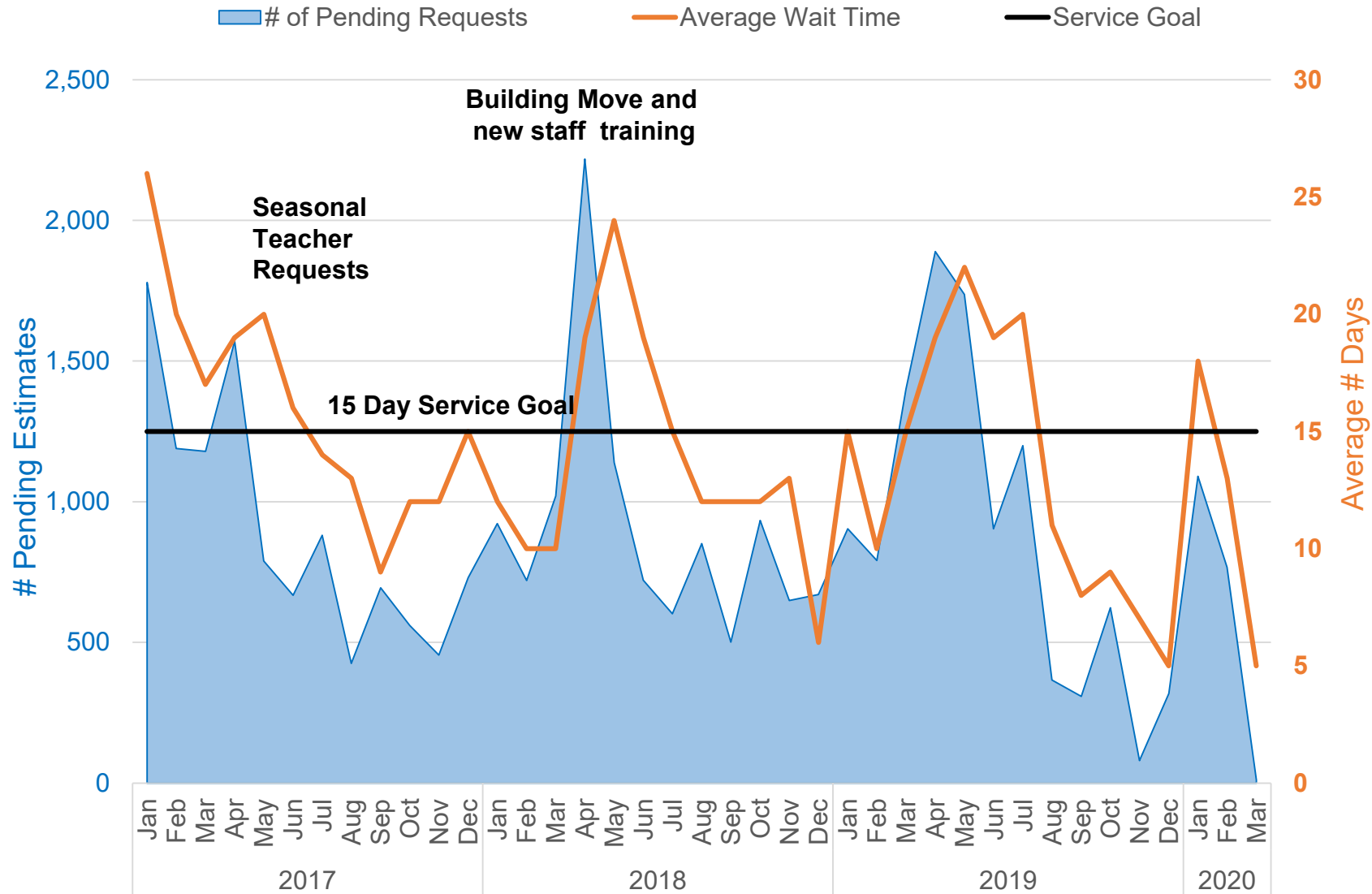
Current Status

There was a significant improvement in wait time during Q1 of 2020. ETF is managing to sustain better turn-around times due to retaining experienced staff, modifying the staffing model for processing work, and improving the business process for retirement estimates (such as eliminating unnecessary forms, reducing the size of the retirement packet, and streamlining the printing process). These improvements are working!

Outlook

With the outbreak of the **COVID-19** we suspect the number of retirement estimates coming in to drop significantly. Uncertainty in the stock market during this pandemic may deter members from requesting an estimate in the first place.

Retirement Estimates Volumes and Turnaround Time



PROCESS – P3

Overview

Member counseling appointments (primarily retirement related) in the 1st quarter of 2020 included:

Individual face-to-face	(1093)
Individual online	(167)
Group appointment	(342)

This excludes field presentations (1167) and Walk- ins (668). Wait times are measured from request to the first available appointment, not the selected appointment.

Current Status

The demand for individual appointment continues to outweigh Online and Group appointments. The average wait times have seen a massive improvement compared to the previous quarter. The total number of members who attended a retirement session in Q1 was similar to the number in Q1 last year, however, this year a greater percentage were scheduled for an individual appointment. Member Services was able to make more appointment slots available due to its new staffing model, lack of staff vacancies, and faster training process. This in turn significantly reduced wait times.

Outlook

New appointment scheduling software will be deployed in Q2. Due to the **COVID-19** pandemic and the executive *stay at home* orders we may witness the number of online appointments surpassing individual appointments for the first time.

Member Appointment Scheduling Wait Times

