



STATE OF WISCONSIN
Department of Employee Trust Funds
 A. John Voelker
 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: September 11, 2023

To: Budget and Operations Committee
 Employee Trust Funds Board

From: Tarna Hunter, Government Relations Director
 Office of Budget and Management

Subject: 2023–25 State Biennial Budget Recap

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

On July 5, 2023, Governor Evers signed the 2023-2025 State Budget ([2023 Act 19](#)) into law. The Department of Employee Trust Funds (ETF) has completed a review of the law and prepared a summary of the provisions that relate to the benefit programs that the board oversees.

Department of Employee Trust Funds
Summary of Fiscal 2023-2025 Biennial Budget Request
 Updated September 11, 2023

	FY 2024		FY 2025	
	FTE	Funding	FTE	Funding
Adjusted Base – SEG	275.20	\$52,712,300	275.20	\$52,712,300
Adjusted Base – GPR	0.00	\$32,500	0.00	\$32,500
ETF Request Over Base* - SEG	16.00	\$16,490,200	16.00	\$21,284,000
ETF Request Over Base** - GPR	0.00	(\$4,600)	0.00	(\$11,100)
Governor’s Recommendations	16.00	\$4,891,500	16.00	\$9,678,800
Joint Committee on Finance	12.00	\$4,199,700	12.00	\$9,338,900
Legislature	12.00	\$4,199,700	12.00	\$8,915,900
Final Enacted Budget	12.00	\$4,199,700	12.00	\$8,915,900

SEG = Segregated funding

GPR = General Purpose Revenue funding

*Includes new initiatives and standard technical adjustments.

**GPR funding is a reduction from 2021-23 biennium.

ETF’s 2023-25 budget request consists of an overall increase of 12.4% all funds, including a 12.5% increase in SEG funds and a 24.2% decrease in GPR funds. Below is a table detailing ETF’s funding request for the 2023-25 biennium.

Pamela L Henning

Reviewed and approved by Pam Henning, Assistant Deputy Secretary
 Electronically Signed 09/11/2023

Board	Mtg Date	Item #
BUD	09.21.23	5
ETF	09.21.23	5C

ETF’s Budget Request (Funding Detail)

Funding Item	FY 2024 Funding	FY 2025 Funding
Adjusted Base	\$52,744,800	\$52,744,800
Full Funding of Positions and Operations	\$1,306,700	\$1,306,700
Turnover Reduction	(\$1,057,600)	(\$1,057,000)
Annuity Supplements	(\$4,600)	(\$11,100)
Overtime + Night & Weekend	\$117,900	\$117,900
Full Funding of Lease and Moves	(\$118,600)	(\$118,600)
Mandatory LAB Audit Costs	\$17,000	\$174,000
Legacy Systems Replacement Project Operations	\$3,110,400	\$7,454,500
Legacy Systems Replacement Project – 7.0 FTE	\$515,900	\$656,000
Critical Customer Service – 5.0 FTE	\$312,600	\$394,100
Total	\$56,944,500	\$61,660,700

- Modernization-Related Ongoing IT Expenses** – Provides 7.0 FTE (4.0 permanent and 3.0 project positions) and a permanent increase to base funding of \$3.6 million in FY 2024 and \$8.1 million in FY 2025 to support increases for ongoing operational IT expenses associated with the Insurance Administration System (IAS), data management and consulting/contractor costs related to replacing outdated legacy IT systems.

 - Note: Because of veto concerns, the Legislature removed the provision that specified ETF may request positions and funding for modernization through the passive review process. The Legislature is supportive of ETF’s modernization needs and ETF will still be able to use another legislative venue (through the s. 13.10 process) to request positions and funding for modernization.
- Critical Customer Service Functions** – Provides 5.0 FTE Trust Funds Specialists to maintain basic, critical customer service functions for members and employers related to significant increases in the member and employer populations that ETF serves.
- Mandatory LAB Actuarial Audit** – Provides one-time funding of \$17,000 SEG in FY 2024 and \$174,000 SEG in FY 2025 to contract with the Legislative Audit Bureau (LAB) for the actuarial audit of the Wisconsin Retirement System that is statutorily required at least once every five years and for actuarial services related to performing a Governmental Accounting Standards Board valuation audit related to the retiree life insurance and sick leave programs.

Staff will be at the Board meeting to answer any questions.