



**STATE OF WISCONSIN**  
**Department of Employee Trust Funds**  
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SECRETARY

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***Correspondence Memorandum***

**Date:** May 28, 2024

**To:** Employee Trust Funds Board

**From:** Tim Steiner, Director  
Budget, Contract Administration and Procurement

**Subject:** Procurement, Contract, and Program Appropriation Charging Updates

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

**Current Status of Active ETF Board Contracts**

Segal Consulting - Consulting Actuary for Wisconsin Group Health Insurance Programs  
Contract Amendment #25 was signed by the Department of Employee Trust Funds (ETF) secretary on Feb. 26, 2024. This amendment was for the 2024 GASB 75 Wisconsin Health Insurance OPEB valuation for \$120,000 and is reimbursed to ETF by the Department of Administration under an interagency agreement.

Contract Amendment #26 was signed by the ETF secretary on April 16, 2024. This amendment was for the 2024 actuarial audits of income continuation insurance for \$85,000 and duty disability insurance for \$60,000.

Milliman - Consulting Actuary for Wisconsin Group Insurance and Disability Programs  
Contract amendment #23 was signed by the ETF secretary on April 12, 2024. This amendment was for the 2024 actuarial audits of the sick leave conversion program for \$37,000, group life insurance for \$60,000, and group health insurance for \$60,000.

Ice Miller LLP Federal Tax and Contract Counsel to the State of Wisconsin Employee Trust Funds Board for the Wisconsin Retirement System and Related ETF Programs  
Contract amendment #4 was signed by the ETF secretary on May 13, 2024. This amendment extended the contract term from July 1, 2024, through June 30, 2025.

Wipfli Compliance Audit Services for Group Life Insurance Contract  
Contract amendment #2 with Wipfli to perform a compliance audit on the group life insurance contract for years 2022 and 2023 at a cost of \$23,500 was signed by the ETF secretary on April 9, 2024.

*Tarna Hunter*

Reviewed and approved by Tarna Hunter, Director, Budget & Management  
Electronically Signed 06/03/2024

Board	Mtg Date	Item #
ETF	06.20.24	5F

## **ETF Operational Financial Reporting**

### Administrative Appropriation Charges

Information on ETF administrative expenses through the first quarter (Q1) of calendar year (CY) 2024 are reported in Attachment A. ETF spent \$15.02 million on administrative expenses in the Q1 of CY 2024, a 6.6% increase from Q1 of CY 2023, where ETF spent \$14.09 million. The reason for the total cost increase has remained consistent with prior reported comparisons and is primarily due to increases in contractual service costs.

### Program Appropriation Charges

Information on non-benefit disbursements charged to ETF's benefit program appropriations for the period one-year ending on March 31, 2024, are reported in Attachment B. Reported costs include third-party administration (TPA) expenses, as well as data warehouse and analytical service expenses. Costs reported do not include:

- Indirect expenses that are charged to ETF's operational appropriations, such as: staff salaries and fringe benefits, travel/training, rent, contract staff, and other contractual services; or
- Benefit disbursements made to participants.

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

Attachment A: Quarterly ETF Administrative Expenses (Q1 CY 2024)

Attachment B: Quarterly Non-Benefit Disbursements Charged to Benefit Program Appropriations

**Attachment A: Quarterly ETF Administrative Expenses (Q1 CY 2024)**

<b>Expense Summary</b>	<b>Q2 CY 2023</b>	<b>Q3 CY 2023</b>	<b>Q4 CY 2023</b>	<b>Q1 CY 2024</b>	<b>Year Ending 3/31/23</b>	<b>Year Ending 3/31/24</b>
<b>Salary and Fringe (FTE)</b>	\$7,926,949	\$6,927,685	\$8,532,865	\$7,594,073	\$29,300,131	\$30,981,572
<b>Limited Term Employees (LTEs)</b>	\$57,663	\$61,722	\$60,820	\$55,342	\$234,094	\$235,546
<b>Supplies and Services</b>						
Contractual Services	\$5,537,205	\$3,420,059	\$4,021,046	\$4,819,349	\$14,878,294	\$17,797,659
IT	\$1,332,072	\$918,216	\$1,642,046	\$1,243,508	\$4,903,957	\$5,135,842
Rent	\$467,682	\$381,719	\$339,775	\$339,651	\$1,889,820	\$1,528,827
Mail	\$435,482	\$94,606	\$142,036	\$333,574	\$1,239,920	\$1,005,698
Travel/Training	\$70,596	\$47,107	\$61,107	\$35,402	\$170,988	\$214,212
Other/Misc.	(\$203,808)	\$139,746	\$770,513	\$601,176	\$1,280,317	\$1,307,626
<b>Subtotal</b>	<b>\$7,639,230</b>	<b>\$5,001,453</b>	<b>\$6,976,523</b>	<b>\$7,372,659</b>	<b>\$24,363,296</b>	<b>\$26,989,865</b>
<b>Total</b>	<b>\$15,623,842</b>	<b>\$11,990,859</b>	<b>\$15,570,208</b>	<b>\$15,022,074</b>	<b>\$53,891,521</b>	<b>\$58,206,982</b>

**Attachment B: Quarterly Non-Benefit Disbursements Charged to Benefit Program Appropriations<sup>1</sup>**

<b>Expense Summary</b>	<b>Q2 CY 2023</b>	<b>Q3 CY 2023</b>	<b>Q4 CY 2023</b>	<b>Q1 CY 2024</b>	<b>Year Ending 3/31/24</b>
<b>Third-Party Administration</b>					
Health Insurance	\$5,879,538	\$4,118,742	\$5,391,612	\$4,677,209	\$20,067,100
Life Insurance	\$1,156,386	\$1,174,560	\$1,149,539	\$1,138,973	\$4,619,458
Income Continuation Insurance	\$664,500	\$664,500	\$664,500	\$664,500	\$2,658,000
ERA and Commuter Benefits	\$126,439	\$126,449	\$126,655	\$88,873	\$468,415
Wisconsin Deferred Compensation	\$655,990	\$655,990	\$655,990	\$655,990	\$2,623,960
<b>Other Administrative</b>					
Health Data Warehouse	\$144,585	\$314,633	\$240,859	\$151,562	\$851,639
<b>Total</b>	<b>\$8,627,437</b>	<b>\$7,054,873</b>	<b>\$8,229,154</b>	<b>\$7,377,107</b>	<b>\$31,288,572</b>

<sup>1</sup> Information is presented on a cash rather than accrual basis, resulting in the potential for material disbursement differences between quarters based on cash transaction timing.