

# Welcome to the Employee Trust Funds Board

September 19, 2024

Meeting will begin at: 9:30 a.m.



WIFI

**WI-GUEST**

No Password is needed



**Please Sign In**

- Who? All meeting attendees
- Sheet available at the door



**Meeting Materials**

- Scan the QR Code
- Available at [etf.wi.gov](http://etf.wi.gov)



**Please Silence your  
Cell Phone and Mute  
your Microphone**

# Announcements

Item 1 – No Memo



**Consideration of:  
Open and Closed Minutes  
of the June 20, 2024, Meeting**

 **Items 2A – 2B – Memos Only**





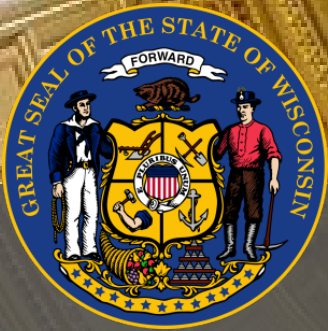
# Action Needed

- Motion needed to accept the Open and Closed Minutes of the June 20, 2024, Meeting as presented by the Board Liaison.

# Committee Reports

Items 3A – 3C – No Memos





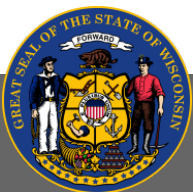
State of Wisconsin  
Ethics Commission

# ETF BOARD ETHICS AND LOBBYING OVERVIEW

David Buerger, *Staff Counsel*

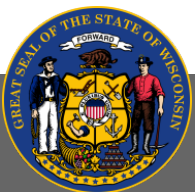
# ABOUT THE ETHICS COMMISSION

- Created by 2015 Wisconsin Act 118
- 6 members – Partisan Appointments
  - Two former judges, four other appointees
  - 5-year terms
- Bipartisan Cooperation Required
  - All actions require four votes
- Nonpartisan Staff
- Strict Confidentiality – Advice & Complaints



# RESPONSIBILITIES

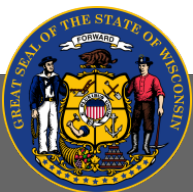
- Administer Wisconsin Statutes
  - Chapter 11: Campaign Finance
  - Subchapter III, Chapter 13: Lobbying
  - Subchapter III, Chapter 19: Code of Ethics
- Conduct programs to explain and interpret these laws.
- Compile and make the information provided to us available to the public!





# IMPORTANT LAWS TO KNOW

- Lobbying
  - WIS. STAT. § 13.625 (Restrictions on Lobbyists/Principals)
  
- Code of Ethics
  - WIS. STAT. § 19.45 (Code of Ethics for State Public Officials)
  - WIS. STAT. § 19.46 (Conflict of Interest)
  - WIS. STAT. § 19.43-19.44 (Statement of Economic Interests)





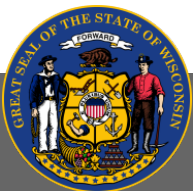
# LOBBYING RESTRICTIONS



# WHO IS A LOBBYIST/PRINCIPAL?

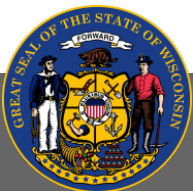
## WI Lobbying

- [Lobbying.wi.gov](http://Lobbying.wi.gov)
- Search by name, type, or interest keywords.
- Download directories in PDF or Excel
- Tracks lobbying on rules, budget bills subjects, legislative proposals, etc.



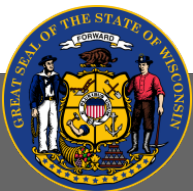
# WHO IS AN AGENCY OFFICIAL?

- “Agency Official”
  - A member, officer, employee or consultant of any agency who **as part of such person's official responsibilities** participates in any administrative action in other than a solely clerical, secretarial or ministerial capacity.
- “Administrative Action”
  - The proposal, drafting, development, consideration, promulgation, amendment, repeal or rejection by any agency of any rule promulgated under ch. 227.



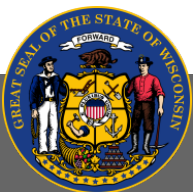
# LOBBYING: PROHIBITED PRACTICES

- WIS. STAT. § 13.625
- No lobbyist or lobbying principal may give to an agency official, legislative employee, any elective state official, or candidate for state elective office, or to the candidate committee of the official, employee or candidate:
  - Lodging
  - Transportation
  - Food, meals, beverages
  - Money or any other thing of pecuniary value
- Except...



# CAMPAIGN CONTRIBUTIONS

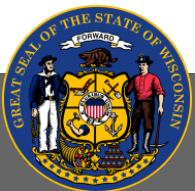
- A lobbyist may deliver a contribution from another at any time (e.g., a PAC contribution).
- A lobbyist may only make a personal contribution if the “window” is open:
  - Between the first day to circulate nomination papers and the date of the election
  - And a contribution to a candidate for legislative office can only be given by a lobbyist if the Legislature has concluded its final floor period and is not in special or extraordinary session
  - A lobbyist may contribute to their own campaign at any time



# OTHER EXCEPTIONS

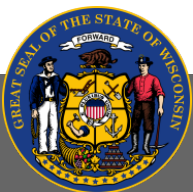
- Actual and reasonable expenses for presenting a talk or participating in a meeting. WIS. STAT. §§ 13.621(7)(a), 19.56(3)(a).
- Admission to events to discuss official business of agency. WIS. STAT. § 13.621(7)(b).
  - May not accept food, beverage, etc. included with admission without payment of actual cost.
- Items and services made available to the general public. WIS. STAT. § 13.625(4m)(a).
- Educational/informational materials. WIS. STAT. § 13.625(4m)(i).
- Compensation to employees of lobbying principals who are agency officials solely because of membership on a state commission, board, council, or committee, who receive no compensation other than a per diem or reimbursement of expenses for state service. WIS. STAT. § 13.625(4m)(g).
  - Compensation may not exceed that paid to those similarly-situated.

***Other exceptions may apply!***



# LEGISLATIVE LIAISON REPORTING

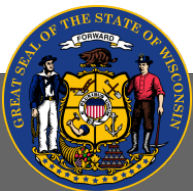
- WIS. STAT. § 13.695
- State agencies are required to file legislative liaison reports semi-annually, on January 31, for the preceding July – December and on July 31, for the preceding January – June.
- A legislative liaison is a paid officer or employee of a state agency whose regular duties include attempting to influence legislative action.
  - Not subject to licensing, registration, or most reporting requirements.
  - May not use state funds to engage in prohibited practices.





# LEGISLATIVE LIAISON REPORTING

- Reports must contain the following:
  - Name of agency
  - Name, title, and salary of each officer or employee engaged in legislative activity
  - The proportionate amount of time spent on legislative activity and attempting to influence legislation
  - The general area of legislative action which the officer or employee has attempted to influence.
- Reports are filed using the Eye on Lobbying website ([lobbying.wi.gov](http://lobbying.wi.gov))
  - [User Manual for Legislative Liaisons](#)



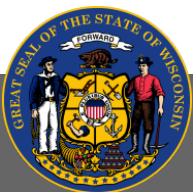


# ETHICS RESTRICTIONS



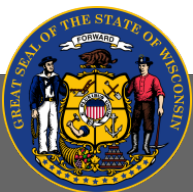
# USE OF OFFICE FOR PRIVATE GAIN

- WIS. STAT. § 19.45(2)
  - No state public official may use his or her public position or office to obtain financial gain or anything of substantial value for the private benefit of himself or herself or his or her immediate family, or for an organization with which he or she is associated.
    - “Organization” does **NOT** include bodies politic
    - “Associated” includes any organization in which an individual or a member of his or her immediate family is a director, officer, or trustee, or owns or controls at least 10% of the equity, or of which an individual or family member is an authorized representative or agent.
- Do NOT use governmental resources for a nongovernmental purpose.
- Do NOT ask staff to engage in nongovernmental activity on state time.
- Do NOT accept gifts given to you because of your public position.



# INFLUENCE AND REWARD

- WIS. STAT. § 19.45(3)
  - No person may offer or give to a state public official, directly or indirectly, and no state public official may accept from any person, directly or indirectly, anything of value if it could reasonably be expected to influence the state public official's vote, official actions, or judgment, or could reasonably be considered as a reward for any official action or inaction on the part of the state public official.
  - As a general rule officials should not accept anything of more than nominal value from organizations that have a special or specific interest in an item or matter likely to be before the official.

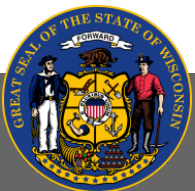


# DISPOSAL OF IMPERMISSIBLE GIFTS

- Give the item to the official's agency to use or sell.
  - Agency may not sell the item to any government employee or official.
- Give the item to another state agency or to a public institution, such as a local school, library, or museum, that can use the item.
- Give the item to a charitable organization
  - Not including one with which the official or their immediate family is associated.
- Return the item to the donor.
- If the donor is neither a lobbyist nor an organization that employs a lobbyist, purchase the item (by paying the donor the full retail value) and retain it.

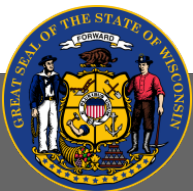


WIS. STAT. § 19.45(14)



# FOOD, BEVERAGE, TRAVEL, AND LODGING

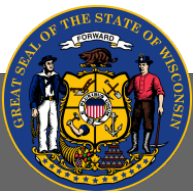
- WIS. STAT. § 19.45(3m)
  - No state public official may accept or retain any transportation, lodging, meals, food or beverage, or reimbursement therefor, except in accordance with § 19.56(3).
- Exceptions (see Guideline [ETH-1211](#)):
  - Official talk or meeting
  - Unrelated to holding public office
  - State benefit
  - Reported as an expense by a political committee
  - WEDC/Department of Tourism
- Remember that items from lobbying principals must also meet an exception of the lobbying law to be accepted.



# USE OF CONFIDENTIAL INFORMATION

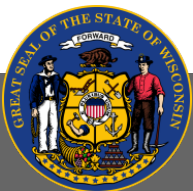
- WIS. STAT. § 19.45(4)
  - No state public official may intentionally use or disclose information gained in the course of or by reason of his or her official position or activities in any way that could result in the receipt of anything of value for himself or herself, for his or her immediate family, or for any other person, if the information has not been communicated to the public or is not public information.

**CONFIDENTIAL**



# UNLAWFUL BENEFITS

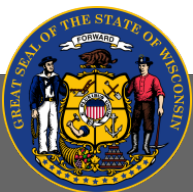
- WIS. STAT. § 19.45(5)
  - No state public official may use or attempt to use the public position held by the public official to influence or gain unlawful benefits, advantages or privileges personally or for others.





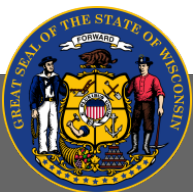
# PRIVATE INTEREST IN PUBLIC CONTRACT

- WIS. STAT. § 19.45(6)
  - No state public official, member of a state public official's immediate family, nor any organization with which the state public official or member of the official's immediate family is associated with, may enter into any contract or lease involving payments of more than \$3,000 within a 12-month period from state funds unless the official discloses the association to both the Commission and the department acting for the state in regards to the contract or lease.
  - Does not affect WIS. STAT. § 946.13, which is a much broader restriction on officials acting in an official capacity regarding contracts they have a personal interest in an amount greater than \$15,000 per year.



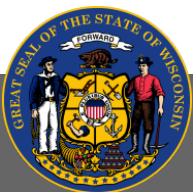
# REVOLVING DOOR PROHIBITIONS

- WIS. STAT. § 19.45(8): With certain exceptions, no state public official may:
  - For 12 months following the date on which the individual ceases to be a public official, for compensation on behalf of a person other than a governmental entity, make any formal or informal appearance before, or negotiate with, any officer or employee of the department with which the official was associated.
  - For 12 months following the date on which the individual ceases to be a public official, for compensation on behalf of a person other than a governmental entity, make any formal or informal appearance before, or negotiate with, any officer or employee regarding any proceeding, application, contract, claim or charge which was under the former official's responsibility.
  - For compensation, act on behalf of a person other than the state, in connection with any judicial or quasi-judicial proceeding, application, contract, claim, or charge which might give rise to a judicial or quasi-judicial proceeding in which the former official participated personally and substantially as a state public official.



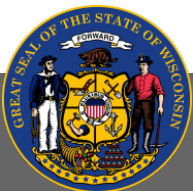
# PAY TO PLAY

- WIS. STAT. § 19.45(13):
  - No state public official or candidate for state public office may, directly or by means of an agent, give, or offer or promise to give, or withhold, or offer or promise to withhold, his or her vote or influence, or promise to take or refrain from taking official action with respect to any proposed or pending matter in consideration of, or upon condition that, any other person make or refrain from making a political contribution, or provide or refrain from providing any service or other thing of value, to or for the benefit of a candidate, a political party, any committee registered under ch. 11, or any person making a communication that contains a reference to a clearly identified state public official holding an elective office or to a candidate for state public office.



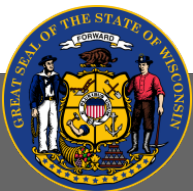
# EXCEPTIONS

- For WIS. STAT. § 19.45(2) only:
  - Campaign contributions
  - Solicitation of donations to nonprofits
- Honorarium
  - Reasonable compensation for elected officials.
  - Actual and reasonable expenses for others.
- Unrelated to holding or having held public office
- State benefit
  - Limited to transportation, lodging, meals, food or beverage, or reimbursement for such expenses. May also accept payment or reimbursement of actual and reasonable costs incurred.



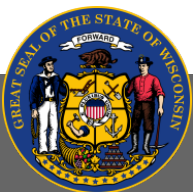
# EXCEPTIONS, CONT.

- Items from a political committee, which are properly reported under ch. 11.
- WEDC
  - For trips to a foreign country to promote trade
  - For hosting individuals to promote business, economic development, tourism, or conferences sponsored by multi-state, national, or international associations of governments or government officials.
- Department of Tourism
  - For hosting individuals in order to promote tourism.
- For more information regarding the application of these exceptions, see [Guideline ETH 1211](#).



# CONFLICT OF INTEREST

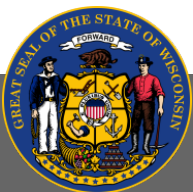
- WIS. STAT. § 19.46(1): No state public official may:
  - Take any official action substantially affecting a matter in which the official, a member of his or her immediate family, or an organization with which the official is associated has a substantial financial interest.
  - Use his or her office or position in a way that produces or assists in the production of a substantial benefit, direct or indirect, for the official, one or more members of the official's immediate family either separately or together, or an organization with which the official is associated.
  - Except...



# OFFICIAL MAY ACT IF...

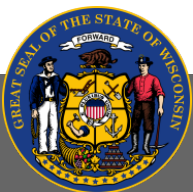
- The official action affects a whole class of similarly-situated interests; and,
- Neither the interests of the official, a member of the official's immediate family, nor a business or organization with which the official is associated is significant when compared to all affected interests in the class; and
- The action's effect on the interests of the official, of a member of their immediate family, or of an associated business or organization is neither significantly greater nor less than upon other members of the class.

[Ethics Commission Guideline 1232](#)



# OFFICIAL MAY ACT IF...

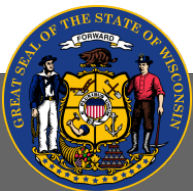
- The official action is concerning: (1) the lawful payment of salaries or employee benefits or reimbursement of actual and necessary expenses, or (2) the modification of a county or municipal ordinance.
- The impact on the official's interests is remote or speculative.





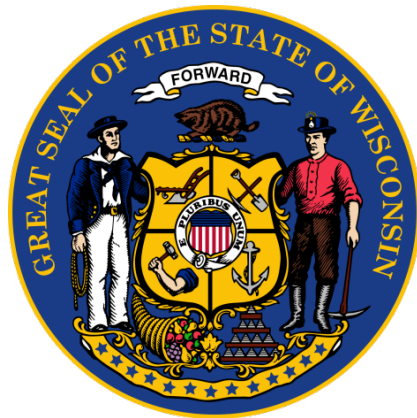
# STATEMENT OF ECONOMIC INTEREST

- WIS. STAT. §§ 19.43, 19.44
- Annual requirement (April 30<sup>th</sup>) or within 21 days of leaving your position.
- Must identify investments, real estate, businesses, and creditors as of the last day of the prior year.
- All direct sources of family income from prior year of \$1,000 or more.
- All sources of income from prior year of \$10,000 or more received from partnerships, sub S corporations, service corporations, and LLCs (including customers, clients, and tenants) in which your family has a 10% or greater interest.
- Final SEI due within 21 days of leaving your public position, unless moving to another public position that requires the filing of an SEI.



# WHERE TO FIND MORE INFORMATION

- **Wisconsin Statutes**
  - <https://docs.legis.wisconsin.gov>
- **Advisory Opinions**
  - Prompt, Confidential, Authoritative
- **Guidelines**
  - <https://ethics.wi.gov>



Ethics@wi.gov  
<https://ethics.wi.gov>  
Phone: (608) 266-8123  
Fax: (608) 264-9319

State of Wisconsin  
Ethics Commission

# Disability Programs Overview

## Item 4B – Employee Trust Funds Board

Jim Guidry, Benefit Services Bureau (BSB) Director

LaShay Bishop, Disability Programs Section Supervisor

Division of Benefits Administration



# Informational Item Only

- No Board action is required.

# Agenda

1. Disability Program Section (DPS) Structure
2. ETF Disability Programs
3. Disability Programs in Detail
4. Disability Benefits Administration
5. Current Issues
6. Questions

# Disability Programs Section

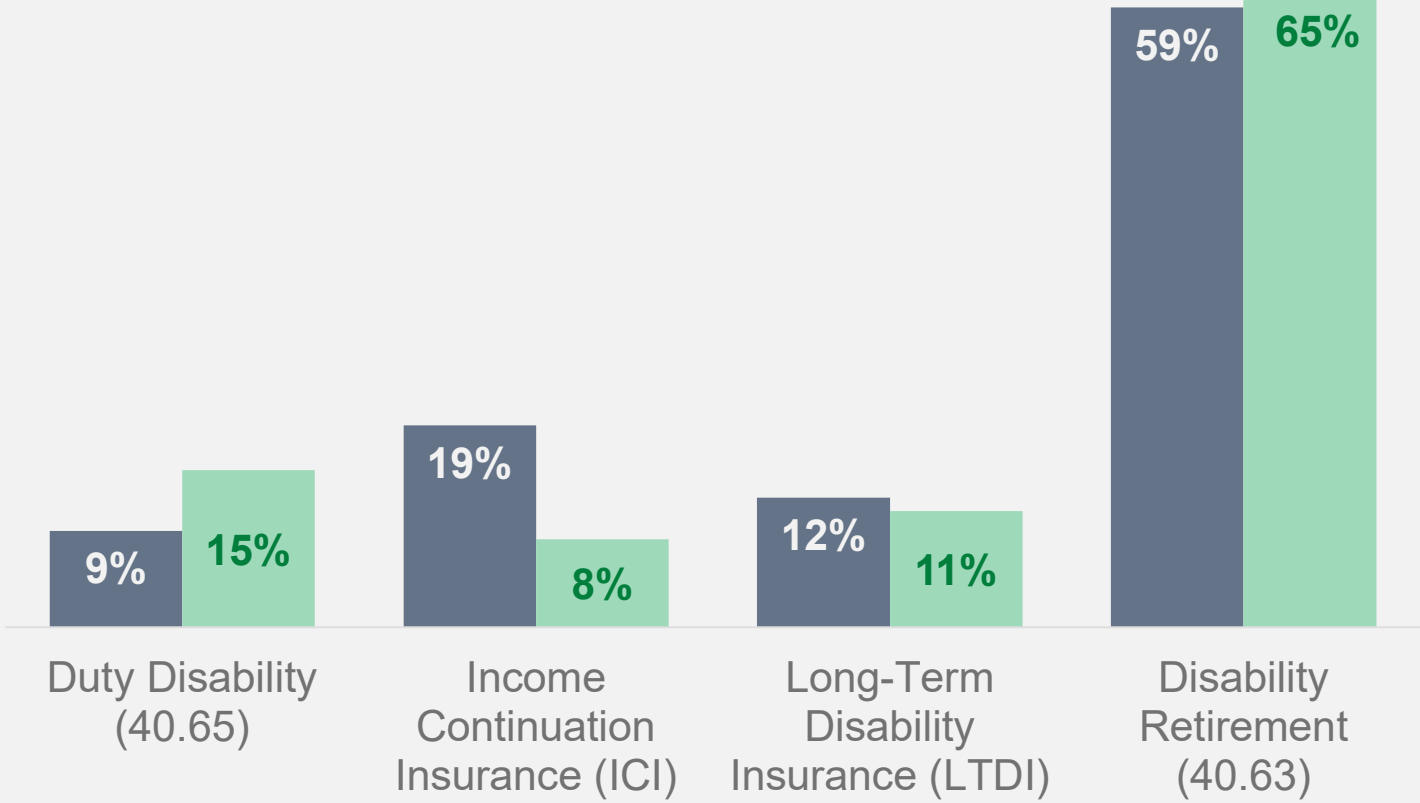
Jim Guidry, BSB Director  
Gene Janke, BSB Deputy Director


**Disability Programs Section**  
LaShay Bishop, Supervisor Leadworker  
Case Managers (5-Trust Fund Specialists)

**Policy Analysts**  
Employee Benefit Program  
Specialists (3)

# ETF Disability Programs

■ Share of benefit recipients    ■ Share of benefit payments



 **\$268.2 million**  
2023 benefit payments

 **10,918**  
separate claims



# Disability Retirement Program

Wis. Stat. § 40.63: A lifetime annuity for eligible WRS employees who become disabled and unable to work prior to normal retirement age (NRA)

- Funded from the employee's retirement account
  - Once approved for the 40.63 benefit, WRS account is closed, and claimant becomes a WRS retiree
- Benefits are taxable
- Calculated the same as regular retirement benefits including potential death benefits
  - Includes additional assumed service as if the participant had worked until their NRA
  - Not eligible for accelerated benefits
  - May be adjusted annually
- Disability annuitants must report additional earnings annually and may be subject to annual medical recertification
- Employees apply by requesting a disability retirement estimate from ETF



# Disability Retirement Program – Eligibility

WRS participating employee under NRA who has not taken benefit from their WRS retirement account

## Service Requirements:

- At least one-half (.5) year of creditable service in each of five years during previous seven calendar years or
- Total of at least five years of creditable service during the previous seven calendar years
- Service requirements not applicable if disability is work-related and application is filed within two years of last day worked
- Members not currently vested must have at least five years of combined actual and assumed service

Two licensed physicians must certify that claimant meets the following definition of disability:

- Unable to engage in any substantial gainful activity by reason of a medically determinable physical or mental impairment, which can be expected to result in death or to be of long continued and indefinite duration
- Substantial gainful activity is employment in any position for which the compensation will exceed the earnings limit in a calendar year

# Duty Disability Program Overview and Eligibility

## Wis. Stat. § 40.65

- Non- taxable income replacement program for protective occupation employees, not a retirement benefit.

## Funded by employer contributions

- Beginning 2024 certain county jailers are now paying duty disability contributions instead of their employer.

## Eligibility:

- The participant must be in a WRS protective occupation at the time of injury or illness.
- Disability must be work related or disease contracted due to protective occupation must be permanent to the extent that they can no longer work full protective duty.
- Disability must cause a reduction in pay or position, cause work assignment to light duty, adversely affect promotional opportunities, or cause retirement from the job.
- Medical certification required by two physicians certifying disability, and the employer must certify that the illness or injury was work-related.

# Duty Disability Benefits

80% of monthly salary (State employees)

75% of monthly salary (Local employees)

- May increase by 5% if also qualified for a disability retirement benefit from the WRS or Social Security.
- Local Only — employment terminated prior to the date that ETF receives duty disability application, may reduce benefit % equal to 0.5% for each month of service over 25 years.
- Local Only — employment terminated prior to the date that ETF receives duty disability application, the benefit will be reduced by 0.5% for each month of service over 30 years.

Benefits adjusted annually by either the Social Security Administration (SSA) wage index or the previous year's WRS core dividend

Benefits are offset annually by: Social Security Disability Insurance (SSDI), Supplemental Security Income (SSI) retirement, WRS retirement, WRS separation, 40.63, LTDI, earnings, worker's compensation, and unemployment compensation.

Death benefits may be available if the death was a result of injury or disease for which a benefit is paid, survived by spouse, domestic partner, or unmarried children under 18.

# Income Continuation Insurance (ICI)

Voluntary disability income replacement benefit payable to enrolled participants

## Monthly benefit – 75% of salary

- Coverage to \$120,000 annual salary – Max benefit/month: \$7,500
  - \$75 monthly add-on to long-term benefits
- Taxable benefit

Short-term and long-term benefits payable to age 65 for most

Taxable based on employer share of premiums paid

Group Insurance Board Authority

## Separate State and Local employer plans

State ICI premiums are based on salary and accumulated sick leave balances

- UW faculty and academic staff — Elimination period based premium structure
- Premiums shared between employers and employees
- Claimants required to exhaust sick leave up to 130 days

Local plan has elimination period based premium structure — currently on premium holiday

# Long-Term Disability Insurance (LTDI)

Disability income to employees who have become totally and permanently disabled.

Created in 1992 as a replacement for the 40.63 program

- Closed to new claims on Dec. 31, 2017
- Part of disability programs redesign to eliminate duplicate benefit programs
- 1239 open claims in run-out

Monthly benefit — 40% of salary (taxable)

Payable to age 65

Annual adjustments

- Salary adjustment — Core Index
- 7% WRS contribution

ETF Board Authority

# Disability Benefit Variations

## Notable differences among the disability programs

Participation in ICI is voluntary and requires a member to enroll in the program.

- Coverage under 40.63 and 40.65 programs is automatic for eligible WRS members.

The ICI program only requires 1 medical certification.

- 40.63 and 40.65 programs require two (one from a specialist).

Varying definitions of disability.

### Earnings limit:

- LTDI (excluding LTDI special) is suspended the first-time earnings limit is exceeded and terminated if a recipient exceeds the earnings limit more than once.
- 40.63 will be suspended each time earnings limit is exceeded. No terminations.
- 40.65 does not have an earnings limit. Earnings are 100% offset.
- ICI is terminated if a claimant can return to substantial gainful activity (SGA).
  - SGA is defined as the gross earnings for any period of ICI benefits that are paid or payable which are at least equal to the gross ICI benefit, excluding the \$75.00 monthly supplement.

# Disability Benefits Administration

## Case management approach

- The disability programs processing tasks are performed by using a case manager approach
- A large portion of disability benefits administration happens after benefit approval and payments begin
- Most tasks are processed/entered/reviewed manually.
- Benefits are monitored and assessed by the case managers for the lifetime of the benefit.

## Common tasks:

- Application processing
- Annual earnings reviews
  - Benefits suspended if member exceeds the earnings limit or,
  - Required information to ensure continued program eligibility is not received.
- Annual medical recertifications
- For 40.63 and 40.65 claims, employee may withdraw their disability application prior to a decision being made to approve or deny. Disability claims can also be canceled by ETF if the information necessary to reach a decision is not received by ETF within one year from the date the claim is filed.

# Current Issues – Disability Section

## Pension Administration System

- Impact to resources

## Staffing and Experience

- Stable section with little turnover
- Staff turnover over next 5 years due to retirement eligibility

## Reserve Policy/Targets Review/Update

- ICI and Duty Disability



# Current Issues – Duty Disability

## Program Redesign

- Recommendation from OIA
- Simplify and modernize the program

## Yearly Review

- Yearly review of Income Taxes and other related tax documents

## Data Share with SSA

- With Social Security Administration for review

# Current Issues - ICI

## ICI Administrator Contract with The Hartford

Contract term Jan. 1, 2022, through Dec. 31, 2026

- 1 two-year extension available for CY27-28.
- Early 2025 decision — Extend contract or issue RFP

## Administrative Services Fee renegotiation

- Fee locked — 2022-2024
- Negotiation for new fee in process



**Questions?**

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# Thank you

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# ETF's Strategic Plan Annual Review And Going Forward

Item 4C - Employee Trust Funds Board

Pam Henning, Assistant Deputy Secretary

Kristin Gunther, Administrative Policy Advisor

Office of the Secretary



# Informational Item Only

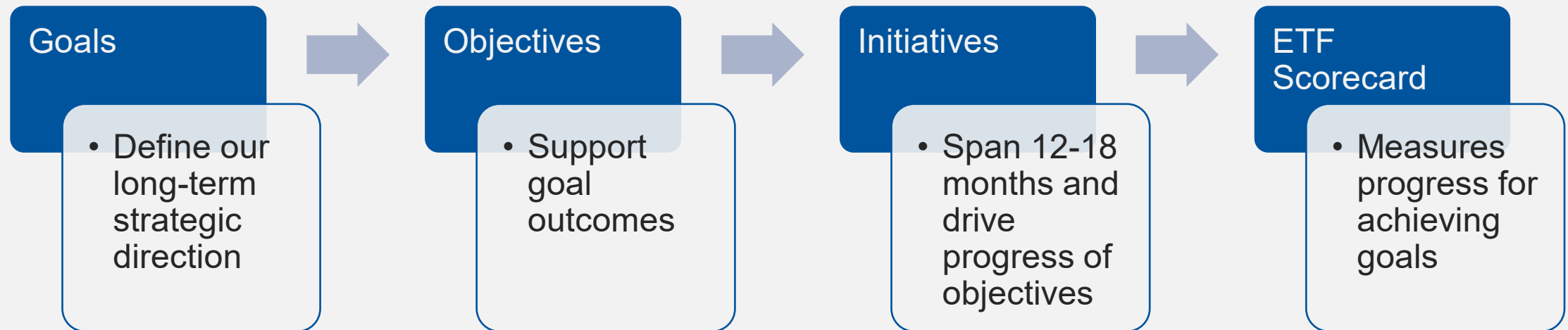
No Board action is required.

# Agenda



- Review FY24 Strategic Plan Accomplishments
- Introduce ETF's FY25 Strategic Plan
- Next Steps

# ETF Strategic Plan Framework



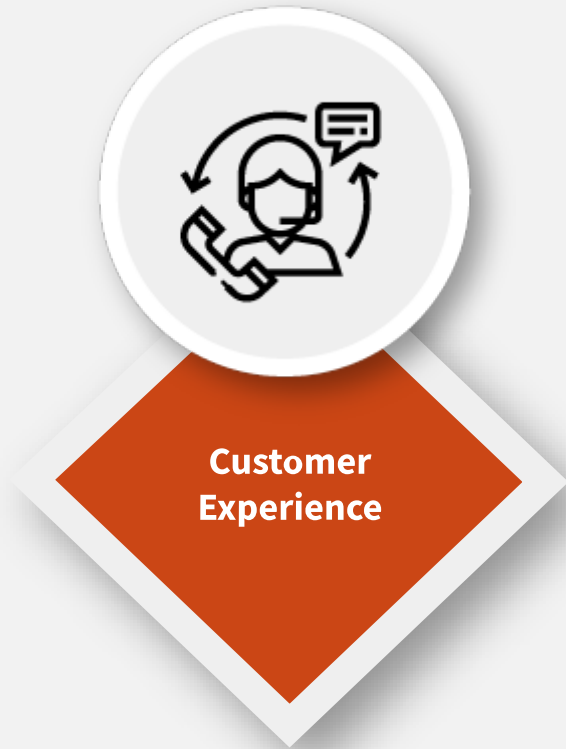




# ETF Strategic Plan

## FY24 Accomplishments

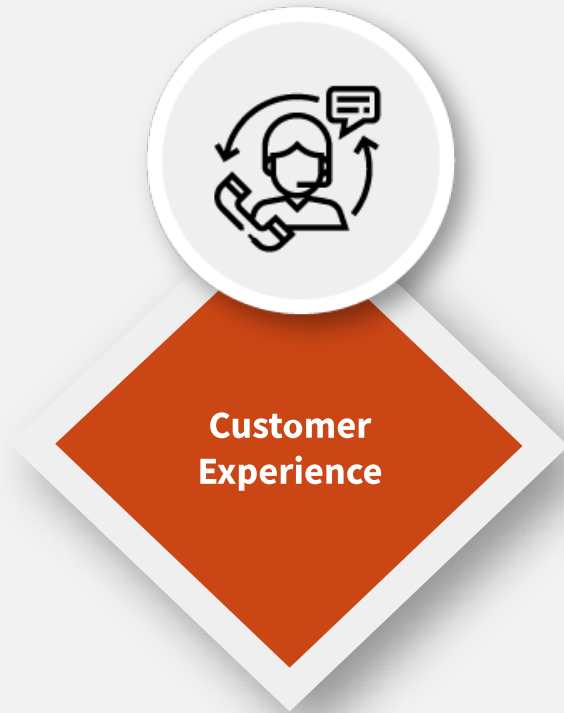
# FY 24 Goal 1: Customer Experience Objectives



- Increase employer competency for managing employee benefits
- Determine the strategy, programs, and organizational infrastructure needed to drive customer experience improvements
- Ensure insurance program sustainability

# FY 24 Goal 1: Customer Experience

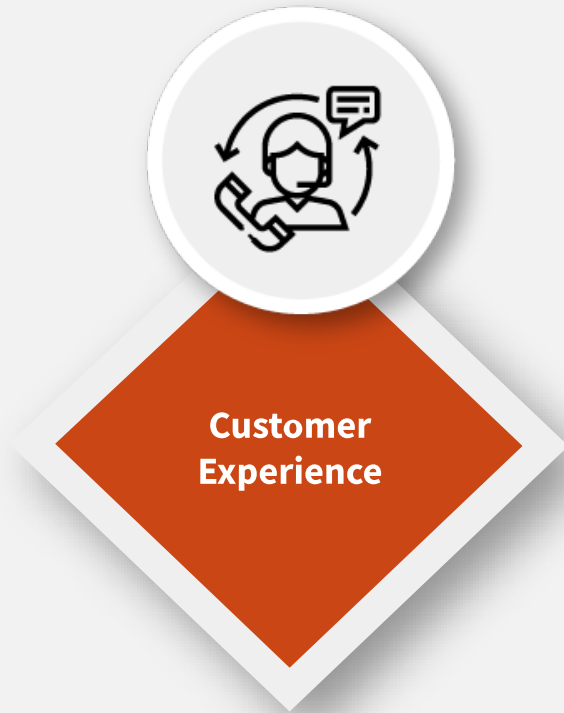
## Accomplishments



- Completed the modernization of five additional WRS Employer training modules for employers
- Insurance program sustainability activities moved to operational status
- Developed retiree customer personas to better understand the needs of this customer group

# FY 24 Goal 1: Customer Experience

## Initiative Highlights



### Customer Experience

To better understand our customers, ETF creates **personas** to represent member and employer groups.

- Fictional characters based on aggregate data
- Intended to represent the real customer
- Personas identify customer preferences, needs, and goals throughout their journey with ETF

# FY 24 Goal 2: Performance & Process Management

## Objective



Performance &  
Process  
Management

- Improve operational performance management through effective process management, performance metrics, controls, and improvement initiatives

# FY 24 Goal 2: Performance & Process Management

## Accomplishments



Performance &  
Process  
Management

Ongoing progress documenting future-state Insurance Administration System processes, with 109 future-state processes documented

# FY 24 Goal 3: Talented Workforce

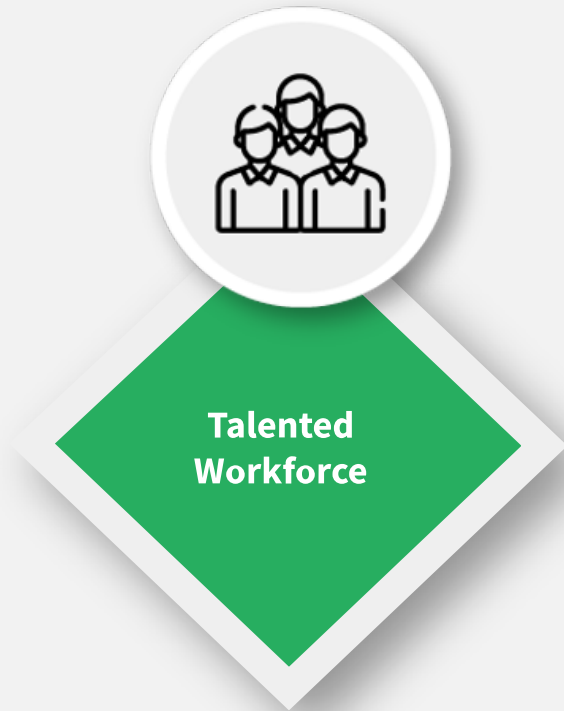
## Objectives



- Attract, integrate, and advance top talent
- Advance employee development through meaningful and intentional performance management approaches
- Build the culture, recruitment, and retention practices that will make ETF an equitable and inclusive organization

# FY 24 Goal 3: Talented Workforce

## Accomplishments



- Completed foundational work for skills assessment framework
- Completed first year of the Employee Performance Management System
- Completed assessment and recommendations to develop supervisor training to support employee performance outcomes
- ETF Equity and Inclusion Plan: FY2024-2026 Year 1 approved action items



# FY 24 Goal 3: Talented Workforce

## Initiative Highlights



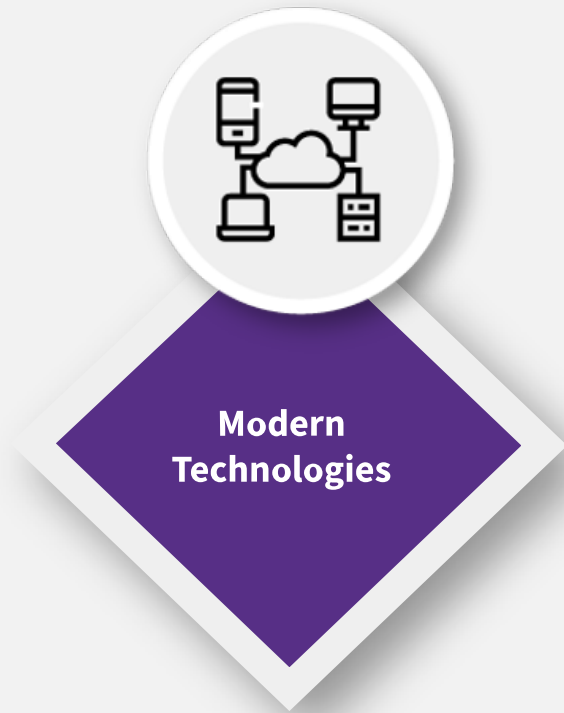
ETF Equity and Inclusion Plan: FY2024-2026 Year 1

Increased collaboration efforts between Wellness Committee and Inclusion, Diversity Equity and Advancement (IDEA) Committee:

- New book club
- Continued Staff Network Group development

# FY 24 Goal 4: Modern Technologies

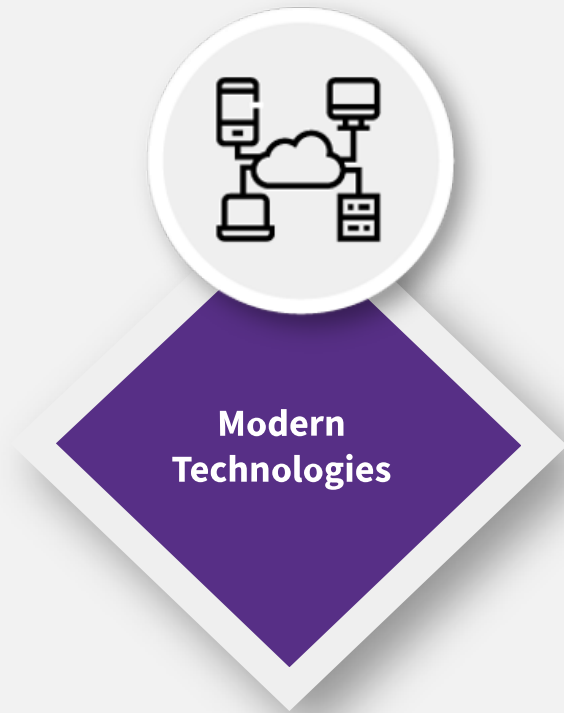
## Objectives



- Develop and deploy solutions to support an effortless customer experience that enables accurate self-service and timely benefit administration services
- Integrate systems and processes to support an effortless customer experience
- Preserve the safety and security of all ETF systems and data through standard practices, appropriate security controls, risk management and information security technologies

# FY 24 Goal 4: Modern Technologies

## Accomplishments



- Enterprise Content Management system operationalized
- Insurance Administration System Progress
- Information Risk Management Program security implementations
- Data Management and Technology Programs operationalized



# FY25 Strategic Plan

# FY 25 Strategic Planning Process



Ongoing collaboration between Strategic Council, Agency Management Council and Board of Managers to:

- Broaden operational and strategic insights
- Empower and engage leadership
- Co-author ETF's strategy

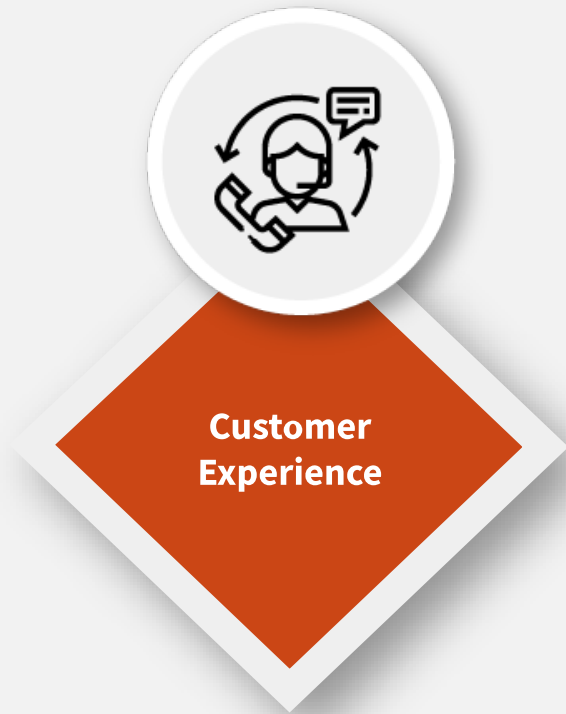
# FY 25 Strategic Plan: Changes



- Updated two Strategic Objectives
- Added “Relational Operational Efforts” to the plan to highlight ongoing work supporting strategic outcomes

# FY 25 Goal 1: Customer Experience

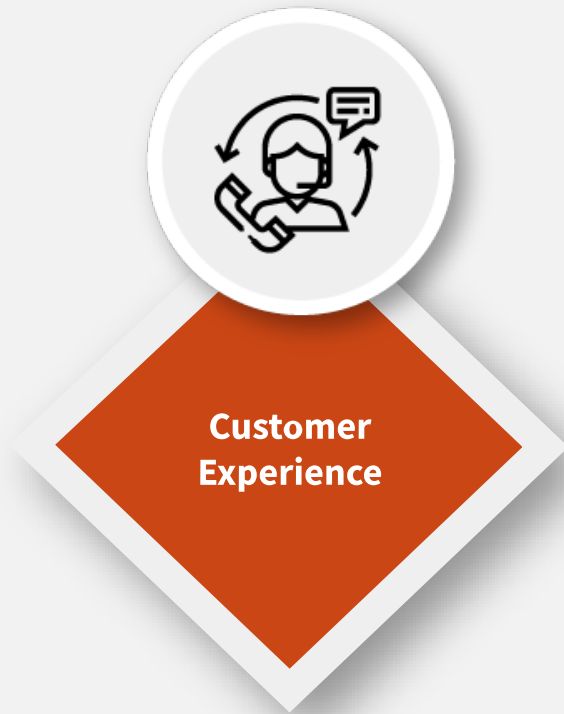
## Objectives



- Increase employer competency for managing employee benefits
- Ensure insurance program sustainability
- Determine the strategy, programs, and organizational infrastructure needed to drive customer experience improvements

# FY 25 Goal 1: Customer Experience

## Initiative Highlights



### Customer Experience

Expand persona library to complete employer and other personas

- Gain better insights about different customer segments
- Begin creating customer journey maps to understand customer segment interactions throughout their journey with ETF



# FY 25 Goal 2: Performance & Process Management

## Objectives



Performance &  
Process  
Management

- Optimize processes to leverage capabilities of modernization initiatives

# FY 25 Goal 3: Talented Workforce

## Objectives



- Attract, integrate, and advance top talent
- Advance employee development through meaningful and intentional performance management approaches
- Build the culture, recruitment and retention practices that will make ETF an equitable and inclusive organization

# FY 25 Goal 3: Talented Workforce

## Initiative Highlights



Define the framework and roadmap for a new Office of Enterprise Risk Management

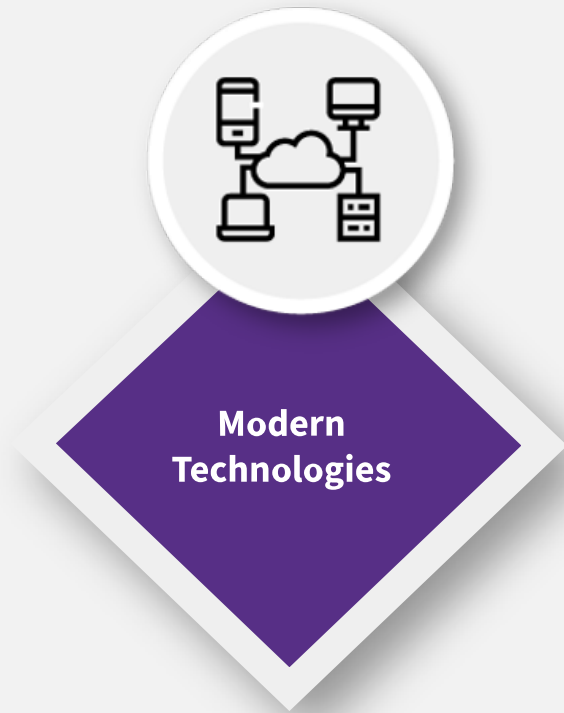
- Establish guiding principles, set standards for risk-based decision making

Framework and roadmap efforts include:

- Defining OERM scope and responsibilities
- Identifying staffing needs
- Inventorying current-state organizational risk management practices

# FY 25 Goal 4: Modern Technologies

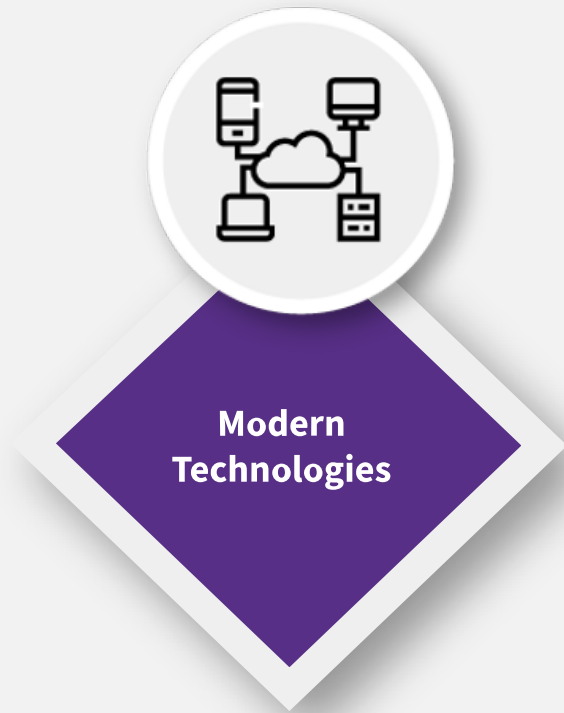
## Objectives



- Develop and deploy solutions to support an effortless customer experience that enables accurate self-service and timely benefit administration services.
- Integrate systems and data to support an effortless customer experience.
- Preserve the safety, security and **sustainability** of all ETF systems and data through standard practices, appropriate security controls, risk management, and information security technologies.

# FY 25 Goal 4: Modern Technologies

## Initiative Highlights

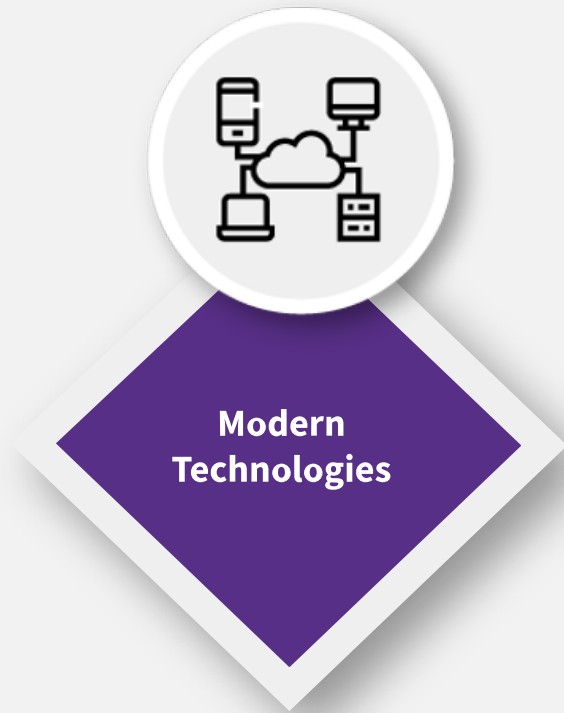


Develop and deploy solutions to support an effortless customer experience that enables accurate self-service and timely benefit administration services.

- Insurance Administration System efforts focused on system and program readiness efforts for successful user experience
- Pension Administration System efforts focused on Request for Proposal and vendor selection

# FY 25 Goal 4: Modern Technologies

## Initiative highlights



Preserve the safety, security and sustainability of all ETF systems and data through standard practices, appropriate security controls, risk management, and information security technologies.

- Mature operational processes
- Manage third-party information risk
- Develop roadmap to ensure sustainability of ETF's applications and systems

# Next Steps: Resource Prioritization



Ensure alignment of resources to priorities



Continue refining data for reporting and decision-making

# Next Steps: Governance

Focus: continuing to strengthen and mature governance processes

## Strategic Council

- Setting the agency's strategic direction and defining priorities

## Agency Management Council

- Enhancing alignment of business operations
- Collaborating to improve agency performance
- Approving agency policies

## Data Governance Council

- Oversight of the agency's data lifecycle from creation, use, storage, and confidentiality

## Portfolio Committee

- Resource prioritization oversight
- Recommendations for project alignment





**Questions?**

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# Thank you

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# BREAK

The Board is on a short break. Audio and visual feed will resume upon the Board's return.



# Biennial Budget Update



Item 5A – Memo Only

Tarna Hunter, Director  
Office of Budget and Management

Tim Steiner, Director  
Budget, Contract Administration and Procurement





# Action Needed

- Motion needed to support the Department's 2025-2027 Biennial Budget proposal.

The background is a dark blue gradient with numerous out-of-focus light spots in shades of blue and purple, creating a bokeh effect.

**Questions?**

# Customer Experience (CX) Update at ETF

Item 6A - Employee Trust Funds Board

Racheal Rolli, Customer Education & Engagement  
Division of Benefits Administration



# Informational Item Only

No Board action is required.



# Transforming with CX in Mind





# CX Vision

Our customers feel empowered and trust us to meet their needs through personalized, convenient and helpful interactions.



# Components of the CX Roadmap

- Governance & Strategic Alignment
- Customer Understanding
- Customer Centric Culture
- Employee Experience (EX)
- Policies & Processes
- Technology & Data





# Customer-Centric Culture

- Customer Centric Core Competency
- CX Roadshows in every ETF business unit
- CX internal website, email, and articles
- Celebrating CX champions





# Employee Experience

81 Ideas

- General member education and avoiding document rejections
- Continue website updates and form improvements
- Better end-to-end understanding of complicated processes

18 Complete

- Improving web pages and forms for separation benefits and rollover applications
- Targeted mailing at or before minimum retirement age
- Reducing mailing

13 In Progress

- Data exchange with Social Security
- Updating the phone tree with Health Insurance option
- Mapping and improving death benefit process



# Customer Understanding

## Voice of Customer Program (VoC)



### Members

- Actively Working
- Inactive
- Vested and Minimum Retirement Age
- Retiree

### Employers

- State
- Local

### Survivors/Beneficiaries

- Named Survivor
- Beneficiary

# What is a Persona?



- Fictional characters that represent a group of our customers
- Typically consists of an image and high-level bullets about the customer and their goals
- Ultimately, personas help identify behaviors, motivations, needs, pain points, and challenges





# ETF Retiree Questions



We want to know about your experiences and outcomes with ETF. How could we make them better?



What are your goals and motivators? How can we help?



What challenges or obstacles do you have? Can ETF help?



How do you want to interact with ETF? Does it change based on what you need?







**\*Retiree: Ardith Bauer**

I'm a local retiree who worked as a teacher for my school district for over 26 years. I've been retired for 13 years. I depend on my monthly annuity to meet my financial needs.

**Demographics**

**Local Annuitant**

**Age:** 71

**Annual WRS Pension:** \$29,334

**Employment Category:** Teacher

**Annuity Option:** Life with 180 Guaranteed Payments

\*Fictional character based on aggregate member data and feedback.



**More About Me**

- I retired at 58 years old after 26 years of teaching for the same school district.
- I ordered a retirement estimate and called ETF with questions before making my retirement decisions.
- I get my health, dental and life insurance through a separate entity.



**Challenges and Obstacles**

- I need to know how to navigate the website.
- Learning about options is time consuming and overwhelming, but I'd like to ensure I am maximizing my benefits.
- I'm not finding the educational material in my channel of choice.
- Inability to access benefit and account information online, especially for making tax changes.



**My Needs and Goals**

- I desire financial stability and want to be able to leave something for my children and grandchildren when I pass.
- I want to know what happens to my annuity after I pass away.
- I want to find education and other learning opportunities for post-retirement topics.
- I need to be aware of things that impact my bottom dollar such as annuity and tax adjustments.
- One of my top goals is to maintain my health and independence while aging.
- I need to feel reassured about my options and decisions.



**My ETF Touchpoints**

- I most commonly interact with ETF regarding payment changes due to annuity adjustments and tax changes.
- I want options in how I communicate, but I always want to be able to speak with a live person on the phone.
- I receive the ETF newsletter to get most of the updates I need about my benefits.

**My understanding of benefits available to me:**

- Novice     Some understanding     Expert

**My Communication Preference is:**

- Phone     Email     Digital (self service)





**\*Retiree: Al Porter**

I'm a state retiree who put in over 24 years of service with the Department of Health Services. I have been retired for 11 years. I depend on my monthly annuity to meet my financial needs.

**Demographics**

**State Annuitant**

**Age:** 71

**Annual WRS Pension:** \$26,477

**Employment Category:** General

**Annuity Option:** 100%

Continued to Named Survivor with 180 Guaranteed Payments

\*Fictional character based on aggregate member data and feedback.



**More About Me**

- I retired at 60 years old after 24 years of working for the Department of Health Services.
- I ordered a retirement estimate and attended an appointment with ETF before I made my retirement decisions.
- My spouse and I are on the Medicare Advantage plan and have Uniform Dental benefits. We have around \$40,000 of sick leave to pay for our health and dental premium.
- I have \$36,000 of life insurance with ETF for which I no longer pay premiums



**Challenges and Obstacles**

- I need to know how to navigate the website.
- Learning about options is time consuming and overwhelming, but I'd like to ensure I am maximizing my benefits.
- I'm not finding the educational material that pertains to me in my channel of choice. I would especially like to see additional information about Medicare.
- I cannot access benefit and account information online, especially for making tax changes.
- I want to choose the right, low-cost health insurance option without giving up standard of care. Health insurance is too complex.



**My Needs and Goals**

- I desire financial stability and want to be able to leave something for my children and grandchildren when I pass.
- I want to know what happens to my annuity after I pass away.
- I want to find education and other learning opportunities for post-retirement topics.
- I need to be aware of things that impact my bottom dollar such as annuity and tax adjustments.
- One of my top goals is to maintain my health and independence while aging.
- I need to feel reassured about my options and decisions.



**My ETF Touchpoints**

- I most commonly interact with ETF regarding payment changes due to annuity adjustments and tax changes. I also have contact during open enrollment.
- I want options in how I communicate, but I always want to be able to speak with a live person on the phone.
- I receive the ETF newsletter to get most of the updates I need about my benefits.

**My understanding of benefits available to me.**

- Novice    Some understanding    Expert

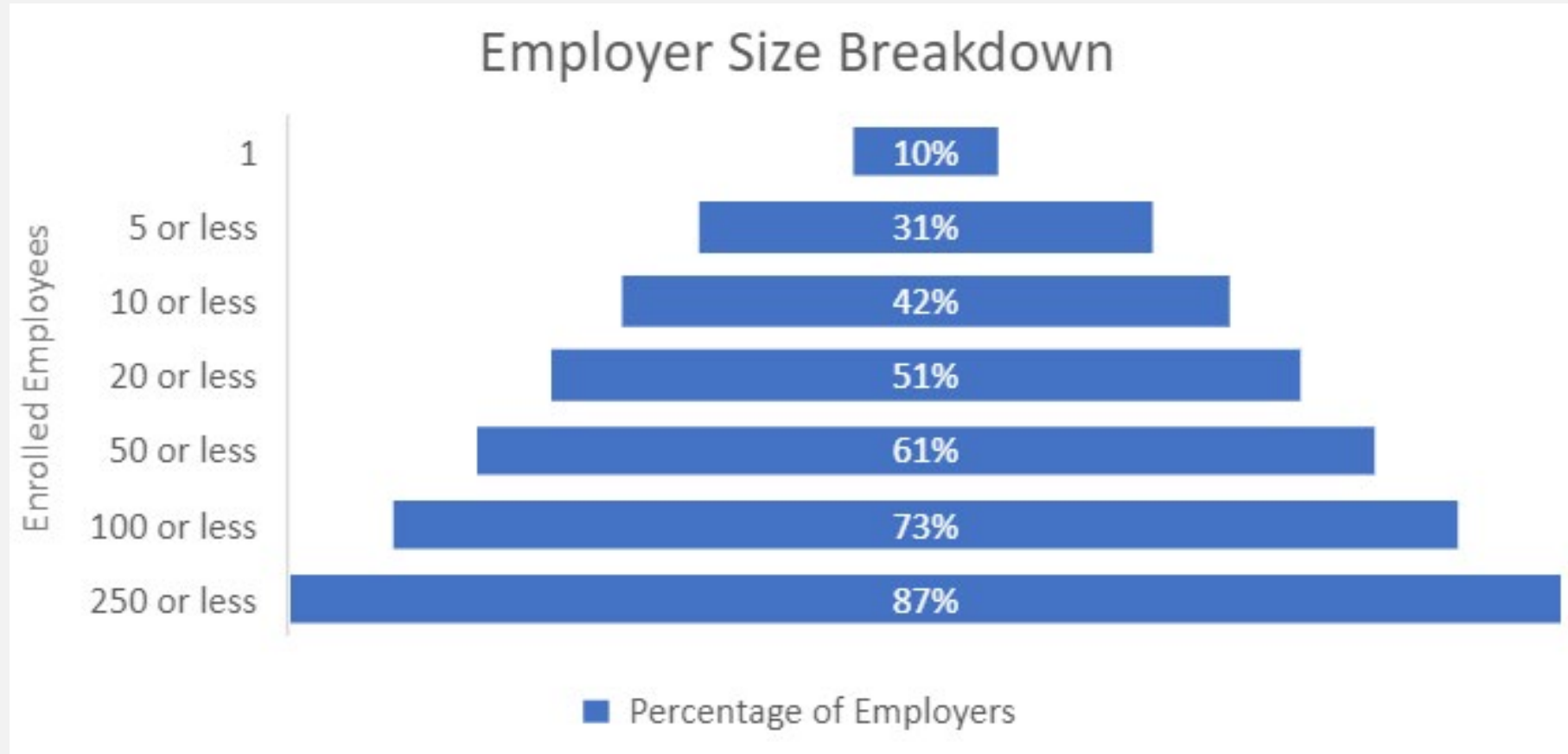
**My preference when receiving news and doing simple tasks.**

- Phone    Email    Digital (self service)





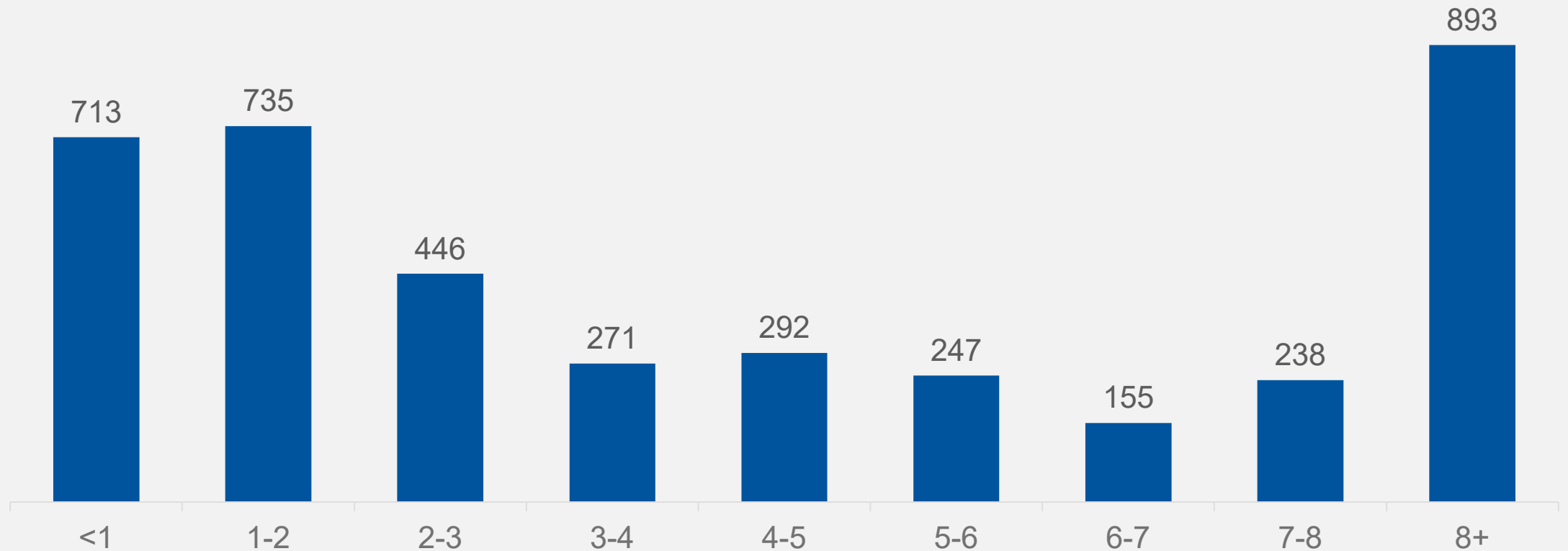
# Employee Size





# Employer User Tenure

Number of Users by Years of Access





# ETF Employer Questions



Are there challenges that ETF could help you to overcome?



How is your experience with ETF online tools? What can be improved?



How could ETF improve your experience or better meet your goals and expectations?



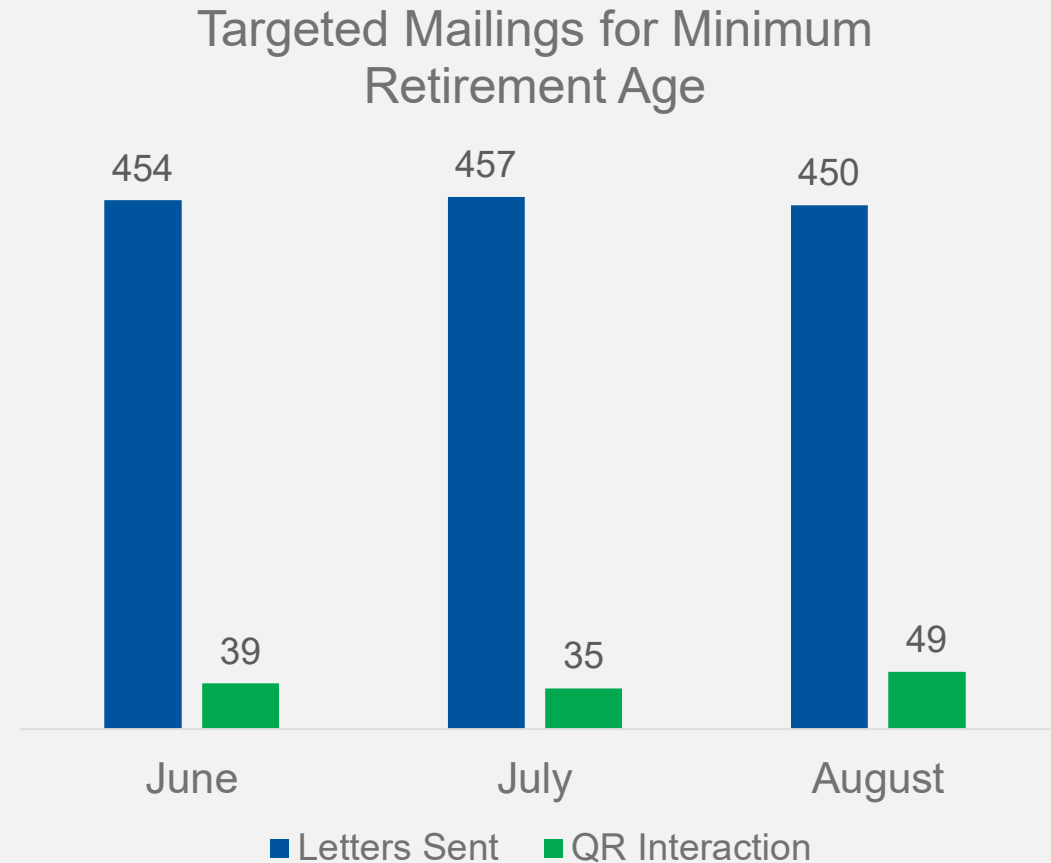
What do you like or not like about ETF's current reporting structure?





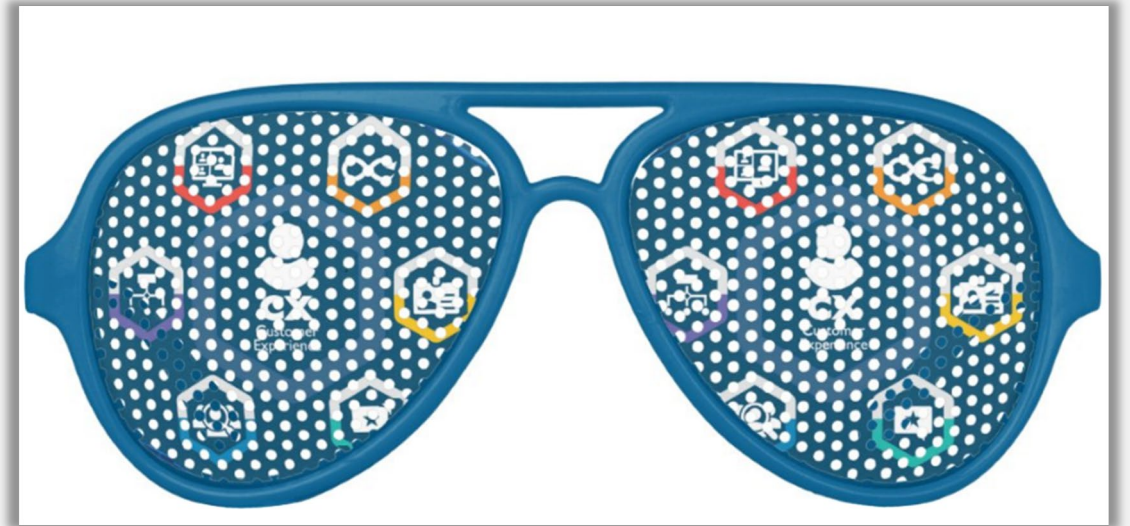
# Targeted Mailings

- Minimum Retirement Age birthday letters rewritten in May of 2024
- Contain a QR code to request an online retirement estimate
- Average 8.9% interaction rate
- Move mailings one year prior to the median age of WRS retirement



# Roadmap Refresh for 2025

- Customer Understanding
- Customer Centric Culture
- Employee Experience (EX)
- Policies & Processes
- Technology & Data





**Questions?**



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# Thank you

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# Secretary's Report

## Item 6B – Employee Trust Funds Board

John Voelker, Secretary

Office of the Secretary





**Questions?**

# Operational Updates

Items 6C – 6I – Memos Only



# Informational Items Only

- No Board action is required.

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**Questions?**

# Tentative December 2024 Agenda

Item 7A – Memo Only



# Informational Item Only

- No Board action is required.





**Questions?**

# Adjournment



Item 8 – No Memo

