



STATE OF WISCONSIN
Department of Employee Trust Funds
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SECRETARY

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Correspondence Memorandum

Date: March 20, 2025
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

Ice Miller Federal Tax Counsel

Contract Amendment #5 was signed by the Secretary of the Department of Employee Trust Funds (ETF) on February 25, 2025. The amendment extended the services provided under RFP ETJ0060 for federal tax counsel from July 1, 2025, through June 30, 2026, with the option to extend one additional year.

ETF Operational Financial Reporting

Administrative Appropriation Charges

Information on ETF administrative expenses through the fourth quarter (Q4) of calendar year (CY) 2024 are reported in Attachment A. ETF spent \$15.9 million on administrative expenses in Q4 of CY 2024, an approximately 2.0% increase from Q4 of CY 2023, where ETF spent \$15.6 million. The reason for the total cost increase has remained consistent with prior reported comparisons and is primarily due to increases in contractual services costs.

Program Appropriation Charges

Information on non-benefit disbursements charged to ETF's benefit program appropriations for the one-year period ending on December 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
- Benefit disbursements made to participants

Tarna Hunter

Reviewed and approved by Tarna Hunter, Director, Budget & Management
Electronically Signed 03/20/2025

Board	Mtg Date	Item #
ETF	03.27.25	6J

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

Attachment A: Quarterly ETF Administrative Expenses (Q4 CY 2024)

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

Attachment A: Quarterly ETF Administrative Expenses (Q4 CY 2024)

Expense Summary	Q1 CY 2024	Q2 CY 2024	Q3 CY 2024	Q4 CY 2024	Year Ending 12/31/23	Year Ending 12/31/24
Salary and Fringe (FTE)	\$7,594,073	\$9,583,109	\$6,545,240	\$8,712,507	\$30,463,912	\$32,434,929
Limited Term Employees (LTEs)	\$55,342	\$90,406	\$64,939	\$63,577	\$229,607	\$274,264
Supplies and Services						
Contractual Services	\$4,819,349	\$5,684,982	\$4,569,783	\$4,368,729	\$17,212,698	\$19,438,843
IT	\$1,243,508	\$1,571,134	\$1,269,925	\$1,650,235	\$5,010,585	\$5,734,802
Rent	\$339,651	\$341,815	\$341,121	\$341,851	\$1,655,287	\$1,364,348
Mail	\$333,574	\$465,886	\$248,900	\$32,323	\$1,292,542	\$1,080,683
Travel/Training	\$35,402	\$51,316	\$58,384	\$80,821	\$200,644	\$225,923
Other/Misc.	\$601,176	(\$218,414)	\$100,653	\$633,938	\$1,205,117	\$1,117,353
Subtotal	\$7,372,659	\$7,896,719	\$6,584,767	\$7,107,897	\$34,836,029	\$28,965,952
Total	\$15,022,074	\$17,570,234	\$13,194,945	\$15,883,981	\$57,270,391	\$61,671,236

Attachment B: Quarterly Non-Benefit Disbursements Charged to Benefit Program Appropriations¹

Expense Summary	Q1 CY 2024	Q2 CY 2024	Q3 CY 2024	Q4 CY 2024	Year Ending 12/31/24
Third-Party Administration					
Health Insurance	\$4,677,209	\$5,826,800	\$4,316,603	\$5,269,063	\$20,089,675
Life Insurance	\$1,138,973	\$1,284,476	\$1,223,238	\$1,214,321	\$4,861,008
Income Continuation Insurance	\$664,500	\$664,500	\$664,500	\$664,500	\$2,658,000
ERA and Commuter Benefits	\$88,873	\$75,452	\$167,443	\$111,724	\$443,492
Wisconsin Deferred Compensation	\$655,990	\$655,990	\$655,990	\$655,990	\$2,623,960
Other Administrative					
Health Data Warehouse	\$151,562	\$148,922	\$171,422	\$148,923	\$620,830
Total	\$7,377,107	\$8,656,140	\$7,199,197	\$8,064,520	\$31,296,964

¹ 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.