



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: June 4, 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 Council

Contract Amendment #5 was signed by the ETF secretary on February 25, 2025. The amendment extended the services provided under RFP ETJ0060 for federal tax council from July 1, 2025 through June 30, 2026, with the option to extend one additional year.

Brown and Brown of Massachusetts, LLC (Claim Technologies) audit of Uniform Dental Benefits Contract

Contract amendment #4 was signed by the ETF Secretary on April 22, 2025. The amendment was for the 2023-2024 audit of uniform dental benefits for \$37,300.

PillarRx audit of Pharmacy Benefits Manager Contract

Contract amendment #2 was signed by the ETF secretary on April 3, 2025. The amendment was for the 2025, 2026 and 2027 PBM audits each costing \$113,000.

ETF Operational Financial Reporting

Administrative Appropriation Charges

Information on ETF administrative expenses through the first quarter (Q1) of calendar year (CY) 2025 are reported in Attachment A. ETF spent \$16.02 million on administrative expenses in Q1 of CY 2025, a 6.67% increase from Q1 of CY 2024, where ETF spent \$15.02 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

Reviewed and approved by Tarna Hunter, Director, Budget & Management
Electronically Signed 05/29/2025

Board	Mtg Date	Item #
ETF	06.19.25	6H

Information on non-benefit disbursements charged to ETF's benefit program appropriations for the one-year period ending on March 31, 2025, 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

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

Attachment A: Quarterly ETF Administrative Expenses (Q1 CY 2025)

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

Attachment A: Quarterly ETF Administrative Expenses (Q1 CY 2025)

Expense Summary	Q2 CY 2024	Q3 CY 2024	Q4 CY 2024	Q1 CY 2025	Year Ending 3/31/24	Year Ending 3/31/25
Salary and Fringe (FTE)	\$9,583,109	\$6,545,240	\$8,712,507	\$7,920,793	\$30,981,572	\$32,761,649
Limited Term Employees (LTEs)	\$90,406	\$64,939	\$63,577	\$45,245	\$235,546	\$264,167
Supplies and Services						
Contractual Services	\$5,684,982	\$4,565,783	\$4,368,729	\$5,413,475	\$17,797,659	\$20,032,969
IT	\$1,571,134	\$1,269,925	\$1,650,235	\$1,364,923	\$5,135,842	\$5,856,217
Rent	\$341,815	\$341,121	\$341,851	\$341,971	\$1,528,827	\$1,366,757
Mail	\$465,886	\$248,900	\$32,323	\$360,608	\$1,005,698	\$1,107,718
Travel/Training	\$51,316	\$58,384	\$80,821	\$49,496	\$214,212	\$240,018
Other/Misc.	(\$218,414)	\$100,653	\$633,938	\$527,596	\$1,307,626	\$1,043,774
Subtotal	\$7,896,719	\$6,584,766	\$7,107,897	\$8,058,070	\$26,989,865	\$29,647,453
Total	\$17,570,234	\$13,194,945	\$15,883,981	\$16,024,108	\$58,306,982	\$62,673,269

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

Expense Summary	Q2 CY 2024	Q3 CY 2024	Q4 CY 2024	Q1 CY 2025	Year Ending 3/31/25
Third-Party Administration					
Health Insurance	\$5,826,800	\$4,316,603	\$5,269,063	\$4,784,255	\$20,196,721
Life Insurance	\$1,284,476	\$1,223,238	\$1,214,321	\$1,200,644	\$4,922,679
Income Continuation Insurance	\$664,500	\$664,500	\$664,500	\$784,110	\$2,777,610
ERA and Commuter Benefits	\$75,452	\$167,443	\$111,724	\$92,640	\$447,259
Wisconsin Deferred Compensation	\$655,990	\$655,990	\$655,990	\$655,990	\$2,623,960
Other Administrative					
Health Data Warehouse	\$148,922	\$171,422	\$148,923	\$155,910	\$625,178
Total	\$8,656,140	\$7,199,197	\$8,064,520	\$7,673,549	\$31,593,406

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.