



Sign-In For Public Guests:

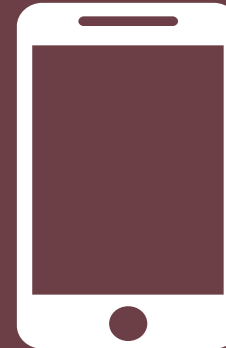
If you would like to be recorded in the minutes as in attendance, please send an email with names and organization represented to:

ETFSMBoardFeedback@etf.wi.gov.



Meeting Materials

- Available at etf.wi.gov



**Please Mute
Microphones
and/or Cell Phone**



Welcome to the Joint Meeting of the Employee Trust Funds, Teachers Retirement and Wisconsin Retirement Boards

September 17, 2020



Announcements

Item 1 – No Memo



Consideration of Open Minutes of December 12, 2019

Item 2 - Memo Only



Services and Cost Benchmarking Analysis

Item 3A

CEM Benchmarking

Sandy Halim



CEM Benchmarking Pension Administration Benchmarking results for Wisconsin ETF FYE June 30, 2019



Your total FYE 2019 pension administration costs, incurred to service your members, was \$40.6 million.

		\$000s	
	Category	You	
	<u>Front office</u>		
	Member Transactions	3,101	
	Member Communication	7,491	
	Collections & Data Maintenance	2,949	
	<u>Governance and support</u>		
	Governance and Financial Control	2,337	
	Major Projects*	2,864	* Amortization of IT costs.
	Information Technology	15,397	
	Building	1,842	
	Legal	1,348	
	HR, Actuarial, Audit, Other	3,238	
	Total Pension Administration	40,568	

\$40.6 million excludes the fully-attributed cost of administering healthcare, and optional and third-party administered benefits of \$6.9 million.

***Benchmarking provides contestability –
Demonstrates performance in the absence of
competition.***

1. Did Wisconsin Department of ETF do a good job servicing their members?
2. How can you use this report to maintain your performance or improve it?



“Wisconsin ETF has done a good job servicing its members with the tools and resources at its disposal.”

Cost - LOW COST ADMINISTRATOR

- Your total pension administration cost of \$87 per active member and annuitant was \$11 below the peer average of \$98.
- Your costs were lower primarily because you had fewer front-office FTE per 10,000 members, and because you had lower salary and other costs per FTE.
- Your costs increased by \$19 per member between 2018 to 2019 because of increased major project and information technology costs. This is due to changes in the capitalization of IT spending that resulted from shifting IT efforts from system development to operational maintenance and enhancements. In addition ETF accelerated the amortization of previously capitalized IT assets.

Service - LOWER SERVICE THAN PEERS

- Your total service score was 62. This was below the peer median of 80.
- The biggest reason why your service score was below the peer median was that your website does not have a secure member area.
- Your service score increased from 60 to 62 between 2012 and 2019.

73 leading pension administrators participate in the benchmarking service. Those in the US, Canada and 3 European administrators are part of your All universe comparisons.

Participants

United States

Arizona SRS
CalPERS
CalSTRS
Colorado PERA
Delaware PERS
Florida RS
Idaho PERS
Illinois MRF
Indiana PRS
Iowa PERS
KPERS
LACERA
Maryland SRPS
Michigan ORS
NYC ERS
NYC TRS
NYSLRS
Ohio PERS
Oregon PERS
Pennsylvania PSERS
PERS Nevada
PSRS PEERS of Missouri
South Dakota RS

STRS Ohio
Texas MRS
TRS Illinois
TRS Louisiana
TRS of Texas
Utah RS
Virginia RS
Washington State DRS
Wisconsin DETF

Canada

Alberta Teachers' RF
APS
BC Pension Corporation
Canadian Forces PP
FPSPP
LAPP
OMERS
Ontario Pension Board
Ontario Teachers
OPTrust
RCMP
SHEPP

The Netherlands¹

ABN Amro PF
ABP
bpfBOUW
BPF Levensmiddelen
BPL Pensioen
Metaal en Techniek
PF PWRI
PF Vervoer
PFZW
Rabobank PF
Shell PF

Scandinavia

ATP

United Kingdom¹

Armed Forces PS
BSA NHS Pensions
BT Pension Scheme
Lothian Pension
Greater Manchester PF
Local Pensions Partnership
Merseyside PF
Pension Protection Fund
Principal Civil Service
Railways Pension Scheme
Royal Mail Pensions
South Yorkshire PF
Teachers' Pensions
Tyne & Wear PF
USS
West Midlands Metro
West Yorkshire PF

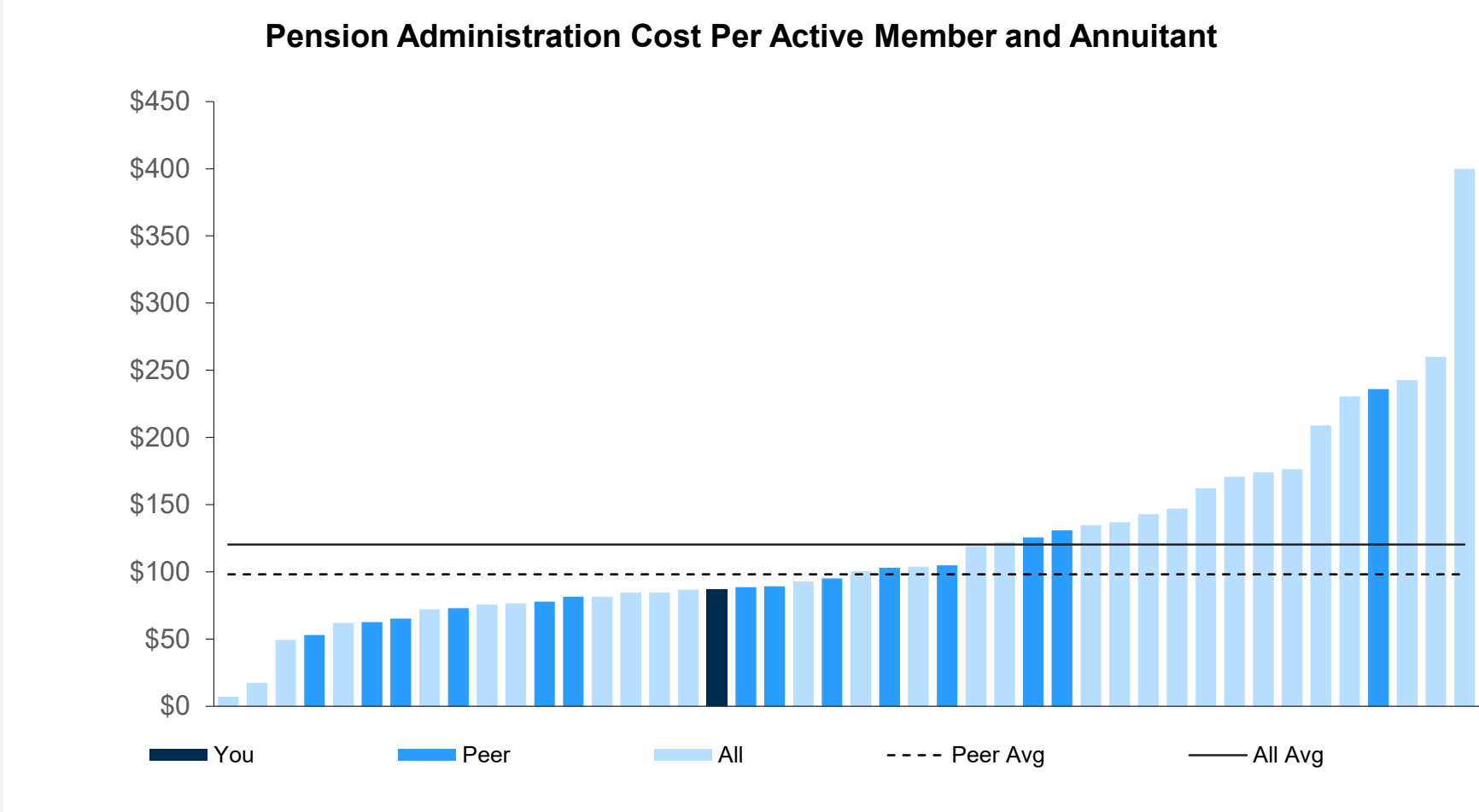
Your custom peer group consist of 14 other systems most similar to you in membership size. Membership impacts costs.

Custom Peer Group for Wisconsin DETF			
Peers (sorted by size)	Membership (in 000s)		
	Active Members	Annuitants	Total
NYSLRS	534	482	1,015
CalSTRS	461	305	766
Virginia RS	346	215	561
Washington State DRS	330	194	524
Ohio PERS	304	213	517
Pennsylvania PSERS	256	237	493
Michigan ORS	199	277	476
Wisconsin DETF	258	209	467
Indiana PRS	252	160	412
STRS Ohio	210	160	370
Colorado PERA	242	121	362
Arizona SRS	207	150	357
Oregon PERS	177	152	329
Illinois MRF	177	132	308
Iowa PERS	172	124	296
Peer Median	252	194	467
Peer Average	275	209	484

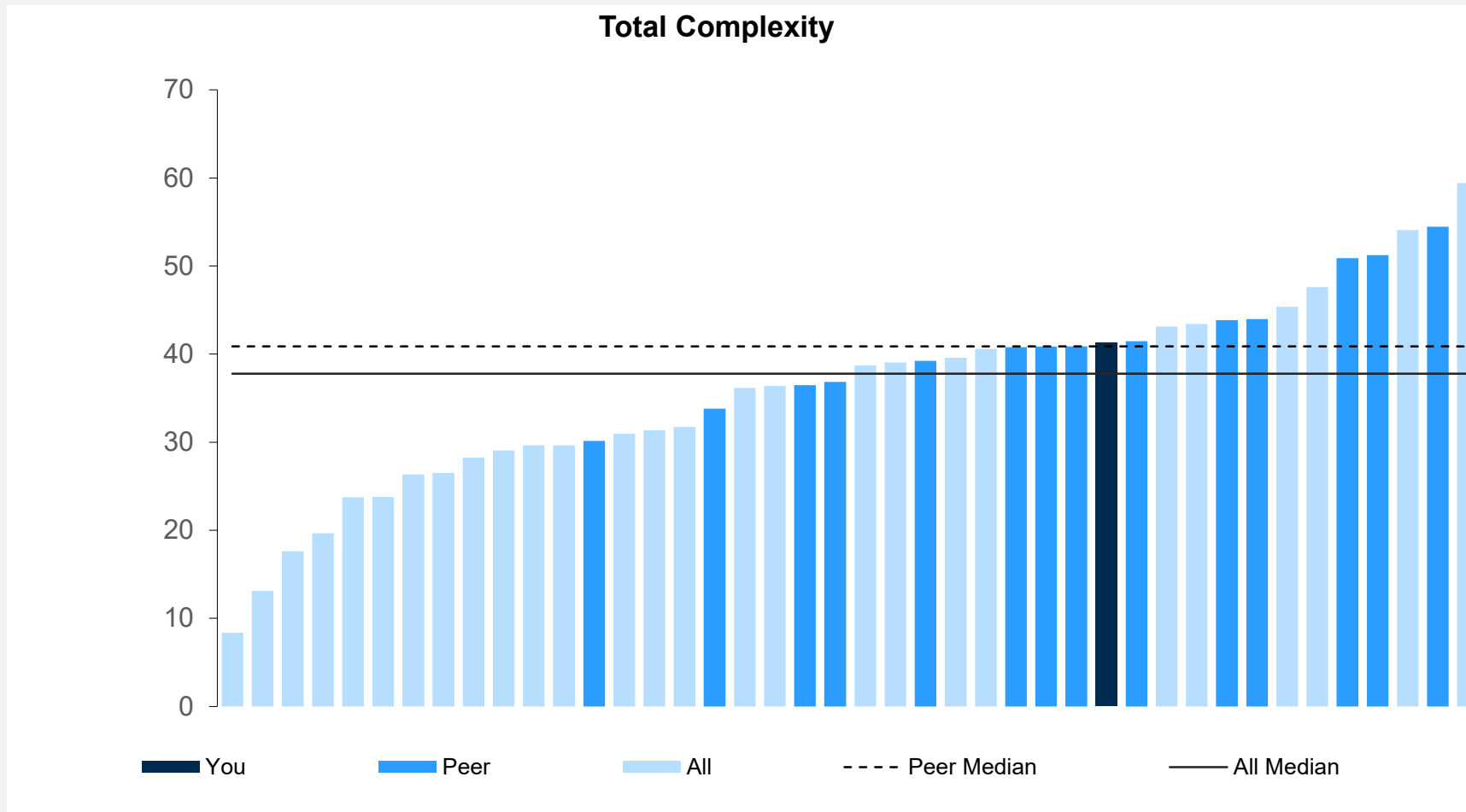
Inactive members are not considered when selecting peers because they are excluded when determining cost per member. They are excluded because they are less costly to administer than either active members or annuitants.



Your total pension administration cost of \$87 per active member and annuitant was \$11 below the peer average of \$98.



Your complexity score of 41 is equal to peer median and therefore, not likely a big factor for your system.



Complexity is CEM's standardized measure for the rules, regulations, options and choices that go into ensuring your members are receiving the benefits they are entitled to.

Complexity Score by Cause		
Cause	You	Peer Median
Pension Payment Options	49	43
Customization Choices	8	8
Multiple Plan Types and Overlays	50	31
Multiple Benefit Formula	46	57
External Reciprocity	35	35
COLA Rules	28	18
Contribution Rates	24	43
Variable Compensation	85	100
Service Credit Rules	53	49
Divorce Rules	100	55
Purchase Rules	49	67
Refund Rules	8	55
Disability Rules	72	69
Total Complexity	41	41



We capture costs by activities for both client facing (front office) or governance and support (back office).

Category	In 000's You	Cost per annuitant & active member	
		You	Peer Avg
<u>Front office</u>			
Member Transactions	3,101	7	13
Member Communication	7,491	16	18
Collections & Data Maintenance	2,949	6	8
Total Front office		\$29	\$38
<u>Governance and support</u>			
Governance and Financial Control	2,337	5	7
Major Projects *	2,864	6	8
Information Technology	15,397	33	28
Building	1,842	4	5
Legal	1,348	3	3
HR, Actuarial, Audit, Other	3,238	7	9
Total governance and support		\$65	\$70
Total Pension Administration	40,568	\$87	\$98

* IT amortization

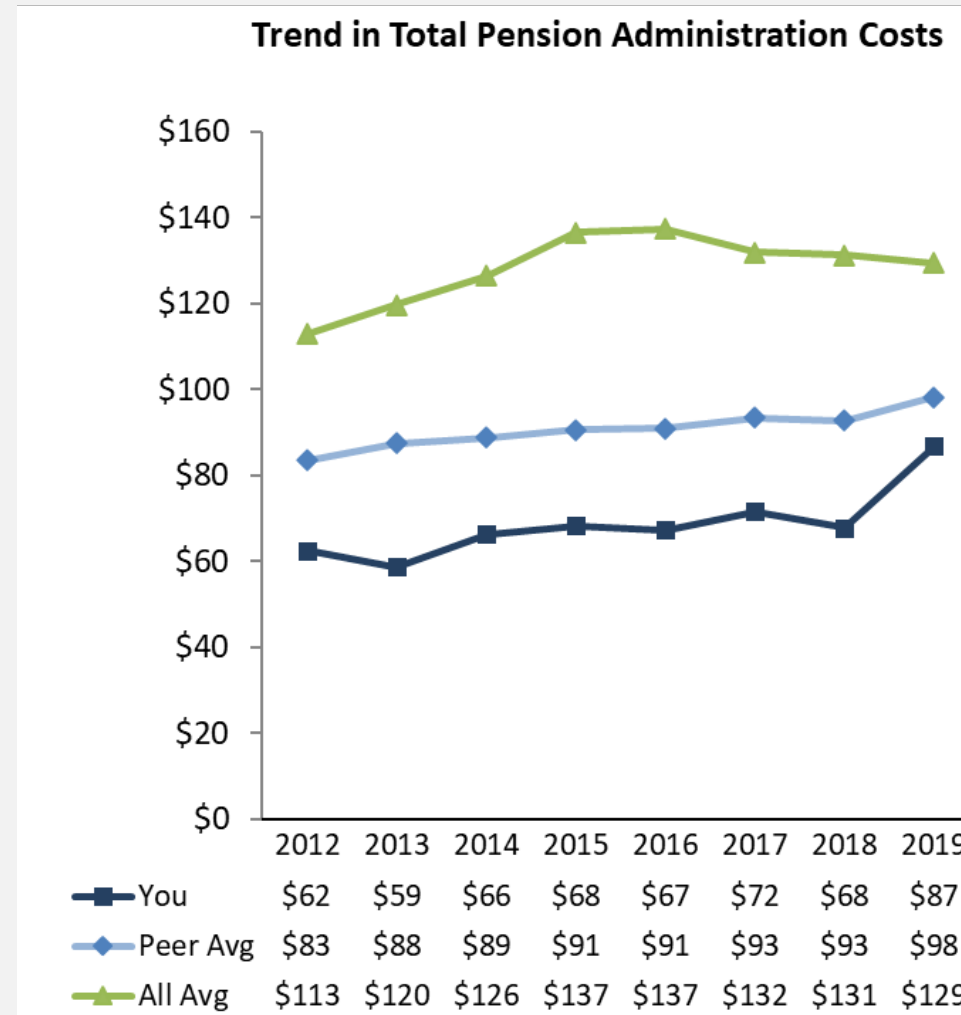
Your costs are \$11 lower than peer average because:

Reason	You	Peer Avg	Impact \$ per active member and annuitant	
1 Fewer front-office FTE per 10,000 members	3.3 FTE	3.5 FTE	-\$3	} Less FTE servicing your members.
2 Lower third party costs per member in the front-office	\$3	\$6	-\$4	
3 Lower costs per FTE				
Salaries and Benefits	\$96,717	\$106,366		
Building and Utilities	\$7,338	\$10,284		
HR	\$4,258	\$3,947		
IT Desktop, Networks, Telecom	<u>\$11,715</u>	<u>\$15,959</u>		
Total	\$120,027	\$136,556	-\$9	} Main reason: lower in your fully loaded FTE costs.
4 Higher support costs per member ¹				
Governance and Financial Control	\$6	\$7		
Major Projects	\$6	\$8		
IT Strategy, Database, Applications	\$30	\$21		
Actuarial, Legal, Audit, Other	<u>\$9</u>	<u>\$11</u>		
Total	\$50	\$46	\$4	
Total			-\$11	

1. To avoid double counting, Governance and support costs are adjusted for differences in cost per FTE.



Your 2019 cost of \$87 per member is an increase of \$19 from 2018 costs of \$68 per member.



The year over year increase in costs was primarily driven by higher major projects (accelerated IT amortization) and IT costs.

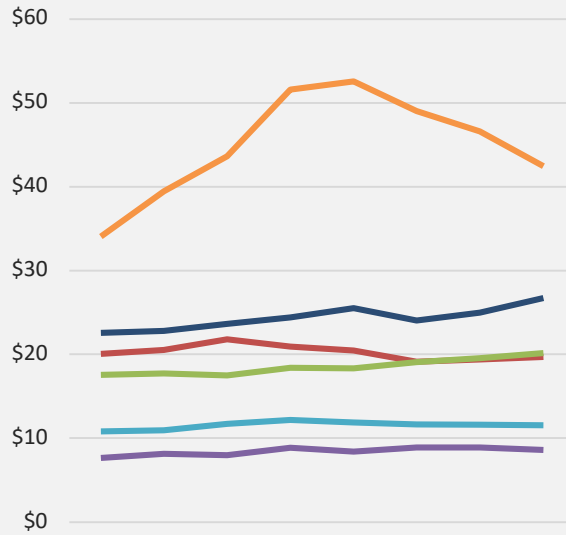
Category	Your \$ per Active Member and Annuitant		
	2019	2018	Diff.
Front office			
Member Transactions	\$ 6.6	\$ 5.9	\$ 0.8
Member Communication	\$ 16.0	\$ 15.8	\$ 0.2
Collections & Data Maintenance	\$ 6.3	\$ 5.8	\$ 0.5
Governance and support			
Governance and Financial Control	\$ 5.0	\$ 4.6	\$ 0.4
Major Projects	\$ 6.1	\$ 1.4	\$ 4.7
Information Technology	\$ 33.0	\$ 21.3	\$ 12.0
Building	\$ 3.9	\$ 4.0	\$ (0.1)
Legal	\$ 2.9	\$ 2.0	\$ 0.9
HR, Actuarial, Audit, Other	\$ 6.9	\$ 7.0	\$ (0.0)
Total Pension Administration	\$ 86.9	\$ 67.9	\$ 19.0

You shifted your IT efforts from system development to operational enhancement and maintenance and accelerated your amortization of previously capitalized IT assets (in major projects).

\$16.7 of increase of \$19.

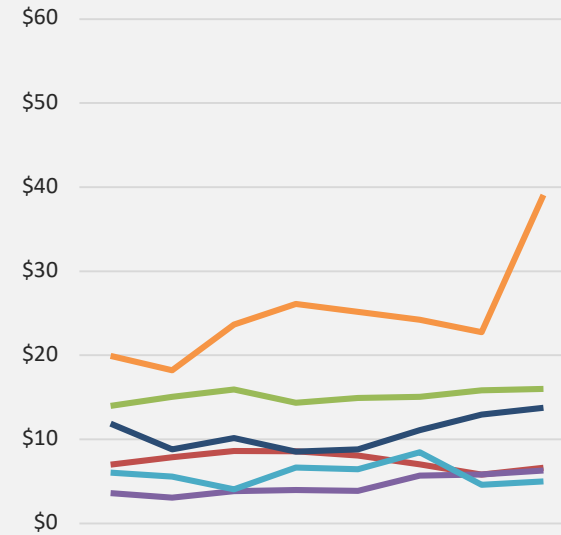
Your IT & major projects costs are still lower than average. Your \$39 per member compares to an All average of \$42.

Cost per Member - All Avg



	2012	2013	2014	2015	2016	2017	2018	2019
IT and Major Projects	\$34	\$39	\$44	\$52	\$53	\$49	\$47	\$42
Member Transactions	\$20	\$21	\$22	\$21	\$20	\$19	\$19	\$20
Member Communication	\$18	\$18	\$18	\$18	\$18	\$19	\$20	\$20
Collections and Data	\$8	\$8	\$8	\$9	\$8	\$9	\$9	\$9
Governance	\$11	\$11	\$12	\$12	\$12	\$12	\$12	\$12
Support	\$23	\$23	\$24	\$24	\$26	\$24	\$25	\$27

Cost per Member - You



	2012	2013	2014	2015	2016	2017	2018	2019
IT and Major Projects	\$20	\$18	\$24	\$26	\$25	\$24	\$23	\$39
Member Transactions	\$7	\$8	\$9	\$9	\$8	\$7	\$6	\$7
Member Communication	\$14	\$15	\$16	\$14	\$15	\$15	\$16	\$16
Collections and Data	\$4	\$3	\$4	\$4	\$4	\$6	\$6	\$6
Governance	\$6	\$6	\$4	\$7	\$6	\$8	\$5	\$5
Support	\$12	\$9	\$10	\$9	\$9	\$11	\$13	\$14

Trend analysis is based on 33 systems that provided 8 consecutive years of data.



What makes a service experience great or bad?



Easy

- Low effort: fast, and one and done
- Information is easy to find and understand

- Poorly designed manual processes
- A maze of complex information



Omni-channel

- You can use your preferred channel
- Your data is shared between channels
- Integrates data from third parties

- You are forced to use an undesired channel
- Correspondence or the status of open items is not shared between channels



Emotionally intelligent

- Empathetic
- Competent
- Anticipates and resolves future questions

- Rude or indifferent
- Lacks knowledge or tools to serve you
- Only resolves the current issue



Member-focused

- Personalized information focused on what matters to you when it matters to you
- Proactively life event driven

- General information with pension jargon
- Untargeted communication that is not relevant to your current situation



Trusted provider

- Track record of successful interactions
- Good press and/or funded status
- No critical failures

- No prior engagement
- Bad press and/or funded status
- Critical data, payment, cybersecurity issues

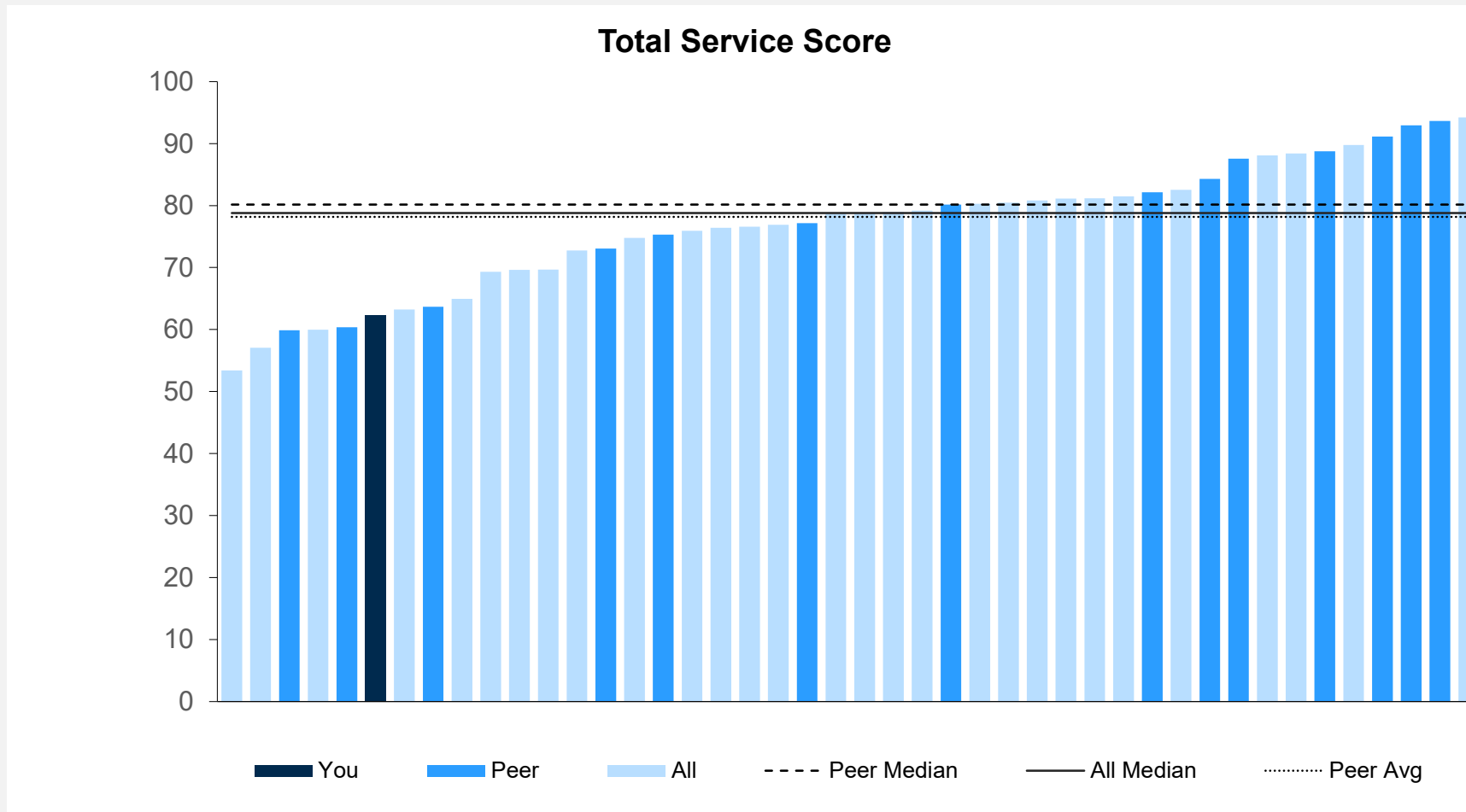


Expectations

Met or exceeded

Below

Your total service score was 62. This was below the peer median of 80 and All median of 79.



The two biggest contributors to your lower service score were your : 1. website followed by 2. call center.

Service Scores by Activity			
Activity	Weight	You	Peer Med
1. Member Transactions			
a. Pension Payments	10.0%	99	100
b. Pension Inceptions	7.4%	92	88
c. Refunds & Transfers-out	1.3%	100	95
d. Purchases & Transfers-in	3.1%	88	88
e. Disability	3.8%	82	82
2. Member Communication			
a. Call Center	21.0%	46	72
c. 1-on-1 Counseling	7.4%	74	91
d. Member Presentations	6.5%	100	100
e. Written Pension Estimates	4.7%	70	87
f. Mass Communication			
• Website	21.3%	22	83
• News & targeted communic	2.8%	75	83
• Member statements	4.7%	91	88
3. Other			
Customer Experience Surveying	5.0%	32	30
Disaster Recovery	1.0%	100	93
Weighted Total Service Score	100%	62	80

2

#1

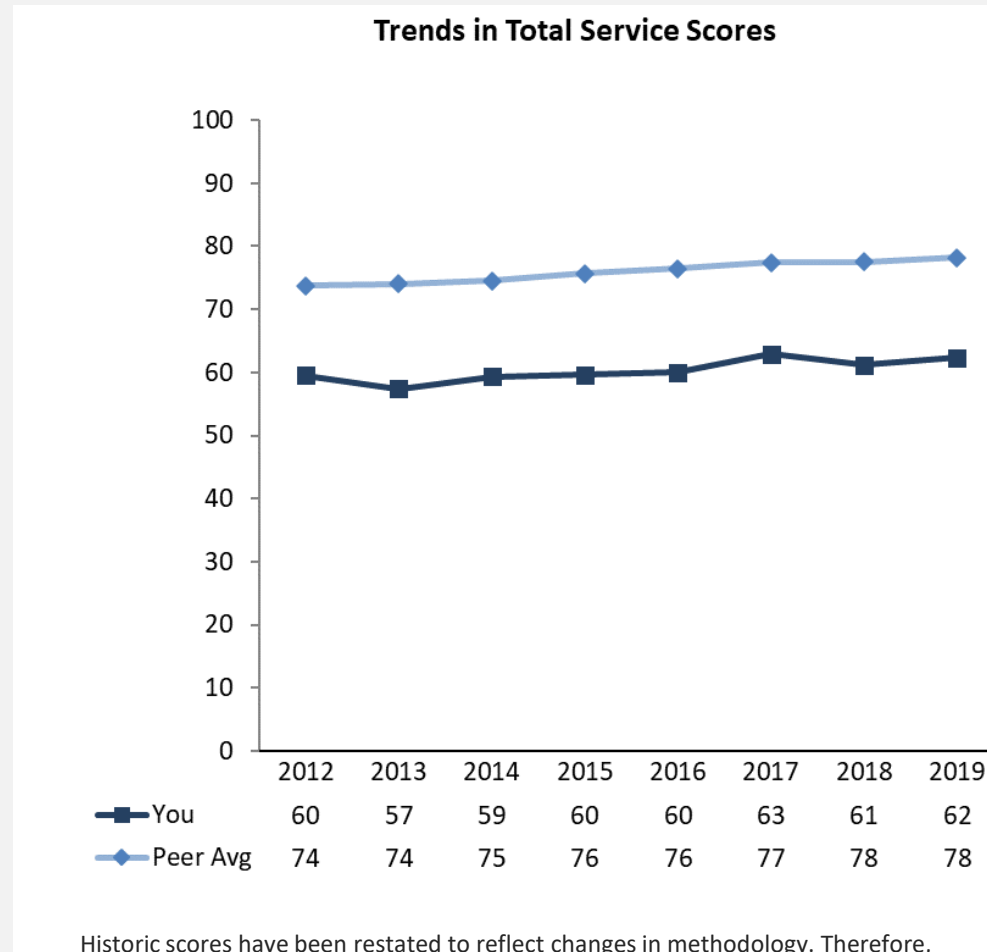


Where can you improve your total service score in these areas?

Potential improvements to your total service score		Potential Improvement
Factor		
Website – secure member area	Add 29 secure member tools and design features such as: address change, apply for retirement, print tax receipts, change tax withholding amount, change email address, change beneficiary, etc.	+ 12.3
	Your interactive calculator is not linked to member data. To achieve a perfect service score you must link member data to your interactive calculator.	+ 4.3
Call centre	On average, members calling your call center reach a knowledgeable person in 228 seconds. To achieve a perfect service score, members must reach a knowledgeable person on the phone in 60 seconds or less.	+ 3.5
	18.4% of your incoming calls resulted in undesired outcomes. To achieve a perfect service score, members must experience no undesired call outcomes.	<u>+ 3.1</u>
		23.1 increase to total service

- CEM is not recommending these changes. We recognize that these service improvements cannot be done inexpensively.
- Service improvement should be cost effective and important to your members.

Over the years, you increased your service score from 60 to 62 , peer average has increased from 74 to 78.



Historic scores have been restated to reflect changes in methodology. Therefore, your historic service scores may differ from previous reports.

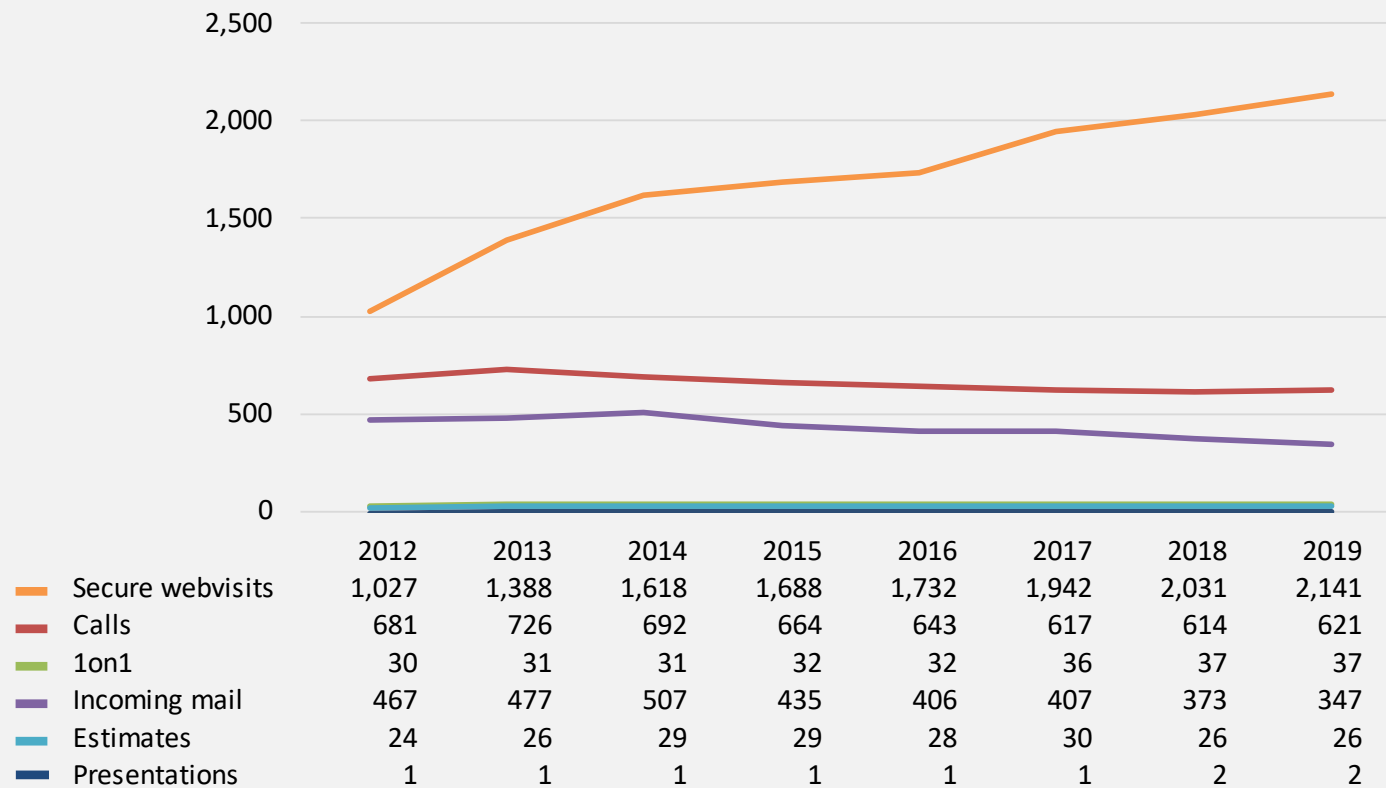
You have made service improvements and your service in other areas is in line or exceeds your peers, as shown by trends in some key service metric measures:

Select Key Service Metrics	You				Peer Avg
	2016	2017	2018	2019	
<u>Member Contacts</u>					
• % of calls resulting in undesired outcomes (busy signals, messages, hang-ups)	19%	13%	19%	18%	14%
• Average total wait time including time negotiating auto attendants (in secs).	287	193	247	228	254
<u>Website</u>					
• Can members access their own data in a secure environment?	No	No	No	No	93% Yes
• Do you have an online calculator linked to member data?	No	No	No	No	80% Yes
• # of other website tools offered such as changing address information, registering for counseling sessions and/or workshops, viewing or printing tax receipts, etc.	3	3	3	3	14
<u>1-on-1 Counseling and Member Presentations</u>					
• % of your active membership that attended a 1-on-1 counseling session	2.6%	3.1%	3.7%	3.1%	3.5%
• % of your active membership that attended a presentation	7.3%	5.9%	5.5%	6.5%	6.2%
<u>Pension Inceptions</u>					
• What % of annuity pension inceptions are paid without an interruption of cash flow greater than 1 month between the final pay check and the first pension check?	99.0%	99.0%	99.9%	100.0%	86.7%
<u>Member Statements</u>					
• How current is an active member's data in the statements that the member receives?	3.0 mos	3.0 mos	3.0 mos	3.0 mos	2.3 mos
• Do statements provide an estimate of the future pension entitlement?	Yes	Yes	Yes	Yes	73% Yes



Secured web visits is becoming the preferred delivery channel for more and more members

Transactions per 1,000 members - All Avg



Trend analysis is based on 33 systems that provided 8 consecutive years of data. So volumes on this page will differ from the previous page.



Did you do a good job? Yes, with the resources and tools available to you.



Low Cost administrator.

Costs are lower than peers. Making do with less staff, all in cost for staff lower than peers.



Lower service administrator.

Your lower service is mainly because you did not have a secured website.

How do you deliver great customer service (if you wanted to)?

Most effective if it is a priority for the Board and senior management, and they are seen to care.

1. Prioritize and define excellent customer experience.



2. Set targets and budgets



3. Doing



4. Measure



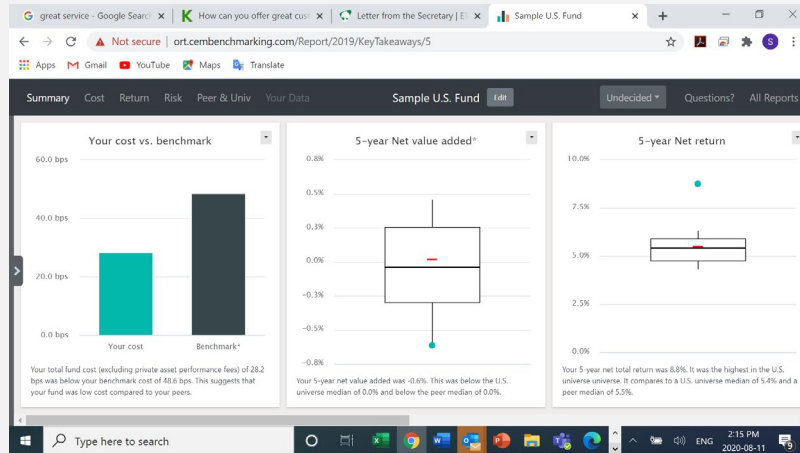
Many service improvements can be done at low cost. System modernization and online tools are an exception.

- a. Member surveys and feedback
 - Satisfaction or net promoter scores, and customer effort, by life event and channel. Engagement of members who have not transacted with the pension plan.
 - Focus groups
 - A B testing
- b. Internal measures: Speed, channel availability, simplicity, quality, irritating events.
- c. Benchmarking

Improvement can be accelerated with

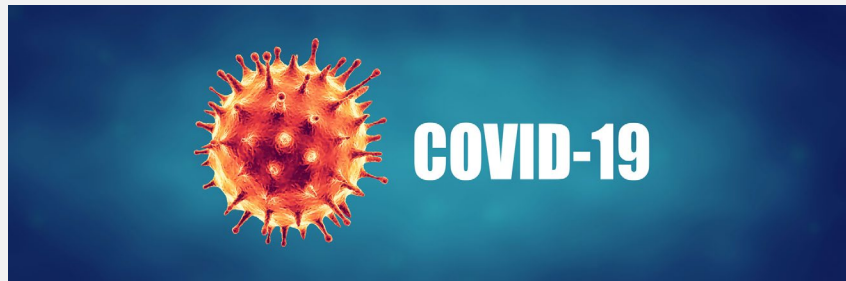
- Techniques such as, LEAN, that focus on eliminating steps that do not provide value to the customer
- Learning from peers

New and in-development at CEM



- CEM Online Dashboard created for investment benchmarking.
- CEM Online Dashboard for administration in development currently.
- Workforce Benchmarking – measuring gender, senior, turnover, etc. for investments this year.
- Next year: open participation to all clients including administrators and possibly add ethnicities.

CEM best practices research/insights



Round table discussions is being summarized into a best practices/insights paper.



Updating our website research.

Questions, Comments, Concerns



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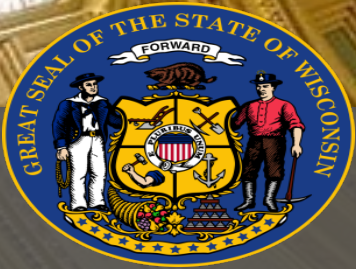
Ethics Training

Item 3B

Ethics Commission

Colette Greve





State of Wisconsin
Ethics Commission

LOBBYING AND THE CODE OF ETHICS FOR EMPLOYEE TRUST FUNDS AND RETIREMENT BOARD MEMBERS

Daniel Carlton
Administrator

David Buerger
Staff Counsel



POLITICAL MARKET

Conscientious Railroad President to

Dealer: "Ah! Let me see. I think I'll take this bunch of Legislators at \$5000 a head. The Senators, at - what price did you say?"

Dealer: "Can't afford 'em less than \$10,000 each."

R.R.P.: "Well, hand them over. I suppose I'll have to take the lot."

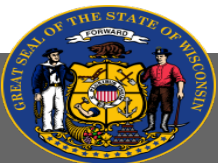
Dealer: "Anything else to-day? I have a lot of Editors, at various prices, from a Thousand down to Fifty Cents."

R.R.P.: "No, nothing in that way, to-day. But I want a Governor very much indeed, and will stand \$50,000 for him. Get me a Wisconsin one, if possible!"

Cartoon published in *Harper's Weekly* of June 12, 1858, at the time of the Land Grant Investigation

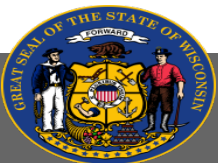
ABOUT THE ETHICS COMMISSION

- Created by 2015 Wisconsin Act 118
- 6 members – Partisan Appointments
 - 2 former judges, 4 others
 - 5-year terms
- Headed by Commission Administrator
- All actions require four votes
- One Staff Counsel; Six Other Staff Positions
- Confidentiality: Advice & Investigations



RESPONSIBILITIES

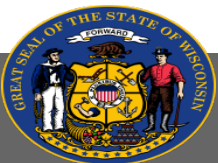
- Administer Wisconsin Statutes
 - Chapter 11: Campaign Finance
 - Subchapter III, Chapter 13: Lobbying
 - Subchapter III, Chapter 19: Code of Ethics



JURISDICTION

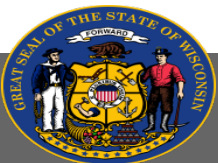
- Co-Equal Jurisdiction with District Attorneys, but historically...

Ethics Commission	District Attorneys
<ul style="list-style-type: none">• Legislators, aides, service agencies• Governor, Lt. Governor, appointees, secretaries, deputies, executive assistants, administrators• Justices and judges• Lobbyists and Lobbying Principals (organizations)• Most campaign committees• Any individual holding a state public office	<ul style="list-style-type: none">• Code of Ethics for Local Officials• Local candidate and local referendum committees



IMPORTANT LAWS TO KNOW

- Lobbying
 - Limits on soliciting or accepting something of value from lobbyists or lobbying principals
- Code of Ethics
 - Use of office for financial gain
 - Influence and reward
 - Food, drink, transportation, lodging
 - Use of confidential information for private gain
 - Unlawful benefit
 - Conflicts of Interest

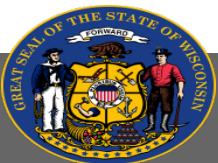




LOBBYING LAW

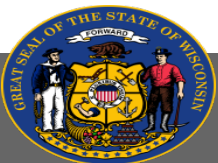
LOBBYING: PROHIBITED PRACTICES

- 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...



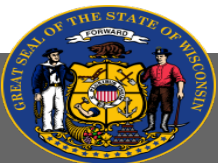
CAMPAIGN CONTRIBUTIONS

- A lobbyist may deliver a contribution from another at any time (e.g., a PAC contribution)
- A lobbyist may only make a personal contribution to an official 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
- The window for contributions opens for all officials, not just those up for election [2020 ETH 04](#)



OTHER EXCEPTIONS

- Items and services made available to the general public
- Providing or receiving any thing of pecuniary value involving a relative or an individual who resides in the same household
- Lobbyists may provide educational/informational materials
- Providing or receiving payment or reimbursement for actual and reasonable expenses allowed under WIS. STAT. §19.56: Honorariums, Fees and Expenses
- Other very limited exceptions to the blanket prohibition on accepting anything of pecuniary value from a lobbyist or principal

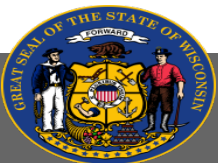




CODE OF ETHICS

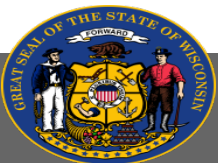
USE OF OFFICE FOR FINANCIAL GAIN

- 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
- Special exceptions:
 - Campaign contributions
 - Candidates may solicit for donations to nonprofits they are associated with



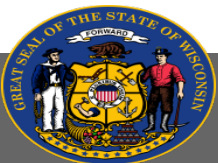
INFLUENCE AND REWARD

- 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.



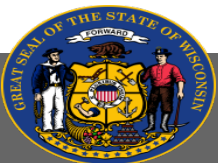
FOOD, DRINK, TRANSPORTATION, AND LODGING

- 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 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



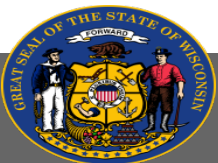
USE OF CONFIDENTIAL INFORMATION FOR PRIVATE GAIN

- 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.



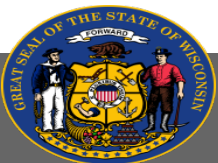
UNLAWFUL BENEFITS

- 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.



CONFLICTS OF INTERESTS

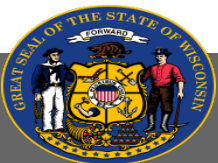
- WIS. STAT. § 19.46(1): No state public official may:
 - Take any official action substantially affecting a matter in which the official, a member of his or her immediate family, or an organization with which the official is associated has a substantial financial interest.
 - Use his or her office or 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.



OFFICIAL MAY ACT IF...

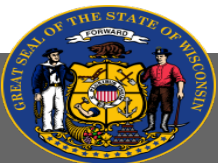
- The official action affects a whole class of similarly-situated interests; and,
- Neither the interests of the official, a member of the official's immediate family, nor a business or organization with which the official is associated is significant when compared to all affected interests in the class; 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](#)



STATEMENT OF ECONOMIC INTERESTS

- Only certain officials are required to file an SEI.
- Annual requirement
- 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.

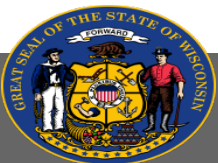




HYPOTHETICALS: HOW WOULD YOU HANDLE THIS?

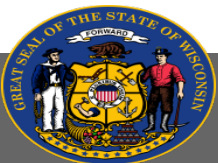
TICKETS/LUXURY BOXES

- Old friend from college invites you
- Premium seats/skybox
- May you accept the ticket?



ACCEPTING GIFTS

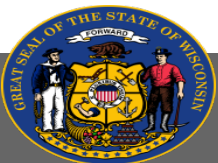
- Do NOT accept anything from a lobbyist or lobbying principal – even if you pay for it.
- Do NOT accept items or services of more than trivial value that are offered to you because of your official position.
- You may accept something if it is not from a lobbyist and not related to your public office.
- You may accept something if it is available to the general public
- (If required to file an SEI) Must report on Statement of Economic Interests if over \$50
 - Face value may not be true value



DISPOSITION OF GIFTS

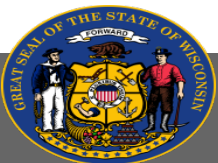
- Treat the item as being given to the office
- Turn the item over to another state agency or to a public institution, such as a local school, library, or museum, that can use the item
- Donate the item to a charitable organization (other than one of which the official or a family member is an officer, director, or agent)
- 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

[Ethics Commission Guideline 1235](#)



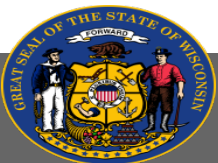
TEACHING A SEMINAR

- Invited by your alma mater to teach a seminar
- Can you teach the seminar?
- Can you be paid?



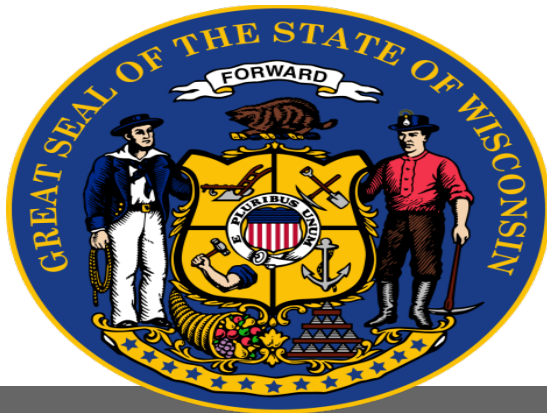
COMPENSATION FOR SERVICES

- Permitted to teach as a public official
 - Actually encouraged to go to meetings and gatherings to discuss processes, proposals, or issues affecting your office
- May receive and retain reasonable compensation
 - Must prepare/present without more than incidental reliance on state resources
 - Still cannot accept from a lobbyist or lobbying principal
- Compensation includes gifts, tickets, entertainment, reimbursement of travel, lodging, meals for spouse
- Must report compensation on Statement of Economic Interests if totals \$1,000 or more



WHERE TO FIND MORE INFORMATION

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



State of Wisconsin
Ethics Commission

Ethics@wi.gov
<https://ethics.wi.gov>
Phone: (608) 226-8123
Fax: (608) 264-9319

Designing a WRS Governing Board

Item 3C

Laura Patterson

Office of Policy, Privacy & Compliance



Agenda

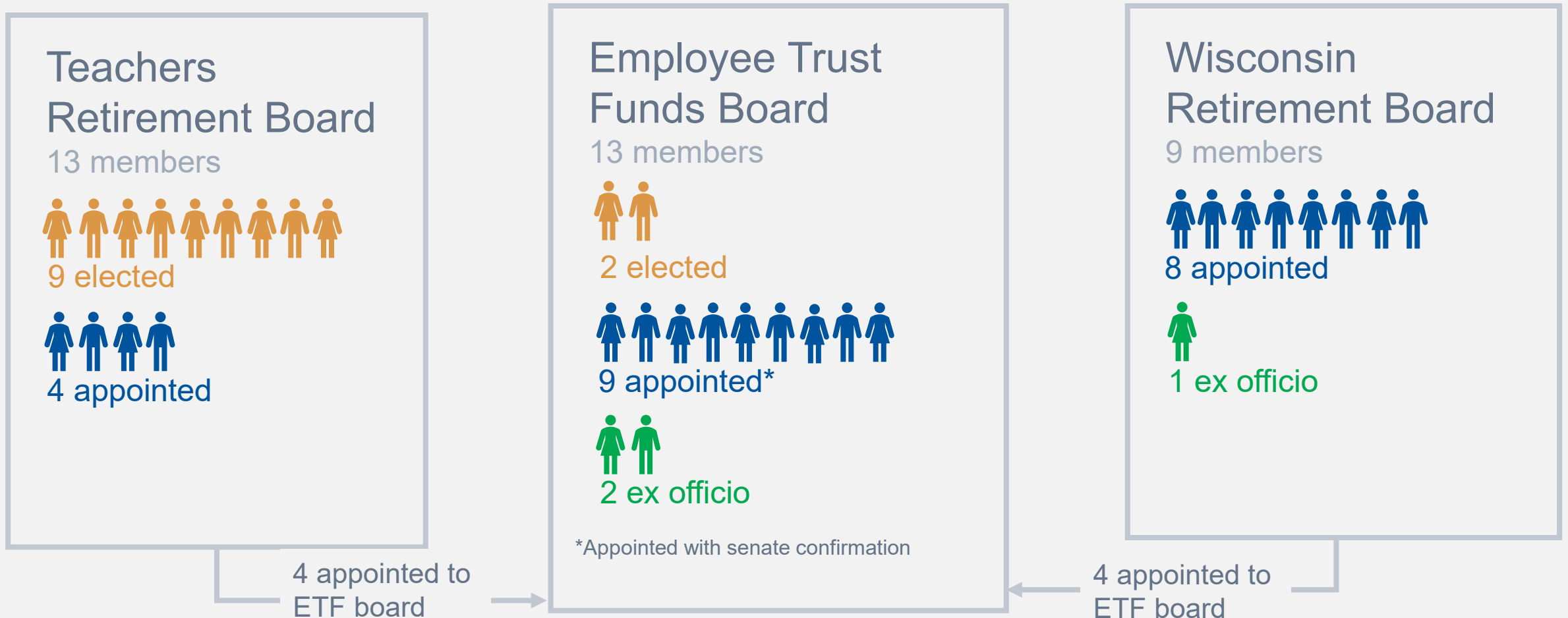
- ETF, WR & TR Board Composition Review
- Proposed Board Composition
- Implementation Considerations
- Transitioning to a Single Board



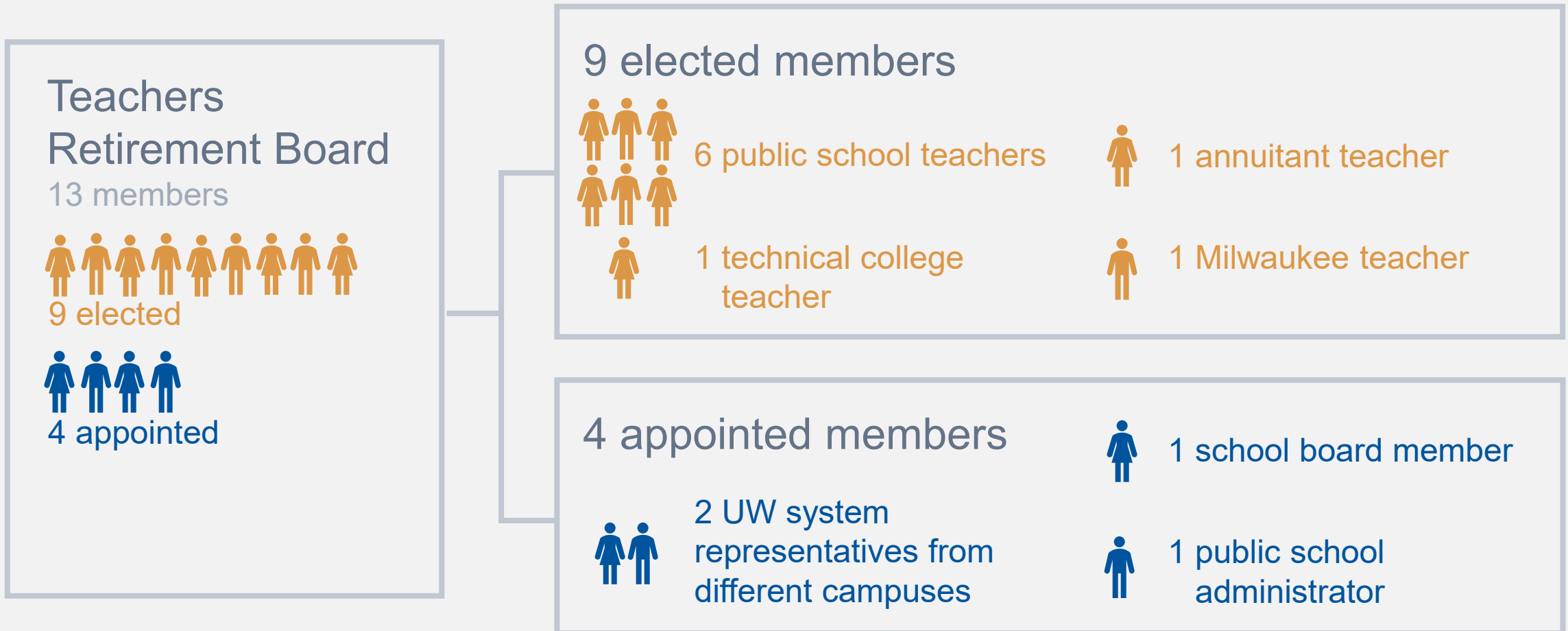
A photograph of a family of three walking on a dirt path through a forest. The mother is on the left, wearing a red and black plaid shirt and blue jeans. The father is on the right, wearing a blue and red plaid shirt over a white t-shirt and blue jeans. A young girl is in the center, wearing a white dress with a polka-dot pattern and a white headband. They are all smiling and holding hands. The background is filled with green trees and foliage.

Board Composition Review

Current WRS Boards Composition



Current Teachers Retirement Board



Current Wisconsin Retirement Board

Wisconsin Retirement Board

9 members



8 appointed*











1 ex officio

* Appointed from a list of 5 names provided by The League of Wisconsin Municipalities

** Appointed from a list of 5 names provided by The Executive Committee of the Wisconsin Counties Association

8 appointed members

-  1 governing body member of a WRS city or village*
-  1 WRS principal financial officer of a WRS city or village
-  1 WRS employee of a WRS city or village
-  1 WRS state employee
-  1 non-WRS member of the public to represent taxpayers
-  1 chairperson of a WRS county or town**
-  1 deputy or county clerk of a WRS county
-  1 WRS employee of a local employer (not a city or village)

From different counties

From different counties

1 ex officio



Commissioner of insurance or an experienced actuary designee

The WR & TR Board Appoint Four of their Members to the ETF Board

The WR Board must appoint:

- The WRS state employee member or the non-member taxpayer member
- Either the WRS city or village employee member, the local employer member or the participating state employee member
- 2 WR Board Members - with certain restrictions

The TR Board must appoint:

- One of the two UW Teacher members
 - Both members are appointed to the TR Board by the Governor
- Either the public-school administrator member or the school board member
 - Both members are appointed to the TR Board by the Governor
- Any of the six public-school teacher members or the public-school teacher from a technical college member
 - All members are elected to the TR Board by WRS participants
- The Milwaukee teacher member
 - Elected to the TR Board by WRS participants

Current Employee Trust Funds Board

Employee Trust Funds Board

13 members



2 elected



9 appointed*



2 ex officio

* Appointed with Senate confirmation

** Appointed by either the TR or WR Board

2 elected members



1 WRS annuitant



1 public school teacher or technical college support personnel employee

2 ex officio members



1 Governor or Governor's designee on GIB



1 DPM-DOA administrator or designee

9 appointed members



1 public member with 5 years related experience*



1 WRS state employee or non-member taxpayer**



1 WRS city, village or local employee**



2 WR board members**



1 UW teacher participant**



1 public school administrator or school board member**



1 public school teacher or technical college teacher participant**



1 Milwaukee teacher participant**

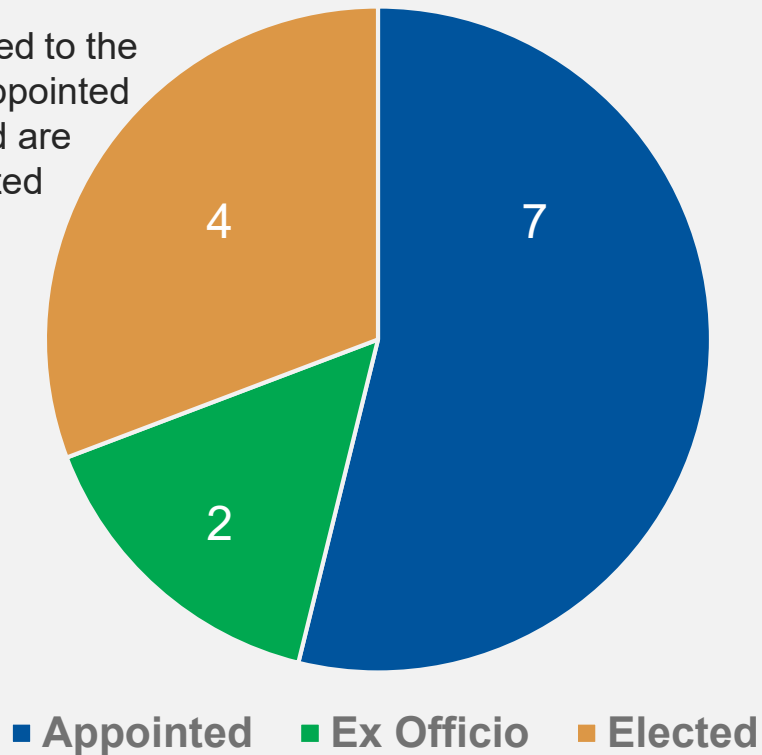


Proposed Board Composition

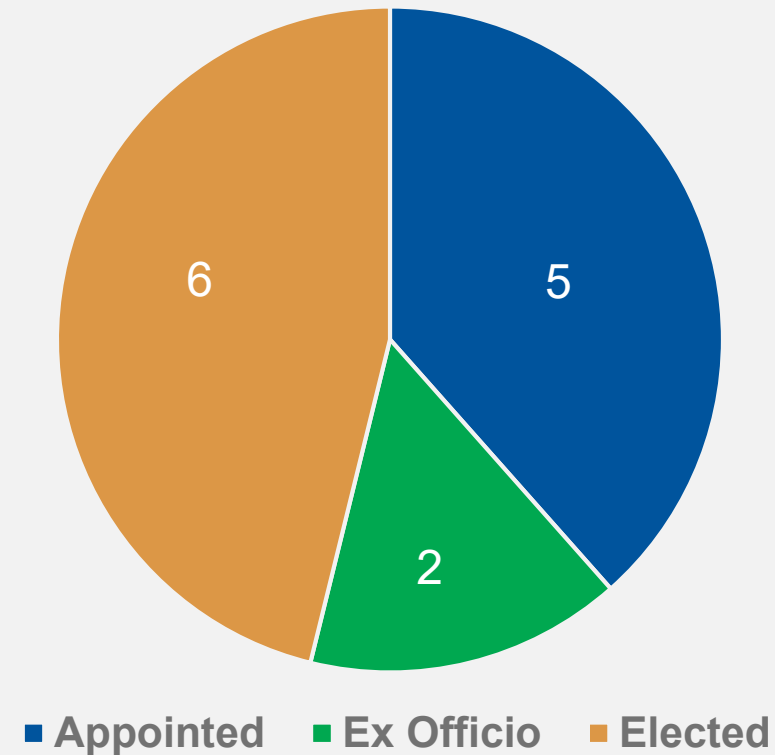
Member Comparison

ETF Board*

* Members elected to the TR Board and appointed to the ETF Board are included as elected members



Proposed Board



Proposed Board

Model ETF Board 13 members



6 elected



5 appointed*



2 ex officio

* Appointed with Senate confirmation

6 elected members



1 annuitant



1 annuitant who retired as a public school teacher



1 educational support staff participant



2 public school teachers



1 protective occupation participant

2 ex officio members



1 Governor or Governor's designee on the GIB



1 DPM-DOA Administrator or designee

5 appointed members



1 WRS participant who is an UW or a state employee



1 WRS participant who is an administrator in Wisconsin's public schools who is not a classroom teacher



1 WRS participant who is an administrator for a local unit of government that is not a school district



1 WRS participant who is an elected member of a participating, local employer's governing body



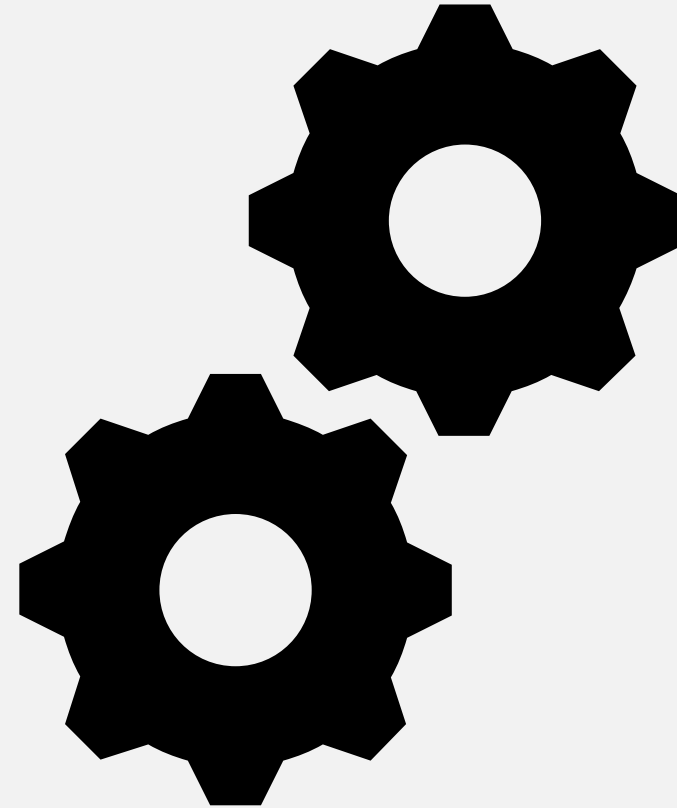
1 non-participant with 5 years audit, actuarial, financial or other relevant experience relating to employee benefit plans or insurance administration*



Transitioning into a Single Board

Transitioning to a Single Board

- The Board Chairs co-author a joint letter to the Governor
- ETF submits merger legislation as part of the 2021-2023 Budget Bill process
- The ETF Board will transition to the Proposed Board over multiple years.
 - Board seat transitions will be staggered and only 2-3 seats will be transitioned each year
- The TR & WR Board members will be retired when legislation is passed



Implementation Considerations

Statutory Language and Administrative Rule Changes

- Wisconsin Statutes and Administrative Rules will be altered to remove the TR and WR Boards and transfer their powers to the Proposed Board or 'New ETF Board', including:
 - All contractual obligations and liabilities associated to the TR and WR Boards
 - Authorization and termination of Disability Annuity Benefits
 - The power to hear Disability Determination Appeals
 - The power to appoint members to SWIB's Board

Transferring Disability Annuity Appeals

- The WR Board currently has several open appeals and the TR Board does not have any open appeals
- If the Boards merge, any existing appeals will be transferred to the 'New ETF Board'

Transferring SWIB Appointments

- The TR and WR Boards each appoint one participant to SWIB's Board
- If the Boards merge, the 'New ETF Board' will appoint one WRS participant to SWIB and the ETF Secretary will serve as an Ex Officio on SWIB



Questions?

Thank you



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Customer Service Update

Joint Meeting Item 4A
September 17, 2020

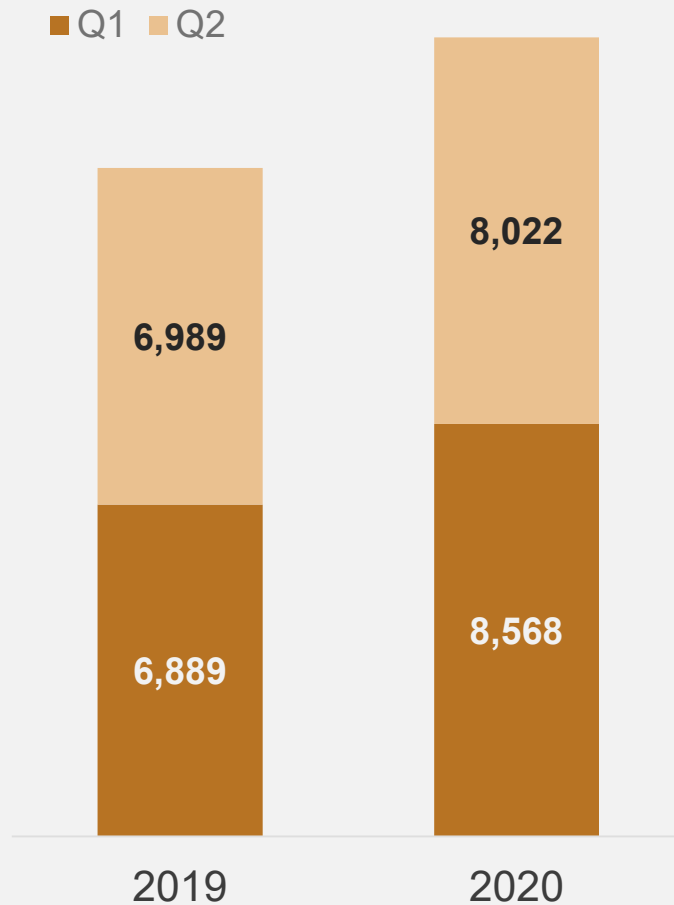
Anne Boudreau, Deputy Administrator
Division of Retirement Services





Work Volume and Production

Retirement Trends

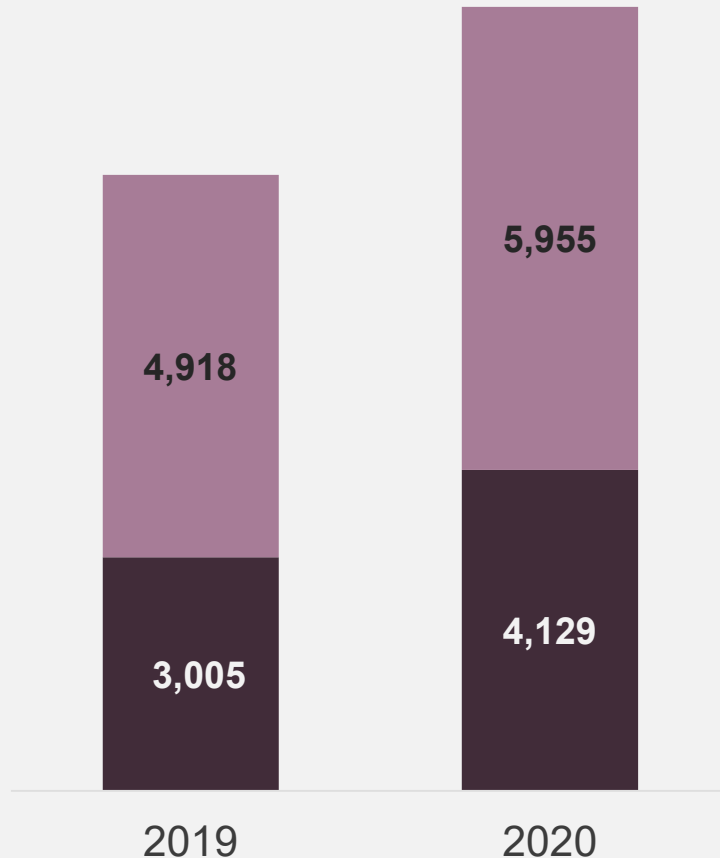


**Retirement
Estimates - All**

↑ 19.5%

Retirement Trends

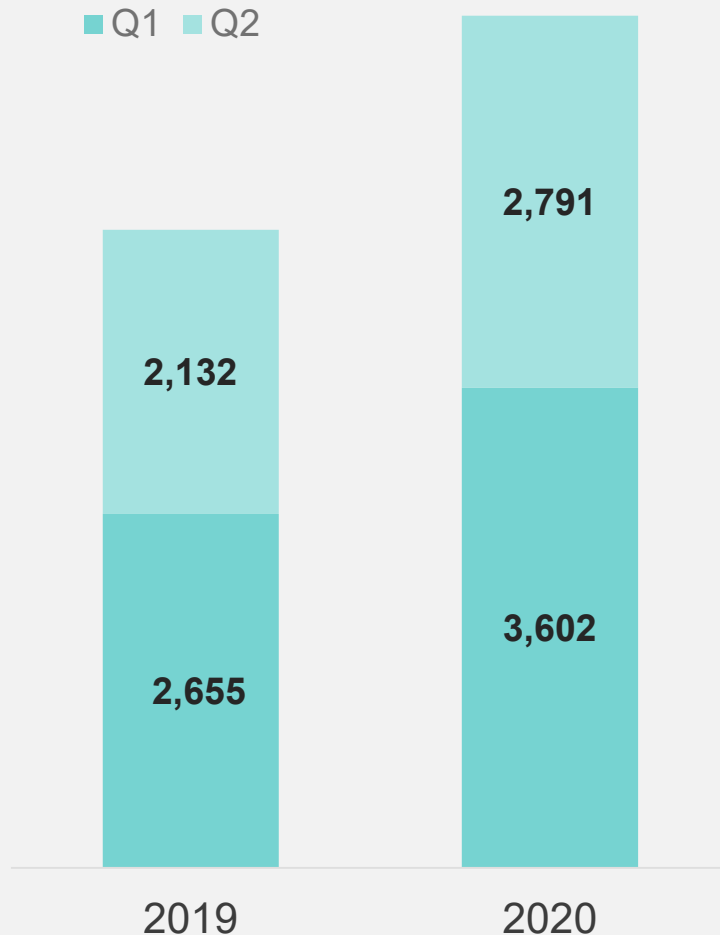
■ Q1 ■ Q2



Retirement Applications - All

↑ 27.3%

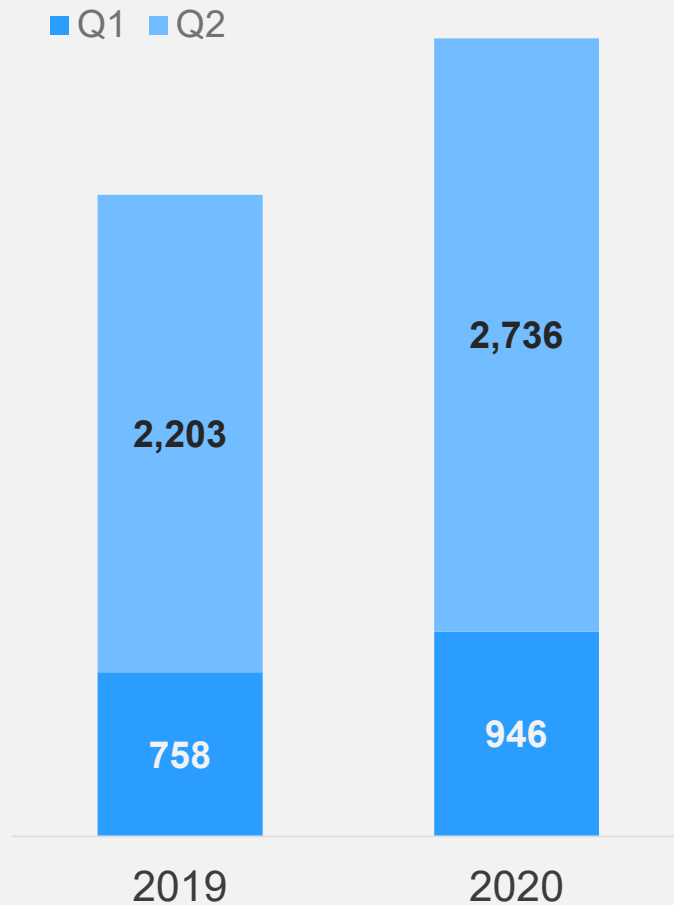
Retirement Trends



**Retirement
Estimates -
Teachers**

↑ 33.5%

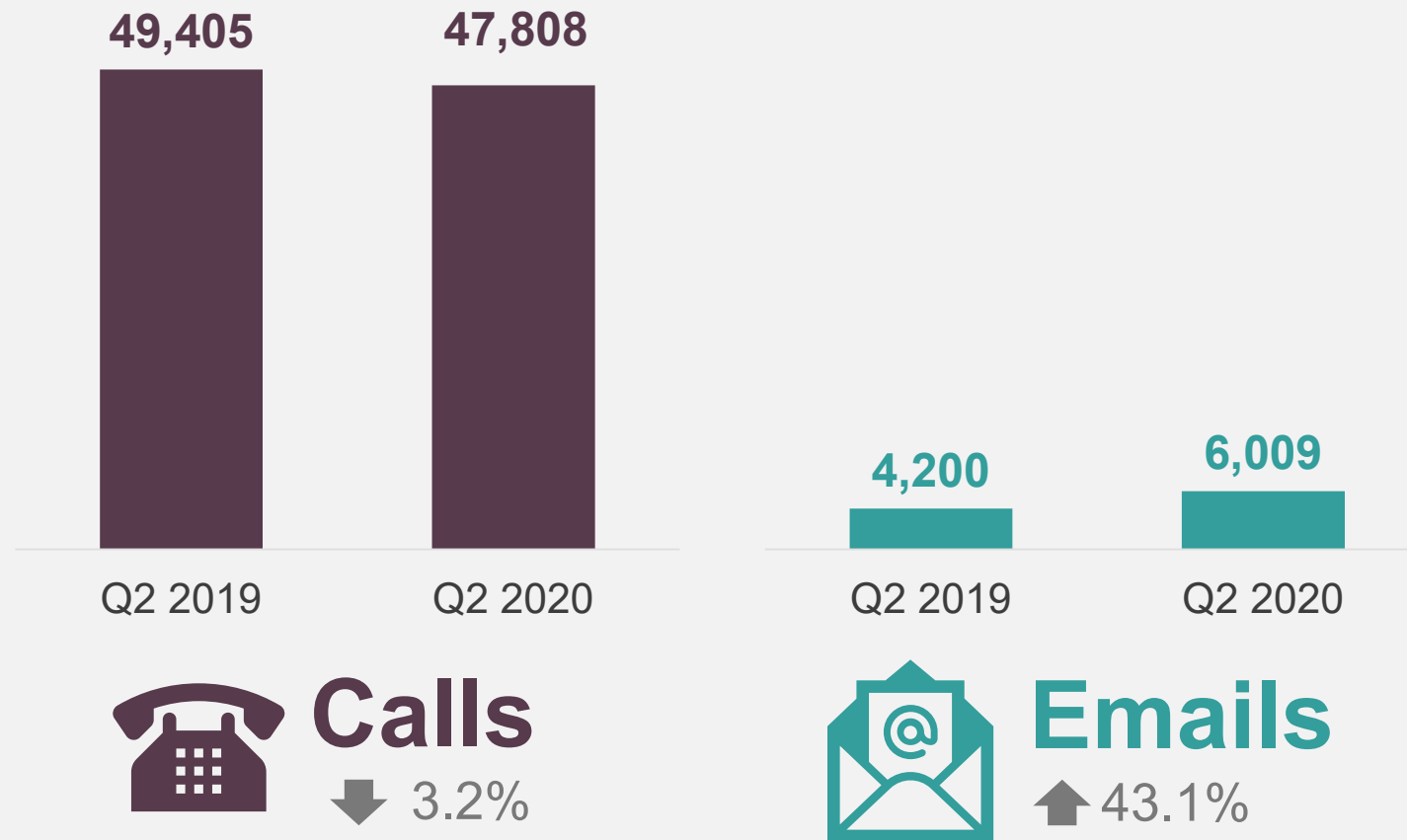
Retirement Trends



Retirement Applications - Teachers

↑ 24.3%

Member Contacts to ETF



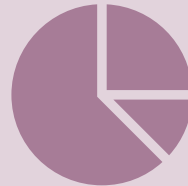


DRS Projects and Accomplishments

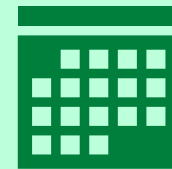
Process Improvement *Update*: Appointment Scheduler



Streamlined
Scheduling



Better Data and
Reports



Self-Service Booking
by Members



Questions?

Thank you



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Member Engagement Survey Results

Joint Meeting - Item 4B
September 17, 2020

Mark Lamkins, Director
Office of Communications



Agenda

Purpose and
Background

Customer
Experience

Engagement

Key Findings

Recommendations

Next Steps

Purpose and Background

2019 Member Engagement Survey



137,253
Surveys
Sent

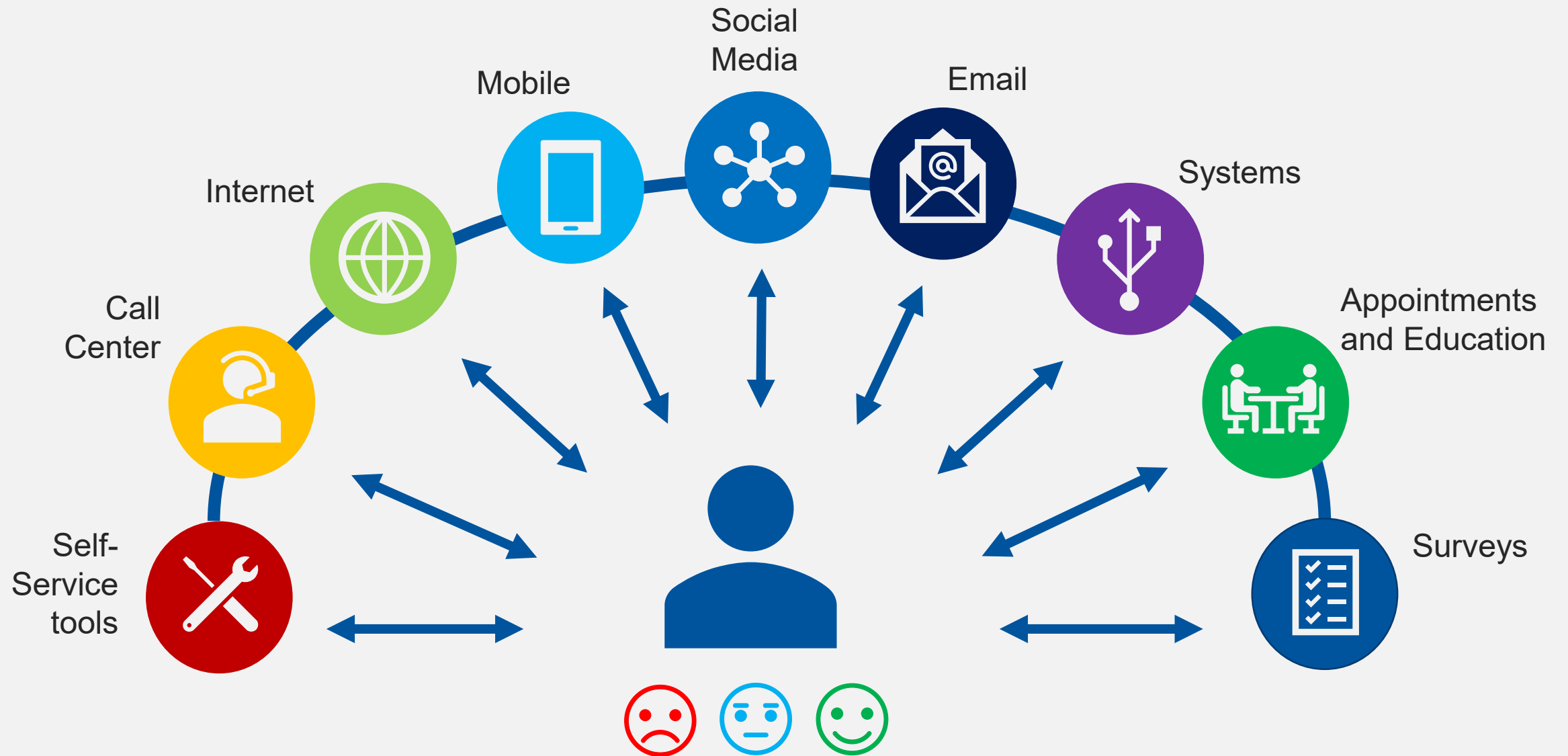


19%
Response
Rate



37 Questions
Anonymous
Confidential

Customer Experience



Engagement

Why focus on engagement?

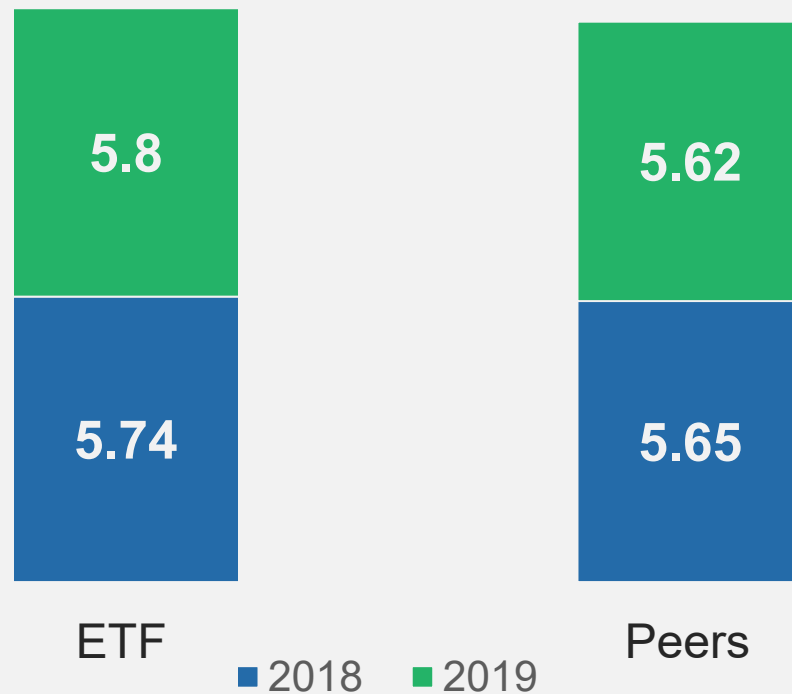


CEM Core Questions

- **Q1:** How satisfied are you with ETF?
- **Q2:** I know ETF operates in my best interest.
- **Q3:** I feel confident my retirement is secure with ETF.
- **Q4:** ETF sends communications that are relevant to my needs.
- **Q5:** ETF acts ethically.

Engagement Score

Average Engagement Score



Compared to peers:

- CalSTRS
- Illinois MFR
- Indiana PRS
- Michigan ORS
- Ohio PERS
- Oregon PERS
- Pennsylvania PSERS

Key Findings

Who completed the survey?



Member Type

- 30% Active employee
- 67% Retiree
- 3% Other



Gender

- 55% Female
- 45% Male



Age

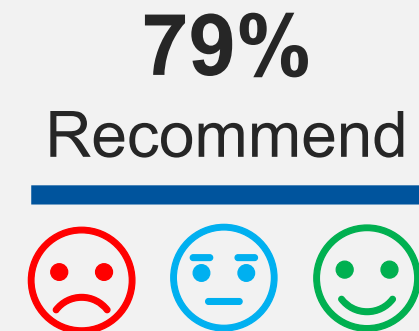
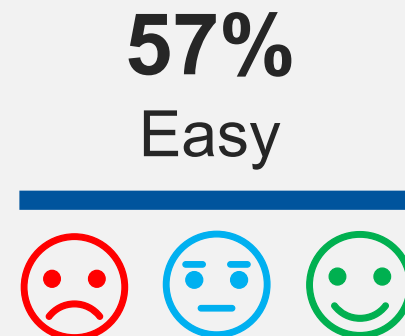
- 5% 20-39
- 26% 40-59
- 70% 60+



WDC

- 24% of respondents participate in the WDC Program

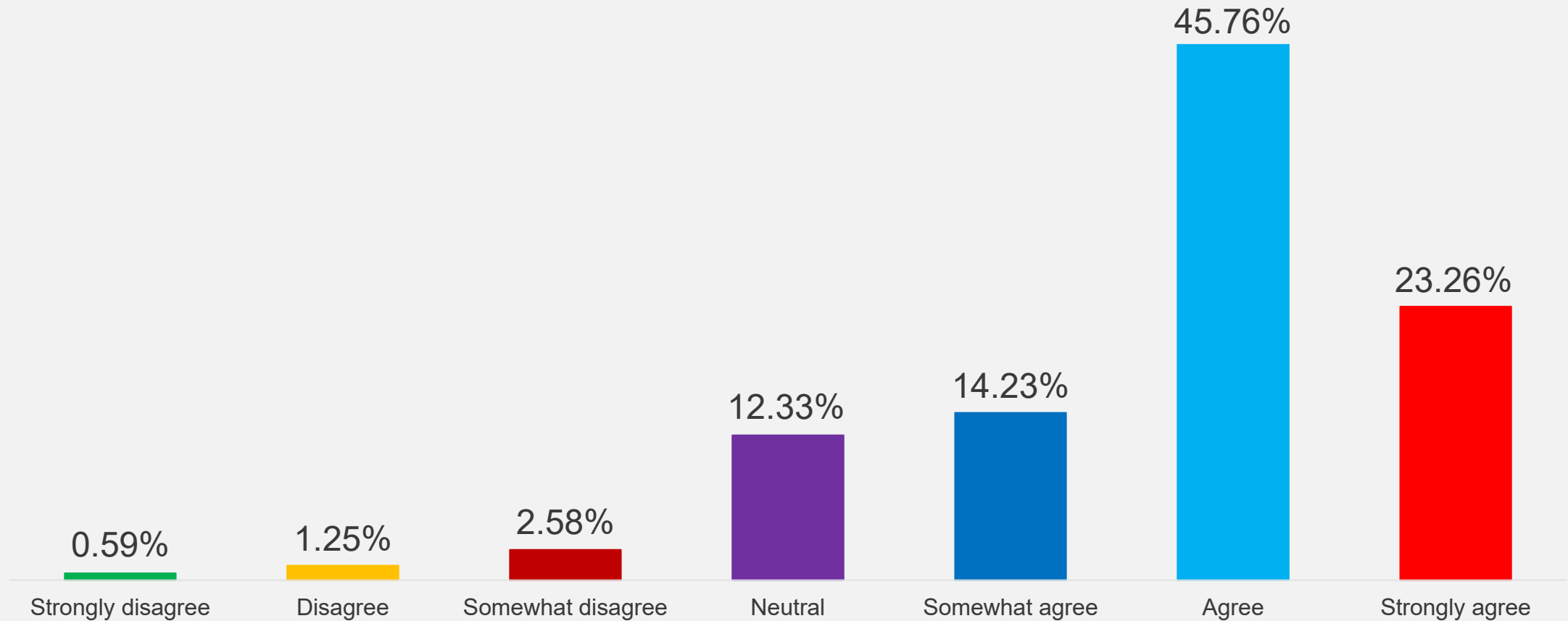
Customer Experience



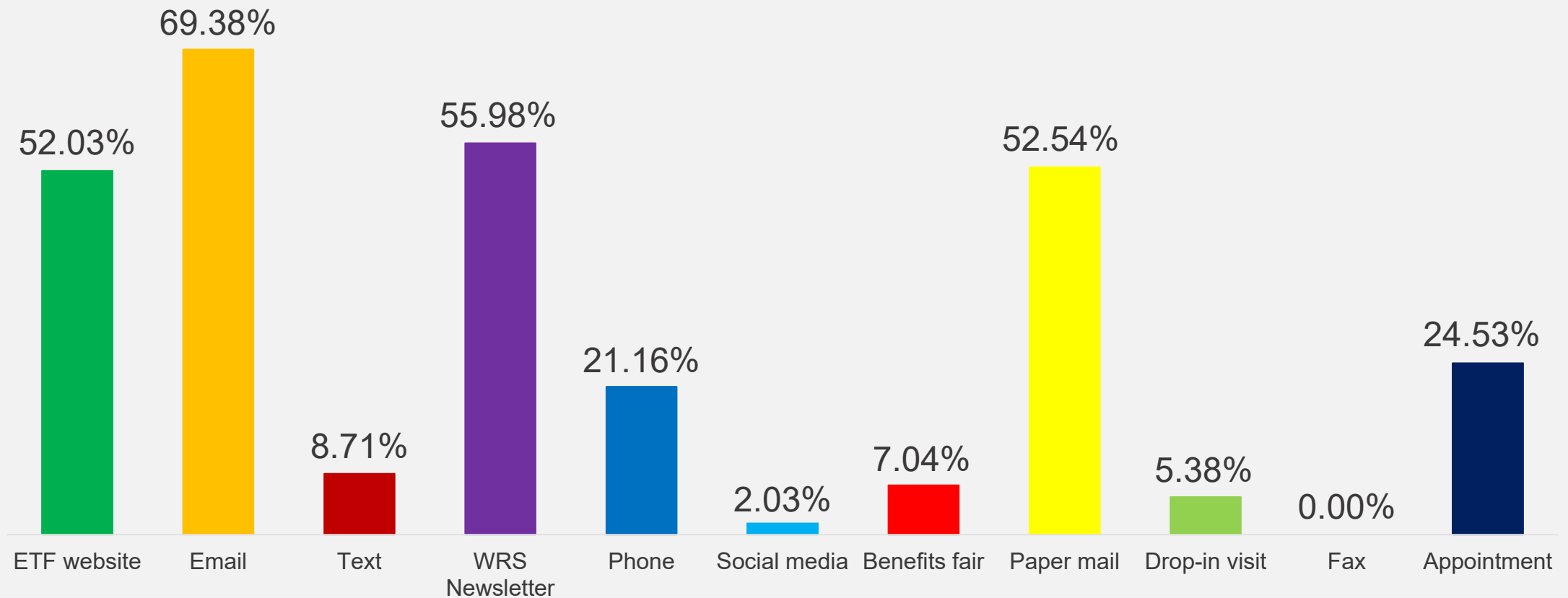
NPS = 49

Net Promoter Score is Overall Satisfaction + Loyalty

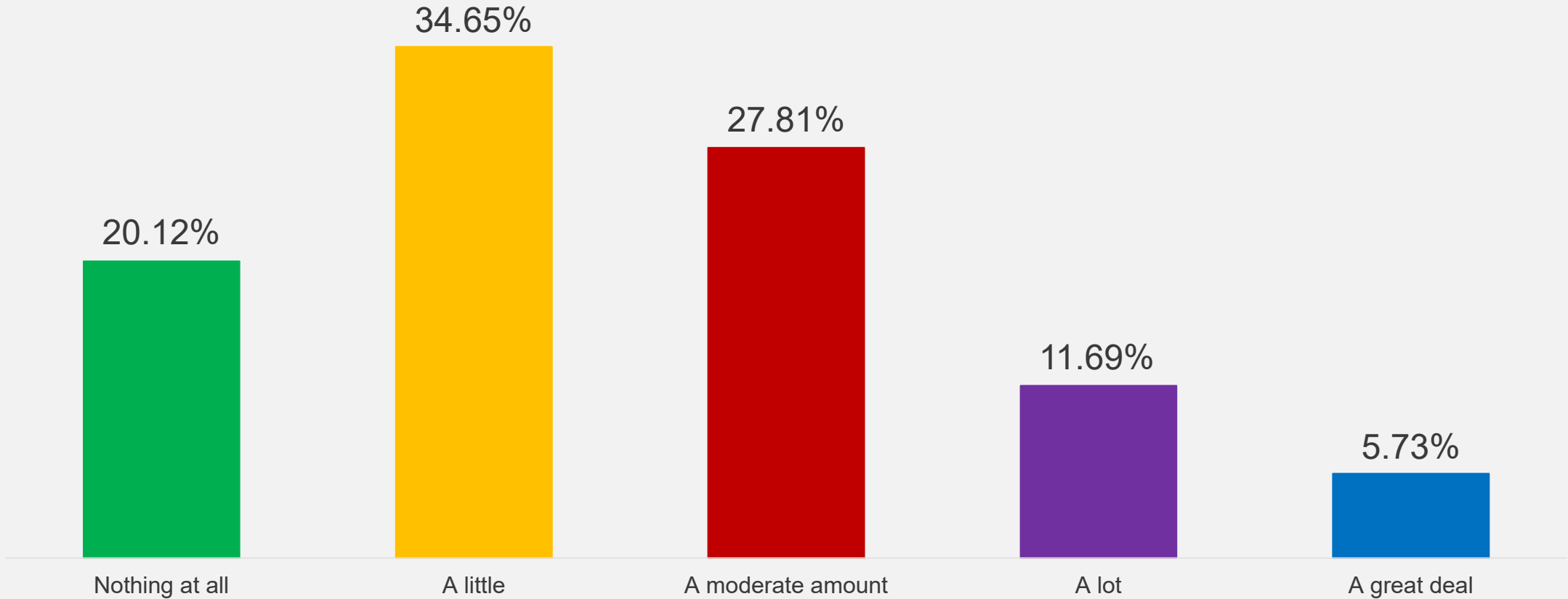
Are ETF communications relevant to your needs?



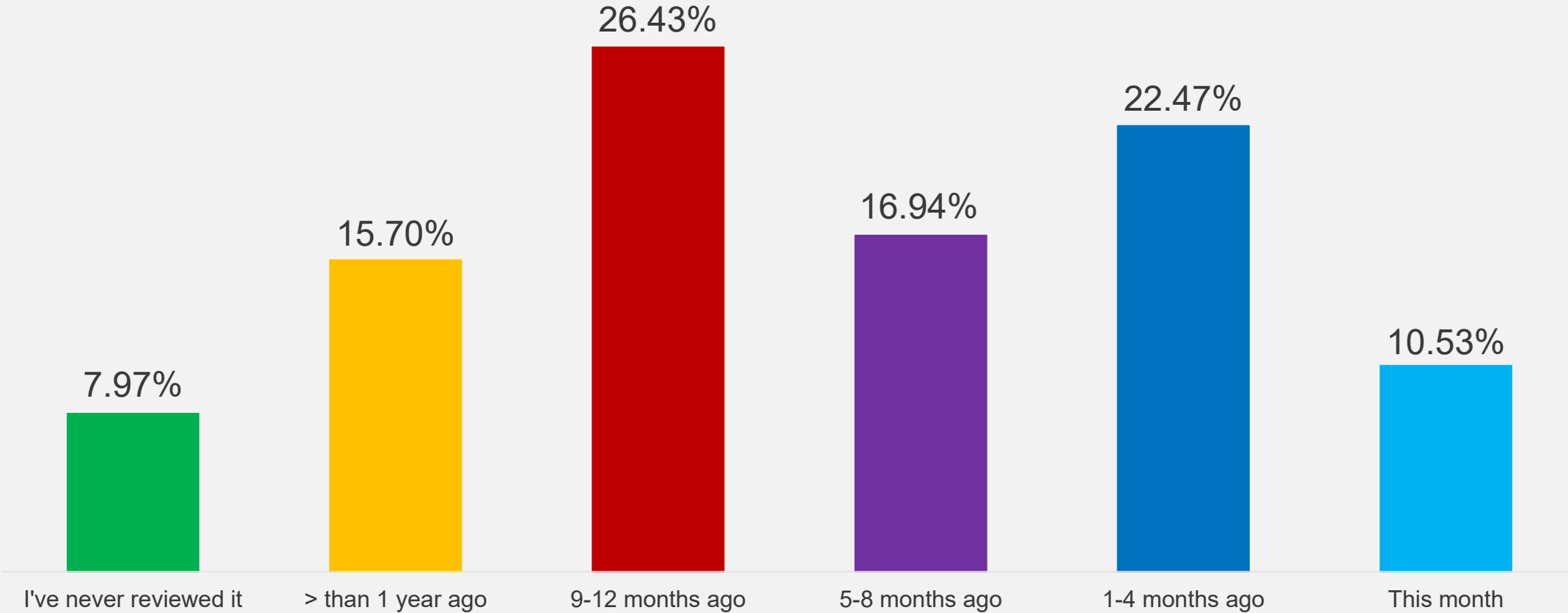
Preferred Channels



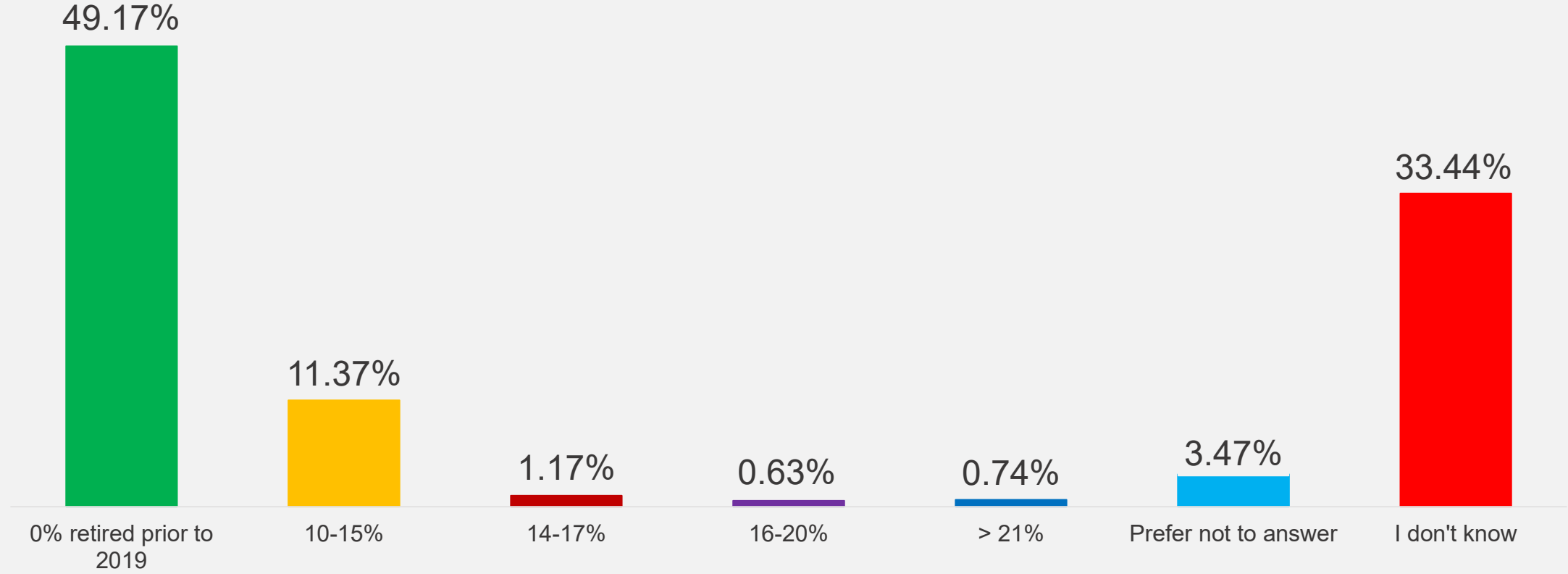
Have you learned about retirement options from your employer?



When was the last time you reviewed your WRS statement?

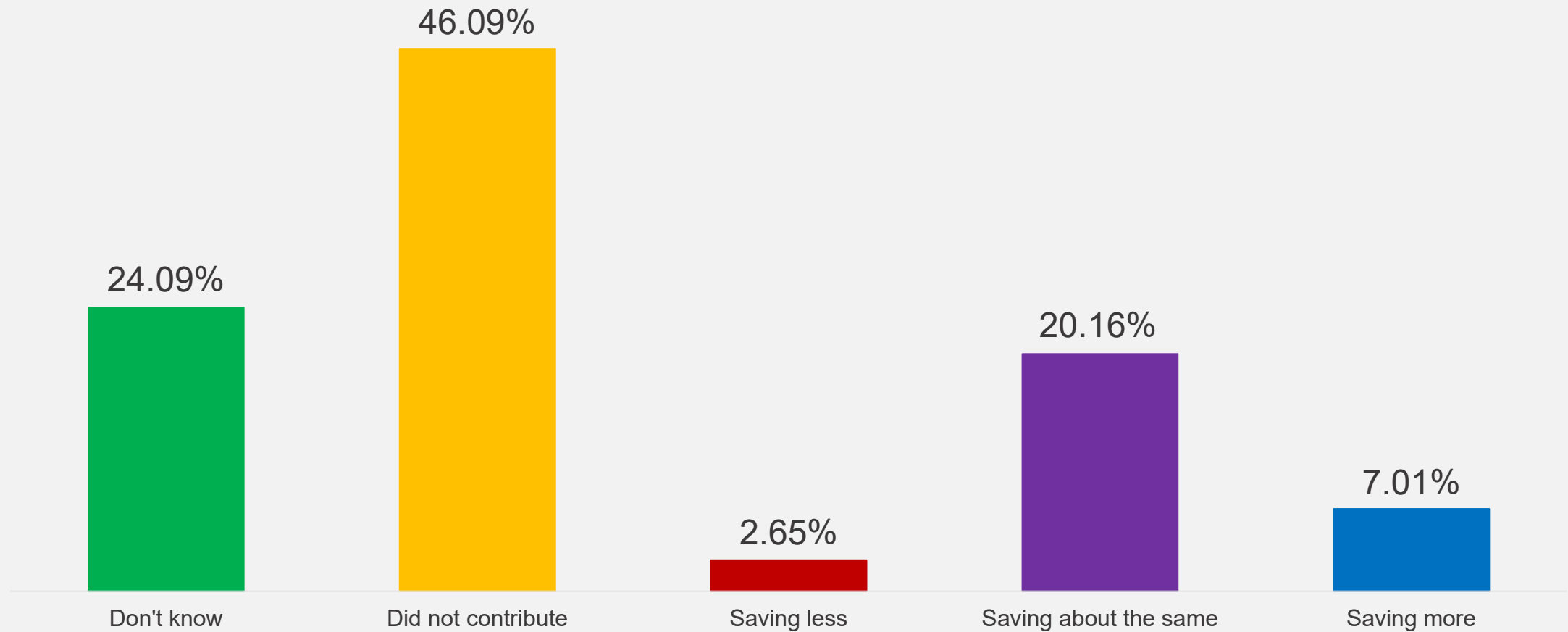


What % of your 2019 WRS earnings will be added to your WRS account?

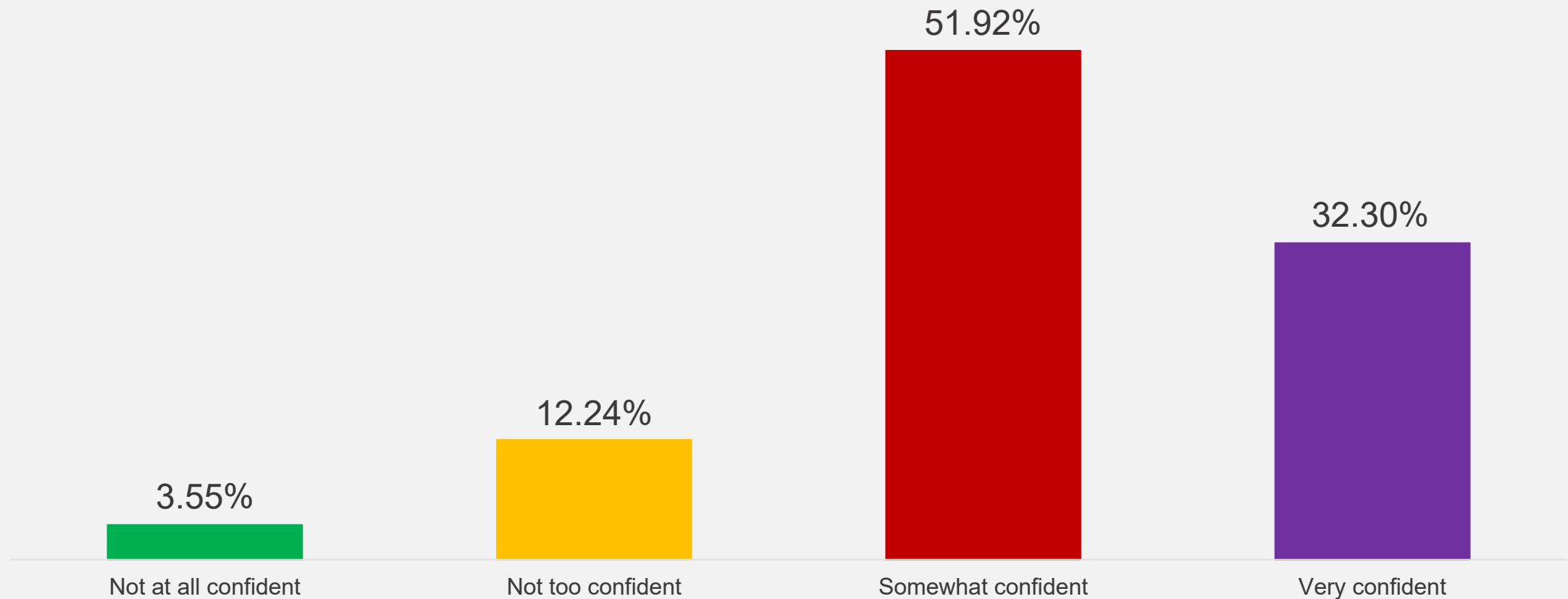


Retirement Account Contributions

2019 vs. 2018 (All Accounts)



Retirement Confidence Level



Other Observations

- Awareness of ETF-administered benefits, programs, and services is not uniform across all demographics
- Members want more frequent updates on their WRS accounts
- Members want more information about their benefits and education on retirement planning
- Members are dissatisfied with having to navigate multiple channels or systems to manage their benefits
- Members report challenges accessing benefits information from their employers
- While members agree ETF provides timely responses and resolves issues, there is an opportunity to improve Call Center interactions

Recommendations

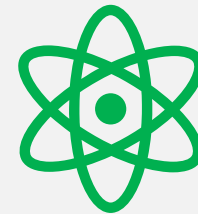
Things to Explore



Targeted communications and education



Increase email addresses



Connect members to resources



Partner with employers



Examine member effort levels



Standardize customer experience metrics

Next Steps

Next Steps

- Share findings and recommendations
- Align recommendations with existing initiatives
- Drill-down to data to better understand customer pain points
- Work with business areas to implement solutions that make sense and have the biggest impact
- Prepare for the 2020 Member Engagement Survey

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?

Thank you



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Written Reports Only

Items 4C – 4H - Memo Only



Future Items for Discussion

Item 5– No Memo



Adjournment

Item 6 – No Memo



Thank you



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