

## ETF Boards and Department Organization

The Wisconsin citizens who serve on the six boards that provide oversight for the Department of Employee Trust Funds (ETF) play important roles. Board decisions affect hundreds of thousands of individuals who participate in the retirement programs funded by the trust funds as well as other fringe benefit programs the Department operates for Wisconsin.

This section explains how members are appointed or elected, shows how membership overlaps, and provides information on individual board members. Members of the boards come from different geographic areas, and under state statutes, are chosen in a variety of ways. Some members are direct appointees of the incumbent Governor, others are appointed to fixed terms from lists submitted to the Governor by specified organizations, and still others are directly elected by active participants or retirees. Fifty individuals served as board members in 2003, with three positions vacant.

The members and officers of each board are listed, along with a short explanation of each board's responsibility:

### **Employee Trust Funds Board (13 Members)**

This board sets policy for ETF; appoints the ETF Secretary; approves tables used for computing benefits, contribution rates and actuarial assumptions; authorizes all annuities except for disability; approves or rejects ETF administrative rules; and generally oversees administration of the benefit programs, except group insurance and deferred compensation. Membership criteria is set by state law, with some members appointed by the Teachers Retirement Board (TR Board) and the Wisconsin Retirement Board (WR Board).

#### **Board Members**

**Chair: Marilyn J. Wigdahl**, retired financial specialist, University of Wisconsin-LaCrosse; appointed by the WR Board (WR

Board member appointed by the Governor as a participating state employee). Wis. Stats. §15.16 (1) (b) 3.

**Vice-Chair: Wayne E. Koessl**, Government Affairs Representative, Wisconsin Electric Power Company, Kenosha, and member Kenosha County Board of Supervisors; appointed by the WR Board (WR Board member appointed by Governor as a member of a governing body of a participating city, village town or county). Wis. Stats. § 15.16 (1) (b) 1.

**Secretary: Robert M. Niendorf**, retired professor, University of Wisconsin-Oshkosh, College of Business Administration; appointed by TR Board (TR Board member appointed by the Governor as a university teacher participant in the WRS). Wis. Stats. §15.16 (1) (a) 2.

**John L. Brown**, County Clerk, Washburn County, Spooner; appointed by the WR Board (WR Board member appointed by the Governor from a participating county or town from a list submitted by the Wisconsin Counties Association). Wis. Stats. §15.16 (1) (b).

**Kathleen Kreul**, educational support personnel employee, Highland; elected by educational support personnel (WRS participant who is either a public school district educational support personnel employee or a technical college district educational support personnel employee.) Wis. Stats. §15.16 (1) (f).

**Karen Timberlake**, ex-officio, Director, Office of State Employment Relations, Madison. Wis. Stats. §15.16 (1) (intro).

**Vacant**; Governor or Governor's designee on the Group Insurance Board; Wis. Stats. §15.16 (1) intro.

**Theron Fisher**, retired; elected by WRS annuitants. Wis. Stats. §15.16 (1) (d).

**Irena Macek**, teacher, Milwaukee Public School District; appointed by TR Board (TR Board member elected by Milwaukee Public School teachers). Wis. Stats. §15.16 (1) (a) 3.

**Wayne D. McCaffery**, teacher, Stevens Point Area High School; appointed by the TR

Board (TR Board member who is a public school or vocational school teacher). Wis. Statute 15.16 (1) (a) 1.

**Vacant;** appointed by WR Board (WR Board member appointed by Governor as an employee of a participating local government). Wis. Stats. §15.16 (1) (b) 2.

**Nancy L. Thompson**, member, Waterloo School Board; appointed by the TR Board (TR Board member appointed by the Governor who is a public school administrator or school board member). Wis. Stats. §15.16 (3) (a) 5.

**Cynthia A. Van Bogaert**, attorney, appointed by the Governor as a public member who is not a participant in or beneficiary of the WRS. The appointee must have substantial actuarial, employee benefit or insurance experience. Wis. Stats. §15.16 (1) (c).

### **Wisconsin Retirement Board (9 Members)**

The WR Board advises the ETF Board on matters relating to retirement; approves or rejects administrative rules; authorizes or terminates disability benefits for non-teachers; and hears appeals of disability rulings. It appoints four members to the ETF Board and one non-teaching participant to the separate State of Wisconsin Investment Board.

#### **Board Members**

**Chair: Marilyn J. Wigdahl**, La Crosse; state employee appointed by the Governor (See ETF Board). Wis. Stats. §15.165 (3) (b) 6.

**Vice-Chair: John L. Brown**, County Clerk, Washburn County, Spooner; must be from a county different from other county appointees (see ETF Board). Wis. Stats. §15.165 (3) (b) 5.

**Theodore H. Bauer**, retired finance director, City of Neenah; appointed by Governor as a local government financial officer. Wis. Stats. §15.165 (3) (b) 2.

**Secretary: Jefferson E. Davis**, estate planner, Milwaukee; appointed by the Governor as a public member who is not a participant

or beneficiary of the WRS. Wis. Stats. §15.165 (3) (b) 8.

**Jorge Gomez**, Office of the Commissioner of Insurance, Madison; designated by the Commissioner as an experienced actuary. Wis. Stats. §15.165 (3) (b) 9.

**Wayne E. Koessl**, Kenosha; appointed by the Governor from a list of names submitted by the Wisconsin Counties Association, chair or member governing body of a participating county or town (see ETF Board.) Wis. Stats. §15.165 (3) (b) 4.

**Vacant;** appointed by the Governor as a participating employee from a city or village. Must be from a different municipality and county than other appointees to this board. Wis. Stats. §15.165 (3) (b) 6.

**Barbara J. Ermeling**, clerk/treasurer, Village of Weston; Governor's appointee from a list of city or village chief executives supplied by the League of Wisconsin Municipalities. Wis. Stats. §15.165 (3) (b).

**Rick Gale**, appointed by the Governor. Participating employee of a participating city or village and from a different county than other appointees to this board. Wis. Stats. §15.165 (3) (b).

### **Teachers Retirement Board (13 Members)**

The TR Board advises the ETF Board on retirement and other benefit matters involving public school, vocational, state and university teachers; acts on administrative rules and authorizes or terminates teacher disability benefits and hears disability benefit appeals. Nine of the 13 members are elected. It appoints four members to the ETF Board and one teacher participant to the separate State of Wisconsin Investment Board.

#### **Board Members**

**Chair: Wayne D. McCaffery**, teacher, Stevens Point School District; elected by public school teachers (see ETF Board). Wis.

Stats. §15.165 (3) (a) 1.

**Vice-Chair: Robert M. Niendorf**, retired professor of finance, College of Business Administration, University of Wisconsin-Oshkosh; appointed by the Governor as a UW faculty member (see ETF Board). Wis. Stats. §15.165 (3) (a) 6.

**Secretary: Nancy L. Thompson**, member, Waterloo School Board; appointed by the Governor as a school board member (see ETF Board). Wis. Stats. §15.165 (3) (a) 5.

**Reginald Delwiche**, teacher, Park Falls School District; elected by public school teachers. Wis. Stats. §15.165 (3) (a) 1.

**Suzanne Doemel**, teacher, Oshkosh Area School District; elected by public school teachers. Wis. Stats. §15.165 (3) (a) 1.

**Irena Macek**, teacher, Milwaukee Public School District; elected by Milwaukee Public School District teachers (see ETF Board). Wis. Stats. §15.165 (3) (a) 7.

**Theodore Bratanow**, Engineering Mechanics faculty, University of Wisconsin-Milwaukee; appointed by the Governor as a UW faculty participant. Must be from a different campus than the other UW representative. Wis. Stats. §15.165 (3) (a) 4.

**James Tripp**, teacher, Glenwood City School District; elected by public school teachers. Wis. Stats. §15.165 (3) (a) 1.

**Lon Mishler**, retired teacher; elected by retired school teachers. Wis. Stats. § 15.165 (3) (a) 6.

**R. Thomas Pederson**, instructor, Northeast Wisconsin Technical College; elected by participating Wisconsin Technical College instructors. Wis. Stats. §15.165 (3) (a) 2.

**Gerald E. Pahl**, teacher, Sheboygan School District; elected by public school teachers. Wis. Stats. §15.165 (3) (a) 1.

**Dennis W. Pratt**, Superintendent of Schools, Darlington Community Schools; appointed by the Governor as a public school administrator who is not a classroom teacher. Wis. Stats. §15.165 (3) (a) 3.

**David Wiltgen**, teacher, Eau Claire School District; elected by public school teachers. Wis. Stats. §15.165 (3) (a) 1.

### **Group Insurance Board (10 Members)**

This board sets policy for the group health, life, and income continuation insurance plans for state employees and the group health, life, and income continuation insurance plans for local employers who choose to offer them. The board also can provide other insurance plans, if employees pay the entire premium.

#### **Board Members**

**Chair: Stephen H. Frankel**, Milwaukee; appointed as the Governor's designee (see ETF Board). Wis. Stats. §15.165 (2).

**Vice-Chair: Randy A. Blumer**, Deputy Commissioner of Insurance, Office of the Commissioner of Insurance; designee of the Commissioner. Wis. Stats. §15.165 (2).

**Secretary: Gale F. Dushack**, insured participant who is an employee of a local unit of government. Wis. Stats. §15.165 (2).

**Esther Olson**, teacher; appointed by the Governor as an insured teacher participant in the WRS. Wis. Stats. §15.165 (2).

**Robert A. Alesch**, retired; appointed by the Governor as a retired, insured participant. Wis. Stats. §15.165 (2).

**Martin Beil**, Mazomanie; appointed by the Governor as an insured member of the retirement system who is not a teacher. Wis. Stats. §15.165 (2).

**Jane Hamblen**, Assistant Attorney General, Wisconsin Department of Justice; designee of the Attorney General. Wis. Stats. §15.165 (2).

**Karen Timberlake**, Secretary, Office of State Employment Relations, ex-officio (see ETF Board). Wis. Stats. §15.165 (2).

**David Riemer**, Administrator of Budget and Finance, Wisconsin Department of Ad-

ministration (DOA); designee of the DOA Secretary. Wis. Stats. §15.165 (2).

**Robert Sherwood**, appointed as the Governor's designee. No membership requirement. Wis. Stats. §15.165 (2).

### **Deferred Compensation Board (5 Members)**

The board sets policy, contracts with investment and administrative service providers, and oversees administration of the Deferred Compensation Program. The board is responsible for establishing criteria and procedures for selecting and evaluating investment options offered by the program. All board members are appointed by the Governor with senate confirmation; there are no statutory requirements for appointments. Wis. Stats. §15.165 (4).

#### **Board Members**

**Chair: Edward D. Main**, retired.

**Vice Chair: John F. Nelson**, investment director, State of Wisconsin Investment Board, Madison.

**Secretary: Martin Beil**, Executive Director, American Federation of State, County and Municipal Employees Union, Council 24, Madison.

**Michael Drury**, State Secretary/Treasurer, Professional Firefighters of Wisconsin.

**Jon R. Traver**, Chief Investment Officer, fixed income, State of Wisconsin Investment Board, Madison.

### **Private Employer Health Care Coverage Board (13 members)**

The Private Employer Health Care Coverage Program (PEHCCP) Board sets policy for the PEHCCP, which is a small business employer health insurance purchasing pool. The Board was created by 1999 Wisconsin Act 9, which outlines requirements of the Private Employer Health Care Purchasing Alliance (PEHCPA). According to the Act, re-

sponsibilities of the Board are:

To establish criteria for the administrator of the PEHCPA; to establish the PEHCPA enrollment period; to specify the manner of employer premium payments for employee coverage; to set and adjust the commission rate for the sale of PEHCPA policies, based upon the average commission rate that the insurance agents are paid in the state for the sale of comparable health insurance policies; and to submit an annual report to the Legislature and Governor on the operation of the program by December 31 of each year and include any recommendations for improving the program.

#### **Board Members**

**John Turcott**, Madison; one member who represents health maintenance organizations. Wis. Stats. §15.165 (5) (a) (1).

**Tim Size**, Sauk City; one member who represents hospitals. Wis. Stats. § 15.165(5)(a)(2).

**James G. Krogstad**, Madison; one member who represents insurance agents, as defined in s. 628.02(4). Wis. Stats. § 15.165 (5) (a) (3).

**Gina Erickson**, Janesville; one of two members who is an employee eligible to receive health care coverage under subch. X of Ch. 40 and whose employer employs not more than 50 employees. Wis. Stats. § 15.165 (5) (a) (4).

**Vacant**; one of two members who is an employee eligible to receive health care coverage under subch. X of Ch. 40 and whose employer employs not more than 50 employees. Wis. Stats. §15.165 (5) (a) (4).

**DeWane G. Bierman**, Onalaska; one member who represents insurers. Wis. Stats. §15.165 (5) (a) (5).

**James R. Janes**, Oshkosh; one of two members who are, or who represent, employers that employ not more than 50 employees and who are eligible to offer health care coverage under subch. X of ch. 40. Wis. Stats. § 15.165 (5) (a) (6).

**Christopher J. Queram**, Madison; one of two members who are, or who represent, employers that employ not more than 50 employees and who are eligible to offer health care coverage under subch. X of ch. 40. Wis. Stats. §15.165 (5) (a) (6).

**Vacant**; one member who is a physician, as defined in Wis. Stats. §448.01(5). Wis. Stats. §15.165 (5) (a) (7).

**Gary A. Meier**, Racine; one of two members who represent the public interest. Wis. Stats. §15.165 (5) (a) (8).

**Kenneth W. Conger**, Kohler; one of two members who represent the public interest. Wis. Stats. §15.165 (5) (a) (8).

**Eric Stanchfield**, Secretary of the Department of Employee Trust Funds (ETF); ETF Secretary or unnamed designee. Wis. Stats. §15.165 (5) (b).

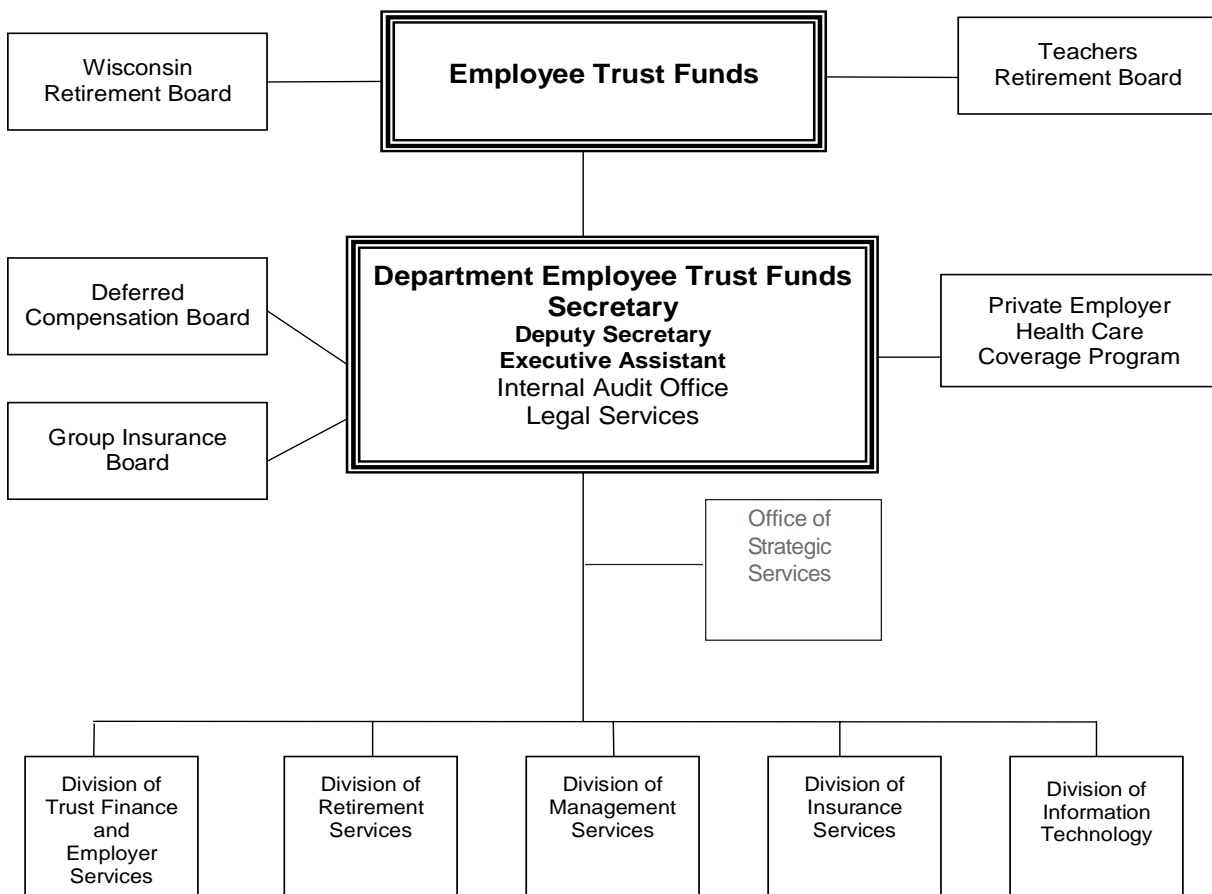
**Helene Nelson**, Secretary of the Department of Health and Family Services (DHFS); DHFS Secretary or unnamed designee. Wis. Stats. §15.165 (5) (b).

#### **State of Wisconsin Investment Board**

*The State of Wisconsin Investment Board (SWIB) is an independent state agency, not part of the ETF Board. SWIB issues a separate annual report, discussing its investment activities. A brief review is contained in the Investments Section of this annual report.*

## Department Organization

The Department of Employee Trust Funds had 187.35 permanent positions and 26 project full time equivalent positions at the end of 2003, with employees in offices in Madison and Milwaukee. The Department's organizational chart is shown below:



**2003 ETF Management Staff**

Secretary: Eric Stanchfield  
Deputy Secretary: David Stella  
Executive Assistant: Rhonda Dunn  
Legal Counsel: Robert Weber  
Legislation and Planning Director: Vicki Poole

Office of Internal Audit  
Director: Robert Schaefer

Office of Strategic Services  
Director: Pam Henning

Division of Information Technology  
Administrator: Vacant

Division of Retirement Services  
Administrator: Julie Reneau

Division of Insurance Services  
Administrator: Tom Korpady

Division of Trust Finance and Employer Services  
Administrator: Jean Gilding

Division of Management Services  
Administrator: Rhonda Dunn

**Principal Consultants And Administrators**

**Consulting Actuaries:**  
Gabriel, Roeder, Smith & Co.  
Detroit, MI (retirement)

Deloitte & Touche, Inc.  
Minneapolis, MN (insurance plans)

**Auditors:**  
Legislative Audit Bureau  
Madison, WI

**Third Party Administrators:**

**Health Insurance:**  
Blue Cross Blue Shield United of Wisconsin, Milwaukee, Wisconsin

**Income Continuation Insurance and Long-Term Disability Insurance:**  
CORE, INC.  
Burlington, Massachusetts

**Deferred Compensation:**  
Nationwide Retirement Solutions  
Columbus, Ohio

**Employee Reimbursement Accounts and Commuter Benefits:**  
Fringe Benefits Management Co.  
Tallahassee, Florida

**Life Insurance:**  
Minnesota Life Insurance Co.  
St. Paul, Minnesota

## Legislation and Annual Accomplishments

The bills that became law in 2003 and affect the Wisconsin Retirement System (WRS) and other employee benefit programs administered by the Department of Employee Trust Funds (ETF) include the following:

### 2003 Wisconsin Act 33 (biennial budget bill):

**Strategic Health Policy Director:** Creates one position to actively participate in the development of strategic partnerships related to health insurance issues, cost containment and quality initiatives, and collaborative health-related purchasing agreements.

**Customer Service Call Center:** Provides funding and permanent staff to continue to meet the service needs of a growing population of active, inactive and retired participants. The Call Center provides critical “one-stop” telephone services to members.

**Critical Customer Service Improvements:** Provides funding and permanent staff to enable the Department to provide more timely and accurate information to all WRS participants about employee benefit programs as well as process applications and pay benefits more expeditiously.

**Benefit Payment System:** Provides funding to continue completion of the redesign of the WRS annuity payment system. The redesign will replace the current annuity, lump sum, accumulated sick leave conversion credit, and disability payment systems.

**Health Insurance Portability and Accountability Act (HIPAA):** Provides a HIPAA and Privacy Compliance Manager to implement privacy and security regulation mandates as required under federal law.

**State Group Health Insurance Program Changes:** Provides significant statutory and

policy changes for additional flexibility under the program including:

- Placement of each health plan into one of three tiers based on risk-adjusted cost;
- Replacement of the current 90%/105% premium contribution formula with one requiring the state to pay not less than 80% of the cost of the plans in the lowest tier; and
- Modification of the Standard Plan into a preferred provider model to make it more cost effective and compatible with the tiering approach.

**Pharmacy Benefit Purchasing Pool:** Creates the ability of an employer or individual to join a pharmacy benefits purchasing pool that is developed by the Group Insurance Board (GIB). The GIB is responsible for developing the preferred list of covered prescription drugs and proposing conditions that an eligible party must satisfy to join the purchasing pool.

**Accumulated Sick Leave Conversion Credit (ASLCC) Flexibility:** Allows state employees with at least 20 years of creditable service to retain their ASLCC without being eligible for an immediate annuity from the WRS. Changes the ASLCC value calculated at retirement from the current rate in effect at retirement to the highest rate of pay earned while employed.

**Permissive Service Credit Purchases:** Consistent with federal law, allows WRS participants to purchase forfeited or other creditable service with certain tax deferred monies including Internal Revenue Code Sections 457 and 403 (b) funds.

**State Payment of Unfunded Accrued Actuarial Liability (UAAL):** Allows the state to issue taxable bonds up to \$750 million at a lower interest rate to pay off its WRS UAAL balance.



**Accumulated Sick Leave Conversion Credit Program Liability:** Allows the state to issue up to \$600 million in bonds to pay off the state's unfunded ASLCC program liability.

**2003 Wisconsin Act 117:** Provides for state employees who are laid off and their surviving insured dependents and for the surviving insured dependents of an employee who dies while employed by the state to utilize health insurance premium credits for the purchase of health insurance.

**2003 Wisconsin Act 153:** Changes the percentage threshold for increases and decreases in fixed annuities to at least .5% and removes requirement for the Teachers Retirement Board and the Wisconsin Retirement Board to approve administrative rules relating to changes in the fixed annuity threshold.

**2003 Wisconsin Act 160:** Authorizes the Deferred Compensation Board to divide a participant's account assets pursuant to a domestic relations order issued by a court relating to any marriage that terminated after December 1, 2001.

**2003 Wisconsin Act 162:** Allows differential pay and accumulation of sick leave and annual leave for certain state employees activated into service in the U.S. armed forces or the U.S. public health service.

## ETF Objectives for 2003

The 2003 objectives prepared by the Department, as shown below, are regularly reported to the ETF Board. The listing of accomplishments that follow are related to the objectives.

1. Study benefit, funding, and service delivery options for the Group Health Insurance Plan and implement agreed upon changes.
2. Review the previously prepared transitional retirement study and identify recommendations for implementation.
3. Identify existing processes and operations within the Department that can be simplified or streamlined, develop a plan to implement, and execute plan.
4. Improve the quality and quantity of internal and external communications to better meet the needs of staff, customers, and constituents.
5. Promote an atmosphere where candid discussion, critical thinking and innovation are encouraged and rewarded while maintaining a strong culture of fiduciary responsibility to the Trust.
6. Seek legislative changes to (a) remove the 30-day break-in-service provisions; and (b) allow in-service distribution for participants who have attained normal retirement age or transfer between employers after retirement eligibility.
7. Ensure that business strategies drive information technology initiatives.
8. Provide cross-organizational training and utilization of staff to assist in handling workflow "spikes."

## Accomplishments for January 1, 2003, through December 31, 2003

### Service to Employees

1. Group benefit presentations were held in the spring and fall in 58 locations throughout the state. These presentations educated members about their retirement and other benefits.

Approximately 9,200 members attended these programs in 2003. Topics in the program included calculating formula retirement benefits, annuity options, disability and separation benefits, taxes and survivor benefits plus health and life insurance benefits.

2. The Department began offering group appointments in addition to individual appointments for participants within one year of retirement. Thirty-five group appointments held twice per week were attended by 122 participants.

3. The Department implemented new provisions passed in law that provided more flexibility to members under the WRS including:

- Allowing state employees with 20 years of creditable service who are not eligible for an immediate annuity the ability to retain sick leave credits for future conversion to pay for group health insurance premiums upon retirement;
- Allowing state employees to convert accumulated sick leave conversion credits at their highest (not last) basic pay rate while a state employee; and
- Allowing WRS participants the ability to purchase forfeited service with certain tax-deferred monies, such as 457 and 403 (b) funds.

4. Information technology updates included:

- Revising the interest rate table to include a history of ETF interest rates, the estimated rates used by benefit processors, and the actual interest rates of the associated years;
- Revising the benefit estimate processor so that the fixed and variable rate assumptions used in estimates more closely reflect current market trends; and
- Redesigning the on-line forfeited service calculator to allow users greater flexibility in comparing various service purchase scenarios consistent with new service purchase legislation.

5. The Wis. Stats. §40.63 disability application process was streamlined to reduce the amount of time to issue the first payment by 38 days. The Department also made disability estimates a priority by processing all requests in less than five days and created an applicant checklist showing each step in the process.

### Service to Employers

1. An employer online forms order process and an Internet option for employers' submission of WRS service and earnings data was implemented. This option increased processing efficiency for both employers and Department staff and provided a more efficient method for data error corrections by eliminating the need for manual handling of cartridges and diskettes.

2. Department staff designed and tested an automated reporting process for the purpose of identifying employer-reporting omissions during the annual reconciliation process. This new reconciliation process provided staff with a listing of active WRS members for

whom the employer had not reported an annual transaction and helped in identifying reporting discrepancies at the end of the year.

3. Staff attended 25 statewide employer health fairs to answer questions concerning 2004 health insurance program changes and participated in several meetings with state employer collective bargaining units to further explain features of the new state health plan design.

### **Benefit Programs**

1. Participating health plans were asked to encourage hospitals to report on their progress toward implementing the quality and safety measures set forth by the LeapFrog organization and to cooperate with the patient safety reporting initiative of the Wisconsin Health and Hospital Association. Hospitals that reported on these measures were recognized in the *Dual Choice* booklet.

2. A tiered approach to contribution rates for health plans was included in both 2003 Wisconsin Act 33 and the 2003-2005 Compensation Plan. The Standard Plan and Standard Plan II were converted into a preferred provider plan design with in-network and out-of-network costs for services.

3. 2003 Wisconsin Act 33 included provisions allowing the Group Insurance Board (GIB) to develop a pharmacy benefits purchasing pool. As a result, pharmacy drug coverage was removed from health plans and management of the drug benefits under a single pharmacy benefit manager (PBM), Navitus Health Solutions, was implemented.

4. The Income Continuation Insurance Program changed the benefit payment cycle from the current biweekly cycle to a monthly cycle effective January 1, 2004. This change was recommended to simplify administration

and provide consistency with standard industry practice.

5. The Group Insurance Board authorized the use of payroll deduction by state employees and retirees for a voluntary employee pay-all vision care benefit from Spectera Vision.

6. The Department implemented federal changes that allowed employees participating in the medical expense reimbursement accounts under the Employee Reimbursement Accounts program to be reimbursed for over-the-counter medicine or drugs purchased without a prescription.

7. The Department implemented procedures needed to comply with the federal Health Insurance Portability and Accountability Act (HIPAA).

- A *Notice of Privacy Practices* was sent to all Standard Plan participants, appropriate changes were made to require participant authorization of medical records review, and information on the Internet was updated.

- The Department contracted with 13 outside firms to ensure the privacy and confidentiality of participant data as required by HIPAA.

8. The ETF Board approved changes in the actuarial assumptions for the WRS effective for December 31, 2003, valuations. The changes included reducing the investment return assumption from the current 8% to 7.8%; decreasing the wage inflation assumption from the current 4.5% to 4.1%; and widening the “spread” (7.8% minus 4.1%) from 3.5% to 3.7%. This means that investment returns will fund a greater portion of the cost of the retirement system.

9. An administrative rule became effective that consolidated and streamlined all administrative rules regarding participation in the variable division of the trust fund into one ad-

ministrative code. The rule further clarified the effective dates of a participant account and the effect of variable cancellations on individuals with multiple WRS accounts.

10. The Calvert Social Investment Equity Fund (Class I) was added under the Wisconsin Deferred Compensation (WDC) Program. The WDC implemented an excessive trading policy to provide protections against individuals who use mutual funds for daily trading.

### **Administration**

1. The image system scanning subsystem and scanners were replaced to reduce costs and allow for better capture of automated information.

2. An information technology system was developed for purposes of implementing the Pharmacy Benefit Manager process and incorporating HIPAA provisions for member identification and historical data collection.

3. A new building security plan was implemented to create a single point of entry for visitors to the building.

4. A strategic planning session was held to update the Department's objectives for the 2003-2005 biennium. Several steps in workforce planning were also conducted with leadership staff, including long-range forecasting based upon a review of demographic information, budget trends, legislative initiatives, retirement projections, workload demands, and projected staff turnover. This information was utilized in developing the new biennial objectives.

5. A new department logo was designed and introduced to ETF staff and WRS participants. Letterhead and memorandum formatting guidelines, in addition to logo usage guidelines, were developed and distributed to employees to promote consistency in internal and external communications.