



STATE OF WISCONSIN

Department of Employee Trust Funds

Eric O. Stanchfield

Secretary

801 West Badger Road

P.O. Box 7931

Madison, WI 53707-7931

October 12, 1999

HONORABLE BRIAN BURKE
HONORABLE JOHN GARD
CO-CHAIRS, JOINT COMMITTEE ON FINANCE
STATE CAPITOL
MADISON WI 53702

Subject: The Department of Employee Trust Funds' report to the Joint Committee on Finance for July 1 – September 30, 1999 on the Special Investment Performance Dividend (SIPD) lawsuit special distribution.

Dear Senator Burke and Representative Gard:

In July, when the Joint Committee on Finance approved the Department of Employee Trust Fund's plan for continuing the special distribution resulting from the Special Investment Performance Dividend (SIPD) lawsuit, the Committee directed the Department to provide quarterly reports on the progress of the SIPD distribution project. The following is the Department's quarterly report for the first quarter of fiscal year 1999-2000.

SIPD Distribution Statistics

	1 st Quarter FY 99-00	Total to Date
Number of payments issued	2,321	10,355
Average # payments per week	166	N/A
Total amount of payments	\$2,175,284.18	\$14,160,195.61
Average amount per payment	\$937.21	\$1,367.47
Claim inquiries received	1,980	14,751
Average # claim inquiries per week	142	N/A

1st Quarter FY 99-00 SIPD Expenditures

During this quarter the Department's documented SIPD administrative expenditures totaled approximately \$426,600. The contracted locator service received \$315,700 of this amount. The estimated \$426,600 amount could vary by up to 10% since certain expenses have not yet been broken down between SIPD and non-SIPD items, plus the Department has not yet received the billing for some SIPD expenses.

The locator service has successfully identified more estate representatives and heirs of deceased annuitants earlier in the location efforts than projected. The Department provided data on 9,035 former annuitants to the locator service, and the service has already identified at least one heir or estate representative for approximately 44% of these. Since the Department is billed weekly for each week's successful locations, this has resulted in larger expenditures at this stage of the project than anticipated. Consequently, there is a possibility that the Department will submit a request in December, 1999 under Wis. Stats. § 13.101 for the funds needed to continue the SIPD distribution project.

If there are any questions about project expenditures, contact the Department's Budget Director, Joanne Cullen, at 266-3960. Questions concerning the overall project can be directed to Linda Owen at 261-8164.

Sincerely,

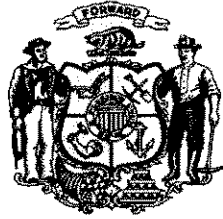


Eric O. Stanchfield
Secretary
(608) 266-0301
TTY (608) 267-0676
FAX (608) 267-0633

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

316-S Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
JOHN GARD

315-N Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard

Date: January 14, 2000

Re: Special Investment Performance Dividend Quarterly Report

Attached is a copy of a report from the Department of Employee Trust Funds, which provides information on the progress of the SIPD distribution project.

The report is being provided for your information only. No formal action is required by the Committee. Please feel free to contact us if you have any questions.

Attachment

BB:JG:dh



STATE OF WISCONSIN

Department of Employee Trust Funds

Eric O. Stanchfield
Secretary
801 West Badger Road
P.O. Box 7931
Madison, WI 53707-7931

January 7, 2000

HONORABLE BRIAN BURKE
HONORABLE JOHN GARD
CO-CHAIRS, JOINT COMMITTEE ON FINANCE
STATE CAPITOL
MADISON WI 53702

Subject: The Department of Employee Trust Funds' report to the Joint Committee on Finance for October 1 – December 30, 1999 on the Special Investment Performance Dividend (SIPD) lawsuit special distribution.

Dear Senator Burke and Representative Gard:

In July 1999, when the Joint Committee on Finance approved the Department of Employee Trust Fund's plan for continuing the special distribution resulting from the Special Investment Performance Dividend (SIPD) lawsuit, the Committee directed the Department to provide quarterly reports on the progress of the SIPD distribution project. The following is the Department's quarterly report for the second quarter of fiscal year 1999-2000.

SIPD Distribution Statistics

	2nd Quarter FY 99-00	Total to Date
Number of payments issued	1,423	11,778
Average # payments per week	109	N/A
Total amount of payments	\$1,168,686.78	\$15,328,882.39
Average amount per payment	\$821.28	\$1,301.48
Claim inquiries received	1,939	16,690
Average # claim inquiries per week	149	N/A

There was considerable staff turnover during the first quarter of the fiscal year. As anticipated, the delays in recruiting replacement staff and the productive time lost to training new staff resulted in a significant decrease in the number of payments issued during this quarter.

2nd Quarter FY 99-00 SIPD Expenditures

During this quarter the Department's documented SIPD administrative expenditures totaled approximately \$238,900. The contracted locator service received \$114,700 of this amount.

As noted in the last quarterly report, the locator service has successfully identified more estate representatives and heirs of deceased annuitants earlier in the location efforts than originally projected. This resulted in larger expenditures than anticipated in the early stages of the project. Based on a revised assumption of an 85% success rate for the locator service, in December 1999 the Department submitted a request under Wis. Stats. § 13.101 for the funds needed to continue the SIPD distribution project. Funding of \$1,266,800 was approved for the current fiscal year.

If there are any questions about project expenditures, contact the Department's Budget Director, Joanne Cullen, at 266-3960. Questions concerning the overall project can be directed to Linda Owen at 261-8164.

Sincerely,



Eric O. Stanchfield
Secretary
(608) 266-0301
TTY (608) 267-0676
FAX (608) 267-0633

cc: Dan Caucutt, Department of Administration
Bob Lang, Legislative Fiscal Bureau
Secretary George Lightbourn, Department of Administration



STATE OF WISCONSIN

Department of Employee Trust Funds

Eric O. Stanchfield
Secretary
801 West Badger Road
P.O. Box 7931
Madison, WI 53707-7931

July 7, 2000

HONORABLE BRIAN BURKE
HONORABLE JOHN GARD
CO-CHAIRS, JOINT COMMITTEE ON FINANCE
STATE CAPITOL
MADISON WI 53702

Subject: The Department of Employee Trust Funds' report to the Joint Committee on Finance for April 1 – June 30, 2000 on the Special Investment Performance Dividend (SIPD) lawsuit special distribution.

Dear Senator Burke and Representative Gard:

In July 1999, when the Joint Committee on Finance approved the Department of Employee Trust Fund's plan for continuing the special distribution resulting from the Special Investment Performance Dividend (SIPD) lawsuit, the Committee directed the Department to provide quarterly reports on the progress of the SIPD distribution project. The following is the Department's quarterly report for the fourth quarter of fiscal year 1999-2000.

SIPD Distribution Statistics

	4th Quarter FY 99-00	Total to Date
Number of payments issued	1,976	16,034
Average # payments per week	152	N/A
Total amount of payments	\$2,279,924	\$20,031,500
Average amount per payment	\$1,154	\$1,249
Claim inquiries received	860*	18,851
Average # claim inquiries per week	66	N/A

* Of the 860 claim inquiries received during this quarter, 762 (nearly 89%) were documented as generated by Education Credit Services (ECS), the professional locator service retained by the Department to locate the heirs and beneficiaries of former WRS annuitants who are eligible for a share of the SIPD funds.

Two notable factors are affecting the progress of the distribution project. There has been significant staff turnover during the last quarter, and the staffing level is now approximately 30% below the number of full-time-equivalency positions that were maintained when the office was fully staffed. However, in April a reporting error was identified in how unprocessed claims were being tallied, with the result that we had approximately 1,750 fewer pending unprocessed inquiries than we previously thought.

Due to the facts that that we have fewer pending inquires than we had thought, the number of incoming inquiries continues to decrease, and there would be extensive training required for any new staff that would be brought into the project, the decision has been made not to replace contract staff who leave unless there are significant additional staff losses. Despite the lower current staffing level, we are cautiously optimistic that by the end of this calendar year the project will at a point where the project staffing levels can be further reduced. However, since the Employee Trust Funds Board established a claim inquiry deadline of June 30, 2001, the project will continue at a lower staffing level until that date.

4th Quarter FY 99-00 SIPD Expenditures

During this quarter the Department's documented SIPD administrative expenditures totaled approximately \$186,000. Of this amount, approximately \$26,800 was paid to Education Credit Services (ECS), the contracted locator service. The contract with ECS expired on June 30, 2000, so the last payments to ECS should be for the invoice we will receive by the end of July.

If there are any questions about the SIPD project expenditures, please contact Joanne Cullen, the Department's Budget Director, at 266-3960. Questions concerning the overall project can be directed to Linda Owen at 261-8164.

Sincerely,



Eric O. Stanchfield
Secretary

cc: Dan Caucutt, Department of Administration
Bob Lang, Legislative Fiscal Bureau
Secretary George Lightbourn, Department of Administration



STATE OF WISCONSIN

Department of Employee Trust Funds

Eric O. Stanchfield
Secretary
801 West Badger Road
P.O. Box 7931
Madison, WI 53707-7931

October 9, 2000

HONORABLE BRIAN BURKE
HONORABLE JOHN GARD
CO-CHAIRS, JOINT COMMITTEE ON FINANCE
STATE CAPITOL
MADISON WI 53702

Subject: The Department of Employee Trust Funds' report to the Joint Committee on Finance for July 1 – September 30, 2000 on the Special Investment Performance Dividend (SIPD) lawsuit special distribution.

Dear Senator Burke and Representative Gard:

In July 1999, when the Joint Committee on Finance approved the Department of Employee Trust Fund's plan for continuing the special distribution resulting from the Special Investment Performance Dividend (SIPD) lawsuit, the Committee directed the Department to provide quarterly reports on the progress of the SIPD distribution project. The following is the Department's quarterly report for the first quarter of fiscal year 2000 - 2001.

SIPD Distribution Statistics

	1 st Quarter FY 00-01	Total to Date
Number of payments issued	1,459	17,493
Average # payments per week	112	N/A
Total amount of payments	\$1,792,806	\$21,824,306
Average amount per payment	\$1,229	\$1,248
Claim inquiries received	255*	19,106
Average # claim inquiries per week	20	N/A

* Of the 255 new claim inquiries received during this quarter, 223 (nearly 90%) were documented as generated by Education Credit Services (ECS), the professional locator service retained by the Department to locate the heirs and beneficiaries of former WRS annuitants who are eligible for a share of the SIPD funds. While the contract with ECS expired at the end of June 2000, we are still receiving a small number of inquiries each week that were generated by past ECS contacts.

The number of new claim inquiries has slowed to an average of 5-10 per week. Most are inquiries generated by past contacts from Education Credit Services (ECS), the contracted locator service. The success of ECS' location efforts exceeded our original expectations; of the 9,025 records with potential SIPD claims, ECS was successful in locating a contact for 7,291 accounts, a success rate of over 80%.

Our backlog of claim inquiries that are not yet in process has been reduced to less than 350. While the project will continue until the June 30, 2001 claim inquiry deadline established by the Employee Trust Fund Board, the project is approaching its final stages.

1st Quarter FY 00-01 SIPD Expenditures

During this quarter the Department's documented SIPD administrative expenditures totaled an estimated amount of \$91,800. Of this amount, \$79,100 was paid for contractual services, including \$36,100 paid to Education Credit Services, the contracted locator service, for the final billing received in July. The contract with ECS expired on June 30, 2000, so this payment was the final expenditure to ECS.

If there are any questions about the SIPD project expenditures, please contact Joanne Cullen, the Department's Budget Director, at 266-3960. Questions concerning the overall project can be directed to Linda Owen at 261-8164.

Sincerely,



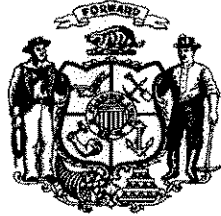
Eric O. Stanchfield
Secretary

cc: Dan Caucutt, Department of Administration
Bob Lang, Legislative Fiscal Bureau
Secretary George Lightbourn, Department of Administration

THE STATE OF WISCONSIN

SENATE CHAIR
BRIAN BURKE

316-S Capitol
P.O. Box 7882
Madison, WI 53707-7882
Phone: (608) 266-8535



ASSEMBLY CHAIR
JOHN GARD

315-N Capitol
P.O. Box 8952
Madison, WI 53708-8952
Phone: (608) 266-2343

JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Brian Burke
Representative John Gard

Date: October 12, 2000

Re: Special Investment Performance Dividend Quarterly Report

Attached is a copy of a report from the Department of Employee Trust Funds, which provides information on the progress of the SIPD distribution project.

The report is being provided for your information only. No formal action is required by the Committee. Please feel free to contact us if you have any questions.

Attachment

BB:JG:dh



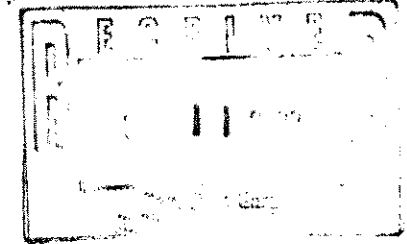
STATE OF WISCONSIN

Department of Employee Trust Funds

Eric O. Stanchfield
Secretary
801 West Badger Road
P.O. Box 7931
Madison, WI 53707-7931

October 9, 2000

HONORABLE BRIAN BURKE
HONORABLE JOHN GARD
CO-CHAIRS, JOINT COMMITTEE ON FINANCE
STATE CAPITOL
MADISON WI 53702



Subject: The Department of Employee Trust Funds' report to the Joint Committee on Finance for July 1 – September 30, 2000 on the Special Investment Performance Dividend (SIPD) lawsuit special distribution.

Dear Senator Burke and Representative Gard:

In July 1999, when the Joint Committee on Finance approved the Department of Employee Trust Fund's plan for continuing the special distribution resulting from the Special Investment Performance Dividend (SIPD) lawsuit, the Committee directed the Department to provide quarterly reports on the progress of the SIPD distribution project. The following is the Department's quarterly report for the first quarter of fiscal year 2000 - 2001.

SIPD Distribution Statistics

	1 st Quarter FY 00-01	Total to Date
Number of payments issued	1,459	17,493
Average # payments per week	112	N/A
Total amount of payments	\$1,792,806	\$21,824,306
Average amount per payment	\$1,229	\$1,248
Claim inquiries received	255*	19,106
Average # claim inquiries per week	20	N/A

* Of the 255 new claim inquiries received during this quarter, 223 (nearly 90%) were documented as generated by Education Credit Services (ECS), the professional locator service retained by the Department to locate the heirs and beneficiaries of former WRS annuitants who are eligible for a share of the SIPD funds. While the contract with ECS expired at the end of June 2000, we are still receiving a small number of inquiries each week that were generated by past ECS contacts.

The number of new claim inquiries has slowed to an average of 5-10 per week. Most are inquiries generated by past contacts from Education Credit Services (ECS), the contracted locator service. The success of ECS' location efforts exceeded our original expectations; of the 9,025 records with potential SIPD claims, ECS was successful in locating a contact for 7,291 accounts, a success rate of over 80%.

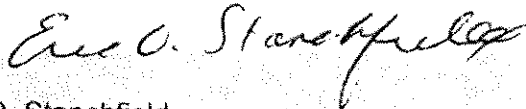
Our backlog of claim inquiries that are not yet in process has been reduced to less than 350. While the project will continue until the June 30, 2001 claim inquiry deadline established by the Employe Trust Fund Board, the project is approaching its final stages.

1st Quarter FY 00-01 SIPD Expenditures

During this quarter the Department's documented SIPD administrative expenditures totaled an estimated amount of \$91,800. Of this amount, \$79,100 was paid for contractual services, including \$36,100 paid to Education Credit Services, the contracted locator service, for the final billing received in July. The contract with ECS expired on June 30, 2000, so this payment was the final expenditure to ECS.

If there are any questions about the SIPD project expenditures, please contact Joanne Cullen, the Department's Budget Director, at 266-3960. Questions concerning the overall project can be directed to Linda Owen at 261-8164.

Sincerely,



Eric O. Stanchfield
Secretary

cc: Dan Caucutt, Department of Administration
Bob Lang, Legislative Fiscal Bureau
Secretary George Lightbourn, Department of Administration