

EMPLOYEE TRUST FUNDS

Budget Summary						FTE Position Summary				
Fund	2022-23 Adjusted Base	Act 19		2023-25 Change Over Base Year Doubled		2022-23	Act 19		2024-25 Over 2022-23	
		2023-24	2024-25	Amount	%		2023-24	2024-25	Number	%
GPR	\$32,500	\$27,900	\$21,400	-\$15,700	-24.2%	0.00	0.00	0.00	0.00	N.A.
SEG	<u>52,712,300</u>	<u>56,916,600</u>	<u>61,639,300</u>	<u>13,131,300</u>	12.5	<u>275.20</u>	<u>287.20</u>	<u>287.20</u>	<u>12.00</u>	4.4%
TOTAL	\$52,744,800	\$56,944,500	\$61,660,700	\$13,115,600	12.4%	275.20	287.20	287.20	12.00	4.4%

Budget Change Items

1. STANDARD BUDGET ADJUSTMENTS [LFB Paper 105]

SEG	\$496,800
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Provide adjustments to the base totaling \$248,400 annually for: (a) turnover reduction, -\$1,057,600 annually; (b) full funding of continuing position salaries and fringe benefits, \$1,306,700 annually; (c) overtime, \$45,600 annually; (d) night and weekend differential pay, \$72,300 annually; and (e) full funding of lease and directed moves costs, -\$118,600 annually.

2. RETIRED EMPLOYEES BENEFIT SUPPLEMENT RE-ESTIMATE [LFB Paper 106]

GPR	-\$15,700
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Reduce estimated expenditures by \$4,600 in 2023-24 and \$11,100 in 2024-25 to reflect decreased amounts necessary to pay benefit supplements for retirees who first began receiving annuities before October 1, 1974. These supplements were authorized by Chapter 337, Laws of 1973, 1983 Wisconsin Act 394, and 1997 Wisconsin Act 26. The reestimate is due to a declining number of retirees eligible for these supplements due to deaths. Current base level funding for the appropriation is \$32,500.

3. INSURANCE ADMINISTRATION SYSTEM AND DATA MANAGEMENT [LFB Paper 335]

	Funding	Positions
SEG	\$11,736,800	7.00

Provide \$3,626,300 in 2023-24, \$8,110,500 in 2024-25, and 7.0 positions annually (4.0 permanent and 3.0 project) for the following: (a) insurance administration system ongoing costs (\$4,344,100 in 2024-25); (b) consulting services to assist with implementation of the pension administration system (\$2,160,000 annually); (c) data management expenses (\$950,400 annually); and (d) \$515,900 in 2023-24 and \$656,000 in 2024-25 for positions

to assist with data management (2.0 permanent positions annually), IT development and quality assurance (2.0 permanent positions annually), and temporary trust fund specialist position coverage while existing subject matter experts participate in IT systems implementation and improvement (3.0 four-year project positions annually).

The insurance administration system, currently in development under contract, will replace the Department's current health insurance administration system as well as provide support for administration for other insurance programs, including life insurance, income continuation insurance, and supplemental benefits.

Funding for consulting services would be for planning and project oversight, business process reengineering, and organization change management. Data management expenses include costs for data integration, data quality improvement, and data governance.

4. SERVICE LEVELS TO MEET EMPLOYER AND MEMBER GROWTH [LFB Paper 336]

	Funding	Positions
SEG	\$706,700	5.00

Provide \$312,600 in 2023-24 and \$394,100 in 2024-25 and 5.0 trust fund specialist positions annually to expand the service capacity of ETF to meet growth over the past 10 years in the number of employers and members (retirees and inactive members in particular). The Department may assign the positions to the following areas of responsibility: (a) call center, to manage increase volume and length of calls; (b) member services, to provide retirement estimates and appointments; (c) employer services, to support employers and retirees with matters relating to health insurance and supplemental programs; and (d) benefit services, to address workload relating to retirement services, such as processing retirement applications and transactions.

5. EXPENDITURE AUTHORITY FOR AUDITS CONDUCTED BY LEGISLATIVE AUDIT BUREAU

SEG	\$191,000
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Provide \$17,000 in 2023-24 and \$174,000 in 2024-25 to ETF's administration appropriation, allotted to one-time financing, to fund two statutorily-required audits performed or contracted for by the Legislative Audit Bureau: (a) an actuarial audit of the Wisconsin Retirement System, performed once every five years; and (b) an audit of Governmental Accounting Standards Board statements 74 and 75, pertaining to the supplemental health insurance conversion credit program and retiree life insurance. Funding would be one-time in nature and would not remain in the agency's base for the 2025-27 biennium.