

# STATE OF WISCONSIN

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## JOINT COMMITTEE ON FINANCE

### MEMORANDUM

To: Members  
Joint Committee on Finance

From: Senator Alberta Darling  
Representative John Nygren

Date: June 29, 2017

Re: ETF Report to JFC

Attached is a report on the Department's major initiative of modernizing its business processes and integrate its information technology systems, pursuant to s. 40.03(2)(vm), Stats.

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

Attachments

AD:JN:jm



**STATE OF WISCONSIN**  
**Department of Employee Trust Funds**  
Robert J. Conlin  
SECRETARY

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June 29, 2017

SECRETARY SCOTT NEITZEL  
WI DEPARTMENT OF ADMINISTRATION  
101 E WILSON ST, 10TH FLOOR  
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JUN 29 2017  
St. Finance

THE HONORABLE ALBERTA DARLING  
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THE HONORABLE JOHN NYGREN  
CO-CHAIR, JOINT COMMITTEE ON FINANCE  
309 E STATE CAPITOL  
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Dear Secretary Neitzel, Senator Darling, and Representative Nygren:

The Fiscal Year 2013-15 Biennial Budget Bill (Act 20) required the Department of Employee Trust Funds to submit an annual report on the Department's major initiative of modernizing its business processes and integrating its information technology systems. The report is due July 1, 2017. Attached is the report.

Please contact me or ETF's Government Relations Director, Tarna Hunter at 267-0908, if you have any questions or would like additional information.

Sincerely,

Robert J. Conlin  
Secretary



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**Department of Employee Trust Funds**  
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**DATE:** June 29, 2017

**TO:** Secretary Scott Neitzel  
Department of Administration

Senator Alberta Darling  
Representative John Nygren  
Joint Committee on Finance

**FROM:** Department of Employee Trust Funds

**SUBJECT:** 2013 WI Act 20 Informational Report – Transformation, Integration and Modernization (TIM) Project

The FY 2013-15 Biennial Budget Bill (2013 Wisconsin Act 20) provided the Department of Employee Trust Funds (ETF) funding to assist in modernizing its business processes and integrating information technology (IT) systems. The TIM project is an umbrella initiative consisting of a suite of projects that will transform, integrate and modernize ETF's benefits administration system and the functional applications that keep ETF running. This project will integrate 17 dated and fragile legacy systems into one system which will improve operational efficiency and improve customer service. The TIM project, spanning from 2012 to 2020, will enable ETF to offer enhanced online member and employer services and maximize the capacity for handling an increasing number of annuitants. This major initiative is essential for the proper administration of the Wisconsin Retirement System (WRS) and the other employee fringe benefit programs ETF administers.

Act 20 created a statutory requirement (Wis. Stats. 40.03 (2)(vm) that directs ETF to submit an annual report by July 1 to the Secretary of Administration (DOA) Secretary and the Joint Committee on Finance regarding progress in modernizing its business processes and integrating its IT systems (Section 713). This report is submitted in compliance with that requirement.

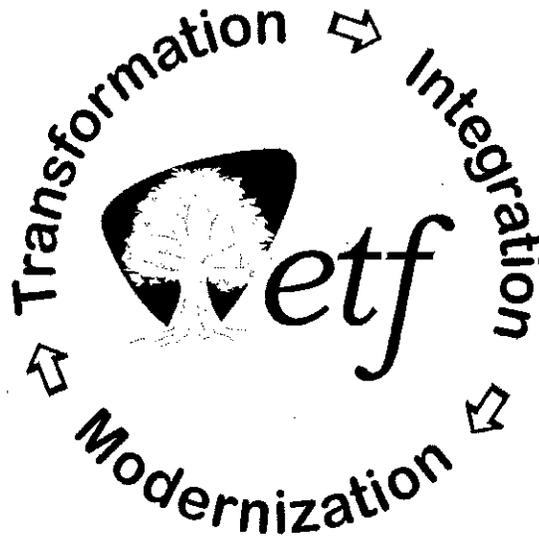
**The Department of Employee Trust Funds**

The Department of Employee Trust Funds administers the WRS, the group health insurance program for state employees, and a variety of other public employee fringe benefit programs. The WRS is the 9<sup>th</sup> largest pension system in the U.S. and ETF's largest program, providing retirement benefits for more than 620,000 current and former state and local government employees via more than 1,500 employers. Members include current and former employees of Wisconsin's state agencies, University of

Wisconsin System, most local governments other than the City of Milwaukee and Milwaukee County, and school districts across the state. The agency is overseen by an independent governing board. WRS trust funds are held and invested on behalf of ETF benefit program members.

The Department's statutory mission is to administer the Public Employee Trust Fund (Trust) in a manner that provides legislatively-created, employment-related benefits at the lowest reasonable cost. Chapter 40 effectively serves as the controlling document for the Trust. ETF is solely funded from the segregated fund.

### Background: ETF's Modernization Initiative



The name of this enterprise-wide initiative or "portfolio" of projects is **TIM**, which stands for **Transformation, Integration and Modernization**. The goal of the TIM initiative is to implement modern, professional benefits administration technology along with business process improvements to more efficiently and effectively serve members and participating employers. Successful implementation will enable ETF to do the following: 1) meet the significant growth in demand for ETF services with limited need for additional staff; 2) meet the growing marketplace demand for online services; 3) increase operational efficiency; 4) achieve overall improvement in customer service; and 5) reduce long-term administrative costs for Wisconsin public employers.

In proceeding with the TIM initiative, ETF has applied lessons learned from past ETF and state government IT projects. For example, the Legislative Audit Bureau produced reports detailing failed state IT projects and suggesting best practices for agencies to follow. ETF has utilized these analyses in approaching this current enterprise-wide initiative. In addition, ETF has been collecting lessons learned during the project and immediately applying them to the next step of the project. Thus, the agency is

continuously making changes as necessary to ensure that the TIM Project is being implemented in an efficient and successful manner.

The TIM Project is the primary component of ETF's strategic vision to develop and implement a secure, intuitive benefits administration system that empowers our customers to access online benefits information and self-service tools. The TIM Project also plays a significant role in ETF attaining three strategic goals: 1) To optimize business processes that must be integrated, secure and flexible; 2) expand metric-based decision making to contain costs, maximize quality and add value for our customers; and 3) provide information and education, accessible services and interactive communications to meet customers' ever changing needs.

Deloitte Consulting, LLP, was engaged to identify the primary risks that ETF would encounter in moving forward to successfully offer more online services. Among other things, this assessment highlighted ETF's need to upgrade its siloed legacy systems to an integrated systems approach to service delivery and demographic data storage. Put simply, to achieve the desired level of customer service for members and employers, a large and complex effort was needed.

From the business risk assessment, it also became apparent this effort would require extensive upgrades to all ETF systems and the eventual replacement of some or all of them. In 2011 ETF began investigating the feasibility of commercially-available off-the-shelf, line-of-business solutions and concluded that pursuing this option would be preferable to, and less risky than, a custom rebuild. Recognizing that pursuing this option was both comprehensive and complex, in 2012 the Department hired LRWL, Inc. (LRWL) as its strategic partner to assist in this undertaking. LRWL's primary focus is on the public pension and benefits administration industry and is nationally recognized for its expertise in the replacement, implementation assistance and quality control efforts related to retirement/benefits administration systems throughout the world.

LRWL spent the first year collaborating with ETF on developing a request for proposal (RFP) for a new Benefits Administration System (BAS). The RFP was issued in June 2013. The evaluation team spent that fall evaluating the six responding vendors and their solutions, including making site visits to other peer pension systems that successfully implemented similar projects. The proposal from Vitech Systems Group, Inc. (Vitech) met all of ETF's program administration needs. In February 2014 ETF contracted with Vitech for the BAS implementation, a project currently expected to last approximately six years

The TIM initiative is comprised of three main projects: Financial Management Information System (FMIS), Data Integrity (DI) and the BAS, consisting of three rollouts. In 2016, ETF officially branded the new BAS as "myETF." The myETF benefits administration system will be used for all online member and employer customer service

functions, which will be rolled out in three stages. The remainder of this report will discuss these three areas and the governance structure of the TIM project.

### **TIM Governance Structure**

ETF has created a governance structure that ensures collaboration and oversight from many levels in the Department and across ETF's broad customer base of employers and members. In the above mentioned LAB audits of failed state IT projects, the LAB recommended increased oversight and monitoring of projects. The TIM Steering Team (TST) provides strategic direction, guidance, resource and policy support, and executive management oversight to ETF's TIM Initiative, including myETF. The TST oversees the overall TIM initiative with a goal of elevating and expanding customer service. The team consists of top-level ETF leadership, which meets on a regular basis to review updates on the status of the myETF Project, DI Project, FMIS, risk management and other strategic initiatives taking place at ETF. A TIM Governance Structure model is included in the attachments. This document lists the various groups and levels of responsibility for the TIM initiative.

The TST monitors the progress of the TIM initiative, ensures adequate human and capital resources are available, monitors project risks and mitigation strategies, and makes sure the agency is ready to make full use of myETF upon completion. The TIM System and Functional Guiding Principles provide the basis for the manner in which the TST functions. The Guiding Principles and Objectives are included as an attachment of this report.

Other key elements of the TIM Governance Structure include the following:

- dedicated staffing;
- extensive training;
- thorough testing; and
- comprehensive security.

### **Staffing**

Dedicating both project managers and subject matter experts to the TIM project portfolio allows for active management and is crucial for successful implementation. ETF has created a staffing plan that represents a partnered approach based on ETF and project vendors working closely together at all levels of the project. The projects have project managers and teams to support the respective initiatives. The myETF project as a whole is co-managed by two project managers, one from ETF and one from Vitech. ETF has 17 staff focusing their diverse expertise working exclusively on the TIM project. In addition to these core team members, ETF also committed the equivalent of 28 full-time employees to the project to date.

ETF Staff and Contractor Hours Dedicated to the TIM Project

Year	Hours
2014	22,700
2015	59,000
2016	79,000

The above dedicated hours are only for ETF staff and contractors. They do not include Vitech or data integrity project hours, which are currently more than 100,000 hours for the project. The 2017 staff and contractor numbers are expected to be higher, as ETF prepares to go live with myETF Rollout 2 which will require extensive user acceptance testing. Committing the necessary resources and staff is essential to the successful deployment of the project.

**Security**

Information security plays a chief role in the oversight and implementation of the TIM initiative. ETF has elevated the overall emphasis and attention on information security by updating the charter of the TIM Steering Team to include a deliberate focus on developing, implementing and continuously monitoring information security controls designed to protect ETF data. ETF also has a Security Policy Subcommittee, which includes the new ETF Chief Information Security Officer (CISO), ETF Privacy Officer, policy advisors, internal audit staff, and information technology specialists. The subcommittee is part of a broader Policy Committee chaired by ETF's CISO. The subcommittee works to advise business areas on various information security measures, as well as to develop and implement information security policy, standards and procedures. The subcommittee completed ETF's information security plan based on industry-standard information security guidance from the National Institute of Standards and Technology. The myETF information security plan provides security expectations for ETF's information technology-related policy, standards and procedures needed to minimize the likelihood of an information security breach. The information security plan will be updated regularly to reflect improvements in data protection made as a result of various ETF information technology initiatives. In the last year, ETF has increased information technology infrastructure security by completing the Disaster Recovery Plan and setting up fully redundant servers in an alternate data center.

ETF has also taken significant steps to further reduce the risk and effect of an unauthorized disclosure of employer, member or staff personal information. Recent efforts include:

- Using authority provided by 2013 Wisconsin Act 20, ETF submitted a passive review request to the Joint Committee on Finance for information security resources, including 3.0 FTE permanent positions, \$150,000 for cyber liability insurance and \$130,000 for routine security audits annually. The Joint Committee on Finance approved this request in March 2017.

- Hired a Chief Information Security Officer, a new position for ETF. Also created a new Bureau dedicated to information security. This team is dedicated to all aspects of information security and risk management.
- Contracted with a security audit firm using the Department of Administration Division of Enterprise Technology security services contract (505004-O14-MANAGITSEC) to conduct an information security vulnerability, penetration and user authorization assessment of the network infrastructure and applications for Rollout 2 (employer self-service) of the myETF project. This assessment identified areas for improvement that, when implemented, would mitigate major information security risks before opening the portal for external employer testing.
- ETF and Vitech have now remediated the first of four groups of findings, starting with the most critical. ETF will continue to remediate risks prior to the myETF Rollout 2, which is scheduled to go-live on January 1, 2018. Protecting our member's information and benefit accounts is vital to successful implementation and the continued lifecycle of the application.
- Purchased a cyber insurance policy covering expenses attributed to an information security breach and provides advanced technical, incident response and legal assistance.
- Updated ETF's standard contract terms and conditions with more current, pertinent language to ensure that our benefit program vendors are continuously increasing their security controls. We are requiring more extensive security controls from vendors, in many cases beyond the industry standards, to ensure the protection and safeguarding of ETF data and systems.
- Completed the migration of all ETF IT infrastructure to the state data center. This has elevated ETF's overall security technology and processes. It has also allowed ETF to leverage DET security experts, enterprise security offerings, and the vendor managed solutions that DET has in place.

## **Training**

Emphasis has also been placed on training. For example, ETF has a designated myETF training officer who plays a central role in the TIM initiative. Staff are continuously trained on new functionality, business process, and procedure and policy initiatives. ETF will provide comprehensive training on system use before implementation for individuals who will be using the system and for technical support staff. ETF has a documented training plan that is customized for each rollout of the system. The training is designed to be compact, utilize multiple mediums such as webinars, eLearning and traditional classroom style trainings, and will be delivered as

close to the go-live date as possible. Different training plans are and will be assigned to staff based on specific job duties.

The training plan for Rollout 1 was successfully deployed and all end users were trained by the go-live date. Training completed for Rollout 1 included 144 classroom hours of training via 15 different courses and 52 sessions. In addition, two eLearning modules were developed to provide staff "anytime" access to training.

Representatives from all 1,500+ WRS employers and employers who offer ETF-administered benefits are required to take Rollout 2 training. For Rollout 2, ETF has developed a five-phase training strategy focused on employer training. In June 2016 ETF deployed phase 1 training, which focused on new file layouts and reporting requirements. More than 90% of WRS employers participated in one of 46 live webinars or viewed a recorded session. ETF is currently conducting phase 2 training, which instructs employers how to successfully test their file layouts and submit test payroll information to ETF. To date, ETF has offered 14 live webinar sessions and published two recorded versions of the sessions for viewing at any time. Below are comments from an employer and vendor that have participated in the training:

- *Thank you for starting early on this transition and keeping to the original time line. It's a mess when organizations are not ready for their new systems. Things seem to be moving along nicely which make it easier on us in the end. – From Local Wisconsin School District*
- *I work with a little over 30 states on requirements for retirement and you have taken the lead with your approach of including employers and vendors in the steps toward go-live. I am impressed with your presentation of the material and with the web portal. The grid functionality is a nice feature. – From Government Software Vendor*

Phase 3 centers on instructing employers how to use the new myETF application and will be deployed in September 2017. ETF will offer both regional classroom training sessions and online courses. Training for ETF staff members who work directly with employers has been occurring throughout all phases to date. Phase 4, training for all ETF staff members, will commence in October 2017. Courses for Phase 4 are still in development but will be finalized by July 2017. Phase 5 training, Member Communication and Education, will deploy as the myETF Members Online Services go live nears. All training activities have ongoing components to address new hires, new employers, new members, annuitants and other users of myETF.

Rollout 3 will require its own training strategy and plan. Planning will commence when design is underway.

## **Testing**

Providing adequate testing is essential to making sure that problems are identified and corrected prior to system implementation. ETF has a designated testing lead and has also set up a testing office and dedicated testing space. For the myETF project, a rigorous testing methodology has been implemented, including testing by both ETF staff and Vitech staff during the design and configuration of the project. Before a specific deliverable of the project is approved it must first go through vendor acceptance testing, which is end-to-end system testing with converted data. After the vendor has successfully completed testing, ETF performs end-to-end user acceptance testing to ensure that the requirements are met. The project also deploys stress testing, which is conducted to evaluate a system or component at or beyond the limits of its anticipated use and to determine what its breaking point and safe usage limits are.

For Rollout 1, a total of 51 people were involved with testing, which encompassed 275 hours across 107 user acceptance testing sessions (including planning sessions). ETF initially estimated a three-month user acceptance testing plan and it took more than seven months to meet ETF's strict performance and functionality requirements. ETF utilized lessons learned from Rollout 1 to develop a more robust testing plan, including additional testing before user accepting testing, for the Rollout 2 testing plan.

ETF has developed a resource and testing strategy for Rollout 2. Each separate component of Rollout 2 testing will encompass a strategy testing document and a formal testing plan. ETF will perform the compatibility testing for browsers and operating systems. Representatives from all WRS employers and employers who offer ETF-administered benefits will participate in employer phases of payroll confirmation for Rollout 2. Exploratory and smoke testing will be performed by dedicated testing staff to determine the application's readiness for Subject Matter Experts (SMEs) testing. Four design validation sessions have been completed for Rollout 2 and a fifth design validation is planned for August. In addition, four data validations are planned to ensure the converted data works well with the design of the application.

### **Financial Management Information System (FMIS)**

The FMIS project was the initial implementation of a state of Wisconsin enterprise-wide rollout of PeopleSoft Financials modules that provided ETF with an integrated financial system designed to support legacy applications and the new myETF benefits system. FMIS replaced the old reporting systems and interfaces with ETF's benefit payment system (BPS) and the lump sum payment system (LSPS).

### **Current Status**

FMIS was put through extensive testing and successfully implemented on April 1, 2014. ETF's FMIS project was a successful pilot project for the state's STAR project. ETF's experiences and lessons learned implementing FMIS were shared with the STAR project and ETF actively participated with the STAR team in the planning and effective

implementation of STAR. Additionally, ETF's FMIS implementation of PeopleSoft was migrated to the STAR implementation. ETF also played a significant role in the STAR project Phase II Human Resources and Payroll implementation due to the heavy dependence on ETF's benefits processing role for the WRS and most health, life, dental and optional insurance plans.

### **Data Integrity (DI)**

The DI project is a necessary precursor and imperative complement to fully and successfully implementing the myETF benefits administration system. Data segregation, redundancy, inconsistencies, and inconsistent business practices caused by multiple siloed systems are sources of significant risk to implementing an integrated IT system like myETF. The overall goal of the project is to mitigate this risk by identifying and resolving data inconsistencies and implementing consistent data management business practices.

The DI project is a broadly defined project addressing data quality and consistency issues related to all of ETF's production data. The DI project will ensure that ETF's current data is accurate and well aligned for the myETF implementation. This project analyzed and profiled ETF's current data to meet and adhere to myETF benefit system business rules. The DI Project allows the myETF vendor to begin its system implementation and ensures it will receive the most accurate high quality data on schedule for each phase.

In September 2012, ETF issued an RFP seeking to identify a vendor that could provide services to assist ETF in identifying, defining, and analyzing all data sources located and used at ETF. ICON Integration and Design Inc. (ICON) was selected through a competitive process. ICON is a nationally recognized data management expert in the pension industry. The contract with ICON was executed in January 2013 and continues through December 31, 2019.

The data integrity project includes the following objectives:

- identify instances where legacy data does not accurately reflect and support ETF business rules and protocols (status: complete);
- document the resolution of instances identified in the first step through repetitive cleansing processes (status: in progress);
- identify, cleanse and appropriately merge data from disparate systems by identifying the best, single data source (status: in progress); and
- prepare legacy data for migration and transformation (when necessary) into the new benefits administration system (status: in progress).

ETF created the Data Stewards Council to ensure the accuracy of ETF's data by assessing and improving the quality of data that will be migrated into the myETF. The council's data stewards represent diverse business areas enabling them to monitor and

ensure the quality of the information ETF uses in its business processes.

Data stewards responsibilities include:

- define business rules and develop diagnostics to see which data conforms to the rules;
- define and work within the timeline for improving data integrity for various ETF systems in order to meet deadlines for migration to the new system;
- communicate data integrity progress on different tasks in order to align to other groups and deadlines; and
- build a consistent system-wide approach for validating foundational demographic data, such as names, Social Security numbers and member IDs.

Since the beginning of the DI efforts, the DI team has identified data sources, verified and validated the integrity and accuracy of the data and developed a platform for migration to the new integrated system. ICON created a data source inventory, which lists all electronic data sources within ETF legacy systems. This inventory will classify data by type and categorize data by platform (Excel, Access, DB2, SQL Server, etc.).

The DI team also developed and executed a data profiling plan. Data profiling is the assessment of the quality of data values within a data set by the application of business rules defined by the data stewards. ICON used the insight gained by data profiling to determine how difficult it will be to use existing data for the BAS. Based on the results of this initiative, ICON developed a plan for improving data quality in compliance with the business rules documented. The data stewards, working with the DI tech team, have "cleansed" more than two million exceptions exposed by the data profiling process. This is a labor-intensive effort: manual cleansing consumes approximately 100 hours per person each month. This is a time consuming and necessary project for the successful migration of information from the legacy systems to myETF.

### **Current Status**

**Accomplishments of the Data Integrity project for the last year include:**

- Implemented more than two million corrections in ETF legacy data for both myETF Rollouts 1 and 2.
- Started test conversion and migration of data for myETF Rollout 2, including extended member and employer demographics, health insurance, employment history, and wage and contributions data.
- Incorporating third-party data from ETF employers, Aetna (income continuation insurance) and Securian (life insurance) into the Rollout 2 conversion and migration.

The Data Integrity project is vital to the overall success of the TIM project. Without this effort, inconsistent/incorrect data contained in multiple, non-integrated legacy systems

could not have migrated to myETF or may have limited myETF system functionality and the overall quality of the implementation.

### Benefits Administration System (myETF)



The myETF project is building a fully integrated benefits administration system at ETF. This multi-year, multi-phased project will bring the majority of ETF's insurance and retirement benefit programs under one integrated system. This system will empower members and partners with online functionality at a "one-stop shop," provide ETF staff with efficient, automated workflows and updated processes – which will allow for more focus on customers.

As mentioned above, ETF contracted with Vitech to implement its configurable off-the-shelf product for the myETF implementation. The contract with Vitech was executed in February 2014 and continues through June 2021 with the option of two, three-year renewals. This contract timeline includes post-implementation support. The current contract is for \$27.1 million.

Vitech has extensive experience in retirement and insurance administration software and systems consulting. Vitech's proposed benefits administration system solution for ETF leverages best practices learned through its experiences at nearly 50 other multi-employer benefit organizations, including 21 public retirement and/or public health insurance clients. These organizations include:

- Iowa Public Employees Retirement System
- Ohio Teachers Retirement System
- Oklahoma Group Insurance Division
- Pennsylvania Teachers Retirement System

To ensure the success of the project it is critical that the correct staff from both ETF and Vitech are placed on the project team. The project staffing plan is a partnered approach, with Vitech and ETF working together at all levels of the project. Each Vitech lead position has an ETF lead partner. Areas these leads oversee include testing, training, infrastructure, data and communications. ETF has also reallocated subject matter experts (SME) from their respective areas of expertise to be co-project and co-team leads on the project. This staffing approach provides ETF staff with the first-hand knowledge that will be necessary for post-implementation administration and

maintenance. It also provides Vitech with expansive first-hand knowledge about ETF's current systems.

Vitech and ETF have employed an Agile software development methodology to design, test and implement the myETF project. Agile is a project management methodology that provides opportunities to assess the direction of the project throughout the development lifecycle. This is achieved through regular short, intensive planned spurts of work, known as sprints, at the end of which teams must present a potentially finished product increment or functionality. By focusing on the repetition of condensed work cycles, as well as the functional product they yield, Agile methodology is described as "iterative" and "incremental." In an Agile project, every aspect of development — requirements, design, etc. — is continually revisited. This methodology keeps the myETF implementation team re-evaluating the direction of the project and application functionality every few weeks and ensures regular opportunities for course correction.

#### **Project Launch (March – July 2014)**

The first piece of the myETF implementation was the 100-day planning period, which established the foundation for the project and finalized the detailed project plan. As a part of this effort, the Vitech team arrived onsite and was placed among its ETF project counterparts. The project team went through team building classes and project training and preparation. Various communications about what to expect with the project implementation are routinely shared with ETF staff.

Accomplishments of the Project Launch include:

- Project Kickoff Meeting, April 2014. This meeting included a presentation by Vitech, ETF Leadership and myETF project members, which highlighted the project goals, roadmap and functionality rollouts. This meeting was followed by bureau and section meetings with all ETF staff.
- The completion of project governance documents, including:
  - myETF Project Launch Phase Gantt Chart
  - Bridging and Interface Plan - Rollout 1
  - Communications Plan
  - Change Control Methodology
  - Concept of Operations Overview
  - Data Conversion Approach and Strategy
  - Development Methodology Overview
  - Problem Incident Reporting Methodology
  - Risk Management Plan

### **Discovery & High-Level Design (April – July 2014)**

The primary work of this design effort was the Requirement Validation Sessions, which were small group sessions where Vitech and ETF subject matter experts ensured that the requirements identified by ETF made sense and that everyone has an understanding of the 3,350 requirements that were listed in the myETF RFP. These requirements consist of the abilities that ETF desires in myETF to handle the work and enhance services related to benefit programs and business tasks. Examples of these requirement areas include benefit estimates, insurance enrollment, disability benefit applications and online-service portals for members and employers.

Accomplishments of Discovery and High-Level Design include:

- 56 out of 56 Requirements Validation Sessions completed.

### **Infrastructure Design and Build (March 2014 - July 2015)**

The technical infrastructure to host myETF has been completed. The myETF Infrastructure Build (BIB) team was a collaboration between ETF, Vitech Systems and DOA's Division of Enterprise Technology (DET). The team was charged with installing the computer systems and supporting software for myETF. The team is currently working with DET to house and operate the servers and systems supporting Vitech's software for myETF. This infrastructure is the physical core of the myETF project and includes connections between all three collaborators to these server-based systems. Housing myETF at DET will ensure a secure, robust location for the systems servers.

Accomplishments of Infrastructure Design and Build include:

- The initial infrastructure design was completed.
- The initial network configuration was completed.
- The development and training environments were built and turned over to Vitech for configuration.

### **Phased Implementation (March 2015 – 2019)**

The implementation of the myETF benefits administration system consists of three rollouts, which are divided into logical categories and functionalities based on business processes, business areas and targeted customers. These rollouts occur when the new myETF system functionality is deployed to users. The attached myETF rollout map details the functionality requirements of each rollout.

- Rollout 1, which went live in November 2015, replaced ETF's imaging, workflow, and document management systems. These systems include technologies that will be used in the management of customer's electronic content, for example correspondence imaging, which is the conversion of paper documents into an electronic format, and workflow, which is how customer requests are routed to different areas of ETF for processing.

Rollout 1 consisted of four tracks (total of four sprints):

- Imaging Implementation (four Agile sprints)
- Reports (completed in traditional project cycles)
- Workflows (completed in traditional project cycles)
- Interfaces and Bridges (completed in traditional project cycles)

Rollout 1 has been successfully launched. Accomplishments of this milestone include:

- Resolving 746 distinct computer issues leading up to Rollout 1.
  - Increasing infrastructure security and reliability by completing the disaster recovery plan and moving the non-production and disaster recovery myETF systems to the new alternate data center.
  - Developing procedures for myETF to reduce negative effects on members and minimize issues for internal staff.
- Rollout 2, scheduled to go live in January of 2018 will involve “inputs” into the system, such as enrollment, contribution reporting and employer reporting. Rollout 2 will also include group insurance, including health insurance, life insurance and income continuation insurance, as well as moving the system of records for demographics and member accounts to the new myETF system. Work on Rollout 2 continues into 2017 with expanded functionality to make for simpler co-existence of myETF and the remaining legacy systems upon Rollout 2 implementation and while Rollout 3 moves into development.

As of June 2017, all Agile work has been accomplished, iterative waterfall development is near completion and user acceptance testing is in full motion, with ETF's targeted go live of January 1, 2018. The following is a project breakdown of phases and activities both completed and in progress:

- **Agile Development:** 11 tracks and 51 sprints – Completed
  - Enrollments and Demographics (five Agile sprints)
  - Employer Wage and Contribution Processing (nine Agile sprints)
  - Employer Self Service (six Agile sprints)
  - Employer Call Center/CRM and Education (three Agile sprints)
  - Miscellaneous Employer Processing (three Agile sprints)
  - Enrollment/Elections (five Agile sprints)
  - Premium Billing and Deductions (five Agile sprints)
  - Member Online-Service Group Insurance (five Agile sprints)
  - Funds Management (two Agile sprints)
  - Service Credit Purchase (four Agile sprints)
  - Member Accounts (four Agile sprints)

- **Validation Test Cycles:** 5 cycles of application testing of the 11 completed Agile tracks – Completed
- **Iterative Waterfall Tracks:** Concurrent and overlapping iterations of design-develop-test cycles – 4 tracks in progress; targeting August 2017 completion.
  - Security (completed in traditional project cycles)
  - Reports and Documents (completed in traditional project cycles)
  - Workflows (completed in traditional project cycles)
  - Interfaces and Bridges (completed in traditional project cycles)
  - Group Insurance Plan Changes (2017 and 2018 changes)
  - Data Conversion and Integration (part of effort that began before BAS project and will continue through Rollout 3)
- **Supportive Subprojects:** Designed to support process gaps and logistics of Rollout 2 – In progress.
  - Employer Onboarding: This subproject was created in late 2015, with combined efforts of members of the project team, ETF's Employer Services Section and the EAC (Employer Advisory Group), to ensure that employers are well prepared for operational changes they will be assuming when Rollout 2 goes live. The onboarding effort includes introducing employers to and preparing them for reporting and filing requirements. Concurrently, the Employer Onboarding team is leading employers in training and confirmation (testing) sessions covering the initial setup and ongoing reporting requirements. ETF's Employer Services section, under direction of the project, uses designated myETF employer web pages to provide resources to assist employers with their myETF administrative needs throughout the project.
  - Enterprise Gap Analysis: This subproject was initiated in late 2016 to cover the gaps between application design in the Agile sprints and the waterfall (mainly bridges) tracks. This effort has produced 15 approved gaps for which development is being completed and readied for their inclusion in the Solution Design Document and the test cases utilized in user acceptance testing.
  - Implementation Plan Program: This subproject, created in April 2017, organizes and coordinates all inter-agency activities and tasks leading up to and beyond cutting over from project completion to go live of Rollout 2. The subproject's charter was approved in June 2017 and work to support the business needs is in progress across several sub-teams.
- **Testing:** Final testing includes two major test phases before Rollout 2 will be ready to go live – In progress.

- Vendor Acceptance Testing: Vitech system testing of the application in preparation for user acceptance testing will take place October 2016 through August 2017.
- User Acceptance Testing: ETF's user acceptance testing of the application started in May 2017 with test cases for all but insurance functionality which will be added to the test cases and sessions in July. Ultimately, full end-to-end testing will encompass all Agile and waterfall development prior to the January 2018 go live.
- The third rollout will involve the "outputs" from the system, such as benefit estimates, annuitant payroll processing, tax reporting and member online service. At the conclusion of this rollout, myETF will be live for all member-related data, pension, benefits, and refund processing. Member online capabilities will have been fully implemented, enabling full retirement of legacy systems.

In preparation for Rollout 3, ETF conducted an online member survey to gather information for use in the design of myETF Member Online Services. A total of 1,573 respondents engaged in the survey revealed a high degree of member interest in accessing a secure and convenient online web portal.

The Rollout 3 plan is under development. The start date for Rollout 3 has not been set, but the expectation for go live is 2020.

### **Post Implementation Support (Ongoing)**

ETF will maintain a contract with Vitech to provide the necessary maintenance, support and training required by ETF. ETF has already begun work on co-development training, where ETF developers work with Vitech developers to configure the system. This will ensure Vitech-to-ETF knowledge transfer at the end of the project, so that ETF staff can provide effective onsite support without consulting Vitech staff. In 2016 ETF launched a BAS subproject that aims to transition the majority of myETF Support to ETF by the end of the BAS project.

As the project progresses, more detailed information about the post-implementation support and maintenance plan will be made available.

### **Current Status**

The myETF project will be completed in two additional rollouts over the next three to four years. The start-up efforts of the myETF project are complete and Rollout 1 was implemented after a successful launch in November 2015.

**Conclusion**

The TIM initiative will enable ETF to retire 17 dated and fragile legacy systems and provide operational efficiency and the level of customer service that is expected by ETF's members and public employers. As documented in this report, ETF has developed a plan and approach, drawing on past state experience and third-party expertise, which will help ensure a successful implementation. The Joint Committee on Finance, the Legislature and the Governor continued their support of this initiative in the 2015-17 biennial budget. ETF looks forward to providing the Legislature and the administration with annual updates regarding the progress of the TIM project.

If you have any questions on this report, please contact Tarna Hunter at 608-267-0908.

Attachment: TIM System and Functional Guiding Principles  
TIM Governance Structure  
myETF Roadmap  
Resource Planning and Prioritization Guide

## **TIM System and Functional Guiding Principles**

### **Fall 2012**

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#### Enterprise-wide Guideposts

1. Establish a single source of the “truth” and view of all information related to the customer. Customer includes active, inactive members, beneficiaries, annuitants, non-WRS members, alternate payees, employers and TPAs.
2. Maximize opportunities for self-service. The level of self-service will vary depending on the system/process/procedure being changed/automated.
3. Move data entry (includes electronic and manual data entry) closer to the source for customers and anyone interacting with ETF. A.k.a. push accountability closer to most knowledgeable source
4. Ensure the ability to support member-centric process improvement (provide measurement and analysis capabilities that enable effective member interactions and also enhance effective changes to processes)
5. Involve employers and TPAs as partners
6. Ensure flexibility and thoroughness in member and partner communications by fully utilizing customer relationship management (CRM) capabilities with member/partner profiles and interactions visible to any ETF employee who may interact with members/partners
7. Optimize information flow in an effort to eliminate or minimize the number of handoffs needed to complete a request or process
8. Seek to implement transaction rather than batch processing. All changes made by staff, members, employers and TPAs should be processed immediately (“real-time”) rather than saved up for overnight processing.
9. Allow customer service representatives and other ETF employees who support members and/or partners to see the same screens/data that the member/partners/TPAs see at the same time and in real-time
10. Implement proactive member services (e.g. Life-event planning and downloadable data at appropriate times in a member’s life – e.g., x months prior to disability period expiring)
11. Ensure that a solid data management infrastructure (policies, procedures, technology and staffing e.g. data stewards) is in place to provide effective ownership, accuracy, classification and organization of data

## **TIM System and Functional Guiding Principles**

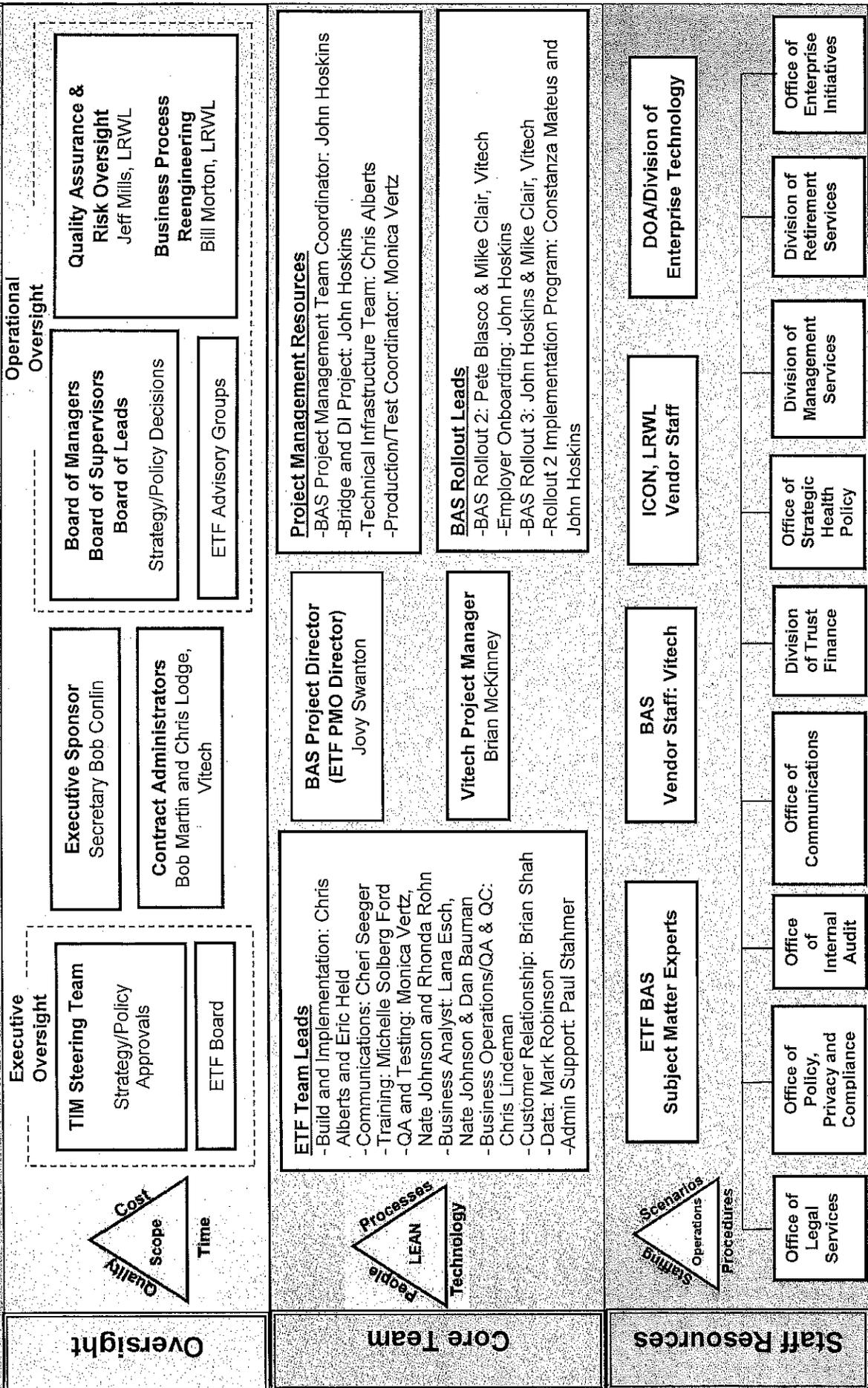
### **Fall 2012**

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#### System-specific Guideposts

- 12.** Ensure that the Benefits Administration System (BAS) – or any other computer application being considered by ETF – contains all of the information and logic necessary to accurately and correctly address most business needs and calculations (likely through use of configurable parameterization and/or a rules engine developed with natural language business rules - a.k.a. simple English)
- 13.** Implement (and integrate) industry standard software and software solutions whenever possible and minimize modifications to software code. (Any changes to the core code will require TIM Steering Team approval.)
- 14.** Ensure any solution being considered utilizes the most current system security principles for member and partner related transactions as well as transaction level security
- 15.** Capitalize on existing and emerging enabling technologies appropriately (this includes, but is not limited to capabilities like smart phone functionality)
- 16.** Fully-automate electronic workflow that is seamlessly integrated with a system solution (e.g. ability to intelligently route incoming work, forms and information while adjusting for backlogs/work-load, provide for random audits, provide view/metrics of employee performance, etc.)
- 17.** When unable to provide on-line, real-time capabilities and/or when business requirements necessitate the use of hard copy communications, make sure that we image and electronically capture all pertinent communications (all documents and correspondence captured electronically in member's record regardless of how received or generated: telephone call, paper, electronic e-mail/text, etc.)
- 18.** Implement enhanced management reporting (visual dashboards, etc. to help guide management decisions and quality assurance capabilities and strategies)
- 19.** Optimize auditing capabilities (electronic workflow should enable random auditing, track all changes to any record, by day, time and user, etc., as well as ensure system accuracy)
- 20.** Ensure the capability/flexibility of the given systems solution to be easily changed/updated based on changes in legislation/policy/etc.

**TIM PROJECT GOVERNANCE STRUCTURE**



## Rollout 1

Functionality (Implementation Date November 9, 2015)

- ✓ Electronic Content Management with V3 Imaging to Replace Legacy System
- ✓ Workflow (Basic)

# BAS Roadmap

Uncertain about a term in the Rollout 1, 2 or 3 column?

Click on any functionality bullet to learn more.

## Tentative Rollout 2

- \*Functionality (Estimated Go-Live Date January 2018)
  - Annual Statements (LOB Delivery)
  - Beneficiary Maintenance
  - Call Center and CRM (Employer Interactions)
  - Customer Education (Employers)
  - Customer Maintenance (Demographic Information) and Member Account
  - Employer Reporting
    - Wage and Contributions Reporting
    - Ongoing Reconciliation (Replaces Annual Reconciliation)
    - Optional Benefit Plans
  - Enrollment
  - Group Insurance
    - Health Insurance
    - Life Insurance
    - Income Continuation Insurance
  - Interest Crediting
  - myETF Employer Online Services
  - myETF Member Online Services for Group Insurance
  - Power of Attorney (Identify Current Relationships)
  - QDRO and Court Orders (All Except Annuitants)
  - Service Credit Purchase (Application Processing, Payment, Allocation)
  - Simultaneous Service Adjustments
  - Third Party (Identify Current Relationships)
  - Variable Transfer (All Except Annuitant Account Adjustments in BPS)

**BAS becomes the authoritative source for demographic data and member account balances**

Business Process Management/Workflow, Business Rules Management, Funds Management Throughout Rollouts 2 and 3

Queries, Reports and Security throughout Rollouts 1, 2 and 3

## Tentative Rollout 3

- \*Functionality
  - Activity Tracking
  - Annual Statements (Member Online Services)
  - Benefit Estimates
  - Benefit Processing and Calculations
  - Call Center and CRM (Member Interactions)
  - Customer Education (Members)
  - Death
  - Deferred Compensation
  - Disability
  - Flexible Compensation
  - Management of Administrative Reviews
  - Multiple Service-Reciprocity (Eligibility and Elections)
  - myETF Member Online Services (Other than Group Insurance)
  - Optional Benefit Plans (Enrollment)
  - Payroll and Payments
  - Power of Attorney (Maintenance and Processing)
  - QDRO and Court Orders (Annuitants)
  - Refire Return to Work
  - Retirement (Calculations and Processing)
  - Separation Benefits and Refunds
  - Service Credit Purchase (Estimate/Application, Cost)
  - Sick Leave Conversion Credit
  - Tax Reporting
  - Telephony and IVRU Integration (Member and Employer)
  - Third Party (Calculations and Processing)
  - Variable Transfer (Annuitant Account Adjustments in BPS)

## Systems Decommissioned

Systems in red will be entirely decommissioned after that rollout; systems in blue will be partially discontinued after that rollout; systems in black represent completed system decommissions. This includes the related applications listed on FRED's System page.

- ✓ Step 2000
- ✓ Input/Accel
- ✓ Content Manager

- myETF Benefits System (MEBS)
- Online Network for Employers (ONE Site)
- Part of Domestic Partner System (DPS)
- Wisconsin Employee Benefits System (WEBS) except WEBS Inquiry and RetCalcs
- Employer Training Registration Application
- Variable Participation System

- Domestic Partner System
- WEBS Inquiry and RetCalcs
- Benefit Payments System (BPS)
- Lump Sum Payment System (LSPS)
- Accumulated Sick Leave (AcSL)
- CallSS
- Online Calculators
- Disability MS Access Database
- Benefit Complaint System
- Service Purchase MS Access Database

\*Functionality in Each Rollout is Subject to Change

## Bridge and Interface Counts

**Bridges:** Synchronize between BAS and legacy systems. Bridges will be turned off after Rollout 3 is complete.  
**Interfaces:** Communicate data between BAS and external systems. Interfaces will exist after BAS is complete.

<p><b>Bridges</b>                  Estimated for Rollout 1: 9                  Estimated Total Active: 9</p> <p><b>Interfaces</b>                  Estimated for Rollout 1: 1                  Estimated Total Active: 1</p>	<p><b>Bridges</b>                  Estimated for Rollout 2: 15                  Estimated Total Active: 7</p> <p><b>Interfaces</b>                  Estimated for Rollout 2: 49                  Estimated Total Active: 50</p>	<p><b>Bridges</b>                  Estimated for Rollout 3: 0                  Estimated Total Active: 0</p> <p><b>Interfaces</b>                  Estimated for Rollout 3: 25-30                  Estimated Total Active: 35-45</p>
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## Interfaces Identified in the BAS RFP and Design

<p><b>Rollout 1</b></p> <ul style="list-style-type: none"> <li>▪ Life Insurance Enrollment (UW Hospital and Clinics)</li> <li>▪ Income Continuation Insurance Enrollment (UW Hospital and Clinics)</li> <li>▪ Kofax Image Ingest</li> <li>▪ Online Retirement Estimate Request Ingest</li> <li>▪ Active Directory Ingest</li> </ul>	<p><b>Rollout 2</b></p> <ul style="list-style-type: none"> <li>▪ Health Insurance Exchanges with Health Plans</li> <li>▪ Health Insurance Enrollment (UW Hospital and Clinics)</li> <li>▪ CMS VDSA Program</li> <li>▪ Payment Lockbox</li> <li>▪ US Bank / E-Pay</li> <li>▪ STAR</li> <li>▪ US Bank Employer Payments &amp; Returns</li> <li>▪ Employer File</li> <li>▪ DHS Death Match</li> <li>▪ SSA Death Match</li> <li>▪ Address Interfaces</li> </ul>	<p><b>Rollout 3</b></p> <ul style="list-style-type: none"> <li>▪ Additional STAR interfacing</li> <li>▪ DOA Check Print</li> <li>▪ DOA Check Ingest</li> <li>▪ Milwaukee Teachers Health Ingest</li> <li>▪ Milwaukee Teachers Health Extract</li> <li>▪ Milwaukee Teachers Life Extract</li> <li>▪ Vision Care Extract</li> <li>▪ Vision Care Ingest</li> <li>▪ MLIC Monthly Extract Confirm</li> <li>▪ MLIC Annual Extract</li> <li>▪ MLIC Periodic Ingest</li> <li>▪ MLIC Periodic Insurance Certificate Ingest</li> <li>▪ LTDI Ingest</li> <li>▪ IRS Extracts (W2, 1042 and 1099R)</li> <li>▪ WIDOR Filing Extracts (W2, 1042, 1099R)</li> <li>▪ Telephony</li> </ul>
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# Resource Planning and Prioritization Guide

The following shared principles will help inform the TIM Steering Team, the CCB's, and others who play a role in deciding what and when to spend on initiatives and projects.

**Principle One:** We will make every reasonable effort to plan all major expenditures one year in advance and will revisit the plan at least quarterly.

**Principle Two:** We will generally allocate resources based upon a shared vision of what is best for ETF and its customers, balancing the desire to advocate for one's own program or business area with the vision of a unified, integrated ETF.

**Principle Three:** We will generally make resource decisions based upon the following priorities, ranked in order of importance:

1. Mandates with deadlines
2. Mandates with no deadlines
3. Enterprise initiatives
4. Projects, based upon their impact on efficiency and elimination of waste
5. Projects, based upon their impact on overall effectiveness of service delivery

**Principle Four:** We will remain open to adjusting resource allocations based upon changing circumstances.

**Principle Five:** We will provide a role for managers in prioritization decisions.

