



## Legislative Fiscal Bureau

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Joint Committee on Finance

Paper #275

### Customer Service Call Center Staffing Increases (ETF)

[LFB 2005-07 Budget Summary: Page 152, #2 (part)]

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#### CURRENT LAW

The Department of Employee Trust Funds (ETF) operates a customer service call center within its Call Management Bureau to respond to telephone inquiries from Wisconsin Retirement System (WRS) participants, employers and annuitants concerning any aspect of the benefit programs administered by the agency. Currently, 11.5 SEG positions are assigned to this function. Salaries, fringe benefits, and supplies and services funding of \$593,600 SEG is budgeted in 2004-05 for these positions.

#### GOVERNOR

Provide \$64,300 SEG in 2005-06 and \$85,700 SEG in 2006-07 and 1.5 SEG four-year project positions annually for ETF's customer service call center.

#### DISCUSSION POINTS

1. The call center provides a single telecommunications point of contact between WRS participants, annuitants and employers and the appropriate member services and administrative staff in ETF.
2. Provisions of 2003 Wisconsin Act 33 converted 2.5 SEG project positions to permanent status for ETF's customer call center to enhance the agency's ability to handle an increasing volume of WRS participant, employer and annuitant contacts. ETF officials indicate that the customer call center staffing now totals 11.5 SEG positions, with 9.0 positions responsible for answering telephone inquiries.

3. The volume of telephone contact to the agency continues to rise, in part, because the WRS is still an expanding retirement system with a growing number of active and inactive participants and annuitants. The WRS is also a maturing system with a steadily increasing number of active and inactive participants who are eligible to retire. These trends are expected to continue into the future, as illustrated in Table 1. In addition, there are 1,394 participating employers statewide, including 57 state agencies, that must frequently contact the agency.

**TABLE 1**

**Projected Growth in WRS Participants**

<u>Fiscal Year</u>	<u>Type of Participant</u>			<u>Total</u>	<u>Percent Change</u>
	<u>Active</u>	<u>Inactive</u>	<u>Annuitants</u>		
2003-04	266,682	126,173	123,830	516,685	---
2004-05	269,522	127,734	128,482	525,738	1.8%
2005-06	271,716	128,138	133,439	533,293	1.4
2006-07	273,397	129,032	138,901	541,330	1.5
2007-08	275,347	130,008	144,819	550,174	1.6
2008-09	277,558	130,794	150,940	559,292	1.7

4. The function of the call center is to receive all initial inquiries made to the Department. These inquiries are not limited to retirement issues, but also include questions concerning the other benefit programs administered by ETF, including state employee health insurance coverage, prescription drug coverage, the deferred compensation program, accumulated sick leave conversion credit program, and a variety of other insurance programs. The customer call center receives the initial inquiry and either answers the question directly, or transfers the matter to specialists in these various programs.

5. Customer call center statistics provided by ETF indicate that the volume of calls grew from 323,863 in 2002-03 to 429,066 in 2003-04, an increase of 32.5%. This increase reflected, in part, the growing numbers of WRS participants, employers and annuitants. It also reflected the large number of questions raised by the state's conversion to a three-tier health care coverage system and a new pharmacy benefits manager program for state employees that took effect in 2004. While these health insurance and prescription drug questions have now been largely addressed, ETF officials estimate that 2004-05 call volume will equal or slightly exceed the 2003-04 totals.

6. ETF believes that in recent years the large volume of telephone contact has also been due, in part, to the public's inability to successfully reach a call center representative on the initial attempt. Consequently, one or more callbacks has historically been required in order to reach a call center representative or be directed to other ETF staff.

7. Table 2 summarizes selected call center statistics for the years 2000-01 to 2003-04. Data on the total number of calls attempted and not completed are only available for 2002-03 and 2003-04.

**TABLE 2**  
**Customer Call Center Statistics**

	<u>2000-01</u>	<u>2001-02</u>	<u>2002-03</u>	<u>2003-04</u>	<u>Percent Change 2002-03 to 2003-04</u>
Total Calls Attempted	NA	NA	323,863	429,066	32.5%
Calls Not Completed	NA	NA	-207,216	-315,902	52.5
Calls Answered	98,022	112,031	116,647	113,164	-3.0
Call Center FTE Positions	8.25	8.47	11.10	9.00	-18.9
Calls Answered/per FTE	11,881	13,227	10,509	12,574	19.7
Average Call Time	04:04	04:04	05:07	04:55	-3.9
Average Waiting Time	01:42	06:25	01:01	02:02	100.0

NA = Data not collected.

8. For the two fiscal years for which complete data is available (2002-03 and 2003-04), the statistics presented in Table 2 show that although the number of calls answered per customer call center representative increased by 19.7% during the period, the total number of calls that could not be completed increased by 52.5% and the average caller wait-time doubled to over two minutes. In fact, the proportion of calls answered to calls attempted dropped from a 36.0% completion rate in 2002-03 to a 26.4% completion rate in 2003-04.

9. The Department has not systematically collected calls attempted and calls not completed data prior to the 2002-03. Such data, if available, would permit an analysis of customer call center service levels over a longer term. Nonetheless, ETF has periodically surveyed call center activities in the past. A consultant's study prepared in 1998 found that during a 10-month period between August, 1997, and May, 1998, a total of 64,670 of the 143,696 calls attempted during the period (45.0%) were answered. A year-long study done in 1999 found that in that calendar year a total of 75,906 of the 233,392 calls attempted during the period (32.5%) were answered.

10. While the ability of call center staff to answer in-coming calls is due, in part, to the technological sophistication of the answering and routing system, a critical factor has always been the number of available staff to the number of calls being received. During the 1997-99 biennium, approximately 6.0 FTE staff supported the agency's telephone answering centers in Madison and Milwaukee. [The customer call center was not organized until the 1999-01 biennium.] During the period of the consultant's 1998 study, approximately 10,800 calls were answered per FTE

(approximately 12,900 calls per FTE on an annualized basis). During the period of the 1999 study, ETF continued to have 6.0 FTE call center staff, and they answered approximately 12,700 calls per FTE. Although an additional 6.5 FTE call center positions were added by the 1999-01 biennial budget act in anticipation of the passage of a significant retirement benefit improvement legislation [1999 Wisconsin Act 11], these new positions would not have been deployed to the call center before the end of 1999.

11. In general, it would appear each new call center position can handle approximately 12,500 calls per year when fully trained. In its 2005-07 biennial budget request, the Department asked for 2.5 FTE permanent positions annually for the customer call center. According to ETF, this level of trained staff would result in approximately 31,400 additional calls being answered each year.

12. In contrast, AB 100 would provide 1.5 four-year project positions, or the equivalent of about 18,900 additional calls per year, when new staff are fully trained. According to administration officials, 1.5 project positions were provided under the bill, rather than the 2.5 permanent positions requested by the Department, because: (a) it was felt that the agency could better utilize its technological capacities to address the call center's workload, thus reducing the need for increased staffing, including long-term, permanent staff; and (b) the AB 100 provision reflects the Governor's general policy of limiting the number of state employees.

13. In October, 2000, sophisticated call center hardware and software was installed that permits the immediate accessing of agency databases, the on-line updating of participant files, and more sophisticated inquiry tracking and routing capabilities. The system was intended to result in significant improvements in the agency's ability to manage its call center volume.

14. The Department's budget request document discusses the issues of technology and the use of project positions. First, ETF states that the current technology of the call center does permit greater efficiencies in handling call volume, but feels that it is the lack of enough trained personnel that limits the effectiveness of the system. According to ETF officials, the budget request was designed to provide sufficient staffing to fully utilize the current telecommunications capacity. Departmental officials have also noted that callers continue to have a strong preference for talking directly to an individual when they contact ETF.

15. However, it is possible that an increase of 1.5 positions, in conjunction with the improved telecommunications capacity of the call center, will increase efficiencies adequately for the next two years. As noted above, ETF officials estimate that 2004-05 call volume will equal or slightly exceed the 2003-04 totals. Perhaps this indicates that the upward trend in incoming calls, although likely to continue, may be leveling off somewhat. An argument can be made that the provision of 1.5 positions under the bill is appropriate at this time and the Legislature can reassess the on-going staffing needs for the call center in the future.

16. Concerning the authorization of project positions, ETF argues that project positions are helpful in addressing workload, but training and turnover issues make such positions

significantly less efficient than permanent positions. The Department indicates that a seven-month period of training and on-the-job experience are required before a call center staff member can handle a full caseload. The operation of the WRS and associated benefit plans is highly complex and requires time for call center staff to master. An argument could be made that relatively few employees would want to make a commitment to learn the considerable complexities of the retirement system and other benefit plans where the position would be limited to a maximum four-year duration. Further, vacancies due to the ultimate termination of the position could impede the efficient operation of the call center function. Turnover in the customer call center forces another round of hiring and training, which limits the effectiveness of the agency in responding to the increasing volume of telephone inquiries.

17. The upward trend in WRS demographics, the likely continuing increase in call-center volume in future years, the large number of calls that are not answered each year, and the inefficiencies created by turnover and retraining of staff provide arguments for authorizing 1.5 permanent positions for the call center, rather than the 1.5 project positions recommended under the bill.

**ALTERNATIVES**

1. Approve the Governor's recommendation to provide \$64,300 SEG in 2005-06 and \$85,700 SEG in 2006-07 and 1.5 SEG four-year project positions annually for the agency's customer service call center.
2. Modify the Governor's recommendation by providing 1.5 SEG permanent positions, instead of 1.5 SEG four-year project positions.
3. Delete the Governor's recommendation.

<b>Alternative 3</b>	<b>SEG</b>
<b>2005-07 FUNDING</b> (Change to Bill)	- \$150,000
<b>2006-07 POSITIONS</b> (Change to Bill)	- 1.50

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