



STATE OF WISCONSIN
Department of Employee Trust Funds
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June 30, 2016

SECRETARY SCOTT NEITZEL
WI DEPARTMENT OF ADMINISTRATION
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JUL 01 2016
Jt. Finance

THE HONORABLE ALBERTA DARLING
CO-CHAIR, JOINT COMMITTEE ON FINANCE
317 E STATE CAPITOL
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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 FY 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 was due by July 1, 2016. Attached is the report.

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

Sincerely,

Robert J. Conlin
Secretary



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DATE: June 30, 2016

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 ETF's business processes and integrating its 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 benefit administration system and the functional applications that keep ETF running. The TIM project, spanning from 2012 to 2019, 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)), which directs ETF to submit an annual report by July 1 to the Department of Administration (DOA) Secretary and the Joint Committee on Finance regarding ETF's progress in modernizing its business processes and integrating its information technology systems (Section 713). This report is submitted in compliance with this requirement.

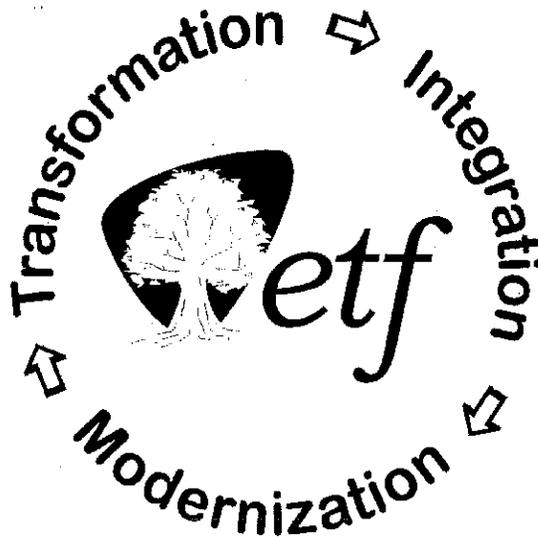
The Department of Employee Trust Funds

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 9th largest pension system in the nation and ETF's largest program, providing retirement benefits for more than 600,000 current and former state and local government employees via more than 1,500 employers. Participants 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, and WRS trust funds are held on behalf of ETF benefit program members.

The Department's sole 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.

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 our 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 demand for online services; 3) increase operational efficiency; 4) achieve overall improvement in customer service; and 5) reduce long-term administrative costs for public employers throughout the state.

In proceeding with the TIM initiative, ETF has applied lessons learned from past IT projects within both ETF and state government. For example, well over a decade ago ETF attempted to replace the IT application that pays WRS benefits. This project was initially not successful and was terminated. Rather than accept the failure, ETF partnered with Virchow Krause & Company to provide an evaluation of the project and recommendations on how to proceed. Virchow Krause & Company provided ETF with a list of the major causes of failures and lessons learned. This analysis allowed ETF to move forward and successfully replace the application in question. About this same time,

the Legislative Audit Bureau also 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. This has enabled ETF to make changes as necessary to ensure that the TIM project is being implemented in an efficient and successful manner.

In 2009, ETF developed a strategic vision that guides its major initiative: to improve customer service via self-service tools for our customers. ETF recently clarified this vision through its strategic goal planning process for the 2015 – 2019 years with the strategic goal 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 will also play a role in ETF attaining three additional 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' needs.

After creating the initial strategic vision and before ETF selected its roadmap to implementation, Deloitte Consulting, LLP, was engaged to conduct a business risk assessment. This assessment identified 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 that 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 a new endeavor, in 2012 the Department hired LRWL, Inc. (LRWL) as its strategic partner to assist in this undertaking. LRWL's sole focus is on the public pension and benefits administration industry and is nationally recognized for its expertise in the replacement of 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, and the evaluation team spent the fall evaluating the six responding vendors and their solutions, including visiting other peer pension systems that have 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 five 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. The TIM Steering Team (TST) provides strategic direction, guidance, resource and policy support, and executive management oversight to the ETFs' TIM Initiative, including the myETF benefits administration system. 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 hear 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's goal is to monitor the progress of the TIM initiative, ensure adequate human and capital resources are available, monitor project risks and mitigation strategies, and make 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 governance structure include the following:

- Dedicated staffing;
- Extensive training;
- Thorough testing; and
- Comprehensive security.

Staffing

Dedicating personnel to the TIM project portfolio 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. ETF is actively involved in the development of the project to ensure proper implementation, as well as ongoing administration. 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 the other 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 expects to commit an average of 20 full-time employees and 17 part-

time employees to the project over the next four years. In 2014, ETF staff dedicated more than 22,700 hours to the TIM project. In 2015, ETF staff and contractors dedicated more than 59,000 hours on the TIM project. 2016 numbers are expected to be higher, as ETF works on multiple rollouts simultaneously. Committing the necessary resources and staff is essential to the successful deployment of the myETF benefits administration system.

Training

Emphasis has also been placed on training. For example, ETF has a designated myETF training officer who is playing a central role in the TIM initiative. Staff are continuously trained on new initiatives and infrastructure. ETF will provide adequate training on system use before its implementation for individuals who will be using the system and for technical support staff. ETF has a documented training plan that will be customized for each rollout of the myETF benefits administration system. The training is designed to be compact, utilize multiple mediums including webinars, eLearning and traditional classroom style trainings, and will be delivered as close to the go-live date as possible. Different training plans were assigned to staff based on their 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 so staff have "anytime" access to training.

For rollout 2, ETF has developed a five-phase training strategy focused on employer training. Each phase has its own training plan that will be finalized as design gets closer to completion. ETF has recently deployed phase 1 training. Representatives from all WRS employers and employers who offer ETF-administered benefits are required to take rollout 2 training. Courses for the subsequent phases are still in development and will be finalized by early 2017. Future courses will focus on members and ETF employee users, as well as employers.

Testing

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 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. Providing adequate testing is essential to making sure that problems are identified and corrected prior to system implementation.

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 over 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 have a strategy testing document or 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 applications readiness for Subject Matter Experts (SME's) 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 for rollout 2 to ensure the converted data works well with the design of the application.

Security

Finally, security plays a chief role in the oversight and implementation of the TIM initiative. ETF has created a Security Policy Subcommittee, which includes the ETF Security Officer, ETF Privacy Officer, policy advisors, internal audit, and information technology specialists. The subcommittee is part of a broader Policy Committee chaired by ETF's Policy Director. The Security Policy Subcommittee works to advise business areas on various security measures, as well as to develop and implement security policy and procedure. Such policies and procedures safeguard access to sensitive data, the ability to make system changes, and the ability to disburse funds which are limited to those individuals requiring this access to perform their job duties. The Security Policy Subcommittee completed the security plan based on industry standard security plan from the National Institute of Standards and Technology. The myETF security plan provides security expectations for ETF's technology configurations, approaches, policies and procedures needed to minimize the likelihood of an information security breach. The security plan will be updated to reflect security improvements made with each of the project rollouts. In the last year, ETF also increased infrastructure security by completing the Disaster Recovery Plan and setting up two of the systems servers in an alternate data center. In August 2016, ETF will outsource an audit to conduct periodic vulnerability assessments and penetration testing of the network infrastructure and applications for rollout 2 (employer self-service). It is critical to complete this assessment so that significant risks can be mitigated before opening the portal for external employer testing. Depending on results, ETF will remediate necessary risks prior to exposing the application to the internet. Protecting our member's information and benefit accounts is vital to successful implementation.

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 as well as the new myETF benefits system. FMIS replaced the old reporting systems and interface with the benefits 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. In the last year, 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 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 will analyze and profile 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 high quality data on schedule.

In September 2012, ETF issued an RFP seeking to identify a vendor who 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 nationally recognized as data management experts in the pension industry. The contract with ICON was executed in January 2013 and continues through December 31, 2017, with two, two-year extensions possible. The Department has budgeted \$2,700,000 for the entire project.

The 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 all data inconsistencies and implementing consistent data management business practices.

More specifically, the data integrity project will:

- Identify instances where legacy data does not accurately reflect and support ETF business rules and protocols (done through profiling, complete);
- Document the resolution of instances identified in the first step (done through cleansing plans, in progress);
- Identify, cleanse and appropriately merge data from disparate systems by identifying the best, single data source (ongoing); and
- Prepare legacy data for migration and transformation (when necessary) into the new benefits administration system (ongoing).

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 is composed of data stewards who represent diverse business areas enabling them to monitor and ensure the quality of the information ETF uses in its business.

Responsibilities of the data stewards 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 to meet deadlines for migration to the new system.
- Communicate data integrity progress on different tasks to align to other groups and deadlines.
- 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 it by data 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 will use 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 an approach and plan for improving data quality in compliance with the business rules documented. The data stewards, working with the DI tech team, have "cleansed" several hundred thousand exceptions exposed by the data profiling process. This is a labor-intensive effort, and manual cleansing consumes approximately 100 hours per person each month. This is a time consuming but 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:

- Completed profiling of our enterprise data, finishing up with Lump Sum and Annuity-related data.
- Implemented several hundreds of thousands of corrections in ETF legacy data for both myETF rollouts 1 and 2.
- Completed final conversion and migration of data for myETF rollout 1.
- Started test conversion and migration of data for myETF rollout 2, including extended member and employer demographics, health insurance, employment history, wage and contributions data.

The DI project is vital to the overall success of the TIM project. Inconsistent/incorrect data contained in multiple, non-integrated legacy systems, may not be able to be migrated to myETF, or may limit myETF system functionality and therefore the quality of the implementation overall.

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 and will 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 (Vitech's V3 software) for the myETF implementation. The \$22.2 million contract with Vitech was executed in February 2014 and continues through June 2021 with the option of two (2), three (3) year renewals. This contract timeline includes post-implementation support.

Vitech has extensive experience in retirement and insurance administration software and systems consulting. Vitech's proposed benefits administration system solution leverages the lessons and best practices they learned through 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
- Milwaukee County 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 working directly with it. Areas these leads oversee include testing, training, infrastructure, data and communications. ETF has also reallocated subject matter experts (SMEs) 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 will 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. This ensures that there are regular opportunities for course correction. This methodology has proven cost effective, as well as providing a quality product in a timely fashion, in other similar projects.

Current Status

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

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, project training and preparation and various communications have been shared with all ETF staff about what to expect with the project implementation.

Accomplishments of the Project Launch include:

- The Project Kickoff Meeting was held in 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 individual 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 self-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 is a collaboration between ETF, Vitech Systems and DOA's Division of Enterprise Technology (DET) to install the computer systems and supporting software for myETF. The team is working with DET to house and operate the servers and systems supporting Vitech's V3 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 (3) rollouts, which are divided into logical categories and functionalities based on business processes, business areas and targeted customers. These rollouts occur when new system functionality developed in V3 is deployed to users. Attached is the myETF rollout map which details the functionality requirements of each rollout.

1. The first rollout, 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.

2. The second rollout, 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. Work on rollout 2 is currently underway and is scheduled to spend the entire year of 2017 in testing. In the last year, the myETF rollout 2 detailed project plan was finalized.

Rollout 2 consists of 13 agile tracks (total of 54 sprints):

- 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
- Security
- Reports and Documents (Completed in traditional project cycles.)
- Workflows (Completed in traditional project cycles.)
- Interfaces and Bridges (Completed in traditional project cycles.)

Rollout 2 of the myETF project will significantly change the way employers communicate and report to ETF. Preparing employers for this change is a major component of the project. To ensure that employers are well prepared, ETF has created a subproject of rollout 2 for employer onboarding. The onboarding effort will include introducing employers to and preparing them for reporting and filing requirements. ETF has conducted meetings and received feedback from employers that will be used in the communication plan. ETF has also created designated myETF employer web pages that offer resources to assist employers with all of their myETF administrative needs throughout the project

To date, 10 of the Agile tracks are complete and 51 of the 54 sprints are complete. The waterfall (traditional) tracks will continue into January-February 2017. The Employer Onboarding subproject of rollout 2 is in its early development. By 2017, ETF will begin file processing training and confirmation, which will continue until rollout 2 is launched. The remaining tracks are scheduled for wrap-up in February of 2017, with testing continuing throughout 2017.

3. The third rollout, tentatively scheduled to go live in 2019, 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 the legacy system.

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 revealing member interest in and concerns about the planned portal.

The Rollout 3 sprint plan is under development.

Post Implementation Support (2019– 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 hand-in-hand with Vitech developers to configure the system. This will ensure that there is sufficient Vitech-to-ETF knowledge transfer at the end of the project, and that ETF staff will be able to 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.

Conclusion

The TIM initiative will enable ETF to provide the level of customer service that is expected by ETF's members and public employers. As shown above, 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, Legislature and the Governor continued their support of this initiative in the 2015-17 biennial budget. The Department 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

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

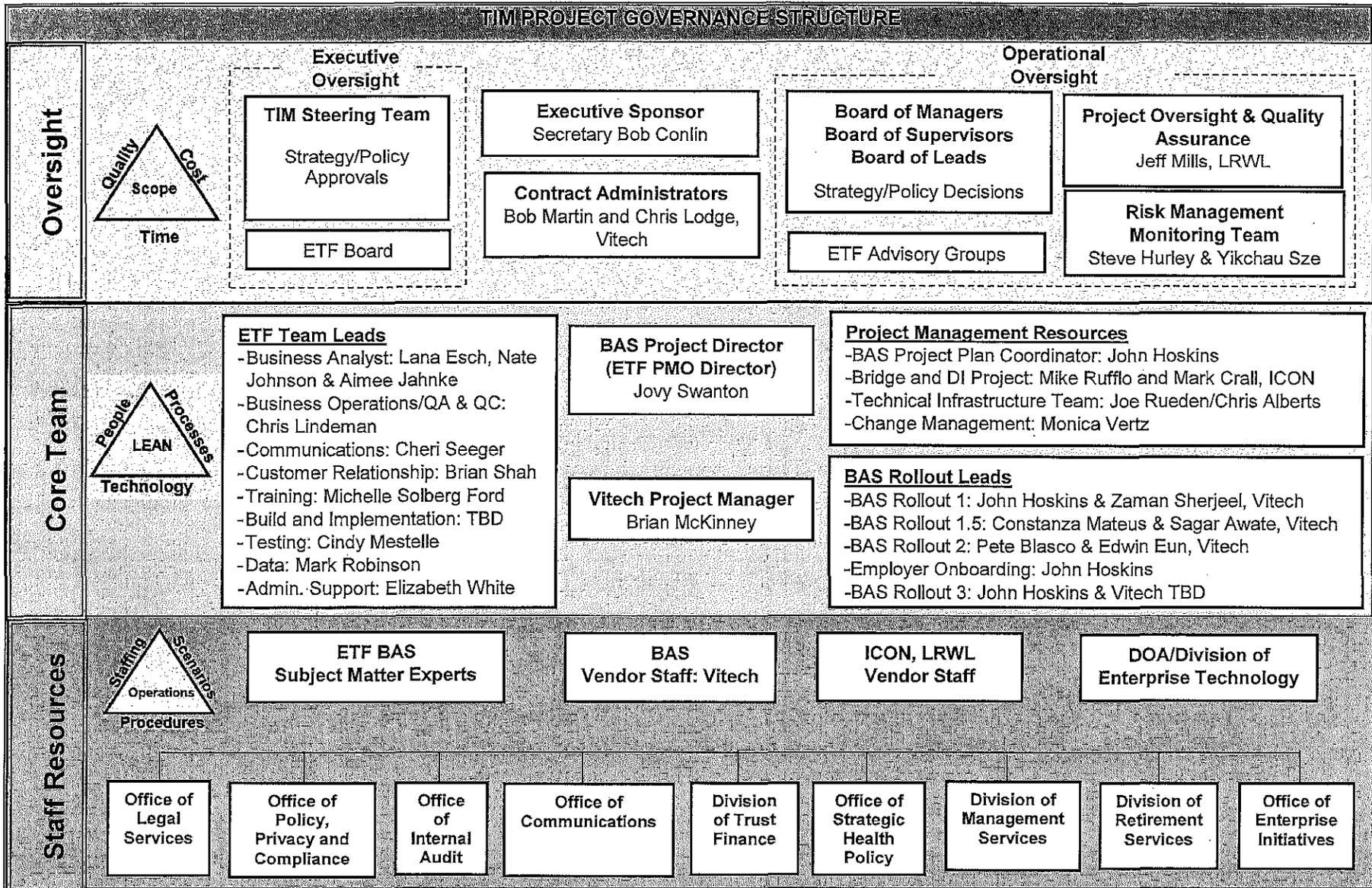
TIM System and Functional Guiding Principles

Fall 2012

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	Tentative Rollout 2	Tentative Rollout 3
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Functionality (Implementation Date November 9, 2015)

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

BAS Roadmap

- *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

- *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)
 - Retiree 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)

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

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

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**

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.



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JOINT COMMITTEE ON FINANCE

MEMORANDUM

To: Members
Joint Committee on Finance

From: Senator Alberta Darling
Representative John Nygren

Date: July 1, 2016

Re: ETF Report to JFC

Attached is an annual report on the Department's major initiative of modernizing its business processes and integrating its information technology system from the Department of Employee Trust Funds, pursuant 2013 Wisconsin Act 20.

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