



Division of Retirement Exploring Feasibility of Sharing Call Center Software; Center Hours Not Expanded

at a glance

The Division of Retirement has taken some steps to improve its outreach services and is exploring using the Department of Revenue's call center software. The division has not expanded its hours of call availability, although recent data demonstrates that this step would likely increase customer service.

Scope

In accordance with state law, this progress report informs the Legislature of the actions taken in response to a 2003 OPPAGA review of the Department of Management Services' Division of Retirement outreach services.^{1,2}

Background

The Division of Retirement is one of two state agencies that administer the Florida Retirement System (FRS).³ The division is primarily responsible for administering the system's defined benefit plan, commonly referred to as the Pension Plan.⁴ As of June 30, 2004, there were approximately 920,000 members in the Pension Plan, including 597,000

active members, 29,000 Deferred Retirement Option Program (DROP) participants, 225,000 retired members, and 70,000 terminated vested members.⁵

For Fiscal Year 2004-05, the division's operating budget was \$29.9 million, of which \$17.2 million was derived from the Florida Retirement System Pension Plan Trust Fund and \$12.7 million was appropriated from General Revenue to pay retirement benefits for several small closed retirement plans. The division has 199 authorized full-time equivalent positions. During Fiscal Year 2003-04, the division distributed \$4.1 billion in pension payments to retired, disabled, or beneficiary members.

Previous Findings

Our 2003 review examined whether it would be desirable to outsource the Florida Retirement System outreach call center and member seminar functions. We concluded that outsourcing these services would not reduce the state's cost, as the division's costs were lower than the quotes received from private vendors. However, we noted that the division needed to collect better statistical information on its call center, including data on call volume and length, how quickly calls are answered, and the topics discussed during calls. We also recommended that the division conduct a pilot project to determine whether expanding the hours of its call center would improve customer service.

¹ Section 11.51(6), *F.S.*

² *Outsourcing Pension Plan's Outreach Services Would Not Be Cost-Effective*, OPPAGA Report No. [03-61](#), November 2003.

³ The State Board of Administration (SBA) is responsible for administering the state's defined contribution retirement plan, commonly known as the Investment Plan.

⁴ The division also administers eight smaller retirement programs and the Retiree Health Insurance Subsidy Program, and has oversight and monitoring responsibilities for local government retirement systems that are not part of the Florida Retirement System.

⁵ DROP allows certain retirement system members to retire without terminating employment for up to five years while their retirement benefits accumulate and earn interest.

Terminated vested members are no longer in employment covered by the FRS but their retirement benefits have vested.

Current Status

The Division of Retirement has evaluated the costs and benefits of enhancing its data gathering capacity and is exploring the possibility of sharing software with the Department of Revenue call center. However, the division has not expanded its hours of call availability, although recent data indicates that expanding hours would likely increase customer service.

Sharing a call center software platform might improve call tracking while minimizing costs

As we recommended, the division has taken steps to upgrade its telephone system. After requesting but not receiving additional funding to upgrade its phone system, the division has requested to share the Department of Revenue's (DOR) call center software. DOR runs two statewide call centers that answer questions about general tax and child support issues.

We believe that the division should continue to pursue this initiative, as partnering with DOR would provide a cost-effective solution to managing its call functions. To do so, the division will need to address several issues, including deciding how sophisticated a system is needed; what statistical information should be tracked on calls; and system costs.

The division should reexamine expanding call center hours

As we recommended, the division reviewed other in- and out-of-state call centers, but decided not to modify its call center hours. The division's interpretation of 2003 call center data from the investment plan and other states led it to conclude that there would be an insignificant increase in calls if center hours were increased.

Investment Plan data from May through October 2003 showed the Investment Plan call center receiving an average of 1,078 calls per month after 5 p.m. About 14% of these calls, or an average of 151 calls per month, concerned pension plan issues. The Investment Plan call center estimated that it received about half of the post-5 p.m. calls between 5 and 6 p.m.; its procedure is to transfer Pension Plan inquiries to the division during

the hours it is open. We estimated that if the division had extended its phone hours until 6 p.m., the call center could have expected an average of 75 calls per month during that additional hour.

The most recent Investment Plan data indicates that expanding call center hours now would almost double the 2003 estimated increase in the number of clients served. Specifically, from January to April 2005, the Investment Plan call center received an average of 2,190 calls per month after 5 p.m. About 11.5% of those calls, or an average of 252 calls per month, concerned Pension Plan issues. We estimated that if the division were to extend its phone hours until 6 p.m., the Investment Plan call center would transfer about 126 calls per month to the division.

Moreover, if the division's experience is similar to that of other state retirement call centers surveyed by the division that receive inquiries between 5 and 6 p.m. (e.g., Teachers Retirement System of Georgia, Ohio Public Employees Retirement System, and Teachers Retirement System of Louisiana) it could directly receive approximately 350 calls per month during this time period.⁶ Thus, transferred and direct calls could amount to almost 500 additional calls per month.

Therefore, we continue to recommend that the division conduct a pilot project extending call operations until 6 p.m. to determine if customer demand would justify expanded hours. The pilot project could be accomplished at minimal cost by using flextime to make employees available to answer calls during the expanded hours. Further, we suggest that the division use this opportunity to gather data on the number and kind of questions it receives, and the costs associated with extending call hours. The division also should take steps to ensure that its customers are made aware of its extended hours, including publicizing this information on its website and in its newsletters.

⁶ These centers, according to the division's survey data, averaged 10.8 hours of call availability a day compared to the division's 9 hours. The division's survey included four other systems that did not take calls after 5 p.m. The average call availability for all systems surveyed was 9.7 hours.

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