

Early Out Program I

Cost and Savings Estimates

August 22, 2002

Iowa Department of Management

Attachment 6

1	2	3	4	5	6
Sch 10 FY02	Pre-Prgm Cost, Payout 1 FY 02	Contracted Staffing Cost for Returnees Est FY02	Returnees Pay On Payroll FY02	Refilled Positions Pay	Net Savings FY02
\$ 36,469,117.73	\$ 23,034,491.06	\$ 202,960.62	\$ 933,108.51	\$ 1,231,479.83	\$ 12,000,186.22

FY02 Columns

- 1 Participant's budgeted cost taken from FY02 Salary Projection.
- 2 Participant's estimated total employer cost for FY02 while employee remained in initial position.
- 3 A total amount of Merit Resource costs were received. The total covered February to August costs. A monthly average was computed and five months were charged to FY02. The amount includes wage, taxes, set-up costs and if applicable, benefits. Other participants may have been brought back but that data is unavailable. The number brought back that are not accounted for is assumed to be quite small.
- 4 Total participant's cost incurred beyond cost associated with the initial position.
- 5 The cost of the positions for the entire FY02 were reduced by the cost associated with the participants in the program which left this amount which represents costs of the position not related to program participants.
- 6 Column two through five were subtracted from column one which represents the excess amount of budgeted funds not consumed by the program, the participants or re-filling the positions.

Calculations excludes two fair board and four central payroll participants due to problems with data and all legislative branch participants.

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7	8	9	10	11	12
Sch 10Est FY03 (+5.42%)	2nd Payout FY 03	Contracted Staffing Cost for Returnees Est FY03	Returnees Pay On Payroll Est FY03	Refilled Positions Pay Est FY03	Net Est. Savings FY03
\$ 38,445,743.91	\$ 4,894,062.57	\$ 485,075.49	\$ 599,406.25	\$ 9,051,895.32	\$ 23,415,304.29

FY03 Columns

- 7 In comparing filled positions between the projections covering FY02 and FY03, the net increase of cost between the two years is 5.42%. Therefore, the amount of the FY02 budget was increased by 5.42% to reflect the estimated FY03 budget amount related to these positions.
- 8 The department of Personnel and the Department of Revenue and Finance provided the payout schedules for this program.
- 9 As discussed in column three above, the amount was prorated between FY02 and FY03. This assumes that the monthly amount is continued for twelve months in FY03 and that the number of participants remain constant. As with column three, the amount includes wages, taxes, set-up costs, and if applicable, benefits.
- 10 A list of program participants were ran against the payrolls in FY03 to identify participants that are still being paid through payroll. An average pay period cost was found and used to project the entire FY03 costs with no changes.
- 11 The positions vacated by the program participants were queried to sum costs being paid to persons who have refilled these positions. These costs were then used to project the cost for the entire year, assuming no change.
- 12 Column eight through eleven were subtracted from column seven which represents the excess amount of budgeted funds not consumed by the program, the participants or re-filling the positions.

Calculations excludes two fair board and four central payroll participants due to problems with data and all legislative branch participants.