

# Voluntary Retirement Incentive Program (VRIP) Information for the House Committee on Appropriations

January 27, 2012

## Summary of the VRIP

- On August 2, 2011, State employees were informed of an opportunity to participate in a Voluntary Retirement Incentive Program (VRIP)
- In order to participate, employees were required to:
  - 1) Be currently employed in the Executive Branch as a classified employee or as an unclassified employee whose salary is approved by the Governor;
  - 2) Be eligible to retire under Regular KPERS Tier 1 or Tier 2, including early retirement;
  - 3) Agree to retire from the State of Kansas; and
  - 4) Submit a signed and notarized General Release Agreement
- Employees who were covered by the Correctional KPERS plan and KP&F as well as employees of the Kansas Department of Labor whose positions were not funded by SGF or fee funds and employees who had previously retired were not eligible to participate
- Employees were originally required to retire on or before September 19, 2011 but that deadline was later extended to October 31, 2011
- Eligible employees could choose between two incentives
  - Option 1 provided that the State of Kansas would continue to pay the active employee contribution rate for the retiree for up to 60 months or until the participant reaches age 65 for retirees receiving member-only coverage, or for up to 42 months or until the participant reaches age 65 for retirees receiving member-plus-dependent coverage
  - Option 2 provided for a one-time lump sum of \$6,500, to be paid at the time of retirement, but not to be included in calculating KPERS final average salary

## Overall Participation

- 1,027 employees from 42 different agencies participated in the VRIP
- The annual salaries of these 1,027 retirees total \$42.75 million
  - The breakdown of VRIP participation by agency can be seen on the attached table
- Of the 1,027 retirees, 823 were from Cabinet agencies and the salaries of those employees total just over \$35 million
- The average age of those participating in the VRIP is 61

## VRIP Costs

- The cost of leave payouts for VRIP participants (both sick and vacation) came to just over \$7.2 million
  - This was a one-time cost that occurred at the time of retirement
- Of the 1,027 VRIP participants, 213 chose the option of receiving a lump-sum payment of \$6,500
  - This resulted in a one-time cost of just under \$1.4 million that occurred at the time of retirement

- The remaining participants chose the option of continued health insurance coverage
  - This will result in a cost of just over \$4.3 million for FY2012 and just over \$6.2 million for FY2013

#### **Re-Filling Positions**

- In general, agencies were authorized to utilize 25% of the salary savings generated by the VRIP to re-fill positions
- Cabinet agencies and those other agencies which report directly to the Governor had the opportunity to appeal to the Governor in order to receive permission to utilize more than that amount
- Following the appeal process, the total amount that has been approved to utilize for re-filling positions in these agencies is just under \$11 million
- If the agencies that do not report directly to the Governor (i.e., other elected officials, Regents institutions, the Dept. of Education, etc.) re-fill a similar number of positions, there will be an additional \$2 million utilized to re-fill positions statewide

#### **Estimated Savings**

- Based on these numbers, the VRIP is estimated to save approximately \$6 million to \$8.5 million in FY2012, depending on the exact number and timing of re-fills
- The estimated savings increases to approximately \$19.3 million to \$23 million in FY2013, again depending on the exact number and timing of re-fills

**NOTE:** Dollar amounts are all-funds and benefits were not included in any of the above calculations.

**State of Kansas Human Resource Positions  
Savings from Staffing Actions**

**Positions Vacant as of 1/10/2011**

Agency	Eff Date	Job Title	Comments	Salary Svng to Date*	Annual Salary Savings*
D of A	12/11/2011	Director of Personnel Services	Retired - psn re-filled 7/10/2011 at a lower salary	\$51,994.64	\$4,568.98
KDOT	12/11/2011	HR Director	Retired - position not re-filled	\$87,125.00	\$87,125.00
<b>Total Savings =</b>				<b>\$139,119.64</b>	<b>\$91,693.98</b>

**Non-VRIP Positions Vacated after 3/7/2011**

Agency	Eff Date	Job Title	Comments	Salary Svng to Date*	Annual Salary Savings*
KDOR	3/8/2011	Human Resource Prof II	Retired - position not re-filled	\$49,211.52	\$56,118.40
KDOT	3/19/2011	Human Resource Prof III	Retired - position re-filled at lower salary	\$15,664.00	\$18,512.00
KHPA	4/1/2011	Manager/Administrator	Transfer to Regents - HR position not filled	\$47,653.85	\$59,000.00
KDOC	4/23/2011	Trainer	Resigned - position not re-filled	\$29,596.88	\$39,462.50
KDHE	5/23/2011	Human Resource Prof III	Demoted to non-HR psn - HR psn not filled	\$33,227.04	\$49,649.60
KDOT	5/29/2011	Human Resource Prof III	Promote to Non-HR psn - HR psn not filled	\$33,292.54	\$50,918.00
SRS	6/4/2011	Administrative Specialist	Resigned - position not re-filled	\$19,351.20	\$30,492.80
Comm	6/6/2011	Human Resource Prof III	Promote to Non-HR psn - HR psn not filled	\$31,508.40	\$49,649.60
Comm	6/6/2011	Human Resource Prof I	Promote to Non-HR psn - HR psn not filled	\$23,482.80	\$37,003.20
KDOC	6/11/2011	Trainer	Dismissed - position not refilled	\$24,000.00	\$39,000.00
KDOL	6/11/2011	Public Service Executive III	Retired - position not re-filled	\$39,961.60	\$64,937.60
KDHE	6/25/2011	Public Service Executive	Resigned - position not re-filled	\$25,384.62	\$44,000.00
WCF	6/27/2011	Administrative Specialist	Retired - position not re-filled	\$17,915.76	\$31,262.40
SRS	7/2/2011	HR Director	Dismissed - position not refilled	\$42,384.62	\$76,000.00
SRS	7/7/2011	Human Resource Prof II	Resigned - position not re-filled	\$23,214.24	\$42,806.40
D of A	7/9/2011	Public Service Executive IV	Promote to Director of HR - psn not re-filled	\$30,700.80	\$66,518.40
KDHE	7/18/2011	Senior Administrative Asst	Transfer to non-HR psn - HR psn not filled	\$15,066.00	\$29,016.00
SRS	10/28/2011	Human Resource Prof III	Resigned - position not re-filled	\$11,457.60	\$49,649.60
<b>Total Savings =</b>				<b>\$513,073.45</b>	<b>\$833,996.50</b>

## VRIP HR Positions

Agency	Eff Date	Job Title	Comments	Salary Svng to Date*	Annual Salary Savings*
PSHTC	9/11/2011	Human Resource Prof I	Voluntary Retirement Incentive (VRIP)	\$14,212.00	\$38,896.00
SRS	9/17/2011	Administrative Specialist	Voluntary Retirement Incentive (VRIP)	\$12,196.80	\$35,235.20
KDOL	9/17/2011	Human Resource Prof I	Voluntary Retirement Incentive (VRIP)	\$15,955.20	\$46,092.80
SRS	9/17/2011	Administrative Specialist	Voluntary Retirement Incentive (VRIP)	\$11,340.00	\$32,760.00
LCMHF	9/17/2011	Senior Administrative Asst	Voluntary Retirement Incentive (VRIP)	\$13,147.20	\$37,980.80
KDOL	9/17/2011	Human Resource Prof IV	Voluntary Retirement Incentive (VRIP)	\$22,478.40	\$64,937.60
KNI	9/17/2011	Administrative Specialist	Voluntary Retirement Incentive (VRIP)	\$13,147.20	\$37,980.80
DPS	9/17/2011	Human Resource Prof III	Voluntary Retirement Incentive (VRIP)	\$18,036.00	\$52,104.00
SRS	9/17/2011	Administrative Specialist	Voluntary Retirement Incentive (VRIP)	\$14,148.00	\$40,872.00
OSH	9/17/2011	Administrative Specialist	Voluntary Retirement Incentive (VRIP)	\$14,148.00	\$40,872.00
KDOR	9/17/2011	Human Resource Prof III	Voluntary Retirement Incentive (VRIP)	\$18,489.60	\$53,414.40
SRS	9/17/2011	Human Resource Prof II	Voluntary Retirement Incentive (VRIP)	\$16,358.40	\$47,257.60
SRS	9/17/2011	Public Service Admin I	Voluntary Retirement Incentive (VRIP)	\$15,213.60	\$43,950.40
KDOC	9/20/2011	Human Resource Prof I	Voluntary Retirement Incentive (VRIP)	\$12,242.56	\$36,171.20
KDOL	9/20/2011	Human Resource Prof I	Voluntary Retirement Incentive (VRIP)	\$14,875.52	\$43,950.40
DPS	9/20/2011	Human Resource Prof I	Voluntary Retirement Incentive (VRIP)	\$15,600.64	\$46,092.80
Comm	9/20/2011	Public Service Executive III	Voluntary Retirement Incentive (VRIP)	\$21,978.88	\$64,937.60
KJCC	9/20/2011	Administrative Specialist	Voluntary Retirement Incentive (VRIP)	\$13,164.80	\$38,896.00
SRS	9/20/2011	Human Resource Prof III	Voluntary Retirement Incentive (VRIP)	\$20,437.12	\$60,382.40
TCF	9/20/2011	Administrative Assistant	Voluntary Retirement Incentive (VRIP)	\$9,820.80	\$29,016.00
WCF	11/1/2011	Human Resource Prof III	Voluntary Retirement Incentive (VRIP)	\$11,623.20	\$52,104.00
SRS	11/1/2011	Human Resource Prof I	Voluntary Retirement Incentive (VRIP)	\$8,254.56	\$37,003.20
<b>Total Savings =</b>				<b>\$326,868.48</b>	<b>\$980,907.20</b>

## Promotions to New/Unfilled HR Positions that Result in a Cost

Agency	Eff Date	Job Title	Comments	Cost to Date*	Annual Cost*
KDOC	5/15/2011	Trainer	Promotion	\$1,350.00	\$1,950.00
OSH	9/18/2011	Public Service Executive II	Promoted from classified PSE I psn	\$2,642.40	\$7,633.60
SRS	10/30/2011	Human Resource Prof III	Promoted from classified HRP II psn	\$1,046.40	\$4,534.40
<b>Cost =</b>				<b>\$5,038.80</b>	<b>\$14,118.00</b>

**# of Positions Reduced = 40**

**Total Savings as of 1/21/12\* = \$974,022.77**

**Total Annual Savings\* = \$1,892,479.68**

\* Estimates are all-funds, for salary only and do not include the cost of ongoing GHI/leave payouts

**Division of Purchases**  
Procurement and Contracts

**Office of Business Process Improvement**  
Procurement and Contracts  
Customer Outreach  
Website Management and Development  
System Reporting/Maintenance/Data Warehouse  
Information Technology  
Performance Management Team Coordination

**Office of Research and Development**  
State Agency Service Center  
New Initiatives  
Rates Development/Management/Cost Allocation Planning  
Municipal Accounting/Debt Service  
D of A Budget  
Public Broadcasting Council

**Office of Inspector General**  
D of A Ombudsman  
Internal Audit/Performance Evaluation  
Strategic Planning/Performance Management

**Office of Chief Counsel**  
Legal Services  
Labor Relations

**Office of Chief Counsel**  
Legal Services  
Labor Relations  
Assistance to Office of Repealer

**Office of Repealer**

**Office of Long Term Care Ombudsman**

**Office of Long Term Care Ombudsman**

**Division of Information Systems and Communications**  
Bureau of Administrative Services  
Bureau of Telecommunications  
Bureau of Information Systems  
Bureau of Development Applications Services  
Bureau of Customer Services  
Chief Information Technology Architect  
Kansas Information Technology Office

**Office of Information Technology Services**  
(transferred to the Office of the Governor)

---

Office of Facilities and Property Management	<a href="mailto:Mark.McGivern@da.ks.gov">Mark.McGivern@da.ks.gov</a>	296-6060
Office of Human Resources	<a href="mailto:Kraig.Knowlton@da.ks.gov">Kraig.Knowlton@da.ks.gov</a>	296-1082
Office of Management Analysis and Standards	<a href="mailto:Martin.Eckhardt@da.ks.gov">Martin.Eckhardt@da.ks.gov</a>	296-2661
Office of General Services	<a href="mailto:Marilyn.Jacobson@da.ks.gov">Marilyn.Jacobson@da.ks.gov</a>	368-7082
Office of Business Process Improvement	<a href="mailto:Cheryl.Buxton@da.ks.gov">Cheryl.Buxton@da.ks.gov</a>	296-0442
Office of Research and Development	<a href="mailto:Pam.Fink@da.ks.gov">Pam.Fink@da.ks.gov</a>	296-7703
Office of Inspector General	<a href="mailto:Kent.Olson@da.ks.gov">Kent.Olson@da.ks.gov</a>	296-0630
Office of Chief Counsel	<a href="mailto:AJ.Kotich@da.ks.gov">AJ.Kotich@da.ks.gov</a>	296-5670
Office of Long Term Care Ombudsman	<a href="mailto:Belinda.Vierthaler@da.ks.gov">Belinda.Vierthaler@da.ks.gov</a>	296-3017

**DEPARTMENT OF ADMINISTRATION ORGANIZATION RESTRUCTURING**

**January 2011**

**Division of Facilities Management**

Engineering  
Maintenance  
Building Services  
Asset Management/Property Leases  
Design and Construction  
Parking Services  
Accounts Payable/Receivable  
Legislative Liaison/D of A Budget

**Division of Personnel Services**

Classification and Compensation  
Employee Benefits/KPERS  
Employee Relations/Disciplinary Action  
FLSA/FMLA Determination & Assistance  
Performance Management/Evaluations  
Position Management  
Recruitment  
SHARP data entry

**Division of Accounts and Reports**

Comprehensive Annual Financial Report (CAFR)  
Delegated Audit  
State Revolving Fund  
Municipal Accounting  
Cost Allocation Planning  
State Set-Off Program  
State Agency Service Center  
State Payroll Services  
State SMART Finance Development  
System Reporting/Maintenance/Data Warehouse

**Division of Printing and Surplus Property**

Printing Plant Operations and Management  
Surplus Property Management

**January 2012**

**Office of Facilities and Property Management**

Engineering  
Maintenance  
Building Services  
Asset Management/Property leases  
Design and Construction

**Office of Human Resources**

Classification and Compensation  
Employee Benefits/KPERS  
Employee Relations/Disciplinary Action  
FLSA/FMLA Determination & Assistance  
Performance Management/Evaluations  
Position Management  
Recruitment  
SHARP data entry  
Statewide Strategic Planning  
Statewide Management Training  
Statewide policies/protocols/practices  
Cabinet Agency HR Management

**Office of Management Analysis and Standards**

Comprehensive Annual Financial Report (CAFR)  
Delegated Audit  
State Revolving Fund  
Bonds

**Office of General Services**

Legislative Liaison/Public Information Officer  
D of A Fiscal Services  
Payroll Services  
State SMART Finance Development  
Printing Plant Operations/Surplus Property Management  
Central Mail Services  
Master Lease Purchase Program  
State Set-Off Program  
Parking Services