



**OFFICE OF AUDITOR OF STATE
STATE OF IOWA**

State Capitol Building
Des Moines, Iowa 50319-0004
Telephone (515) 281-5834 Facsimile (515) 242-6134

David A. Vaudt, CPA
Auditor of State

NEWS RELEASE

Contact: David A. Vaudt
515/281-5835
or Tami Kusian
515/281-5834

FOR RELEASE _____ July 13, 2007 _____

Auditor of State David A. Vaudt today released a report on the Early Out Incentive (EOI) programs, including a Buy Out Program, for the period November 20, 2001 through February 28, 2006. The review was conducted in accordance with Chapter 11 of the *Code of Iowa* to determine the State's savings from implementing the programs and whether the programs have been appropriately administered and complied with relevant laws, rules and guidelines.

Using information available in February 2006, Vaudt reported the State will save approximately \$131.9 million during fiscal years 2002 through 2009 as a result of implementing the programs. The estimated savings Vaudt projected was net of costs incurred by refilling positions vacated by participants and rehiring participants. The estimated savings by fiscal year is as follows:

Fiscal Year	Estimated Savings (\$'s in millions)
2002	\$ 7.7
2003	24.7
2004	28.7
2005	36.3
2006	12.5
2007	10.7
2008	10.1
2009	1.2
Total	<u>\$ 131.9</u>
Number of participants	<u>* 1,019</u>
Savings per participant	<u>\$ 129,400</u>

* Actual number of participants for the 3 EOI programs combined.

Vaudt reported approximately \$34.2 million was paid to program participants during fiscal years 2002 through 2006 and \$4.8 million remains to be paid during fiscal years 2007 through 2009.

Vaudt reported 64 EOI program participants were subsequently rehired by State agencies. The participants were rehired by entering into service contracts and through arrangements with employee leasing and temporary staffing companies. In addition to EOI program incentive benefits, rehired participants are paid for services provided after their retirement. As a result, State agencies incurred additional costs. The rehiring of participants on an on-going basis and/or for long durations does not comply with the legislation establishing the EOI programs.

The cost associated with service provided by rehired participants totaled \$1,670,067 for the period January 2002 through February 2006. One participant earned \$382,940 from October 2002 through February 2006 under a unit of service based contract entered into with Vocational Rehabilitation Services to provide client evaluation services through September 2006. Two participants rehired by the Department of Administrative Services (DAS) worked a significant number of hours: a support staff person earned \$72,146 for working 2,222 hours on the State's I/3 system during fiscal years 2005 and 2006 and an Information Technology Administrator earned \$69,729 for working 1,616 hours during fiscal years 2002 and 2003. In addition, the Department of Revenue rehired the Department Director/Chief Operating Officer who earned \$90,118 for working 1,901 hours.

In addition, Vaudt reported DAS and the Department of Management (DOM) have not complied with the annual reporting requirements for the EOI programs since October 1, 2002. The only reports submitted to the General Assembly were the interim report submitted in March 2002 and a report submitted in October 2002. None of the other required reports or annual updates were available when requested from DAS and DOM. The October 2002 report included total estimated savings of \$41.1 million for EOI Programs 1 and 2 during fiscal year 2002 and 2003. Our estimate for the 2 programs during the same time period total approximately \$32.4 million, about \$8.7 million less than the estimate reported by DAS and DOM. The estimates prepared by DOM and LSA did not include any costs of refilling positions for the first 2 EOI programs. However, LSA included an estimated cost of refilling positions vacated by participants in the third EOI program, based on an assumption 75% of positions would be refilled.

Vaudt recommended DAS and DOM implement procedures to consistently report costs of the programs to facilitate calculations of estimated net savings for EOI programs and future similar programs. The reports should include costs of refilling positions vacated by EOI participants and rehiring program participants. Vaudt also recommended, for the EOI programs and future similar programs, DAS and other State agencies should:

- Limit rehiring of program participants to circumstances where it is absolutely critical for continuation of State agency operations and to functions where the expertise and abilities are available only from the participant,
- Ensure the requirements of program legislation is strictly adhered to when rehiring participants, regardless of the circumstances of the rehire,
- Not allow program participants to be rehired on an on-going basis and
- Improve monitoring and control over use of rehired program participants to ensure compliance with rehiring restrictions contained in legislation authorizing EOI programs.

A copy of the report is available for review in the Office of Auditor of State and on the Auditor of State's web site at <http://auditor.iowa.gov/specials/specials.htm>.

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**IOWA DEPARTMENT OF ADMINISTRATIVE SERVICES
A REVIEW OF EARLY OUT INCENTIVE PROGRAMS
FOR THE PERIOD NOVEMBER 20, 2001
THROUGH FEBRUARY 28, 2006**

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David A. Vaudt, CPA
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Telephone (515) 281-5834 Facsimile (515) 242-6134

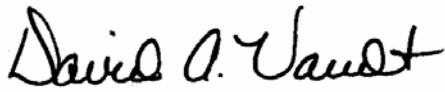
To the Governor, Members of the General Assembly and Directors
of the Departments of Administrative Services and Management:

In accordance with Chapter 11 of the *Code of Iowa*, we have conducted a review of the State's Early Out Incentive programs (EOI programs), including a Buy Out Program, to determine whether the EOI programs resulted in savings for the State and whether the Department of Administrative Services appropriately administered the programs from November 20, 2001 through February 28, 2006. In conducting our review, we performed the following procedures:

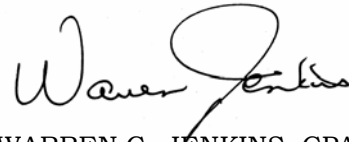
- (1) Reviewed applicable laws, rules and guidelines.
- (2) Interviewed individuals responsible for administering the EOI programs within the Departments of Administrative Services (DAS), Management (DOM) and selected State agencies to obtain an understanding of procedures and controls for eligibility determination, benefit payouts, monitoring and reporting.
- (3) Analyzed and estimated net savings or costs resulting from implementation of each EOI program for each applicable State agency and in total for the State.
- (4) Determined compliance of DAS, in collaboration with DOM, with the reporting requirements contained in legislation authorizing the 3 EOI programs.
- (5) Determined State agencies' compliance with applicable laws, rules and guidelines relating to rehiring EOI program participants as temporary State employees, through employee leasing or temporary staffing companies, or as independent contractors.
- (6) Determined if State agencies ensured only eligible employees were allowed to participate in the EOI programs and required information was accurately completed, submitted to and approved by DAS.
- (7) Surveyed individuals and inquired within selected State agencies to determine the impact on services provided to the citizens of the State of Iowa, considering the loss of employees participating in the EOI programs.
- (8) Tested selected payouts to EOI program participants for accuracy and compliance with significant laws, rules and guidelines and examined supporting documentation maintained by State agencies and DAS for each selected payout.

Based on these procedures, we estimate the State will save approximately \$131.9 million during fiscal years 2002 through 2009 as a result of the EOI programs. We have also developed certain recommendations and other relevant information we believe should be considered by the Governor, General Assembly and officials of the Departments of Administrative Services and Management.

We extend our appreciation to the management and staff of the Departments for the courtesy, cooperation and assistance provided to us during this review.



DAVID A. VAUDT, CPA
Auditor of State



WARREN G. JENKINS, CPA
Chief Deputy Auditor of State

August 30, 2006

Executive Summary

Legislation passed by the General Assembly and approved by the Governor established 3 Early Out Incentive (EOI) programs and a Buy Out Program. Authorizing language is found in section 70A.38 of the *Code of Iowa*. The programs are administered by the Department of Administrative Services (DAS) and State agencies employing participants. The 3 separate EOI programs were implemented during fiscal years 2002, 2003 and 2005 while the Buy Out Program was initiated during fiscal year 2003 and extends through June 30, 2008. Under the EOI programs, eligible State employees were provided incentives to voluntarily leave State government employment earlier than they may have otherwise. Employees approved for participation in an EOI program receive incentive payouts in 5 annual installments based on the value of their vacation and sick leave balances accumulated while working for State agencies.

The 3 EOI programs and the Buy Out Program were implemented to:

- provide an alternative to layoffs of employees by State agencies,
- help achieve organizational realignment, spending reductions and span of control objectives as required and necessary, and
- provide a way for participating State employees to pay for health and dental insurance.

A total of approximately \$38.8 million will be paid to 1,019 former employees participating in the 3 EOI programs during fiscal years 2002 through 2009. The following Table summarizes payouts to participants by EOI program by fiscal year.

Fiscal Year	Payouts to Participants by EOI Program (\$'s in millions)			
	1	2	3	Total
2002	\$ 2.5	-	-	2.5
2003	5.0	1.6	-	6.6
2004	5.0	1.1	-	6.1
2005	5.0	1.1	2.5	8.6
2006	7.5	1.1	1.7	10.3
2007	-	.5	1.7	2.2
2008	-	-	1.7	1.7
2009	-	-	.8	.8
Total	\$ 25.0	5.4	8.4	38.8
Number of participants	597	150	272	1,019
Average payout per participant	\$ 41,900	36,000	30,900	38,100

Based on EOI program payout information obtained from the Department of Administrative Services (DAS) and the Department of Management (DOM), about \$34.0 million of the \$38.8 million has been paid to participants through the end of fiscal year 2006. Approximately \$4.8 million remains to be paid to EOI Program 2 and 3 participants during fiscal years 2007, 2008 and 2009. All payouts for EOI Program 1 have been made. The final payout for EOI Program 2 was made in August 2006. The final payout for EOI Program 3 is required by the end of August 2008.

Employees meeting certain eligibility requirements could choose to participate in an EOI program. However, participants in the Buy Out Program were designated by management staff of State agencies. Management could identify employees who would be “bought out” of their State employment, based on a justified business case. Payouts to Buy Out Program participants were one-time severance payouts. Participation in an EOI program or the Buy Out

A Review of Early Out Incentive Programs

Program does not change an employee's Iowa Public Employees Retirement System (IPERS) or Peace Officers Retirement System (PORS) eligibility or benefits.

The Buy Out Program was initially designed as an additional tool for State agency managers to carry out targeted workforce reductions during fiscal year 2003 only. However, on May 23, 2003, the legislation was revised to extend the Buy Out Program by 5 years from June 30, 2003 to June 30, 2008. Management staff from 6 State agencies have identified 14 employees for participation in the Buy Out Program. As of May 12, 2006, a total of \$466,656 has been paid to participants in the program.

Review Highlights

We reviewed and summarized the limited number of payouts to Buy Out Program participants. We also analyzed and reviewed information related to positions vacated by participants in each of the EOI programs and determined whether the programs resulted in estimated net savings for the State. In addition, we reviewed the EOI programs and related activity to determine whether DAS appropriately administered the programs, including:

- Complying with program legislation, such as annual reporting and incentive payout requirements and
- Monitoring and tracking participants, including ensuring procedures used to rehire program participants were proper and complied with relevant laws, DAS rules and guidelines.

As a result of our review, we identified several findings and recommendations for enhancing the EOI programs.

Comparison of Savings Estimates

Based on our calculations and analyses, we estimate the 3 EOI programs combined will save the State approximately \$131.9 million during fiscal years 2002 through fiscal year 2009. The savings realized by State agencies resulting from implementation of the EOI programs is not available for transfer and use elsewhere within the State's budget. Nor were the savings required to be reverted to the State's General Fund. Based on inquiry of and examples provided by management of DAS and selected State agencies, savings realized from the EOI programs were used to offset budget shortfalls resulting from across-the-board budget reductions and were used to increase program services, as possible.

Our estimated savings of \$131.9 million is about \$133 million, or about 50%, less than the Department of Management (DOM) estimate and almost \$68 million, or about 33%, less than the Legislative Services Agency (LSA) preliminary estimate. The DOM estimate does not include the costs of rehiring participants and refilling vacated positions for any of the 3 EOI programs. The LSA estimate includes costs of refilling vacated positions for only EOI Program 3. However, those cost estimates are based on an assumption 75% of positions would be refilled. Our estimated net savings include the costs of rehiring participants who actually returned to State employment and the salaries of employees who refilled positions vacated by participants in all EOI programs. In addition, our estimates are based on the actual number of participants, which is 24 fewer than the anticipated number used by LSA. As a result, our estimated net savings are significantly less than those prepared by DOM and LSA.

A comparison of the Auditor of State's (AOS) total combined estimated net savings estimates for the 3 EOI programs during fiscal years 2002 through 2009 to the DOM and LSA estimates and number of participants is summarized in the following table.

A Review of Early Out Incentive Programs

Fiscal Year	Total Combined Estimated Savings (\$'s in millions)		
	AOS	LSA	DOM
2002	\$ 7.7	16.1	13.7
2003	24.7	38.4	39.6
2004	28.7	38.4	40.0
2005	36.3	43.8	56.3
2006	12.5	42.2	54.7
2007	10.7	6.6	25.6
2008	10.1	6.6	17.1
2009	1.2	7.6	18.0
Total	\$ 131.9	199.7	265.0
Number of participants	* 1,019	** 1,043	*** 1,012
Average savings per participant	\$ 129,400	191,500	261,900

- * Actual number of participants.
- ** Number of most likely participants. LSA defines most likely participants as eligible employees who were 55 years or older with 20 or more years of State government service.
- *** Actual number of participants except for 3 Legislative, 1 Corrections at Oakdale and 3 State Fair Authority participants excluded by DOM.

State agencies rehired several participants

Authorizing legislation for each EOI program included restrictions on rehiring program participants as permanent part-time or permanent full-time employees. However, the legislation did not address rehiring participants on a temporary basis. We identified 64 EOI program participants rehired by State agencies. Costs associated with the rehiring total \$1,670,067 for fiscal year 2002 through February 2006. The participants were rehired by State agencies as temporary State employees, by entering into service contracts or through employee leasing or temporary staffing companies. The following Table summarizes the cost and number of rehires by type.

Rehire Type	Number of Rehires	Cost
Temporary State Employees	45	\$ 605,350
Service Contracts	2	480,788
Employee Leasing or Temporary Staffing Company:		
Merit Resources	12	479,197
USA Staffing	3	97,435
Olsten Staffing Services	2	7,297
Total	64	\$ 1,670,067

The total number of rehires consist of:

- 48 EOI Program 1 participants costing \$955,464,
- 9 EOI Program 2 participants costing \$540,993 and
- 7 EOI Program 3 participants costing \$173,610.

A Review of Early Out Incentive Programs

While most rehired participants were considered temporary employees by State agencies, we identified instances where rehires were used on an on-going basis at a significant cost to the State. In those instances, the rehires functioned as permanent employees, which violates the requirements and intent of the EOI programs' legislation.

Rehiring program participants also resulted in increased costs to State agencies because the participant was paid for services provided in addition to incentive payouts from the EOI programs. We identified several examples of rehired participants which resulted in significant costs to the State.

- As of February 2006, a total of \$382,940 had been paid to a rehired EOI Program 2 participant for on-going services under a service contract with Vocational Rehabilitation Services. The contract was effective from October 2002 through September 2006. Total incentive payouts of \$49,350 were made during fiscal years 2003 through 2007.
- From March 2002 through June 30, 2003, the Department of Transportation (DOT) was billed \$97,848 for work completed by an EOI Program 1 participant, as a subcontractor under the service contract with Archon Technologies. Total incentive payouts of \$46,124 were made during fiscal years 2002 through 2006.
- A DAS rehire used as support staff worked 2,222 hours on the State's I/3 system during fiscal years 2005 and 2006 at a total cost of \$72,146. The individual was rehired as a leased employee through Merit Resources. The rehire was approved by the Governor's Office. By the end of fiscal year 2009, the EOI Program 3 participant will be paid a total of \$99,533 of incentive payouts.
- A Department of Revenue rehire was used as a temporary State employee to fill in as Department Director and Chief Operating Officer and worked 1,901 hours at a total cost of \$90,118 during fiscal years 2002 and 2003. Total incentive payouts of \$149,471 were made during fiscal years 2002 through 2006 to the EOI Program 1 participant.
- A DAS rehire worked as an Information Technology Administrator for 1,616 hours at a total cost of \$69,729 during fiscal years 2002 and 2003. Total incentive payouts of \$58,488 were made during fiscal years 2002 through 2006 to the EOI Program 1 participant.
- A rehired EOI Program 2 participant has been providing on-going services as a "temporary" State employee as a legislative secretary for the House of Representatives and has worked a total of 1,238 hours at a cost of \$18,320 during fiscal years 2003 through 2006. While the average hours worked each fiscal year is relatively low, it appears the individual's status is more like a permanent part-time employee rather than a temporary State employee. Total incentive payouts of \$30,286 were made to the participant during fiscal years 2002 through 2006.

Rehiring rules have not been consistently applied among State agencies and the House of Representatives. Also, EOI program participants' former positions are no longer tracked by DAS. Therefore, essential information for completing savings estimates and other items required for reporting in accordance with legislation authorizing the EOI programs are not being tracked. In addition, rehires of EOI program participants through service contracts and employee leasing and temporary staffing companies are not monitored by DAS.

If EOI program participants are rehired, it should only be done when essential for continuity of critical State government operations and no one else could fill the need. Also, if rehiring is done, it should be monitored closely to ensure compliance with the EOI program legislation and other relevant laws, rules and guidelines. State agencies should inform DAS of rehired participants when rehired by entering into service contracts and through employee leasing or temporary staffing companies. DAS should establish a system to comprehensively monitor rehiring of EOI program participants regardless of rehiring method.

Reporting requirements not complied with

The legislation authorizing the EOI programs requires DAS, in collaboration with DOM, to complete and submit reports and annual updates on the EOI programs, including estimated savings. Only 1 required annual report, dated October 1, 2002, has been submitted to the General Assembly. It included total savings of \$41,096,914 based on 594 participants in EOI Program 1 and 148 in EOI Program 2 during fiscal years 2002 and 2003. Our estimated net savings for Programs 1 and 2 during fiscal years 2002 and 2003 is approximately \$32.4 million, about \$8.7 million less than the amount reported by DAS and DOM. Because additional reports were not available when requested, DOM and DAS have not complied with the reporting requirements established by the EOI program legislation.

More detail regarding each of the findings is included in the Findings and Recommendations section of this report.

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Introduction

Legislation passed the General Assembly and approved by the Governor established 3 Early Out Incentive (EOI) programs and a Buy Out Program. Authorizing language is found in section 70A.38 of the *Code of Iowa*. The programs are administered by the Department of Administrative Services (DAS) and State agencies employing participants. The 3 separate EOI programs were implemented during fiscal years 2002, 2003 and 2005 and the Buy Out Program was initiated during fiscal year 2003 and extends through June 30, 2008. Under the EOI programs, eligible State employees were provided incentives to voluntarily leave State government employment earlier than they may have otherwise. Employees approved for participation in an EOI program receive incentive payouts in 5 annual installments based on the value of their vacation and sick leave balances accumulated while working for State agencies.

While participation in an EOI program is voluntary, participation in the Buy Out Program is not. Under the Buy Out Program, State agency management may identify employees to be involuntarily severed from State employment based on a justified business case. Payouts for the Buy Out Program are one-time severance payouts.

The 3 EOI programs and the Buy Out Program were primarily implemented:

- As an alternative to layoffs of employees by State agencies,
- To help achieve organizational realignment, spending reductions and span of control objectives as required and necessary, and
- To provide a way for participating State employees to pay for health and dental insurance.

Incentive Payouts

Based on payout information obtained from the Department of Administrative Services (DAS) and the Department of Management (DOM) for the 3 EOI programs, approximately \$38.8 million of incentive payments will be paid to 1,019 participants during fiscal years 2002 through 2009. All incentive payouts for EOI Program 1 participants were made during fiscal years 2002 through 2006. The final payouts for EOI Program 2 were made in August 2006 and final payouts for EOI Program 3 are required by the end of August 2008. **Table 1** summarizes payouts to participants by EOI program for fiscal years 2002 through 2009.

Table 1

Fiscal Year	Payouts to Participants by EOI Program (\$'s in millions)			
	1	2	3	Total
2002	\$ 2.5	-	-	2.5
2003	5.0	1.6	-	6.6
2004	5.0	1.1	-	6.1
2005	5.0	1.1	2.5	8.6
2006	7.5	1.1	1.7	10.3
2007	-	.5	1.7	2.2
2008	-	-	1.7	1.7
2009	-	-	.8	.8
Total	\$ 25.0	5.4	8.4	38.8
Number of participants	597	150	272	1,019
Average payout per participant	\$ 41,900	36,000	30,900	38,100

Approximately \$34.0 million of the \$38.8 million, or about 88%, of payouts to participants were made during fiscal years 2002 through 2006. About \$4.8 million remains to be paid to EOI Program 2 and 3 participants during fiscal years 2007, 2008 and 2009.

A Review of Early Out Incentive Programs

Incentive payouts to participants under the EOI programs are scheduled from August 2002 through August 2008. The payouts are required to be made in 5 annual installments for each program based on the calculated dollar amount of vacation and sick leave balances, as specified in relevant laws and DAS administrative rules.

The first payout made to each participant in the EOI programs was done in conjunction with this participant's final payroll check from the State of Iowa. Each of the remaining 4 payouts are made during each August of each applicable year. Payout dates and the related percentages of the participants' calculated benefit total established by EOI program legislation and applied by DAS are summarized in **Table 2**.

Table 2

Payout	EOI Program 1	EOI Program 2	EOI Program 3
1	10% with final paycheck in fiscal year 2002	30% with final paycheck in fiscal year 2003	30% with final paycheck in fiscal year 2005
2	20% in August 2002	20% in August 2003	20% in August 2005
3	20% in August 2003	20% in August 2004	20% in August 2006
4	20% in August 2004	20% in August 2005	20% in August 2007
5	30% in August 2005	10% in August 2006	10% in August 2008

The Buy Out Program was designed as an additional tool for State agency managers to carry out targeted workforce reductions during fiscal year 2003. On May 23, 2003, the legislation was revised to extend the ending date of the Buy Out Program by 5 years to June 30, 2008. Management staff of 6 State agencies have identified 14 employees for participation in the Buy Out Program since inception of the program. As of May 12, 2006, a total of \$466,656 has been paid to program participants as one-time severance payments.

Savings Estimates

Based on our calculations and analyses, we estimate the State will save approximately \$131.9 million during fiscal years 2002 through fiscal year 2009 as a result of the 3 EOI programs. The savings estimates for each fiscal year are listed in **Table 3**.

Table 3 also compares our estimated net savings and number of participants for the 3 EOI programs during fiscal years 2002 through 2009 to estimates prepared by LSA and DOM. As illustrated by the **Table**, our total estimate is about \$133 million, or about 50%, less than the DOM estimate and almost \$68 million, or about 33%, less than the LSA estimate. Savings estimates for the EOI programs have been calculated at different times by LSA, DOM and AOS and they have been based on varying methodologies and assumptions. An explanation of the methodologies used by LAS and DOM follow the **Table**.

Table 3

Fiscal Year	Estimated Savings (\$'s in millions)		
	AOS	LSA	DOM
2002	\$ 7.7	16.1	13.7
2003	24.7	38.4	39.6
2004	28.7	38.4	40.0
2005	36.3	43.8	56.3
2006	12.5	42.2	54.7
2007	10.7	6.6	25.6
2008	10.1	6.6	17.1
2009	1.2	7.6	18.0
Total	\$ 131.9	199.7	265.0
Number of participants	* 1,019	** 1,043	*** 1,012
Savings per participant	\$ 129,400	191,500	261,900

A Review of Early Out Incentive Programs

- * Actual number of participants comprised of 597, 150 and 272 participants in EOI Programs 1, 2 and 3, respectively.
- ** Estimated savings based on number of most likely participants. LSA defines most likely participants as eligible employees 55 years or older with 20 or more years of State government service.
- *** Actual number of participants except for 3 Legislative, 1 Corrections at Oakdale and 3 State Fair Authority participants excluded by DOM.

LSA estimates – LSA is required by Joint Rule 17 of the General Assembly to prepare a fiscal note for any legislation having an impact of at least \$100,000 in a fiscal year or a combined total effect of \$500,000 or more in a 5-year period. The fiscal impact of implementing EOI Programs 1 and 3 was estimated and submitted to the General Assembly prior to the authorizing legislation being passed. Savings estimates for EOI Program 2 were not available when requested from LSA.

LSA estimated a total of \$166.9 million would be saved by implementing EOI Program 1, based on 699 most likely participants. Estimated savings anticipated from EOI Program 1 were presented by LSA in the November 14, 2001 Fiscal Update. LSA’s estimate for EOI Program 1 did not include rehiring costs and costs of refilling vacated positions.

LSA reported an estimated \$32.8 million of savings for EOI Program 3 in the March 15, 2004 Fiscal Note, based on an estimated 344 participants. The EOI Program 3 estimates included the costs of refilling vacated positions based on an assumption 75% of positions would be refilled.

Table 4 summarizes the estimated savings prepared by LSA, number of estimated participants and savings per participant.

Table 4

Fiscal Year	Estimated Savings (\$'s in millions)			
	EOI Program			Total
	1	2	3	
2002	\$ 16.1	-	-	16.1
2003	38.4	-	-	38.4
2004	38.4	-	-	38.4
2005	38.4	-	5.4	43.8
2006	35.6	-	6.6	42.2
2007	-	-	6.6	6.6
2008	-	-	6.6	6.6
2009	-	-	7.6	7.6
Total	\$ 166.9	-	32.8	199.7
Number of participants	699	-	344	1,043
Savings per participant	\$ 238,800	-	95,300	191,500

DOM estimates - We obtained and reviewed participant and cost information for EOI programs from DOM. DOM estimated savings from EOI Program 1 for fiscal years 2002 through 2006 and EOI Program 3 for fiscal years 2005 and 2006 only. DOM did not have documentation of estimated savings calculations for fiscal years 2007 through 2009 for EOI Program 3 and did not have any estimates of savings for EOI Program 2 when requested.

In order to compare our estimates to DOM information, we calculated estimated savings for EOI Program 2 and fiscal years 2007, 2008 and 2009 for EOI Program 3 based on the methodology DOM used to estimate savings for EOI Program 1 and fiscal years 2005 and 2006 for EOI Program 3. By applying DOM’s methodology to available information, we estimated over \$265 million of savings from the 3 EOI programs combined.

A Review of Early Out Incentive Programs

The DOM estimated savings methodology is primarily based on cost avoidance resulting from employees leaving State government under the EOI programs, net of payouts to participants. Costs associated with refilling positions and rehiring participants were not included in the DOM estimates.

Estimated savings based on DOM’s methodology, number of participants according to DOM information and savings per participant are summarized in **Table 5**.

Table 5

Fiscal Year	Estimated Savings (\$'s in millions)			
	EOI Program			Total
	1	2	3	
2002	\$ 13.7	-	-	13.7
2003	32.0	7.6	-	39.6
2004	32.0	8.0	-	40.0
2005	32.0	8.0	16.3	56.3
2006	29.6	8.0	17.1	54.7
2007	-	8.5	17.1	25.6
2008	-	-	17.1	17.1
2009	-	-	18.0	18.0
Total	\$ 139.3	40.1	85.6	265.0
Number of Participants	594	149	269	1,012
Savings per participant	\$ 234,500	269,100	318,200	261,900

DOM estimates were based on a total of 1,012 EOI program participants, which is 7 less than the number of participants we identified. We compared DOM information to DAS information and relevant notes to the financial statements found in the State of Iowa’s Comprehensive Annual Financial Report (CAFR) for the fiscal year ended June 30, 2005. The CAFR reported 1,019 participants. We determined the 7 additional participants consist of 3 legislative staff employees, 1 employee from Corrections at Oakdale and 3 State Fair Authority employees for EOI Programs 1, 2 and 3, respectively.

DAS and DOM estimates - DAS collaborated with DOM to complete a report on the EOI programs submitted to the General Assembly on October 1, 2002, as required by legislation authorizing the programs. The report included \$41,096,914 of total estimated savings for EOI Programs 1 and 2 during fiscal years 2002 and 2003, which was based on 594 participants in Program 1 and 148 in Program 2. The estimated total savings reported by DAS and DOM are summarized in **Table 6**.

Table 6

Fiscal Year	Estimated Savings (\$'s in millions)		
	EOI Program		Total
	1	2	
2002	\$ 12.0	-	12.0
2003	23.4	5.7	29.1
Total	\$ 35.4	5.7	41.1

Additional required reports were not available when requested from DAS and DOM even though the program legislation requires annual updates to be reported to the General Assembly for all 3 EOI programs. As a result, DOM and DAS have not complied with the reporting requirements required by the EOI program legislation.

AOS estimates - Our estimated total net savings for EOI Programs 1 and 2 during fiscal years 2002 and 2003 was approximately \$32.4 million, about \$8.7 million less than the \$41.1 million savings reported by DAS and DOM. Our estimates include the costs of refilling

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positions vacated by participants and rehiring participants. Our total estimated savings for the 3 EOI programs for fiscal years 2002 through 2009 is approximately \$131.9 million. **Table 7** summarizes our estimated net savings, number of participants and savings per participant for each EOI program by fiscal year.

Table 7

Fiscal Year	Estimated Savings (\$'s in millions)			
	EOI Program			Total
	1	2	3	
2002	\$ 7.7	-	-	7.7
2003	21.9	2.8	-	24.7
2004	24.2	4.5	-	28.7
2005	24.7	4.7	6.9	36.3
2006	(2.4)	4.9	10.0	12.5
2007	-	0.5	10.2	10.7
2008	-	-	10.1	10.1
2009	-	-	1.2	1.2
Total	\$ 76.0	17.5	38.4	131.9
Number of participants	597	150	272	1,019
Savings per participant	\$ 127,300	116,700	141,200	129,400

Based on inquiry of and examples provided by management of DAS and selected State agencies, savings realized from the EOI programs were used to:

- offset budget shortfalls resulting from across-the-board budget reductions or
- used to increase program services, as possible.

Schedule 1 summarizes our estimated savings and number of participants for each EOI program by State agency for fiscal years 2002 through 2009.

To calculate estimated net savings, we tracked the positions vacated by the 1,019 program participants to determine and document the status of the positions and related costs and other relevant information. The status of each position was identified as refilled, vacant, deleted, reallocated or reclassified for each participant. We also tracked and documented relevant information for the individuals refilling the positions vacated by participants for 3 replacement levels, as described in the Scope and Methodology section of this report. **Table 8** summarizes estimated gross and net savings by EOI program during fiscal years 2002 through 2009. The **Table** also summarizes the payout costs to the participants and the costs of refilling the positions vacated by participants. The costs of refilling the positions include payroll costs of permanent employees who filled positions for the 3 replacement levels analyzed and the cost of participants rehired on a non-permanent basis.

Table 8

EOI Program	Estimated Savings				Less: Payout Costs	Less: Costs of Refilling Positions	Estimated Net Savings (Rounded)
	Level 1	Level 2	Level 3	Total			
1	\$ 76,387,592	19,258,121	6,281,781	101,927,494	24,938,662	955,465	76,033,367
2	17,533,872	3,860,101	2,027,848	23,421,821	5,422,138	540,993	17,458,690
3	31,281,268	10,483,905	5,263,981	47,029,154	8,431,572	173,609	38,423,973
Total	\$125,202,732	33,602,127	13,573,610	172,378,469	38,792,372	1,670,067	131,916,030

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Schedule 2 summarizes combined estimated net savings for each of the 3 replacement levels analyzed, total payout costs, rehire costs and estimated net savings by EOI program for each State agency with program participants.

Comparison of the EOI Programs and Buy Out Program

Table 9 summarizes a comparison of the eligibility requirements, enrollment dates, termination dates and other significant information for each EOI Program and the Buy Out Program.

Table 9

Description	Program			
	EOI 1	EOI 2	EOI 3	Buy Out
Eligibility requirements	Employee age plus years of service must = 75 or more as of December 31, 2002	Employee age plus years of service must = 75 or more as of December 31, 2003	Employee age plus years of service must = 75 or more as of December 31, 2004	10 years of IPERS and/or PORS covered service
Enrollment dates	11/20/2001 - 01/31/2002 ¹	07/08/2002 - 08/14/2002	04/06/2004 - 05/21/2004	07/01/2002 - 06/30/2008
Termination dates	11/20/2001 - 02/01/2002 ¹	07/08/2002 - 08/15/2002	07/02/2004 - 08/12/2004	07/01/2002 - 06/30/2008
Initiated by	Employee	Employee	Employee	Management
Allowed to continue health and dental insurance	Yes, on "retiree" plan status	Yes, on "retiree" plan status	Yes, on "retiree" plan status	No, unless eligible for and taking a bona fide retirement
Reemployment restricted	Temporary position or elected official or State Board of Regents employee	Temporary position or elected official only	Temporary position or elected official only	Temporary position or elected official only
Payouts Authorized:				
Vacation payout	100% of accrued balance	100% of accrued balance	100% of accrued balance	100% ⁴
Sick Leave payout	100% ² of accrued balance	100% ² of accrued balance	75% ³ of accrued balance	None, unless eligible for and taking a bona fide retirement ⁴
Payout timeframe	First payout with final payroll check in fiscal year 2002, then each August of 2002 through 2005	First payout with final check in fiscal year 2003, then each August of 2003 through 2006	First payout with final check in fiscal year 2005, then each August of 2005 through 2008	Lump sum incentive payout ⁴

¹ Legislative Branch employees who were eligible for EOI Program 1 were required to sign-up between December 17, 2001 and January 31, 2002 and terminate employment by May 9, 2002.

² Amount paid for sick leave was limited to the lowest value of 100% of the sick leave balance or the participant's annual salary. Sick leave payout cannot exceed the participant's annual salary.

³ Amount paid for sick leave was limited to the lowest value of 75% of the sick leave balance or 75% of the participant's annual salary.

⁴ Lump sum incentive payout was based on \$250 for each quarter, or \$1,000 per year, of IPERS and/or PORS covered service up to a maximum of one-year's salary. Payout also included 100% of accrued vacation balance. Sick leave was included in the payout only if the employee took a bona fide retirement.

As shown in **Table 9**, EOI Programs 1, 2 and 3 have similar eligibility requirements but were implemented during different fiscal years. The payout percentages for accrued vacation and sick leave balances are the same for EOI Programs 1 and 2. However, the EOI Program 3 payout percentage for accrued sick leave balances is 75%, which is less than the 100% established for EOI Programs 1 and 2. Participants received 100% of accrued vacation and sick leave balances under each of the 3 EOI programs.

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While the Buy Out Program was established by the same legislation as EOI Program 1, it varies significantly from the EOI programs. Under the Buy Out Program:

- Management staff of State agencies decide whether to participate and to what extent. Management is required to demonstrate a business case for its use.
- Incentives are paid to participants in lump sums by participating State agencies, rather than being paid in installments over 5 fiscal years, as required for the EOI programs.
- The program was initially available during fiscal year 2003 only. However, its duration was extended by the General Assembly so it is now available through June 30, 2008.

Table 10 summarizes the number of eligible employees, participants and the percentage of eligible employees who participated in each of the EOI Programs. The **Table** also summarizes the number of participants eligible for the regular retirement program available from the Iowa Public Employees’ Retirement System (IPERS) and the Peace Officers’ Retirement System (PORS).

Table 10

Description	Program		
	EOI 1	EOI 2	EOI 3
Number of employees eligible	4,580	4,447	5,367
Number of participants	597	150	272
Percentage of eligible employees who participated	13.0%	3.4%	5.1%
Number of participants eligible for regular retirement under IPERS or PORS *	406	71	176
Percentage of participants eligible for regular retirement	68.0%	47.3%	64.7%

* Excluding any State Fair Authority and Legislative staff participants who were eligible for IPERS.

As illustrated by **Table 10**, there were 447 more participants in Program 1 than Program 2. The percentage of eligible employees participating decreased significantly, in part, because Program 2 was implemented closely after Program 1. The number of participants in Program 3 also decreased when compared to Program 1. The decrease in participation may be explained by the decreased benefits available to participants in Program 3. The program was not as attractive to eligible employees. As illustrated by **Table 9**, the sick leave payout percentage for Program 3 was 75%, which is less than the 100% available to participants in Programs 1 and 2.

Also, **Table 10** shows over 60% of participants in Programs 1 and 3 were also eligible for regular retirement under IPERS or PORS, and about 47% of EOI Program 2 participants were eligible for regular retirement. The program benefits authorized provided an additional retirement incentive for employees eligible for both an EOI program and regular retirement to apply.

The EOI and Buy Out programs are separate from IPERS and PORS. Participation in an EOI program or the Buy Out Program does not change an employee’s Iowa Public Employees Retirement System (IPERS) or Peace Officers Retirement System (PORS) eligibility or benefits. Iowa law fixes IPERS and PORS eligibility and benefits, and only legislative action by the General Assembly can change the IPERS and PORS retirement plans.

Reporting Requirements

The authorizing legislation for the EOI Programs require DAS, in collaboration with DOM, to complete annual reports and updates on the operation of the EOI Programs by October 1 of each year from 2002 through 2008. The reports and updates must be submitted to the General Assembly, including copies to LSA and the Fiscal Committee of the Legislative Council. The reports and updates are to include the following:

- Number of Participants,
- Cost of the EOI Program, including any payments made to participants,

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- Number of State employment positions eliminated pursuant to an EOI Program,
- Number of positions vacated by an EOI Program participant that have been refilled, and
- Cost savings to the State based upon the EOI Program.

We reviewed the interim report submitted on March 15, 2002 and an annual report submitted on October 1, 2002 for compliance with the reporting requirements contained in the EOI program legislation. The reports were also reviewed for reasonableness and verified to supporting documentation. We did not identify any significant findings from reviewing the initial reports.

However, DAS and DOM have not completed and submitted any additional program reports and annual updates as required by the EOI program legislation since the October 1, 2002 report. Therefore, DAS and DOM have not complied with the reporting requirements for the EOI programs.

Restrictions on rehiring EOI Program and Buy Out Program participants

The legislation authorizing EOI Programs 1, 2 and 3, respectively, includes restrictions on rehiring participants, as follows:

- *“Acknowledge, in writing, that participation in the program waives any right to accept permanent part-time or permanent full-time employment with the State other than as an elected official on or after February 1, 2002.” (Senate File 551 of the Second Extraordinary 2001 session)*
- *“Acknowledge, in writing, that participation in the program waives any right to accept permanent part-time or permanent full-time employment with the State other than as an elected official on or after August 15, 2002.” (House File 2625 of the Second Extraordinary 2002 session)*
- *“Acknowledge, in writing, that participation in the program waives any right to accept permanent part-time or permanent full-time employment with the State other than as an elected official on or after the date the eligible employee separates from employment as provided in this section.” (House File 2497 of the 2004 session)*

Restrictions on returning to State employment are essentially the same for the EOI Programs. Participants in the EOI Programs are allowed to be rehired in State employment in temporary positions only, except as an elected official. The Buy Out Program also allows a participant to be rehired as an employee of the State Board of Regents. Also, according to DAS, a State agency may impose additional return-to-work restrictions on EOI program participants.

DAS has established guidelines for State agencies to follow when rehiring EOI program participants. State agencies are to use the following methods to rehire participants.

- Participants may return to work directly for the State in temporary positions. The maximum number of hours a temporary State employee can work in a fiscal year is 780. Temporary employment status does not entitle the employee to any vacation, sick leave or insurance benefits.
- EOI program participants may return to work for State agencies through an employee leasing company, such as Merit Resources, Inc., or a temporary staffing company, such as Olsten Staffing Services. Both companies are under contract with the State.
- In addition, participants may return to work for State agencies by entering into service contracts.

Rehired participants identified

We identified 64 EOI program participants rehired by State agencies through one of the rehiring methods allowed by DAS. The costs associated with the rehires totaled \$1,670,067. We included these costs in our calculations of estimated net savings. However, we have no assurances we were able to identify all rehired participants. Any participants entering into a contract with the State as a business or working for the State as a subcontractor for a company doing business with the State would not have been identified. **Table 11** summarizes the number and cost of identified rehires by EOI program:

Table 11

EOI Program	Number of Rehires	Cost	Percent of Total Rehires
1	48	\$ 955,464	75.0%
2	8	504,863	12.5%
3	8	209,740	12.5%
Total	64	\$ 1,670,067	100.0%

As illustrated by **Table 11**, rehiring was much more prevalent among participants in Program 1. State agencies rehired 48 EOI Program 1 participants, which is 8% of the Program 1 participants and 75% of the total of 64 rehires for the 3 programs combined. The participants were rehired by State agencies as temporary State employees, by entering into service contracts or through employee leasing or temporary staffing companies for varying time periods from fiscal year 2002 through February 2006. **Schedule 3** summarizes the number of rehires and cost of rehires by State agency.

Finding Highlights

We reviewed the EOI programs and related activity to determine whether DAS appropriately administered the programs, including:

- Compliance with program legislation, such as annual reporting and incentive payout requirements and
- Monitoring and tracking participants, including ensuring procedures used to rehire program participants were proper and complied with relevant laws, DAS rules and guidelines.

Also, we analyzed and reviewed information related to positions vacated by the program participants and determined whether the EOI programs resulted in estimated net savings for the State. In addition, we compared our estimates to LSA preliminary estimated savings and to DOM and DAS estimated savings. As a result of our review, we identified several findings and recommendations for enhancing the EOI programs. The most significant findings relate to annual program reporting, estimated savings, rehires and program monitoring and tracking and are briefly summarized, as follows.

- We estimate the State will save approximately \$131.9 million from the 3 EOI programs during fiscal years 2002 through 2009. Our estimate includes savings from vacant, deleted, reallocated and reclassified participant positions. We also included costs of refilling positions vacated by participants. The costs of refilling the positions include payroll costs of permanent employees who filled positions for the 3 replacement levels analyzed and the cost of participants hired on a non-permanent basis. The \$131.9 million is comprised of approximately \$75.8 million, \$17.5 million and \$38.6 million in net savings for EOI Programs 1, 2 and 3, respectively.

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- Authorizing legislation of the EOI programs includes restrictions on rehiring program participants as permanent part-time or permanent full-time employees. However, we identified 64 EOI program participants rehired, consisting of 48, 8 and 8 from EOI Programs 1, 2 and 3, respectively, at a total combined cost of \$1,670,067 from January 2002 through February 2006. While most rehires were considered temporary employees by State agencies, we identified instances where rehires were used on an on-going basis at a significant cost to the State. In those instances, the rehires function more like permanent employees, which would violate the requirements of the Programs' legislation.

Obtaining services from participants on an on-going basis and/or for long durations as State temporary employees, through employee leasing or temporary staffing companies and by entering into service contracts does not comply with the authorizing legislation of the EOI programs and DAS guidelines may be circumvented. Also, rehiring program participants may result in increased costs to State agencies since they must pay the rehired participants for services provided in addition to EOI program incentive payouts.

Examples of rehires costing the State significant dollars and/or providing on-going services include the following:

- ◆ As of February 2006, a total of \$382,940 had been paid to a rehired EOI Program 2 participant for on-going services under a service contract with Vocational Rehabilitation Services (Vocational Rehabilitation) entered into from October 2002 through September 2006. The rehire has been paid the most of any of the 64 rehires identified. The rehired participant retired under Program 2 on August 15, 2002 and subsequently entered into the service contract little more than a month later, in October 2002, to provide comprehensive vocational evaluation services. Services provided under contract are similar to the participant's responsibilities while previously employed by Vocational Rehabilitation.

We compared the cost of obtaining services from the participant under contract to the participant's salary just prior to retiring from State government under Program 2. During fiscal years 2004 and 2005, the participant was paid more than double the \$52,500 annual salary he earned while previously employed by Vocational Rehabilitation. The cost of obtaining services from the participant under the contract for a portion of fiscal years 2003 and 2006 also exceeds the \$52,500 annual salary.

- ◆ During a separate audit entitled, "A Review of Selected Service Contracts" of the DOT we identified an EOI Program 1 participant being used to provide services as a consultant by working as a subcontractor under a DOT service contract with Archon Technologies. From March 2002 through June 30, 2003, the DOT was billed \$97,848 for work completed by the program participant under the service contract with Archon Technologies. DOT incurred more cost to pay the contractor than was paid to the participant when she was a DOT employee.
- ◆ A rehired EOI Program 1 participant providing on-going services is employed by the House of Representatives of the General Assembly as a legislative secretary and worked a total of 1,238 hours at a cost of \$18,320 during fiscal years 2003 through 2006. While the total hours worked overall is relatively low, it appears the individual is being used more like a permanent part-time employee rather than a temporary State employee. If so, the House of Representatives may not be in compliance with authorizing legislation for EOI Program 1, which does not allow a participant to be rehired as a permanent part-time employee.

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- ◆ The 3 rehired EOI program participants who worked the most hours of the 64 rehires identified were rehired by DAS and the Department of Revenue (Revenue), and are summarized as follows:
 - The rehired individual who worked the most hours was employed as support staff by DAS at a total cost of \$72,146 for 2,222 hours working on the State’s I/3 system during fiscal years 2005 and 2006. The EOI Program 3 participant was rehired as a leased employee through Merit Resources, which was approved by the Governor’s Office.
 - A rehired EOI Program 2 participant was employed as a temporary State employee to fill in as Department Director and Chief Operating Officer for Revenue and worked 1,901 hours at a total cost of \$90,118 during fiscal years 2002 and 2003.
 - Another rehired EOI Program 1 participant worked as an Information Technology Administrator for DAS for 1,616 hours at a total cost of \$69,729 during fiscal years 2002 and 2003.
- DAS and DOM have not complied with the annual reporting requirements for the EOI programs since October 1, 2002. The only reports completed and submitted were the initial reports required by the legislation authorizing EOI Programs 1 and 2. An interim report was submitted in March 2002 and a report was submitted in October 2002, as required. The EOI programs’ legislation require additional reports and annual updates to be submitted by October 1st of each year. However, required reports or annual updates have not been completed and submitted by DAS and DOM. The additional reports and updates were not available when requested from DAS, DOM and LSA.
- Rehiring rules have not been consistently applied by State agencies. Also, EOI program participants’ former positions are no longer tracked by DAS. Therefore, essential information for completing savings estimates and other items required for reporting in accordance with the authorizing legislation are not being tracked. In addition, rehires of EOI program participants through service contracts and employee leasing and temporary staffing companies are not monitored by DAS.

Report Overview

The remainder of this report is organized as presented in **Table 12** below.

Table 12

Report Section	Description
Objectives, Scope and Methodology	Summary of the review’s focus, scope and methodology.
Early Out Incentive and Buy Out Programs	Summary of administration, managing vacancies and rehires, estimated savings and reporting requirements.
Findings and Recommendations	Summary and detailed examples of findings and related recommendations for improvements of EOI and future similar programs.
Schedules	Summary of estimated net savings (loss) and number of participants by EOI program by State agency by Fiscal Year; estimated net savings (loss) by EOI Program by State agency by replacement level; summary of number and cost of rehires by State agency; and summary of rehires by type by EOI Program by State agency

The results and recommendations included in this report will enhance administration of EOI programs and future early retirement programs. DAS and other State agencies should:

- Improve monitoring and control over rehiring of program participants by:
 - ◆ Limiting rehiring of program participants to circumstances where it is absolutely critical for continuation of State agency operations and to functions where the expertise and abilities are available only from the participant.

- ◆ Ensuring the legislative requirements of the programs are strictly adhered to when rehiring participants, regardless of rehire type.
 - ◆ Not allowing program participants to be rehired in any capacity and used on an on-going basis.
 - ◆ Enhancing monitoring and improving control over use of rehired program participants to ensure compliance with rehiring restrictions contained in legislation authorizing EOI programs.
 - ◆ Consistently applying rules for monitoring and approving rehires and ensuring all responsible staff are aware of the current rules for rehiring program participants.
 - ◆ Tracking and monitoring all rehired program participants regardless of the method under which services were obtained, including participants rehired by entering into service contracts and temporary employee leasing and staffing companies. A monitoring process should be developed separately or within the DAS Human Resources Information System (HRIS) if possible.
- Develop a method to track all program participants' positions, including vacancies, reclassification, reallocations and deletions of positions in HRIS and maintain a clear trail of historical information related to each position.
 - Implement procedures to ensure compliance with the annual reporting requirements contained in authorizing legislation for each program.
 - Ensure review and approval of any benefit payout calculations and related documentation for programs are consistently completed and documented.
 - Consistently include, when calculating estimated net savings for the programs, costs of refilling positions vacated by program participants, rehiring program participants and obtaining services of program participants by State agencies entering into service contracts.

Objectives, Scope and Methodology

Objectives

Our review was conducted to determine whether:

- EOI programs resulted in savings for the State.
- Reporting requirements contained in EOI program legislation were complied with.
- Procedures used to rehire program participants were proper and complied with relevant laws and DAS rules and guidelines.
- DAS and State agencies ensured only eligible employees were allowed to participate in the EOI programs and required information was accurately completed, submitted to, approved by and tracked and monitored by DAS.
- Impact on services provided to the citizens of the State of Iowa due to employees participating in the EOI programs was significant.
- Payouts to EOI program participants comply with requirements contained in EOI program legislation and DAS rules and guidelines and were properly calculated.

Also, based on findings identified, we developed recommendations for future similar programs.

Scope and Methodology

We reviewed DAS's operation and monitoring of the programs and tested compliance with significant laws, rules and guidelines. We also reviewed selected payouts made under the EOI programs and Buy Out Program (the programs) and related activity, such as analyses of positions vacated by and rehiring of program participants during fiscal year 2002 through February 28, 2006. While we reviewed and summarized payouts to Buy Out Program participants, we primarily focused our more detailed procedures on the EOI programs since payouts were substantially more significant under those programs.

To gain an understanding of program operations, procedures and controls related to eligibility determination, benefit payouts, monitoring and reporting, we:

- Reviewed significant laws, rules, policies and procedures and program information obtained from DAS and
- Interviewed individuals responsible for administration of the programs at DAS, DOM and selected State agencies.

To analyze and estimate net savings or costs resulting from implementation of each EOI program for each applicable State agency and in total for the State, we:

- Obtained a listing of all EOI program participants from DAS, including position titles and numbers for each participant. The listing included whether the status of the position was refilled, reallocated, vacant or deleted. Also, the listing included a new position number for all reallocated positions and the names of employees for all refilled positions. However, we later identified DAS listings contained strict tracking of the specific position numbers and did not consider or track whether the position number was just slightly changed, such as the appropriation number within the position number.

Therefore, based on the DAS listing it appeared many positions were deleted when they actually were not. We identified many instances where essentially the same work continued by using position numbers very similar but not identical to the position number vacated by program participants and by filling, or basically refilling, the similar position.

Based on an exact comparison of actual position numbers to the DAS listing and initially trying to look up information on HRIS based on those numbers, it appears many positions were deleted from HRIS. While many position numbers may have been deleted from HRIS, the related position was still needed and the position's work was continued in many instances by State agencies. For example, in some instances the funding source for positions may have changed so the appropriation unit within the position number was changed by State agencies. In those instances and other examples such as an organization number change, it appears in HRIS that the positions were deleted.

However, for purposes of our analysis and determination of estimated net savings from the EOI programs, we referred to and documented information from HRIS, as available from position history documents in HRIS, and continued tracking the information accordingly. The following steps summarize the procedures we performed.

- Used HRIS to look up the EOI program participants by either name or position number to obtain the following information:
 - ◆ Position title,
 - ◆ Date the program participant left employment and
 - ◆ Bi-weekly salary on the date the participant left employment.

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- Determined and documented the status of each position vacated by the participants, as follows:
 - ◆ Vacant – means the position is intact but is not currently filled.
 - ◆ Deleted – means the position is no longer used and has been removed from HRIS.
 - ◆ Reallocated – means the job number changed but position was essentially the same.
 - ◆ Reclassified – means the job number and duties changed. Therefore, for purposes of analysis, we considered the position deleted.
- Included estimated savings and costs for 3 replacement levels to present the impact of the “domino” effect created due to positions vacated by program participants. The methodology used for obtaining and analyzing information for the 3 replacement levels is summarized and defined as follows:
 - ◆ Replacements of program participants are considered the level 1 replacement. We obtained the following information for level 1 replacements relating to refilled positions:
 - Date hired into the position,
 - The type of replacement:
 1. New hire,
 2. Transfer (from another agency),
 3. Promotion,
 4. Demotion,
 5. Bump in lieu of layoff or
 6. Reinstatement.
 - Bi-weekly salary at the new position (at the date of the position change, not the current salary) and
 - Status of their previous position.
- Obtained, analyzed and documented relevant information for the former positions of level 1 replacements. The status of the former positions for each level 1 replacement was also documented. If the replacement’s former position was refilled, we determined and documented the applicable replacement’s name and related HRIS information, defined as the level 2 replacement.
- Verified and tracked relevant information for the former positions of level 2 replacements and we did the same for level 3 replacements.
- Tracked positions and documented relevant information for all replacements in levels 1, 2 and 3 until the position was identified as vacant, deleted, reallocated or reclassified, or the replacement was a new hire so there was no former position.
- Calculated the estimated net savings resulting from the original EOI program participants’ vacated positions through the 3 replacement levels, as applicable, based on the salary difference of the former and current position holder, taking into account the number of days the position was left vacant.
- Calculated estimated savings resulting from vacant, deleted and reclassified positions based on the bi-weekly salary of the program participants on the date they left employment and the number of days the position had been vacant from the date the EOI program participants left employment through August 31st of the year of the final payout installment.
- Summarized total estimated savings or cost resulting from each program participant’s position.

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- Subtracted scheduled benefit payouts to participants from the total estimated net savings or cost associated with each program participant's position to arrive at total estimated net savings or cost prior to identifying and considering costs related to rehiring program participants.
- Met with staff of selected State agencies to discuss our estimated net savings prior to considering costs of rehires. We requested listings, costs and significant details relating to any program participants rehired by the State agencies.
- Identified, documented and analyzed costs of rehiring program participants as temporary State employees, through employee leasing or temporary staffing companies or as independent contractors. The costs of rehires were subtracted from the total estimated net savings or cost associated with each program participant's position to arrive at a final estimated net savings or cost for each position and the subsequent change in those positions through the 3 replacement levels.
- Summarized final estimated net savings or cost by EOI program by State agency by fiscal year as related to each participant's position tracked through the 3 replacement levels defined above.

To determine compliance with reporting requirements of authorizing legislation for EOI programs and reasonableness and accuracy of available program reports, we:

- Verified the interim report was submitted by March 15, 2002 and whether the required annual reports were submitted by October 1st of each year.
- Compared participant lists to number of participants included in available reports and to totals listed by State agencies.
- Verified all EOI Program 1 participants were terminated by February 1, 2002, Program 2 participants left State employment by August 14, 2002 and Program 3 participants left employment by August 12, 2004.
- Compared the list of refilled positions to the total shown in the reports.
- Compared the list of reallocated or deleted positions to the total shown in the reports.
- Recalculated the fiscal year 2002 savings realized from EOI participation using supporting documentation obtained from DAS. Examples of documentation used include a listing of all program participants by State agency, position, termination date and payout amount. In addition, we used information from Human Resource's "Status of Positions Vacated by Early Out Participants" printout.

To determine whether State agencies rehired EOI program participants and determine compliance with applicable laws, rules and guidelines relating to rehiring program participants as temporary State employees, through employee leasing or temporary staffing companies or as independent contractors, we:

- Asked selected State agencies for a list of program participants who are working or have been rehired in the past as temporary State employees, through employee leasing or temporary staffing companies or by entering into service contracts.
- Performed matching procedures to identify whether program participants were rehired through Merit Resources. For information not available from DAS, we requested and obtained available leased employee reports for applicable rehires identified, including time period, hours worked and cost.
- Requested but did not receive Olsten Staffing Services and USA Staffing reports. Therefore, matching procedures could not be completed to identify any additional temporary workers used through those temporary staffing companies.

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- Worked with DAS and our data processing staff to obtain a listing of participants rehired as temporary State employees and relevant pay information, including hours worked and time periods.
- Reviewed supporting documentation, as available and practical, for participants identified as being rehired.
- Summarized the cost and timeframe the participants were used by State agencies and compared the rehire pay rates to what the participants received just prior to leaving State employment under an EOI program for each of the following types of rehires:
 - ◆ Temporary State employees,
 - ◆ Employee leasing or temporary staffing company and
 - ◆ Service contracts. If a participant was hired by a State agency through entering into a service contract, we:
 - Determined whether the State agency documented a determination of whether the contractor was independent, as required by DAS Procedure 240.102.
 - Reviewed the service contract for reasonableness as compared to the State's requirements for service contracts and compared the type of work contracted for to the participant's duties and responsibilities prior to leaving State employment under an EOI program.

To determine if State agencies ensured only eligible employees were allowed to participate in the programs and required information was accurately completed, submitted to and approved by DAS, we reviewed whether selected State agencies:

- Appropriately documented and determined program eligibility, completed the appropriate program application, submitted the application to DAS by the required submission date and the application was appropriately approved by DAS.
- Required applicants to sign an agreement to:
 - ◆ Waive all rights to receive payments of sick leave balances and accrued vacation balances in a form other than specified in program legislation.
 - ◆ Acknowledge in writing participation in the program waives any right to accept permanent part-time or permanent full-time employment with the State other than as an elected official under EOI Programs 1, 2 or 3. Legislation authorizing the Buy Out Program included an additional rehiring exception. Buy Out Program participants could be rehired as an employee of the State Board of Regents.
 - ◆ Separate from employment with the State by the specific date stated in applicable legislation for each program.

To determine the impact on services provided to the citizens of the State of Iowa due to loss of employees participating in the EOI programs, we surveyed and inquired of individuals within selected State agencies and reviewed and summarized the most significant and frequent impacts.

To determine whether payouts to program participants were accurate and complied with requirements contained in program legislation, DAS rules and guidelines, we:

- Tested and recalculated selected payouts to participants in each program for accuracy and compliance with significant laws, rules and guidelines and
- Examined supporting documentation maintained by State agencies and DAS for each selected payout.

Early Out Incentive and Buy Out Programs

This section of the report summarizes more detailed information regarding the EOI programs and Buy Out Program, such as authorizing legislation, program purpose and features, program administration, incentive payouts, reporting requirements and rehiring requirements.

Early Out Incentive Program 1

Chapter 5 of the Laws of the 2001 Extraordinary Session of the Seventy-ninth General Assembly (EOI Program 1 legislation or authorizing legislation) established the initial Early Out Program, which is referred to as Early Out Incentive Program 1 (EOI Program 1). The purpose of EOI Program 1 was to provide cost savings to the State through an incentive program for those who chose to leave State employment. EOI Program 1 began November 20, 2001 and ended on February 1, 2002.

Executive and Legislative Branch employees whose age and years of Iowa Public Employees' Retirement System (IPERS) or Peace Officers' Retirement System (PORS) covered service totaled 75 as of December 31, 2002 were eligible to participate in the program.

EOI Program 1 legislation included additional features, as follows:

- Leaves the decision to refill positions vacated due to EOI program participation up to each State agency,
- Includes a goal to achieve an employee to supervisor ratio of 12 to 1,
- Abolishes the Workforce Attrition Program, and
- Any across-the-board pay increase effective at the beginning of fiscal year 2003 for non-contract employees was delayed 4 months.

State employees who were on the payroll and met the program criteria on or after November 20, 2001 were eligible to participate. Employees who were receiving workers' compensation were also eligible. To participate in EOI Program 1, an Executive Branch employee was required to complete and file a program application form on or before January 31, 2002 and terminate employment on or before February 1, 2002. Legislative Branch employees were required to sign-up between December 17, 2001 and January 31, 2002 and terminate employment by May 9, 2002.

The eligibility requirements for EOI Program 1 contained in relevant laws and DAS administrative rules apply specifically to EOI Program 1 eligibility and do not apply to IPERS. Unless qualified for a disability retirement, employees could not begin to draw an IPERS pension until age 55, even if the employee was eligible to participate in EOI Program 1 at age 54 or younger.

If retiring under normal circumstances rather than participating in an EOI Program, an employee would receive a maximum payout of \$2,000 for accrued sick leave and the full amount of their accumulated vacation. In addition, the employee would be eligible for their IPERS or PORS benefits. To encourage participation in EOI Program 1, an incentive of 100% of accrued sick leave, up to the employee's annual salary, was paid to participating State employees rather than the \$2,000 maximum payment provided for in Chapter 70A.23(2) of the Code of Iowa. In addition, participating employees were paid the full amount of their accrued vacation balance. The sick leave incentive and vacation payouts for EOI Program 1 were required to be paid to the 597 participants in 5 annual installments in August during fiscal years 2002 through 2006, as summarized in **Table 13**.

Table 13

Fiscal Year	EOI Program 1 Payouts
2002	\$ 2,494,039
2003	4,987,480
2004	4,987,751
2005	4,987,751
2006	7,481,641
Total	<u>\$ 24,938,662</u>
Number of participants	<u>597</u>
Average Payout per participant	<u>\$ 41,773</u>

Executive and Legislative Branch employees agreeing to participate in EOI Program 1 were required to waive any right to accept permanent part-time or permanent full-time employment with the State other than as an elected official on or after February 1, 2002.

Buy Out Program

The Buy Out Program was also established by Chapter 5 of the Laws of the 2001 Extraordinary Session of the Seventy-ninth General Assembly and was signed into law by the Governor on November 19, 2001. The Buy Out Program is authorized by the *Code of Iowa*, section 70A.38, and is entitled the “Years of Service Incentive Program.” Initially, the Buy Out Program was only available from July 1, 2002 through June 30, 2003. However, on May 23, 2003, the General Assembly extended the repeal date of the Buy Out Program from June 30, 2003 to June 30, 2008.

State agency managers are able to use the Buy Out Program to carry out targeted workforce reductions. The Buy Out Program does not change an employee’s IPERS or PORS eligibility or benefits. Benefits to State agencies implementing the program include the following:

- Provides an alternative to layoffs in addition to and following EOI Program 1,
- Provides additional flexibility for managers in achieving spending reduction targets, and
- Could help achieve organizational realignment and span of control objectives.

While the primary purposes of implementing the Buy Out Program are the same as the EOI programs, there are differences, as follows:

- State agency management decides whether to participate, and to what extent, and is required to demonstrate a business case for its use,
- Incentives are paid to participants in lump sums by participating State agencies rather than being paid in installments over 5 fiscal years, as required for the EOI Programs, and
- The Buy Out Program is available for use during several fiscal years, from July 1, 2002 through June 30, 2008, while the EOI programs were available for only limited timeframes.

The incentive payout to selected employees was established by the authorizing legislation at \$250 for each quarter, or \$1,000 per year, of IPERS and PORS covered service up to a maximum of one-year’s salary. Eligible employees include employees of Executive Branch State agencies with at least ten years of IPERS or PORS covered service. Employees selected to leave State employment under the Buy Out Program receive the incentive payment as well as their vacation payout in a lump sum on their last paycheck. If the participant is eligible for a bona fide retirement under IPERS, they also receive a sick leave payout.

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Management staff of State agencies identified certain eligible employees with at least 10 years of IPERS or PORS covered service for participation in the Buy Out Program. According to DAS information reviewed, management staff from 6 State agencies have selected a total of 14 employees for participation in the Buy Out Program. A combined total of \$466,656 has been paid out to the 14 participants as of May 12, 2006. **Table 14** summarizes the termination date, annual salary and actual payouts made to Buy Out Program participants for positions identified by management of participating State agencies.

Table 14

State Agency/Position	Termination Date	Annual Salary	Payout
<u>Civil Rights:</u>			
Administrative Assistant I	09/12/2002	\$ 34,549	23,894
Training Specialist 2	09/19/2002	50,690	17,760
Civil Rights Specialist	01/02/2003	44,200	24,569
Public Service Executive 2	01/02/2003	54,018	30,119
Training Specialist 2	01/30/2003	50,045	23,236
<u>Department of Corrections:</u>			
Mount Pleasant - Public Service Executive 3	10/10/2002	70,637	44,672
Prison Industries - Public Service Executive 3	08/15/2002	70,637	51,696
<u>Department of Human Services:</u>			
Institutional Superintendent	12/29/2005	111,238	62,709
<u>Vocational Rehabilitation Services:</u>			
Disability Examiner	06/18/2004	45,094	32,164
Rehabilitation Counselor	10/18/2004	45,989	33,465
<u>Iowa Public Television:</u>			
Administrative Assistant I	12/20/2002	35,589	29,005
Engineer 2	12/20/2002	40,685	29,129
Operations Assistant	10/04/2002	36,005	39,293
<u>Veterans Affairs:</u>			
Information Technology Administrator 2	08/09/2002	77,418	24,945
Total		<u>\$ 766,794</u>	<u>466,656</u>

Buy Out Program participants were required to waive any right to accept permanent part-time or permanent full-time employment with the State other than as an elected official or as an employee of the State Board of Regents.

Early Out Incentive Program 2

Early Out Incentive Program 2 was established as an extension of EOI Program 1 by Chapter 1001 of the Laws of the 2001 Second Extraordinary Session of the Seventy-ninth General Assembly (EOI Program 2 legislation or authorizing legislation). Eligibility requirements and benefits of EOI Program 2 are the same as EOI Program 1. The only differences between the EOI Programs are the dates regarding program eligibility, application deadlines and employment termination.

To be eligible for participation in EOI Program 2, an employee's length of credited service and the employee's age as of December 31, 2003 must equal or exceed 75 years, including buy-back or buy-in service in IPERS or in PORS. Employees on the payroll who met the program criteria and who were receiving workers' compensation on and after July 8, 2002 were also eligible to participate.

Employees choosing to participate in EOI Program 2 were required to complete and file a program application form on or before August 14, 2002 and terminate employment no earlier than July 8, 2002, but no later than August 15, 2002. Under EOI Program 2, employees also

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receive a payout of 100% of accrued sick leave, up to the employee's annual salary, and vacation balances as an incentive to encourage participation. **Table 15** summarizes the total sick leave incentive and vacation payouts required under EOI Program 2 to be paid to the 150 participants in 5 annual installments in August during fiscal years 2003 through 2007.

Fiscal Year	EOI Program 2 Payouts
2003	\$ 1,626,634
2004	1,084,422
2005	1,084,422
2006	1,084,422
2007	542,237
Total	<u>\$ 5,422,137</u>
Number of participants	<u>150</u>
Average Payout per participant	<u>\$ 36,148</u>

Executive and Legislative Branch employees agreeing to participate in EOI Program 2 were required to waive any right to accept permanent part-time or permanent full-time employment with the State other than as an elected official on or after August 15, 2002.

Early Out Incentive Program 3

Chapter 1035 of the Laws of the Eightieth General Assembly, Second Session or 2004 session, (EOI Program 3 legislation or authorizing legislation) established EOI Program 3. The Governor signed EOI Program 3 into law in April of 2004. EOI Program 3 provided financial incentive for eligible employees who chose to leave their jobs between July 2, 2004 and August 12, 2004. Eligible State employees included:

- Executive Branch employees,
- Judicial District Department of Correctional Services employees, if the district elects to participate,
- Legislative Branch employees, and
- Department of Justice employees.

To be eligible for participation in EOI Program 3, a State employee's age and years of service combined must be equal to or greater than 75 as of December 31, 2004. Employees were required to enroll between April 6, 2004 and May 21, 2004. An employee's years of service included any buy-back or buy-in service in IPERS or in PORS. Employees on the payroll who met the criteria and were receiving workers' compensation on and after May 21, 2004 were also eligible to participate.

The purpose of EOI Program 3 was to reduce the number of State employees and extend related cost savings to the State. EOI Program 3 differed from EOI Programs 1 and 2 in that the benefits were reduced for EOI Program 3 participants. While participants in EOI Programs 1 and 2 could receive 100% of their accrued sick leave balance, EOI Program 3 participants were limited to 75% of their sick leave balance, up to 75% of their annual salary.

Payment of EOI Program 3 benefits are required in 5 annual installments, with the first installment paid on the last day of employment, representing 30% of the total benefits. The remaining 4 installments are required to be paid each August of 2005 through 2008, with the 2nd, 3rd and 4th installments established at 20% of total benefits in August of 2005 through

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2007. The 5th and final installment of 10% is required to be paid in August 2008. **Table 16** summarizes payouts required to be made to the 272 EOI Program 3 participants.

Fiscal Year	EOI Program 3 Payouts
2005	\$ 2,529,482
2006	1,686,322
2007	1,686,322
2008	1,686,322
2009	843,124
Total	\$ 8,431,572
Number of participants	272
Average Payout per participant	\$ 30,998

Executive and Legislative Branch employees agreeing to participate in EOI Program 3 were required to waive any right to accept permanent part-time or permanent full-time employment with the State other than as an elected official on or after the date the eligible employee separates from employment.

Comparison of EOI Programs to IPERS and PORS

The EOI programs are separate from IPERS and PORS. EOI programs approved by the General Assembly do not change the IPERS or PORS plans. Iowa law fixes IPERS and PORS eligibility and benefits. Only legislative action by the General Assembly can change the IPERS and PORS retirement plans.

No one can begin to draw an IPERS pension until age 55 unless the employee qualifies for a disability retirement. However, because the “age plus years of service” requirement was set at 75 years, a State employee could participate in an EOI program at age 54 or younger if the employee’s covered service was 21 years or more.

Individuals retiring from State service under normal circumstances are eligible for their IPERS and/or PORS benefits. In addition, employees retiring receive a maximum payout of \$2,000 for accrued sick leave and the full amount of their accrued vacation.

Under the EOI programs, 100% of accrued sick leave for EOI Programs 1 and 2 and 75% of accrued sick leave for EOI Program 3, up to the employee’s annual salary (or 75% of their salary for EOI program 3) is paid to participants. The incentive payouts replace the \$2,000 maximum paid for sick leave upon retirement under IPERS or PORS. Also, EOI program participants are paid 100 % of their accrued vacation balance, which is the same as if the employee retired under IPERS or PORS. However, under the EOI programs, the incentives are paid out in 5 annual installments, while under IPERS or PORS the vacation balance is a lump sum payout upon retirement.

Administration

DAS is responsible for administering the EOI programs and Buy Out Program. DAS has implemented administrative rules for EOI programs within Iowa Administrative Code (IAC) [11]-Chapter 60, entitled “Separations, Disciplinary Actions and Reduction In Force”. While DAS has overall responsibility for administration of the program, each State agency with participants in EOI programs is responsible for program oversight for their participants. State agency responsibilities include:

- Determine eligibility and notify DAS,
- Review and approve EOI program applications, including a release and acknowledgment form and beneficiary designation form and
- Calculate estimated benefits.

DAS determined whether all required documents were properly completed and approved by State agencies. DAS reviewed and approved all EOI program applications and related documentation, including verification of whether calculated termination payments for each applicant are accurate. DAS maintains supporting documentation of payout calculations for all participants and actual payout summaries for each program by fiscal year.

State agencies were required to pay the first payout amount to each participant under each EOI program. State agencies must accrue payout amounts for installments 2 through 5 during relevant fiscal years and DAS is responsible for paying participants for installments 2 through 5. DAS sends accounting documents to State agencies to charge back the amounts paid to participants.

The Governor's Office and DOM are also involved in overseeing the EOI programs. DOM is required by EOI program legislation to collaborate with DAS in completing and submitting annual EOI program updates to the General Assembly. The Governor's Office and DOM are also involved in reviewing circumstances related to and approving State agency requests for rehiring EOI program participants.

Managing Vacancies

During the EOI Program 1 enrollment period, DAS realized a large participation level in the EOI program could result in a loss of knowledge and gaps in staffing levels. To help alleviate this problem, DAS issued a memo to management of State agencies in December 2001 addressing how vacancies created by EOI program participation should be managed.

While the DAS memo was written to address primary issues realized by implementation of the first EOI program, the issues apply to all 3 EOI programs since the programs are very similar. Issues specifically addressed included options available for filling staffing needs, importance of documenting personnel actions, managing the transition and impact on State agencies.

Filling staffing needs - Options available to State agencies included:

- Refilling positions with full-time employees,
- Reassigning duties,
- Splitting jobs or eliminating duties,
- Rehiring EOI program participants on a temporary basis or
- Entering into a service contract.

State agencies may rehire participants on a temporary basis using a rehiring method prescribed by DAS, but the restrictions mentioned previously apply. Use of a rehired participant as a temporary State employee is only allowed up to 780 hours in a fiscal year. Individuals who are re-hired as temporary State employees are paid through the centralized payroll system and are monitored by DAS.

Participants may also be rehired by State agencies through Merit Resources, Olsten Staffing or other temporary staffing service companies under contract with the State. Administrative fees are required by the master contracts with Merit Resources and Olsten Staffing that add to the cost of using those alternatives. For example, the additional cost to State agencies is \$40 per paycheck issued plus 15% of the salary to cover payroll costs, plus \$500 per month towards the cost of the benefits package, if applicable, when obtaining services of employees through Merit Resources. Temporary employees hired by State agencies through Merit Resources may not work longer than 18 months without a break in service.

State agencies may contact the State's account representative of Olsten to arrange for use of a program participant for temporary work. The person is put on Olsten's payroll under the "Personnel Transfer Plan", whereby Olsten is considered the employer and assigns the person to work at the specified State agency. A fee of 24% of the amount State agencies agree to pay Olsten for services of temporary workers must be paid to Olsten Staffing.

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In addition, State agencies may enter into a service contract with an EOI program participant if the former employee is a bona fide independent contractor in accordance with the rules of the IRS. Relevant services contracting procedures of DAS must be complied with by State agencies.

Documenting personnel actions - State agencies must thoroughly document all personnel actions connected to EOI program participants. Although information could be obtained from DAS and HRIS, State agencies with participants are the only source for providing justifications for decisions made regarding refilling positions.

Managing the transition - Functioning with fewer staff and dealing with loss of significant amounts of knowledge impacts each State agency as EOI program participants leave. DAS recommended each State agency ask participants to document their duties, procedures and status of unfinished projects prior to leaving employment, provide input regarding who could most effectively assume their responsibilities and what, if any, duties could be discontinued. Also, as possible, participants should assist in training individuals assuming their responsibilities.

Impact on State agencies - The last issue covered by the December 2001 memo deals with impacts on State agencies, layoffs and the subsequent Buy Out Program. DAS established and communicated to State agencies guidance addressing human resource issues, such as organizational redesign and workforce planning to aid in State agencies' management making decisions.

Results of Surveys of State agencies

We reviewed and discussed the duties and responsibilities related to 52 selected EOI Program 1 participants from 37 State agencies to identify how and who subsequently handled the duties of EOI program participants. Through surveys relating to the positions of these 52 participants, we also determined and summarized the impact on services provided by the relevant State agencies subsequent to participants leaving employment. As a result, we identified several examples of negative impacts on remaining employees of and services provided by State agencies following implementation of the EOI programs.

Examples of State agencies surveyed with the most participants include:

- Administrative Services,
- Agriculture and Land Stewardship,
- Human Services,
- Natural Resources,
- Transportation and
- Workforce Development.

The State agencies reported a negative impact on services as a result of employees participating in EOI Program 1 for 50 of 52 positions initially reviewed. Through subsequent inquiry of responsible individuals at selected State agencies during discussions of preliminary calculations of estimated savings from the EOI programs, we identified similar negative impacts resulting from implementation of EOI Programs 2 and 3. The most significant and frequent examples of negative impacts cited by State agency staff in response to survey questions and subsequent inquiry include the following:

- Significant loss of expertise and knowledge,
- Additional strain on current employees and work shifts,
- Delays in completing necessary tasks,
- Response time and customer service suffered due to increased workload,
- Increased costs for overtime and travel,
- Inability to accomplish required tasks,
- Decrease in employee morale and
- Lack of consistent direct supervision.

Generally, State agencies responded EOI programs provided a good benefit to those choosing to leave State government earlier than they would have otherwise.

Program participants' vacated positions not tracked by DAS

According to DAS staff, the old positions related to the EOI program participants are no longer tracked. Therefore, some of the information necessary to complete the reports required by legislation authorizing the programs is not being tracked by DAS.

Initially, DAS tracked the status of EOI program participants' vacated positions. For example, DAS completed a report entitled, "Status of Positions Vacated by Early Out Participants" as of April 23, 2002 and a few subsequent reports were completed. However, DAS stopped tracking EOI program participants' positions at some point during the timeframe when the Departments of General Services, Information Technology, Personnel and the State accounting section of Revenue and Finance were being combined and reorganized into the new Department of Administrative Services.

While some "Status of Positions Vacated by Early Out Participants" reports were later completed by DAS, we identified problems with accuracy, completeness and reliability of the reports. Also, some subsequent listings were reviewed and initially used as a starting point for our estimation of savings from implementing each program. However, we later identified and discussed with DAS representatives problems and concerns regarding the reports and were informed some of the information on reports, especially cost information, could not be relied upon due to probable inaccuracies and incompleteness.

DAS staff indicated we could use participant names from the reports as a starting point for obtaining rehire information. Therefore, we obtained information for participants listed on the DAS report from the payroll system and summarized the cost information for rehired participants. However, not all rehires were included in DAS information and it was a very cumbersome and difficult process.

Review of Rehired EOI Program Participants

Subsequent to a newspaper article that criticized State agencies' rehiring of EOI program participants, DAS completed a thorough review and analysis of rehires. DAS identified 45 EOI program participants rehired by State agencies as of August 23, 2002. The review completed by DAS also included justifications and examples of estimated cost savings for obtaining services from the rehired participants. The 45 rehires consisted of:

- 35 temporary State employees,
- 8 through Merit Resources and
- 2 through Olsten Staffing.

As a result, DAS guidance was revised and strengthened to limit rehiring of participants by State agencies and a more controlled process was established. Currently, State agencies rehiring EOI program participants are required to obtain approval from DAS, DOM and the Governor's Office prior to entering the rehired individuals on the State's payroll system.

Also, DAS staff reviews all such rehiring requests received from State agencies for sound human resource practices and DOM reviews the rehiring requests and supporting data for budget purposes. Documentation of approval by DAS and DOM for participants rehired as temporary State employees and through employee leasing and temporary staffing companies is maintained by DAS and was available when requested. However, documented approvals by DAS, DOM or the Governor's Office of participants rehired under service contracts were not available when requested.

Rehiring rules not consistently applied

The rules and guidance provided to State agencies by DAS for allowing EOI program participants to be rehired have changed over time. Initially, State agencies were allowed to rehire program participants as necessary to ensure programs and services would continue relatively smoothly without causing undue strain on existing staff. DAS and DOM were supposed to be informed by management of State agencies of intent to rehire any EOI program participants. Also, DAS and DOM were supposed to receive and review documentation and justification for requests to rehire program participants.

The need for rehiring program participants to complete work for State agencies eventually became less necessary and occurred less frequently. Work was either handled differently within State agencies or covered by refilling some positions and using existing staff to help complete the work. However, in some cases, approval was granted by DAS, DOM and the Governor's Office for certain individuals under special circumstances to return to work for State agencies.

Also, some State agencies ignored or were not aware of the required approval process for rehiring participants and went ahead and used participants under service contracts or rehired the individuals through employee leasing or temporary staffing companies without seeking approval of DAS, DOM and the Governor's Office. For example, no approval was obtained by Vocational Rehabilitation for entering into a service contract for client evaluation services with an EOI program participant.

Through inquiry of selected State agencies' management, we identified some inconsistencies in the process used to rehire EOI program participants. For example, some stated the rehiring rules and guidance were not consistently and fairly applied among State agencies. After rules and guidelines for rehiring participants were revised and better controlled, only a few State agencies were allowed to use program participants under certain circumstances while other State agencies' requests were denied. The denied State agencies believe requested use of participants would have been beneficial and cost effective as compared to other alternatives. Therefore, those State agencies questioned the fairness of approval of use of rehired participants.

Monitoring of rehired participants

DAS monitors use of EOI program participants rehired as temporary State employees by State agencies by tracking the number of hours temporary State employees work for State agencies. When the hours worked are within 100 of the 780 total hours allowed during a fiscal year, State agencies are notified by DAS.

While DAS does not allow temporary State employees to be paid for more than 780 hours during a fiscal year, they do not track and report the extent and details of rehired program participants and related costs incurred by State agencies. Also, it is possible participants may be rehired by State agencies for more than a year and may be functioning more as a permanent part-time employee rather than a temporary employee, which would violate program legislation. In addition, according to DAS personnel, the use of rehired participants by entering into service contracts and through employee leasing and temporary staffing companies is not monitored by DAS.

Rehires identified

Through review and analysis of information obtained from DAS, other State agencies and the State's information systems, we identified 19 rehires in addition to the 45 previously identified by DAS. The total cost associated with the 64 rehired individuals identified was \$1,670,067 from January 2002 through February 2006. However, we have no assurance we were able to identify all participants who were rehired.

The matching procedures we used to determine whether any participants were hired by State agencies as contractors would not have identified any participants hired under a business

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name or as subcontractors for a company doing business with the State. Our searches were limited to the use of the participants' names and social security numbers. Therefore, it is possible additional EOI program participants have entered into service contracts with State agencies and have not been identified.

We used information obtained from DAS as a starting point to identify examples of program participants rehired as temporary State employees, but the cost information in the DAS reports was not accurate, complete and reliable. Therefore, we used available databases to obtain relevant payroll information for the rehired participants, including hours worked and pay for each pay period worked for the participants identified as rehired.

Some State agencies, including DAS, Vocational Rehabilitation and the House of Representatives, have rehired EOI program participants as temporary State employees, through employee leasing companies or temporary staffing companies and entering into service contracts to provide a significant amount of services. Using participants on an on-going basis, year after year, as temporary State employees, through employee leasing or temporary staffing companies and by entering into service contracts does not comply with the authorizing legislation of the EOI programs. State agencies using rehired program participants may circumvent the intent of or not comply with legislation authorizing EOI programs and DAS guidelines if rehires are frequently used and hours worked by rehires exceed what is considered temporary.

Through inquiry of employees of selected State agencies and reviewing and analyzing relevant information, we identified participants were rehired more frequently and sometimes for longer durations during the early stages of the EOI programs. Approximately 73%, or 47 of 64, rehires worked for State agencies during fiscal years 2002 and 2003 only, at a total combined cost of \$933,280, or about 56% of the total cost of rehires. The remaining 17 of 64 worked for State agencies during fiscal year 2002 through February 2006 for varying time periods and were paid a combined total of \$736,787, or about 44% of the total cost of rehires.

According to State agency staff, rehiring participants was considered necessary to help keep certain State programs operating properly and to recover and transfer lost knowledge and expertise. **Table 17** summarizes the number and cost of rehires by EOI program.

Table 17

EOI Program	Number of Rehires	Cost	Percent of Total Rehires	Percent of Total Cost
1	48	\$ 955,464	75.0%	57.2%
2	8	504,863	12.5%	30.2%
3	8	209,740	12.5%	12.6%
Total	64	\$ 1,670,067	100.0%	100.0%

As illustrated by the **Table**, 75% of the rehires identified were EOI Program 1 participants and were paid a little more than 57% of the combined total paid to rehires. Cost of rehires for EOI Programs 2 and 3 each comprise 12.5% of total rehires. The total cost for 8 rehires from EOI Program 2 is more than double the total cost of rehiring 8 participants from EOI Program 3. The difference is primarily due to an EOI Program 2 participant being paid almost \$383,000 under a service contract entered into by Vocational Rehabilitation from October 2002 through February 2006. Rehiring decreased from 48 for EOI Program 1 to 8 rehires each for EOI Programs 2 and 3, partially due to DAS, DOM and the Governor's Office increasing control over rehiring program participants.

The 64 participants identified were rehired by State agencies as temporary State employees, through employee leasing and temporary staffing companies and by entering into service contracts. Of the 64 rehires, 45 were temporary State employees, 2 were rehired by entering into service contracts and 17 were leased employees or from temporary staffing companies.

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Table 18 summarizes the number and cost of program participants rehired by State agencies from fiscal year 2002 through February 2006.

Table 18

Rehire Type	Number of Rehires	Cost
Temporary State employees	45	\$ 605,350
Service Contracts	2	480,788
Employee Leasing or Temporary Staffing Company:		
Merit Resources	12	479,197
USA Staffing	3	97,435
Olsten Staffing Services	2	7,297
Total	64	\$ 1,670,067

We identified 12 EOI program participants rehired by State agencies through Merit Resources by matching records obtained from Merit Resources to a listing of all EOI program participants. However, similar information for Olsten Staffing Services and USA Staffing was not available upon request from DAS. Therefore, we were not able to perform a comprehensive comparison. However, we identified a few examples of rehires through USA Staffing and Olsten Staffing Services. It is possible State agencies rehired more program participants through USA Staffing and Olsten Staffing.

Schedule 4 includes a detailed listing of rehired individuals, including job titles, dates worked, number of hours worked and costs by type by program by State agency. Also, the **Schedule** compares the rate paid to rehired individuals to their pay rate when previously employed by the State. Relevant information for rehires of EOI Program 3 participants hired through USA Staffing by the State Fair Authority was previously reported in a separate audit report issued by our office. The State Fair Authority rehires worked a few months to help with duties and responsibilities related to the August 2004 State Fair.

Also, we identified an EOI Program 1 participant rehired as a permanent employee of Iowa State University (ISU). The former chief engineer and director of the Highway Division of the DOT retired under EOI Program 1 in December 2001 and was later hired in March 2002 by ISU under contract as Associate Director for the Center for Transportation Research and Education. Also, the participant serves in additional roles such as an adjunct instructor in civil, construction and environmental engineering and construction management and technology research. The participant’s contract has been renewed with ISU for the past five years while receiving retirement benefits under the EOI program. This violates legislation authorizing EOI Program 1. Only the Buy Out Program legislation includes an exception allowing the State Board of Regents to rehire program participants.

DAS became aware of the participant’s contract with ISU through communication received from the participant. The contractual arrangement was not identified as part of program monitoring completed by DAS. There are no procedures in place to ensure similar instances of rehiring are identified. However, when DAS became aware of the contractual relationship between the participant and ISU in February 2006, DAS worked with the Governor’s Office to arrive at an appropriate solution.

The Governor’s Office notified the President of ISU of the violation of the EOI program rules and suggested the employment status of the participant be reviewed. If further employment of the participant was desired by ISU, the complete repayment of EOI program benefits would be required to be paid back to the State. ISU has continued to employ the participant. As a result, a repayment agreement was entered into by the participant with the DOT, the former State agency employing the participant, to repay \$28,351.39 by May 31, 2007. The total amount agreed to was repaid to DOT by May 30, 2007.

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No other instances of EOI program participants being rehired by the State Board of Regents came to our attention. However, we did not perform matching procedures of State Board of Regents and State Universities' payroll records with EOI program participant listings to comprehensively identify additional rehiring of program participants by the State Board of Regents.

Comparison of rates paid to rehires to rates paid while previously employed by the State

We compared the rates paid to rehired EOI program participants just prior to leaving State employment under the programs to when rehired by State agencies. **Table 19** summarizes the comparison of rates paid to the identified rehired program participants and whether the rehires were paid at lower, higher, the same or essentially the same hourly rates as when previously employed by the State.

Table 19

Hourly rate paid to rehires versus rate paid while employed by the State was:	Quantity	Percent of Total	Difference in Hourly Rate Paid Range
Lower	28	43.7%	\$.31 to \$21.18 lower
Higher	20	31.2%	\$.18 to \$47.21 higher
Same	9	14.1%	-
Essentially the same	6	9.4%	\$0.08 lower to \$0.04 higher
Hourly rate not applicable for service contract *	1	1.6%	-
	<u>64</u>	<u>100.0%</u>	

* This is a unit-based service contract entered into by Vocational Rehabilitation with a participant.

As illustrated by the **Table**, approximately 31% of rehired EOI program participants were paid at higher rates per hour than when previously employed by the State, while almost 44% were paid at lower rates. The 20 rehires paid at higher hourly rates than when previously employed by the State consist of:

- 9 leased employees through Merit Resources,
- 1 temporary staff from Olsten Staffing Services,
- 9 temporary State employees and
- 1 subcontractor used by a service contractor under contract with DOT.

Some rehires functioned like permanent employees for State agencies

We analyzed the duration the rehired individuals were employed by State agencies and the number of hours worked to determine whether rehires were used more than what is considered to be temporary. While DAS allows State agencies to rehire EOI program participants as temporary State employees, the rehires are not supposed to work more than 780 hours during a fiscal year. According to a DAS policy memo, participants rehired through Olsten Staffing Services as temporary employees are also limited to 780 hours of work within a fiscal year. In addition, the service contract entered into by DAS with Merit Resources limits the duration leased employees, including rehired participants, may work for State agencies to not more than 18 months within a 24 month period.

The 64 rehires identified worked for State agencies for varying time periods during January 2002 through February 2006. Most of the rehired participants worked on a temporary basis, as allowed by EOI program legislation. However, in some instances rehires functioned more like permanent rather than temporary employees. Rehiring participants on an on-going basis and/or for long durations, regardless of rehiring method, does not comply with the authorizing legislation of the EOI programs and DAS guidelines may be

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circumvented. Also, while maximum hours allowed by DAS during each fiscal year may not have been exceeded, the cost incurred by State agencies was significant and in addition to incentive payouts made to those rehired participants.

Rehires who worked the most hours while employed by or provided significant unit-based services under contract with State agencies for varying time periods during January 2002 through February 2006 are summarized in **Table 20**.

Table 20

Rehire Type	Hiring Entity	Department/ State Agency	Job Title for rehired participant	Dates Worked/ Duration	Number of Hours Worked	Total Cost of Rehire *
Service contract	Yochum	Vocational Rehabilitation Services	Client Evaluator	10/21/02 - 2/28/06	unit of service	\$ 382,940
Leased employee	Merit Resources	Human Services - Clarinda MHI	Clinical Director	1/1/02 - 12/31/02	1,287	114,788
Service contract	Archon Technologies	Transportation	MVD Expert /Consultant	March 2002 - June 2003	1,359	97,848
Temporary	State	Revenue	Department Director/Chief Operating Officer	2/15/02 - 7/19/02, 7/19/02 - 12/5/02	1,901	90,118
Leased employee	Merit Resources	Administrative Services	Support Staff	10/14/04 - 10/21/05	2,222	72,146
Temporary	State	Administrative Services	Info Tech Admin 3	2/14/02 - 11/21/02	1,616	69,729
Leased employee	Merit Resources	Iowa Communications Network	System Design Engineer	1/1/02 - 12/31/02	1,343	64,226
Temporary	State	Iowa Communications Network	Exec Dir IA Telecom & Tech Comm.	2/1/02 - 7/4/02	1,174	54,685
Leased employee	Merit Resources	Iowa Workforce Development	Workforce Program Coordinator	1/1/02 - 12/31/03	1,352	49,303
Temporary	State	Veterans Affairs	Public Service Executive 6	2/15/02 - 2/13/03	797	38,137
Leased employee	Merit Resources	Public Defense	Executive Officer	1/1/02 - 12/31/03	841	35,111
Temporary	State	Human Services	Management Analyst 3	4/26/02 - 12/5/02	879	25,712
Temporary	State	House of Representatives of the General Assembly	Legislative staff	4/11/03 - 4/24/03, 1/2/04 - 4/22/04, 12/31/04 - 6/2/05, 12/30/05 - 2/23/06	1,238	18,320
Temporary	State	Iowa Workforce Development	Workforce Advisor	5/10/02 - 11/21/05	877	16,371
Temporary	State	Iowa Workforce Development	Workforce Advisor	5/10/02 - 12/5/02	923	15,004
Temporary	State	Agriculture & Land Stewardship	Meat Inspector	4/12/02 - 12/19/02	915	12,922
Temporary	State	Natural Resources	Natural Resources Aide	4/12/02 - 9/26/02	896	9,443
Total						<u>\$ 1,166,803</u>

* Includes State share of FICA

As illustrated by the **Table, 2** of the 3 highest paid rehires entered into service contracts with State agencies. The service contract with Archon Technologies was with a vendor that hired an EOI program participant. The other service contract was established directly with the EOI program participant.

Table 20 also illustrates 2 participants were rehired to fill in as Department Director/Chief Operating Officer while the other was an Information Technology Administrator. The 2 rehires worked 1,901 and 1,616 hours at a cost of \$90,118 and \$69,729, respectively. In addition, DAS rehired a participant who worked the most hours of the 64 identified. The individual was rehired as support staff at a cost of \$72,146 for 2,222 hours of work on the State's I/3 system.

Significant on-going services provided by rehired program participants

The highest paid rehire of the 17 listed in **Table 20** provides comprehensive client evaluation services under a service contract entered into with Vocational Rehabilitation. As of February 2006, a total of \$382,940 had been paid to the rehired EOI Program 2 participant for on-going services under the contract. The participant left State government under EOI Program 2 on August 15, 2002, but subsequently entered into the contract just a little more than a month later, in October 2002. The service contract was in effect through September 30, 2006.

Services provided under contract by the program participant are similar to the participant's responsibilities while previously employed by Vocational Rehabilitation. According to Vocational Rehabilitation staff, the contract includes federally required essential services that correlate with the program participant's expertise. **Table 21** summarizes cost of services provided under the contract as of February 2006 based on units of service completed.

Table 21	
Fiscal Year	Cost of Services
2003	\$ 67,875
2004	137,365
2005	113,260
2006	64,440
Total	<u>\$ 382,940</u>

The cost of the rehire under service contract was not comparable on an hourly rate basis since the cost of the contract is based on units of service provided. Therefore, we compared the cost of services provided by the rehired individual each fiscal year to their estimated salary while previously employed by Vocational Rehabilitation. The annual salary of the individual was about \$52,500 while employed by Vocational Rehabilitation, based on a bi-weekly salary of \$2,019.20 multiplied by 26 pay periods.

The rehired program participant has been paid more under the service contract during each complete fiscal year than the annual salary of the individual while previously employed by Vocational Rehabilitation. Also, the rehire was paid more under the contract than the previous annual salary of \$52,500 even for partial fiscal years 2003 and 2006, for 9 and 8 months, respectively. The State may be incurring more costs than necessary for the services.

Also, during a separate audit entitled, "A Review of Selected Service Contracts" of the DOT, we identified an EOI Program 1 participant providing services as a consultant by working as a subcontractor under a DOT service contract with Archon Technologies. From March 2002 through June 30, 2003, the DOT was billed \$97,848 for work completed by the program participant under the service contract with Archon Technologies. DOT incurred more cost for the services provided by the participant as a contractor than DOT incurred when the participant was an employee. In addition, we identified potential conflict of interest issues with the relationship. However, DOT Motor Vehicle Division staff believes the situation was appropriately addressed.

In addition, a rehired EOI program participant provided on-going services as a staff person for the House of Representatives. The rehired individual worked a total of 1,238 hours at a cost

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of \$18,320 during fiscal years 2003 through 2006. While the total hours worked and cost each fiscal year is relatively low, it appears the individual is acting more like a permanent part-time employee than a temporary State employee. If so, the House of Representatives is not in compliance with authorizing legislation for EOI Program 1.

Monitoring of rehires needs improvement

State agencies rehiring participants on an on-going basis and/or for long durations as State temporary employees, through employee leasing or temporary staffing companies and by entering into service contracts are not in compliance with authorizing legislation of the EOI programs and DAS guidelines may be circumvented.

State agencies should consistently inform DAS of their use of EOI program participants, whether they are rehired by entering into service contracts or through employee leasing or temporary staffing companies. DAS should establish a system to comprehensively monitor rehiring of EOI program participants, regardless of rehiring method.

Review of Compliance with Reporting Requirements

We reviewed the March 2002 interim report and the October 2002 “final report” prepared and submitted by DAS and DOM for reasonableness and verified information to supporting documentation. The reports appeared to be reasonable and appropriately supported. Also, the reports included estimated costs of refilling positions and rehiring participants. As of October 1, 2002, DAS and DOM reported a total estimated cost savings of \$41,096,914 resulting from EOI Programs 1 and 2 combined during fiscal years 2002 and 2003. The estimated total savings reported by DAS and DOM are summarized in **Table 22**.

Table 22

Fiscal Year	Estimated Savings		
	EOI Program		Total
	1	2	
2002	\$ 12,000,186	-	12,000,186
2003	23,415,304	5,681,424	29,096,728
Total	\$ 35,415,490	5,681,424	41,096,914

We estimate the total savings for EOI Programs 1 and 2 during fiscal years 2002 and 2003 to be approximately \$32.4 million, about \$8.7 million less than the DAS and DOM estimate.

Lack of compliance with reporting requirements

DAS and DOM have not complied with the reporting requirements contained in the EOI program legislation subsequent to the October 2002 report. We requested from DAS, DOM and LSA, but did not receive, any subsequent required annual updates and reports for the EOI programs that were supposed to be submitted by DAS and DOM to the General Assembly. According to DOM and DAS staff, additional reports or annual updates required by the authorizing legislation have been not completed since the October 1, 2002 report.

Upon further inquiry, administrative staff of DAS and DOM confirmed the required annual updates and reports have not been completed. Also, according to DOM staff, the annual reporting requirement apparently “fell through the cracks” while the Departments of General Services, Information Technology, Personnel and the State accounting section of Revenue and Finance were being reorganized into the new Department of Administrative Services. The departments have been renamed as General Services Enterprise, Information Technology Enterprise, Human Resources Enterprise and State Accounting Enterprise, respectively, within DAS.

Estimated Savings Methodology Differences

AOS - Our total estimated net savings of approximately \$131.9 million for the EOI programs combined is about \$68 million, or 33%, less than LSA's preliminary estimate of \$199.7 million and approximately \$133 million, or 50%, less than DOM's \$265 million estimated savings. Because we included costs of rehiring participants and refilling positions vacated by participants, our estimates were significantly different from those prepared by LSA and DOM. LSA and DOM generally did not include these costs, except for LSA's EOI Program 3 estimates. Future estimates of net savings from EOI programs and similar programs should account for the cost of rehiring program participants and refilling participant positions.

Our calculated estimated net savings include costs related to refilling positions vacated by participants during fiscal years 2002 through February 2006 and assume the status of the positions will be the same through August 2008. Also, our estimates are net of costs of rehiring participants. Additional costs, such as overtime and travel due to remaining employees completing responsibilities of vacating EOI program participants, have been incurred by State agencies but are not considered in the estimated net savings. It would require a significant amount of time to track all relevant costs for each State agency with program participants and the associated cost would be prohibitive.

LSA - The LSA preliminary combined estimate of \$199.7 million consists of \$166.9 million for EOI Program 1 during fiscal years 2002 through 2006 and \$32.8 million for EOI Program 3 during fiscal years 2005 through 2009, based on 699 and 344 most likely participants for EOI Programs 1 and 3, respectively. Preliminary estimated savings for EOI Programs 1 and 3 were calculated by LSA as required by Joint Rule 17 and the fiscal impact was presented to the General Assembly prior to the authorizing legislation being passed. Savings estimates for EOI Program 2 were not available when requested from LSA. Fiscal impact is required for all new programs. Since EOI Program 2 was an extension of EOI Program 1, fiscal impact may not have been required.

LSA included estimated costs of refilled positions for EOI Program 3 based on an assumption 75% of positions vacated by participants would be refilled, but LSA's preliminary estimate for EOI Program 1 did not account for costs for refilling positions.

DOM and DAS - DOM calculated some estimates of savings or cost avoidance anticipated based on 594 participants in EOI Program 1 and 269 participants in EOI Program 3, but did not account for costs of refilling positions and rehiring program participants while estimating savings. The information obtained from DOM included calculations of estimated savings for each fiscal year applicable to EOI Program 1. However, while payout information was available from DOM for 149 participants in EOI Program 2, savings estimates were not available from DOM for EOI Program 2 when requested.

Also, estimated savings calculations were not available from DOM when requested for fiscal years 2007, 2008 and 2009 for EOI Program 3. Therefore, in order to compare estimates on a comprehensive basis, we calculated estimates based on DOM's methodology to calculate available estimates to arrive at comparable estimates. DOM's methodology did not account for costs related to refilling positions and rehired participants.

DAS maintains actual payout information for the EOI programs and included savings estimates in the October 1, 2002 report prepared in conjunction with DOM and submitted to the General Assembly. However, no subsequent estimated savings calculations were available from DAS when requested.

Findings and Recommendations

We reviewed the Early Out Incentive (EOI) programs and Buy Out Program to determine whether the programs were appropriately administered, complied with program legislation and whether implementation of the programs resulted in savings for the State. As a result, we identified certain findings and recommendations relating to EOI programs and future similar programs that should be considered by the Departments of Administrative Services and Management.

FINDING 1 – Rehired Individuals

The authorizing legislation and DAS rules for each EOI program include restrictions on rehiring participants as permanent part-time or permanent full-time State employees. State agencies may rehire program participants on a temporary basis using methods allowed by DAS. Overall, we identified 64 program participants rehired by State agencies for varying periods during January 2002 through February 2006 at a total cost of \$1,670,067. Detailed results of our review of rehired EOI program participants are included in a previous section of this report and the most significant findings are summarized as follows.

Significant on-going services provided by rehired program participants

While most of the 64 EOI program participants rehired by State agencies were employed on a temporary basis, some provided significant on-going services. In those instances, the authorizing program legislation is not complied with and the intent of the program may be circumvented. For example:

- From October 2002 through February 2006, costs associated with hiring an EOI Program 2 participant for on-going services under a service contract entered into by Vocational Rehabilitation totaled \$382,940. The rehired individual has been paid more than any of the 64 rehires identified and has been paid more under contract each fiscal year than when previously employed. Also, the rehired participant appears to be acting similar to a permanent employee rather than a temporary employee. As a result, it appears Vocational Rehabilitation is circumventing the intent of the EOI program legislation.
- From March 2002 through June 30, 2003, the DOT was billed \$97,848 for work completed by an EOI Program 1 participant under a service contract with Archon Technologies. DOT incurred more cost for services provided by the individual on an annual basis as a contractor than DOT previously paid the individual when they were employed.
- An EOI Program 2 participant rehired by the House of Representatives worked 1,238 hours at a cost of \$18,320 during fiscal years 2003 through 2006. While the total hours worked and cost each fiscal year is relatively low, it appears the individual is acting as a permanent part-time employee rather than a temporary State employee.
- An EOI Program 1 participant was paid \$90,118 for 1,901 hours of work during fiscal years 2002 and 2003 as a temporary State employee to fill in as Department Director/Chief Operating Officer for the Department of Revenue.

Also, 2 of the EOI program participants rehired by DAS worked more hours than all but one of the 64 rehires identified. Costs incurred for these rehires were:

- \$69,729 for 1,616 hours of work during fiscal years 2002 and 2003 as an Information Technology Administrator and
- \$72,146 for 2,222 hours of support staff work on the State's I/3 system during fiscal years 2005 and 2006. The individual was rehired as a leased employee through Merit Resources and was approved by the Governor's Office.

20 rehired participants were paid at higher rates than when previously employed

Approximately 31%, or 20 of 64, of rehired EOI program participants were paid at higher rates per hour than when previously employed by the State, while almost 44% were paid at lower rates. The remainder were paid about the same. The 20 rehires paid at higher hourly rates than when previously employed by the State consist of:

- 9 leased employees through Merit Resources,
- 1 temporary staff from Olsten Staffing Services,
- 9 temporary State employees and
- 1 subcontractor used by a service contractor under contract with DOT.

Lack of compliance with authorizing legislation

State agencies obtaining services from participants on an on-going basis and/or for long durations as temporary State employees, through employee leasing or temporary staffing companies and by entering into service contracts, are not in compliance with the authorizing legislation of the EOI programs and DAS guidelines may be circumvented. Also, rehiring program participants results in increased costs to State agencies since they must pay for the rehired participant's work completed and EOI program incentive payouts.

Recommendation – State agencies should:

- Limit rehiring of EOI program and future similar program participants to circumstances where it is absolutely critical for continuation of State agencies' operations and to functions where the expertise and abilities are available only from the participant,
- Ensure the requirements of EOI program and future similar program legislation is strictly adhered to when rehiring participants, regardless of rehire type,
- Not allow program participants to be rehired and used by State agencies on an on-going basis, and
- Enhance monitoring and improve control over use of rehired program participants to ensure compliance with rehiring restrictions contained in the authorizing legislation.

FINDING 2 – Annual Reporting Requirements

DAS and DOM have not complied with the reporting requirements contained in the authorizing legislation of the EOI programs since October 2002. Subsequent annual updates for the 3 EOI programs and an interim report for EOI Program 3 were not available when requested from DAS, DOM and LSA. According to DAS and DOM staff, reports and annual updates required for the EOI programs have not been completed since the October 1, 2002 report. The requirement was not emphasized and carried forward by DAS while in the process of restructuring the department over the last few years.

Authorizing legislation for each EOI program requires DAS, in collaboration with DOM, to report annual updates to the General Assembly by October 1st of each year. The only 2 reports available when requested were the EOI Program 1 interim report and the EOI Programs 1 and 2 annual update report that were completed and submitted as required by March 15, 2002 and October 1, 2002. No significant detailed findings were identified during our review of supporting documentation and reasonableness of calculations. However, as mentioned in **Finding 4**, our estimated savings for EOI Programs 1 and 2, net of costs of refilling positions and rehiring participants for fiscal years 2002 and 2003 combined, are significantly less than the total reported by DAS and DOM in the October 2002 report.

Recommendation –

The Departments of Administrative Services and Management should implement a system and procedures to ensure compliance with the annual reporting requirements contained in the authorizing legislation for each EOI program and future similar programs.

FINDING 3 – Program Administration and Tracking Participant Positions

We identified some areas where improvements could be made by DAS to enhance monitoring and tracking of information related to rehired program participants and positions vacated by participants. Rules for rehiring EOI program participants were not consistently applied, positions vacated by participants are no longer tracked by DAS and monitoring of rehires needs improvement.

Rehiring rules not consistently applied

Rules and guidance provided by DAS for rehiring EOI program participants have changed over time. Initially, State agencies were allowed to rehire program participants as necessary to ensure programs and services would continue relatively smoothly without causing undue strain on existing staff. However, the rehiring process was later revised to a more controlled process requiring review and approval by DAS, DOM and the Governor's Office.

A few State agencies submitted requests for rehiring program participants under the revised process. Approval was granted by DAS, DOM and the Governor's Office for certain individuals under special circumstances to return to work for State agencies, but some rehiring requests were denied. Some State agencies with denied requests question the fairness of the rehire approval process.

Also, some State agencies rehired participants without seeking approval of DAS, DOM and the Governor's Office. For example, no approval was obtained by Vocational Rehabilitation for entering into the service contract for client evaluation services with an EOI Program 1 participant.

Positions vacated by EOI program participants are no longer tracked

According to DAS staff, positions vacated by EOI program participants are no longer tracked. Therefore, some of the information necessary to sufficiently complete reports required by legislation authorizing the programs is not being tracked by DAS.

Also, reports requested from DAS during our review and analyses of status of positions vacated by program participants were not accurate and complete. For example, the status of positions vacated by participants was reported by DAS as deleted or vacant for many positions while the positions have actually been refilled, reallocated or reclassified.

In many instances, the same basic positions were continued by State agencies funding them differently and revising the appropriation unit number within the position number. Those positions initially appeared to be deleted according to DAS information since the exact position number was no longer available on HRIS and was reported in position status reports by DAS as deleted.

Information regarding status of vacated positions is very difficult to identify and track through HRIS and DAS reports. We were able to eventually track the information through HRIS, but it was very cumbersome. The system for tracking EOI program participants and future similar program participants needs to be improved.

Monitoring of rehires needs improvement

DAS does not:

- Comprehensively track and report on extent and details of rehired program participants and related costs incurred by State agencies,
- Consistently monitor whether rehired participants are employed during multiple fiscal years. Under the current system, it is possible for rehired participants to be employed by State agencies over more than a fiscal year and function more like permanent part-time employees rather than temporary employees and
- Monitor State agencies' use of rehired participants through employee leasing and temporary staffing companies and by entering into service contracts.

Recommendation – DAS should:

- Consistently apply the rules for monitoring and approving rehires and ensure all State agencies are aware of the current rules for rehiring EOI program participants and participants in future similar programs,
- Develop a method to track all EOI program and future similar program participants' positions, including vacancies, reclassification, reallocations and deletions of positions in HRIS and maintain a clear audit trail for the historical information related to each position,
- Track and monitor all rehired EOI program and future similar program participants regardless of type, including participants rehired by entering into service contracts and temporary employee leasing and staffing companies. A monitoring process should be developed separately or within HRIS, if possible, and
- Ensure all EOI program participant rehires are approved by the Governor's Office, as requested by the Governor.

State agencies should consistently inform DAS of their use of EOI program participants if participants are rehired by entering into service contracts or if services are provided through employee leasing or temporary staffing companies.

FINDING 4 – Estimated Net Savings

We estimate the State will save approximately \$131.9 million from the 3 EOI programs combined during fiscal years 2002 through 2009. Our estimate includes costs of refilling positions vacated by participants and costs of rehiring participants, in addition to accounting for savings from vacant, deleted, reallocated and reclassified participant positions, while DOM and LSA generally did not. As a result, our total estimate is significantly less than the LSA and DOM estimates, about \$68 million, or 33%, less than LSA’s preliminary combined estimate of \$199.7 million and approximately \$133 million, or 50%, less than DOM’s \$265 million estimated savings.

Different assumptions and methodologies were used by LSA and DOM to estimate savings for the EOI programs at different times. Prior to program legislation being passed for each EOI program, LSA estimated a total of almost \$200 million would be saved for EOI Programs 1 and 3 combined. Estimated savings for EOI Program 2 was not available when requested from LSA. Also, the LSA estimate for EOI Program 1 did not account for costs of refilled positions and rehired participants, while the estimate for EOI Program 3 included an assumption 75% of positions vacated by participants would be refilled.

Information obtained from DOM included calculations of estimated savings for EOI Program 1, none for EOI Program 2 and only 2 fiscal years for EOI Program 3. Estimates of savings for EOI Program 2 were not provided by DOM when requested, but spreadsheets containing detailed data supporting calculations of EOI Program 2 participant payouts were available from DOM. Therefore, in order to comprehensively compare DOM estimates, we used DOM’s methodology documented in available information and additional information obtained from DOM to calculate estimated savings for EOI Program 2 and the other 3 fiscal years for EOI Program 3.

Also, DAS collaborated with DOM to estimate and report savings for EOI Programs 1 and 2 in October 2002 to the General Assembly, as required. The submitted report included a total estimated savings of approximately \$41.1 million for EOI Programs 1 and 2 combined during fiscal year 2002 and 2003. The total of our estimate for the 2 programs during the same fiscal years total approximately \$32.4 million, about \$8.7 million less than the estimate reported by DAS and DOM.

Recommendation –

The Departments of Administrative Services and Management should consistently include and report estimated costs of refilling positions vacated by EOI program participants, rehiring program participants and State agencies using program participants by entering into service contracts in calculating estimated net savings for EOI programs and future similar programs.

FINDING 5 – Approval of Benefit Calculations Not Consistently Documented

DAS rules require 2 signatures and/or initials indicating review and approval of calculation worksheets completed for the pay-out of leave balances to each EOI program participant. The calculation worksheet form clearly includes 2 lines for approval, 1 indicating approval by an appropriate DAS employee and the other indicating approval by an appropriate SAE employee. While no errors in the payout amount calculations were identified, we identified:

- 9 of 25 selected EOI Program 1 benefit calculation worksheets did not include documentation of review by a DAS employee assigned responsibility for review and
- 5 of 10 EOI Program 2 benefit calculation worksheets did not include evidence of review by a second DAS employee.

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However, all 10 EOI Program 3 benefit calculation worksheets reviewed were accurate, complete and appropriately approved.

Recommendation – DAS should ensure review and approval of any benefit payout calculations and related documentation for future similar programs are consistently completed and documented.

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Estimated Net Savings (Cost) by EOI Program by State Agency by Fiscal Year

EOI Program/State Agency	Number of Participants			
		2002	2003	2004
<u>EOI Program 1</u>				
Administrative Services	23	\$ 338,364.49	1,050,255.45	1,216,101.00
Agriculture and Land Stewardship	22	252,829.73	641,638.09	674,398.91
Attorney General	3	61,160.89	209,193.20	241,909.13
Auditor of State	1	5,479.98	13,473.79	13,512.46
Blind	3	27,661.79	63,638.33	63,863.58
Commerce	7	106,434.75	330,455.92	368,137.54
Corrections - Anamosa	10	123,293.45	357,293.60	383,485.81
Corrections - Clarinda	1	20,924.58	45,438.63	45,573.82
Corrections - Fort Dodge	5	82,548.03	241,616.57	250,219.32
Corrections - Fort Madison	3	8,686.04	59,732.77	83,947.14
Corrections - Mitchellville	2	14,062.94	31,254.11	43,550.17
Corrections - Mt. Pleasant	5	48,092.05	131,426.70	152,056.11
Corrections - Newton	3	36,751.66	87,438.31	111,546.54
Corrections - Oakdale	9	96,231.07	279,634.90	330,792.42
Corrections - Rockwell City	1	12,608.85	32,904.54	33,022.80
Cultural Affairs	1	4,516.22	12,200.09	12,247.37
Economic Development	2	12,768.20	62,345.33	136,766.25
Education	6	19,596.54	61,178.92	98,422.26
Ethics & Campaign Disclosure Board	1	16,419.90	45,973.88	46,109.73
Governor's Office of Drug Control Policy	1	(16,014.74)	661.94	1,651.34
Homeland Security & Emergency Management	2	18,391.00	53,834.26	53,994.83
Human Rights	1	20,540.47	47,935.43	50,899.18
Human Services	59	1,137,684.95	2,572,589.17	2,616,038.56
Human Services - Cherokee Mental Health Inst. (MHI)	6	97,854.50	230,523.19	245,321.79
Human Services - Clarinda MHI	5	(3,748.97)	70,628.67	128,582.14
Human Services - Glenwood Resource Center	13	112,952.70	264,796.09	311,787.47
Human Services - Independence MHI	10	223,300.32	498,964.87	500,377.20
Human Services - Mt. Pleasant MHI	5	95,124.85	252,918.22	280,116.68
Human Services - Training School - Eldora	3	47,167.39	103,818.15	104,123.98
Human Services - Woodward Resource Center	12	123,541.47	302,598.06	309,636.44
Inspections and Appeals	6	105,760.78	237,046.44	236,139.88
Inspections & Appeals - State Public Defender	2	12,858.89	46,800.77	123,531.07

Fiscal Year					Total Net Savings (Cost)
2005	2006	2007	2008	2009	after cost of rehires
1,221,646.33	(114,884.42)	-	-	-	3,711,482.85
718,808.70	(67,336.70)	-	-	-	2,220,338.73
241,099.90	(31,230.31)	-	-	-	722,132.81
13,473.79	1,434.39	-	-	-	47,374.41
63,638.33	(13,902.60)	-	-	-	204,899.43
366,934.31	(33,768.08)	-	-	-	1,138,194.44
382,231.11	(35,809.69)	-	-	-	1,210,494.28
45,438.63	2,524.94	-	-	-	159,900.60
249,439.81	(4,292.02)	-	-	-	819,531.71
83,811.89	(36,115.11)	-	-	-	200,062.73
43,406.19	(4,792.97)	-	-	-	127,480.44
151,567.45	(9,890.59)	-	-	-	473,251.72
167,757.78	5,361.32	-	-	-	408,855.61
329,704.56	(33,598.59)	-	-	-	1,002,764.36
32,904.54	(8,058.00)	-	-	-	103,382.73
12,200.09	(4,653.47)	-	-	-	36,510.30
140,350.67	(14,894.55)	-	-	-	337,335.90
99,550.29	(27,005.20)	-	-	-	251,742.81
45,973.88	3,005.77	-	-	-	157,483.16
1,634.42	(5,761.17)	-	-	-	(17,828.21)
53,834.26	2,793.61	-	-	-	182,847.96
50,750.42	3,902.20	-	-	-	174,027.70
2,645,149.76	(80,592.61)	-	-	-	8,890,869.83
244,579.28	6,385.43	-	-	-	824,664.19
128,022.83	(79,514.99)	-	-	-	243,969.68
325,061.39	(41,937.71)	-	-	-	972,659.94
498,826.13	(4,804.47)	-	-	-	1,716,664.05
279,304.96	24,870.01	-	-	-	932,334.72
103,818.15	7,246.89	-	-	-	366,174.56
340,378.96	(47,126.40)	-	-	-	1,029,028.53
235,412.95	194.09	-	-	-	814,554.14
123,169.21	9,070.82	-	-	-	315,430.76

A Review of Early Out Incentive Programs
Estimated Net Savings (Cost) by EOI Program by State Agency by Fiscal Year

EOI Program/State Agency	Number of Participants	2002			2003			2004		
Iowa Communications Network	4	(5,230.47)	165,469.19	201,752.25						
Iowa Lottery	3	35,986.80	84,844.73	85,109.67						
Iowa Public Television	4	53,378.47	234,916.34	236,999.35						
Iowa Workforce Development	57	642,258.23	1,924,522.14	2,326,794.04						
Judicial District 1	2	2,699.32	38,741.62	87,940.79						
Judicial District 2	1	5,282.69	16,271.32	25,133.41						
Judicial District 5	2	48,171.82	112,479.44	112,819.62						
Judicial District 6	1	38,846.48	47,019.55	47,151.79						
Judicial District 7	3	68,075.13	158,966.26	159,476.78						
Judicial District 8	1	389.41	5,844.96	5,892.34						
Law Enforcement Academy	1	2,445.09	10,500.69	10,550.68						
Legislative Agencies	3	13,428.27	220,635.89	215,679.50						
Management	3	76,885.53	184,862.96	251,749.95						
Natural Resources	23	175,826.67	651,165.84	734,986.30						
Public Defense	4	68,357.90	154,592.13	163,917.42						
Public Health	8	167,854.47	464,440.57	500,849.62						
Public Safety	11	185,050.71	438,850.81	440,327.80						
Revenue	29	429,272.12	1,080,623.42	1,227,226.65						
Secretary of State	2	47,119.08	109,419.92	109,765.65						
State Fair Authority	2	71,913.69	180,911.50	181,473.90						
Transportation	178	2,024,970.15	6,376,855.98	6,780,548.98						
Veteran's Home	15	150,443.08	499,950.62	632,152.16						
Vocational Rehabilitation Services	7	86,353.39	282,554.26	348,999.77						
Subtotal for EOI Program 1	597	7,653,622.80	21,884,648.53	24,155,161.34						
EOI Program 2										
Administrative Services	3	-	120,055.79	122,845.63						
Agriculture and Land Stewardship	3	-	40,599.10	61,166.11						
Blind	1	-	9,745.08	15,597.51						
Commerce	3	-	74,705.83	116,359.33						
Corrections - Anamosa	5	-	49,447.18	100,039.93						
Corrections - Clarinda	2	-	30,968.21	42,431.30						
Corrections - Mt. Pleasant	2	-	82,412.28	99,200.85						
Corrections - Oakdale	5	-	28,859.84	181,234.31						
Corrections - Rockwell City	2	-	43,646.04	55,993.34						

Fiscal Year					Total Net Savings (Cost)
2005	2006	2007	2008	2009	After Cost of Rehires
201,050.94	(38,910.53)	-	-	-	524,131.38
84,844.73	(1,362.06)	-	-	-	289,423.87
236,176.48	(45,240.96)	-	-	-	716,229.68
2,615,893.11	(167,822.97)	-	-	-	7,341,644.55
130,508.15	(10,395.70)	-	-	-	249,494.18
25,038.12	(8,706.67)	-	-	-	63,018.87
112,479.44	3,569.63	-	-	-	389,519.95
47,019.55	6,326.26	-	-	-	186,363.63
158,966.26	(9,406.85)	-	-	-	536,077.58
5,844.96	(14,236.12)	-	-	-	3,735.55
10,501.66	(8,048.36)	-	-	-	25,949.76
212,344.98	(24,882.64)	-	-	-	637,206.00
276,613.88	(4,090.91)	-	-	-	786,021.41
732,040.95	(236,099.22)	-	-	-	2,057,920.54
172,147.47	(7,646.81)	-	-	-	551,368.11
499,174.13	(64,691.83)	-	-	-	1,567,626.96
468,118.95	(42,627.01)	-	-	-	1,489,721.26
1,223,214.31	(113,189.66)	-	-	-	3,847,146.84
109,419.92	(3,722.15)	-	-	-	372,002.42
180,911.50	(1,677.64)	-	-	-	613,532.95
6,772,312.09	(954,928.00)	-	-	-	20,999,759.20
671,646.95	(17,242.57)	-	-	-	1,936,950.24
347,933.17	4,064.45	-	-	-	1,069,905.04
24,734,082.67	(2,394,148.50)	-	-	-	76,033,366.84
123,229.36	122,845.63	15,182.95	-	-	504,159.36
61,372.20	61,166.11	5,749.24	-	-	230,052.76
15,657.26	15,597.51	599.76	-	-	57,197.12
121,151.31	120,727.23	9,261.71	-	-	442,205.41
106,463.74	106,193.86	8,720.66	-	-	370,865.37
42,576.26	42,431.30	3,748.08	-	-	162,155.15
99,491.40	99,200.85	14,590.02	-	-	394,895.40
151,452.01	184,832.03	10,387.87	-	-	556,766.06
56,192.38	55,993.34	4,012.11	-	-	215,837.21

A Review of Early Out Incentive Programs
Estimated Net Savings (Cost) by EOI Program by State Agency by Fiscal Year

EOI Program/State Agency	Number of Participants			
		2002	2003	2004
Corrections - Industries	1	-	7,036.95	28,741.07
Cultural Affairs	3	-	95,115.76	117,585.20
Economic Development	3	-	19,609.50	79,008.37
Education	1	-	(7,784.75)	(1,511.84)
Governor's Office	1	-	50,674.87	61,993.29
Human Services	18	-	530,834.94	687,171.77
Human Services - Cherokee MHI	3	-	144,565.57	163,393.42
Human Services - Glenwood Resource Center	6	-	96,812.63	136,261.53
Human Services - Independence MHI	6	-	89,919.35	119,288.89
Human Services - Juvenile Home - Toledo	2	-	37,904.12	63,529.97
Human Services - Mt. Pleasant MHI	1	-	9,186.19	10,200.16
Human Services - Woodward Resource Center	2	-	20,809.22	28,604.44
Inspections and Appeals	3	-	76,296.88	104,625.28
Inspections and Appeals - State Public Defender	1	-	(2,244.72)	10,096.89
Iowa Finance Authority	1	-	(33,667.89)	65,830.72
Iowa Public Television	1	-	47,479.32	53,844.75
Iowa Workforce Development	5	-	117,966.87	171,872.55
Judicial District 1	1	-	(10,585.17)	(1,740.51)
Judicial District 2	1	-	19,231.02	23,215.83
Judicial District 5	1	-	40,137.27	49,547.55
Judicial District 6	1	-	(249.72)	2,426.37
Law Enforcement Academy	1	-	49,676.29	56,618.24
Legislative Agencies	1	-	80,588.78	87,284.49
Natural Resources	5	-	126,176.30	166,413.55
Public Defense	1	-	(1,720.06)	303.09
Public Health	3	-	112,075.13	134,761.36
Public Safety	3	-	13,208.23	102,337.10
Revenue	5	-	157,959.96	225,479.48
Transportation	36	-	457,953.48	831,674.73
Veteran's Home	3	-	50,027.88	93,521.85
Vocational Rehabilitation Services	4	-	(19,835.52)	43,642.01
Subtotal for EOI Program 2	150	-	2,855,598.03	4,510,889.91

Fiscal Year					Total Net Savings (Cost)
2005	2006	2007	2008	2009	After Cost of Rehires
32,695.52	32,632.88	4,124.24	-	-	105,230.66
117,960.90	117,585.20	13,520.92	-	-	461,767.98
87,819.72	87,518.93	7,513.74	-	-	281,470.26
7,711.03	7,663.70	(1,871.30)	-	-	4,206.84
62,193.36	61,993.29	6,888.06	-	-	243,742.87
752,945.71	796,371.47	104,201.07	-	-	2,871,524.96
163,881.58	163,393.42	22,873.65	-	-	658,107.64
140,415.60	140,478.34	15,153.56	-	-	529,121.66
119,696.23	119,288.89	10,560.08	-	-	458,753.44
87,003.29	90,153.97	10,314.49	-	-	288,905.84
10,232.26	10,200.16	1,232.65	-	-	41,051.42
28,701.15	28,604.44	2,649.10	-	-	109,368.35
104,953.45	104,625.28	12,768.76	-	-	403,269.65
10,172.99	10,096.89	(4,122.26)	-	-	23,999.79
66,072.45	65,830.72	3,786.91	-	-	167,852.91
54,019.49	53,844.75	5,866.31	-	-	215,054.62
180,352.84	183,373.51	19,034.24	-	-	672,600.01
(1,705.61)	(1,740.51)	(5,101.40)	-	-	(20,873.20)
23,283.69	23,215.83	3,430.22	-	-	92,376.59
49,697.15	49,547.55	6,747.09	-	-	195,676.61
2,442.39	2,426.37	(717.19)	-	-	6,328.22
56,783.35	56,618.24	8,413.32	-	-	228,109.44
87,548.74	87,284.49	11,801.17	-	-	354,507.67
166,971.14	166,413.55	16,017.10	-	-	641,991.64
312.24	303.09	(950.45)	-	-	(1,752.09)
135,171.71	134,761.36	17,933.17	-	-	534,702.73
115,366.84	203,533.84	22,837.63	-	-	457,283.64
237,369.21	239,332.04	24,350.91	-	-	884,491.60
835,458.13	832,481.74	52,955.29	-	-	3,010,523.37
101,838.50	123,642.70	14,289.69	-	-	383,320.62
68,389.55	116,567.01	13,077.32	-	-	221,840.37
4,683,340.52	4,917,031.00	491,830.49	-	-	17,458,689.95

A Review of Early Out Incentive Programs
 Estimated Net Savings (Cost) by EOI Program by State Agency by Fiscal Year

EOI Program/State Agency	Number of Participants	2002	2003	2004
EOI Program 3				
Administrative Services	7	-	-	-
Agriculture and Land Stewardship	5	-	-	-
Attorney General	1	-	-	-
Auditor of State	1	-	-	-
Civil Rights Commission	2	-	-	-
Commerce	2	-	-	-
Corrections - Anamosa	7	-	-	-
Corrections - Clarinda	1	-	-	-
Corrections - Fort Dodge	1	-	-	-
Corrections - Fort Madison	3	-	-	-
Corrections - Mt. Pleasant	5	-	-	-
Corrections - Newton	1	-	-	-
Corrections - Oakdale	13	-	-	-
Corrections - Industries	1	-	-	-
Economic Development	1	-	-	-
Education	6	-	-	-
Human Services	25	-	-	-
Human Services - Cherokee MHI	8	-	-	-
Human Services - Glenwood Resource Center	12	-	-	-
Human Services - Juvenile Home - Toledo	3	-	-	-
Human Services - Woodward Resource Center	4	-	-	-
Inspections and Appeals	1	-	-	-
Iowa Lottery	1	-	-	-
Iowa Public Employees' Retirement System	4	-	-	-
Iowa Public Television	2	-	-	-
Iowa Workforce Development	29	-	-	-
Judicial District 2	1	-	-	-
Judicial District 4	1	-	-	-
Judicial District 5	4	-	-	-
Judicial District 7	2	-	-	-
Management	1	-	-	-

Fiscal Year					Total Net Savings (Cost)
2005	2006	2007	2008	2009	After Cost of Rehires
180,115.66	271,838.01	297,913.15	296,965.04	34,234.94	1,081,066.80
102,106.72	136,430.86	136,867.12	136,430.86	15,646.09	527,481.65
5,296.05	7,350.07	7,380.14	7,350.07	51.14	27,427.47
18,848.26	34,597.53	34,698.84	34,597.53	5,090.51	127,832.67
14,260.91	53,084.86	90,717.61	90,432.06	10,806.54	259,301.98
79,329.18	104,219.49	119,779.69	119,415.78	15,856.91	438,601.05
101,928.86	159,198.14	159,712.22	159,198.14	17,651.52	597,688.88
43,439.54	45,436.98	45,568.10	45,436.98	6,918.66	186,800.26
29,981.72	33,245.44	33,339.46	33,245.44	5,292.62	135,104.68
125,604.44	144,629.12	145,060.34	144,629.12	20,351.86	580,274.88
146,205.90	216,792.40	221,369.30	220,699.80	29,675.37	834,742.77
46,759.21	50,512.91	50,659.80	50,512.91	7,556.59	206,001.42
255,758.12	511,982.08	519,965.69	518,341.90	63,503.83	1,869,551.62
41,916.03	54,254.30	54,434.92	54,254.30	5,362.47	210,222.02
15,137.69	63,673.90	65,427.08	65,241.32	10,236.60	219,716.59
191,950.06	267,302.59	268,153.14	267,302.59	31,159.54	1,025,867.92
538,072.71	613,421.01	636,797.43	634,696.02	64,127.70	2,487,114.87
232,606.34	343,331.28	345,673.22	344,650.39	49,073.87	1,315,335.10
327,847.82	543,822.25	578,512.96	576,732.09	73,772.27	2,100,687.39
118,365.76	139,099.87	139,500.80	139,099.87	21,237.21	557,303.51
42,131.87	53,381.64	53,557.73	53,381.64	5,470.82	207,923.70
18,830.71	22,492.46	22,562.95	22,492.46	2,752.56	89,131.14
9,965.66	12,029.32	12,067.52	12,029.32	1,412.11	47,503.93
124,442.25	193,302.32	199,697.36	199,087.95	26,110.26	742,640.14
76,623.53	119,100.29	119,482.51	119,100.29	13,491.93	447,798.55
1,034,767.26	1,346,126.72	1,355,673.01	1,351,485.55	171,153.13	5,259,205.67
56,235.66	64,021.19	64,208.46	64,021.19	9,443.85	257,930.35
12,755.19	41,919.70	59,078.71	58,903.00	8,279.02	180,935.62
177,616.22	209,261.52	209,899.96	209,261.52	27,699.01	833,738.23
29,836.90	37,242.68	37,363.70	37,242.68	4,037.89	145,723.85
73,424.05	80,907.09	81,148.59	80,907.09	11,353.50	327,740.32

A Review of Early Out Incentive Programs
 Estimated Net Savings (Cost) by EOI Program by State Agency by Fiscal Year

EOI Program/State Agency	Number of Participants			
		2002	2003	2004
Natural Resources	14	-	-	-
Public Defense	5	-	-	-
Public Health	6	-	-	-
Public Safety	2	-	-	-
Revenue	8	-	-	-
State Fair Authority	3	-	-	-
Transportation	64	-	-	-
Treasurer of State	1	-	-	-
Veteran's Home	10	-	-	-
Vocational Rehabilitation Services	4	-	-	-
Subtotal for EOI Program 3	272	-	-	-
Total	1,019	\$7,653,622.80	24,740,246.56	28,666,051.25

Fiscal Year					Total Net Savings (Cost) After Cost of Rehires
2005	2006	2007	2008	2009	
271,439.55	402,874.59	404,332.28	402,874.59	25,786.41	1,507,307.42
86,562.72	102,326.91	102,651.40	102,326.91	12,062.29	405,930.23
226,496.39	281,705.58	282,600.83	281,705.57	32,975.03	1,105,483.40
(7,038.98)	56,255.67	56,481.72	56,255.67	889.14	162,843.22
198,943.40	289,027.29	292,537.25	291,578.20	30,223.08	1,102,309.22
(38,533.96)	94,607.57	94,975.68	94,607.58	2,946.01	248,602.88
1,656,172.54	2,459,667.87	2,467,677.99	2,459,667.87	264,652.00	9,307,838.27
27,766.38	87,675.76	87,942.14	87,675.76	11,739.35	302,799.39
170,411.97	193,469.74	194,086.12	193,469.74	22,461.10	773,898.67
28,708.25	50,569.76	50,796.85	50,569.76	(2,078.79)	178,565.83
6,893,088.54	9,992,188.76	10,200,353.77	10,167,876.55	1,170,465.94	38,423,973.56
36,310,511.73	12,515,071.26	10,692,184.26	10,167,876.55	1,170,465.94	131,916,030.35

A Review of Early Out Incentive Programs
Estimated Net Savings (Cost)
by EOI Program by State Agency by Replacement Level

EOI Program/State Agency	Estimated Savings (Cost) by Replacement Level		
	Level 1	Level 2	Level 3
EOI Program 1			
Administrative Services	\$ 3,912,613.02	863,855.61	227,250.14
Agriculture and Land Stewardship	2,497,627.15	463,632.20	-
Attorney General	709,586.40	283,887.78	-
Auditor of State	50,585.81	-	-
Blind	297,793.63	-	-
Commerce	1,181,818.78	177,657.11	139,946.86
Corrections - Anamosa	1,312,368.15	242,947.53	40,349.82
Corrections - Clarinda	21,294.00	(32,067.41)	190,196.07
Corrections - Fort Dodge	522,739.71	472,197.31	-
Corrections - Fort Madison	289,501.73	72,143.68	39,071.91
Corrections - Mitchellville	188,270.97	-	-
Corrections - Mt. Pleasant	536,598.72	70,610.19	-
Corrections - Newton	369,340.59	131,686.24	-
Corrections - Oakdale	1,137,225.24	169,834.56	35,503.65
Corrections - Rockwell City	154,682.92	-	-
Cultural Affairs	61,792.72	-	-
Economic Development	222,087.90	243,911.62	16,941.49
Education	277,362.46	75,252.02	64,205.65
Ethics & Campaign Disclosure Board	(9,956.65)	185,496.20	-
Governor's Office of Drug Control Policy	22,126.91	-	-
Homeland Security & Emergency Management	150,785.08	55,935.66	-
Human Rights	194,579.34	-	-
Human Services	9,563,623.96	1,349,973.46	5,868.75
Human Services - Cherokee Mental Health Inst. (MHI)	894,824.69	62,004.48	-
Human Services - Clarinda MHI	739,412.46	-	-
Human Services - Glenwood Resource Center	1,221,293.59	116,567.94	-
Human Services - Independence MHI	2,053,094.59	-	-
Human Services - Mt. Pleasant MHI	833,160.46	57,627.08	126,401.54
Human Services - Training School - Eldora	405,222.93	-	-
Human Services - Woodward Resource Center	1,299,126.69	18,107.47	121,988.41
Inspections & Appeals - State Public Defender	106,075.63	274,913.86	(21,010.38)
Inspections and Appeals	970,802.30	(6,662.90)	-
Iowa Communications Network	918,798.54	-	-

Total Combined Estimated Savings	Total Payout Costs	Total Rehire Costs	Total Net Savings (Cost) - All Levels Combined
5,003,718.77	1,210,975.95	81,259.97	3,711,482.85
2,961,259.35	727,998.31	12,922.31	2,220,338.73
993,474.18	271,341.37	-	722,132.81
50,585.81	3,211.40	-	47,374.41
297,793.63	92,894.20	-	204,899.43
1,499,422.75	361,228.31	-	1,138,194.44
1,595,665.50	378,670.24	6,500.98	1,210,494.28
179,422.66	19,522.06	-	159,900.60
994,937.02	175,405.31	-	819,531.71
400,717.32	189,272.23	11,382.36	200,062.73
188,270.97	45,732.45	15,058.08	127,480.44
607,208.91	133,957.19	-	473,251.72
501,026.83	92,171.22	-	408,855.61
1,342,563.45	336,820.41	2,978.68	1,002,764.36
154,682.92	51,300.19	-	103,382.73
61,792.72	25,282.42	-	36,510.30
482,941.01	145,605.11	-	337,335.90
416,820.13	165,077.32	-	251,742.81
175,539.55	18,056.39	-	157,483.16
22,126.91	22,699.90	17,255.22	(17,828.21)
206,720.74	23,872.78	-	182,847.96
194,579.34	17,736.59	2,815.05	174,027.70
10,919,466.17	1,998,128.16	30,468.18	8,890,869.83
956,829.17	132,164.98	-	824,664.19
739,412.46	380,654.07	114,788.71	243,969.68
1,337,861.53	365,201.59	-	972,659.94
2,053,094.59	336,430.54	-	1,716,664.05
1,017,189.08	84,854.36	-	932,334.72
405,222.93	39,048.37	-	366,174.56
1,439,222.57	398,244.51	11,949.53	1,029,028.53
359,979.11	44,548.35	-	315,430.76
964,139.40	149,585.26	-	814,554.14
918,798.54	274,639.47	120,027.69	524,131.38

A Review of Early Out Incentive Programs
Estimated Net Savings (Cost)
by EOI Program by State Agency by Replacement Level

EOI Program/State Agency	Estimated Savings (Cost) by Replacement Level		
	Level 1	Level 2	Level 3
Iowa Lottery	334,797.30	13,921.29	-
Iowa Public Television	746,505.62	290,587.84	-
Iowa Workforce Development	6,213,522.17	2,767,183.48	842,111.88
Judicial District 1	106,339.74	109,183.40	156,380.23
Judicial District 2	88,545.25	(3,895.18)	27,084.57
Judicial District 5	447,937.85	-	-
Judicial District 6	(15,535.07)	208,141.03	-
Judicial District 7	672,940.68	-	-
Judicial District 8	17,178.65	43,802.79	-
Law Enforcement Academy	(15,196.64)	20,023.35	58,082.45
Legislative Agencies	632,122.20	243,890.23	-
Management	838,673.25	150,147.97	-
Natural Resources	1,982,780.55	946,312.32	500,179.82
Public Defense	341,059.49	195,684.13	188,398.72
Public Health	1,999,755.37	187,610.33	-
Public Safety	1,317,829.84	499,851.74	176,740.05
Revenue	4,938,597.75	224,363.90	-
Secretary of State	455,860.45	-	-
State Fair Authority	390,198.88	345,155.42	-
Transportation	19,578,101.35	6,517,859.93	2,924,596.66
Veteran's Home	1,681,035.99	400,278.21	421,492.80
Vocational Rehabilitation Services	528,280.50	748,506.90	-
Subtotal for EOI Program 1	76,387,591.59	19,258,120.77	6,281,781.09
EOI Program 2			
Administrative Services	47,637.94	130,910.85	412,419.93
Agriculture and Land Stewardship	257,193.09	43,142.48	-
Blind	88,239.84	-	-
Commerce	228,657.99	388,228.51	-
Corrections - Anamosa	384,734.95	41,240.77	86,009.66
Corrections - Clarinda	214,549.05	-	-
Corrections - Mt. Pleasant	429,131.43	-	-
Corrections - Oakdale	905,345.89	6,627.43	-
Corrections - Rockwell City	299,121.95	-	-
Corrections Industries	55,057.69	30,971.61	40,690.57
Cultural Affairs	436,162.09	123,329.91	-

Total Combined Estimated Savings	Total Payout Costs	Total Rehire Costs	Total Net Savings (Cost) - All Levels Combined
348,718.59	59,294.72	-	289,423.87
1,037,093.46	320,863.78	-	716,229.68
9,822,817.53	2,374,412.49	106,760.49	7,341,644.55
371,903.37	122,409.19	-	249,494.18
111,734.64	48,715.77	-	63,018.87
447,937.85	58,417.90	-	389,519.95
192,605.96	6,242.33	-	186,363.63
672,940.68	136,863.10	-	536,077.58
60,981.44	57,245.89	-	3,735.55
62,909.16	36,959.40	-	25,949.76
876,012.43	220,486.55	18,319.88	637,206.00
988,821.22	192,000.36	10,799.45	786,021.41
3,429,272.69	1,354,920.45	16,431.70	2,057,920.54
725,142.34	138,663.55	35,110.68	551,368.11
2,187,365.70	561,908.70	57,830.04	1,567,626.96
1,994,421.63	501,246.96	3,453.41	1,489,721.26
5,162,961.65	1,206,494.08	109,320.73	3,847,146.84
455,860.45	83,858.03	-	372,002.42
735,354.30	121,821.35	-	613,532.95
29,020,557.94	7,922,950.74	97,848.00	20,999,759.20
2,502,807.00	493,673.13	72,183.63	1,936,950.24
1,276,787.40	206,882.36	-	1,069,905.04
101,927,493.45	24,938,661.84	955,464.77	76,033,366.84
590,968.72	86,084.88	724.48	504,159.36
300,335.57	70,282.81	-	230,052.76
88,239.84	31,042.72	-	57,197.12
616,886.50	170,313.73	4,367.36	442,205.41
511,985.38	141,120.01	-	370,865.37
214,549.05	52,393.90	-	162,155.15
429,131.43	34,236.03	-	394,895.40
911,973.32	322,626.99	32,580.27	556,766.06
299,121.95	83,284.74	-	215,837.21
126,719.87	21,489.21	-	105,230.66
559,492.00	97,724.02	-	461,767.98

A Review of Early Out Incentive Programs
Estimated Net Savings (Cost)
by EOI Program by State Agency by Replacement Level

EOI Program/State Agency	Estimated Savings (Cost) by Replacement Level		
	Level 1	Level 2	Level 3
Economic Development	147,035.19	230,012.94	32,798.74
Education	70,615.42	-	-
Governor's Office	298,906.30	-	-
Human Services	2,692,162.44	656,550.23	43,411.11
Human Services - Cherokee MHI	732,029.06	-	-
Human Services - Glenwood Resource Center	561,725.68	90,645.93	8,641.57
Human Services - Independence MHI	605,702.83	-	-
Human Services - Juvenile Home - Toledo	197,245.35	165,027.42	3,890.92
Human Services - Mt. Pleasant MHI	48,623.49	-	-
Human Services - Woodward Resource Center	142,835.49	-	-
Inspections and Appeals	286,200.04	192,843.39	-
Inspections and Appeals - State Public Defender	112,407.48	-	-
Iowa Finance Authority	(12,873.70)	39,020.21	289,840.29
Iowa Public Television	264,729.82	-	-
Iowa Workforce Development	637,944.44	196,763.78	21,363.41
Judicial District 1	51,545.73	-	-
Judicial District 2	97,223.67	2,926.75	-
Judicial District 5	220,960.68	-	-
Judicial District 6	1,419.12	22,013.38	-
Law Enforcement Academy	246,344.70	-	-
Legislative Agencies	400,325.51	-	-
Natural Resources	797,726.54	29,800.52	-
Public Defense	7,634.88	5,787.59	-
Public Health	609,789.53	-	-
Public Safety	283,928.00	240,537.68	110,550.94
Revenue	1,117,555.50	18,862.91	8,479.37
Transportation	2,666,927.64	1,046,076.46	637,154.19
Veteran's Home	321,679.20	91,105.79	72,199.97
Vocational Rehabilitation Services	579,689.82	67,675.10	260,397.26
Subtotal for EOI Program 2	17,533,871.76	3,860,101.64	2,027,847.93

Total Combined Estimated Savings	Total Payout Costs	Total Rehire Costs	Total Net Savings (Cost) - All Levels Combined
409,846.87	111,355.09	17,021.52	281,470.26
70,615.42	48,057.10	18,351.48	4,206.84
298,906.30	55,163.43	-	243,742.87
3,392,123.78	520,598.82	-	2,871,524.96
732,029.06	73,921.42	-	658,107.64
661,013.18	131,891.52	-	529,121.66
605,702.83	146,949.39	-	458,753.44
366,163.69	77,257.85	-	288,905.84
48,623.49	7,572.07	-	41,051.42
142,835.49	33,467.14	-	109,368.35
479,043.43	75,773.78	-	403,269.65
112,407.48	88,407.69	-	23,999.79
315,986.80	112,003.32	36,130.57	167,852.91
264,729.82	49,675.20	-	215,054.62
856,071.63	183,471.62	-	672,600.01
51,545.73	72,418.93	-	(20,873.20)
100,150.42	7,773.83	-	92,376.59
220,960.68	25,284.07	-	195,676.61
23,432.50	17,104.28	-	6,328.22
246,344.70	18,235.26	-	228,109.44
400,325.51	45,817.84	-	354,507.67
827,527.06	185,535.42	-	641,991.64
13,422.47	15,174.56	-	(1,752.09)
609,789.53	75,086.80	-	534,702.73
635,016.62	177,732.98	-	457,283.64
1,144,897.78	246,909.02	13,497.16	884,491.60
4,350,158.29	1,339,634.92	-	3,010,523.37
484,984.96	101,664.34	-	383,320.62
907,762.18	267,601.09	418,320.72	221,840.37
23,421,821.33	5,422,137.82	540,993.56	17,458,689.95

A Review of Early Out Incentive Programs
Estimated Net Savings (Cost)
by EOI Program by State Agency by Replacement Level

EOI Program/State Agency	Estimated Savings (Cost) by Replacement Level		
	Level 1	Level 2	Level 3
EOI Program 3			
Administrative Services	1,169,809.94	180,315.61	48,567.47
Agriculture and Land Stewardship	584,043.99	57,458.03	-
Attorney General	45,561.74	-	-
Auditor of State	17,509.13	70,404.88	51,827.73
Civil Rights Commission	160,661.46	167,619.88	-
Commerce	424,691.35	80,963.87	-
Corrections - Anamosa	581,135.69	158,772.16	-
Corrections - Clarinda	198,907.49	-	-
Corrections - Fort Dodge	140,474.38	-	-
Corrections - Fort Madison	644,116.21	-	-
Corrections - Mt. Pleasant	800,959.14	152,119.02	-
Corrections - Newton	221,505.39	-	-
Corrections - Oakdale	1,410,572.80	394,152.90	436,539.68
Corrections Industries	268,581.62	-	-
Economic Development	80,427.84	32,656.58	119,437.24
Education	750,478.62	432,116.21	59,021.06
Human Services	1,660,887.02	901,086.74	586,740.19
Human Services - Cherokee MHI	626,557.44	190,338.82	641,856.18
Human Services - Glenwood Resource Center	1,567,325.62	696,451.31	203,321.60
Human Services - Juvenile Home - Toledo	432,356.09	161,155.51	-
Human Services - Woodward Resource Center	262,397.33	-	-
Inspections and Appeals	105,307.41	-	-
Iowa Lottery	57,063.90	-	-
Iowa Public Employees' Retirement System	434,686.98	391,962.27	32,721.65
Iowa Public Television	52,751.32	497,107.93	-
Iowa Workforce Development	3,441,095.13	1,995,391.88	711,444.49
Judicial District 2	279,602.94	-	-
Judicial District 4	94,679.99	112,402.64	-
Judicial District 5	952,579.34	-	-
Judicial District 7	180,380.15	-	-
Management	363,931.69	-	-
Natural Resources	1,038,193.86	377,569.16	737,443.86

Total Combined Estimated Savings	Total Payout Costs	Total Rehire Costs	Total Net Savings (Cost) - All Levels Combined
1,398,693.02	245,480.50	72,145.72	1,081,066.80
641,502.02	114,020.37	-	527,481.65
45,561.74	18,134.27	-	27,427.47
139,741.74	11,909.07	-	127,832.67
328,281.34	68,979.36	-	259,301.98
505,655.22	67,054.17	-	438,601.05
739,907.85	142,218.97	-	597,688.88
198,907.49	12,107.23	-	186,800.26
140,474.38	5,369.70	-	135,104.68
644,116.21	63,841.33	-	580,274.88
953,078.16	118,335.39	-	834,742.77
221,505.39	15,503.97	-	206,001.42
2,241,265.38	371,713.76	-	1,869,551.62
268,581.62	58,359.60	-	210,222.02
232,521.66	12,805.07	-	219,716.59
1,241,615.89	215,747.97	-	1,025,867.92
3,148,713.95	661,599.08	-	2,487,114.87
1,458,752.44	143,417.34	-	1,315,335.10
2,467,098.53	366,411.14	-	2,100,687.39
593,511.60	36,208.09	-	557,303.51
262,397.33	54,473.63	-	207,923.70
105,307.41	16,176.27	-	89,131.14
57,063.90	9,559.97	-	47,503.93
859,370.90	116,730.76	-	742,640.14
549,859.25	102,060.70	-	447,798.55
6,147,931.50	884,697.57	4,028.26	5,259,205.67
279,602.94	21,672.59	-	257,930.35
207,082.63	26,147.01	-	180,935.62
952,579.34	118,841.11	-	833,738.23
180,380.15	34,656.30	-	145,723.85
363,931.69	36,191.37	-	327,740.32
2,153,206.88	645,899.46	-	1,507,307.42

A Review of Early Out Incentive Programs
 Estimated Net Savings (Cost)
 by EOI Program by State Agency by Replacement Level

EOI Program/State Agency	Estimated Savings (Cost) by Replacement Level		
	Level 1	Level 2	Level 3
Public Defense	263,874.47	222,617.29	-
Public Health	1,302,255.00	28,533.79	-
Public Safety	68,569.93	83,768.05	141,763.14
Revenue	916,342.89	370,438.20	107,911.18
State Fair Authority	544,808.60	-	-
Transportation	7,961,442.35	2,312,564.76	1,353,916.07
Treasurer of State	79,038.66	271,521.56	-
Veteran's Home	806,346.13	92,136.45	32,960.43
Vocational Rehabilitation Services	289,357.23	52,279.25	(1,490.45)
Subtotal for EOI Program 3	31,281,268.26	10,483,904.75	5,263,981.52
Total	\$ 125,202,731.61	33,602,127.16	13,573,610.54

Total Combined Estimated Savings	Total Payout Costs	Total Rehire Costs	Total Net Savings (Cost) - All Levels Combined
486,491.76	80,561.53	-	405,930.23
1,330,788.79	225,305.39	-	1,105,483.40
294,101.12	131,257.90	-	162,843.22
1,394,692.27	292,383.05	-	1,102,309.22
544,808.60	198,770.72	97,435.00	248,602.88
11,627,923.18	2,320,084.91	-	9,307,838.27
350,560.22	47,760.83	-	302,799.39
931,443.01	157,544.34	-	773,898.67
340,146.03	161,580.20	-	178,565.83
47,029,154.53	8,431,571.99	173,608.98	38,423,973.56
172,378,469.31	38,792,371.65	1,670,067.31	131,916,030.35

A Review of Early Out Incentive Programs

A Review of Early Out Incentive Programs
Number and Cost of Rehires by State Agency

State Agency	Number of Rehires	Rehire Gross Wages	Employer Share of Payroll Taxes	Admin. Fee	Total Cost of Rehires
Administrative Services	5	\$ 136,651.00	16,199.18	1,280.00	154,130.18
Agriculture and Land Stewardship	1	12,004.00	918.31	-	12,922.31
Commerce - Utilities	1	4,057.00	310.36	-	4,367.36
Corrections - Anamosa	1	6,039.00	461.98	-	6,500.98
Corrections - Fort Madison	1	9,746.00	1,286.36	350.00	11,382.36
Corrections - Mitchellville	1	13,988.00	1,070.08	-	15,058.08
Corrections - Oakdale	2	33,032.00	2,526.95	-	35,558.95
Economic Development	1	14,614.00	2,047.52	360.00	17,021.52
Education	1	15,610.00	2,341.48	400.00	18,351.48
Governor's Office of Drug Control Policy	2	16,029.00	1,226.22	-	17,255.22
House of Representatives	1	17,018.00	1,301.88	-	18,319.88
Human Rights	1	2,615.00	200.05	-	2,815.05
Human Services	2	28,303.00	2,165.18	-	30,468.18
Human Services - Clarinda MHI	1	99,225.00	14,883.71	680.00	114,788.71
Human Services - Woodward Resource Center	1	10,217.00	1,532.53	200.00	11,949.53
Iowa Communications Network	3	106,731.00	12,148.68	1,148.00	120,027.68
Iowa Finance Authority	1	33,563.00	2,567.57	-	36,130.57
Iowa Workforce Development	10	99,382.00	10,406.75	1,000.00	110,788.75
Management	1	10,032.00	767.45	-	10,799.45
Natural Resources	4	15,264.00	1,167.70	-	16,431.70
Public Defense	1	29,698.00	4,412.68	1,000.00	35,110.68
Public Health	5	50,397.00	5,836.06	1,596.98	57,830.04
Public Safety	1	3,208.00	245.41	-	3,453.41
Revenue	5	114,090.00	8,727.89	-	122,817.89
State Fair Authority	3	97,435.00	-	-	97,435.00
Transportation	1	97,848.00	-	-	97,848.00
Veterans Home	5	67,054.00	5,129.63	-	72,183.63
Vocational Rehabilitation Services	2	413,481.00	4,519.72	320.00	418,320.72
Total	64	\$ 1,557,331.00	104,401.33	8,334.98	1,670,067.31

A Review of Early Out Incentive Programs
Detail of Rehires

EOI Prg.	Rehiring Method Used	Company Rehired Through or State of Iowa	Participant Name	Rehiring State Agency	Job Title for Rehired Participant	Dates Worked/ Duration	Number of Hours Rehire Worked	Rehire Gross Wages	Employer Share of Payroll Taxes
1	Service contract	Archon Technologies	Patricia Schnoor	Transportation	MVD Expert / Consultant	March 2002 - June 2003	1,359.0	\$ 97,848	n/a
2	Service contract	Yochum	Steve Yochum	Vocational Rehabilitation Services	Client Evaluator	10/21/02 - 2/28/06	units of service based	382,940	n/a
1	Leased employee	Merit Resources	Stephen Smith	Administrative Services	Risk & Benefits Coordinator	1/1/02 - 12/31/02	240.0	9,516	1,427
1	Leased employee	Merit Resources	Michael Anderson	Corrections - Fort Madison	Sample Collector	1/1/01 - 12/31/02	710.7	9,746	1,286
1	Leased employee	Merit Resources	Kanu Shah	Human Services - Clarinda MHI	Clinical Director	1/1/02 - 12/31/02	1,286.8	99,225	14,884
1	Leased employee	Merit Resources	Joan Schultz	Human Services - Woodward Resource Center	Improvement Agenda Coordinator	1/1/02 - 12/31/02	300.5	10,217	1,533
1	Leased employee	Merit Resources	Anthony Crandell	Iowa Communications Network	System Design Engineer	1/1/02 - 12/31/02	1,343.0	55,084	8,263
1	Leased employee	Merit Resources	Joseph Keeney	Iowa Workforce Development	WF Program Coordinator	1/1/02 - 12/31/03	1,351.5	42,265	6,037
1	Leased employee	Merit Resources	Charles Hoeven	Public Defense	Executive Officer	1/1/02 - 12/31/03	840.5	29,698	4,413
1	Leased employee	Merit Resources	David Fries	Public Health	Executive Officer 5	1/1/02 - 12/31/02	694.0	33,137	4,897
2	Leased employee	Merit Resources	Dwight Carlson	Vocational Rehabilitation Services	Interim Administrator	1/1/02 - 12/31/02	568.0	30,541	4,520
2	Leased employee	Merit Resources	Dennis Guffey	Economic Development	ICVS Coordinator	1/2/02 - 12/31/03	455.0	14,614	2,048
2	Leased employee	Merit Resources	Terry Voy	Education	Education Consultant	1/1/02 - 12/31/03	435.0	15,610	2,341
3	Leased employee	Merit Resources	Stephen Lindner	Administrative Services	Support Staff	10/14/04 - 10/21/05	2,222.0	61,291	9,735
1	Temporary staff	Olsten Staffing	Wayne Harris	Iowa Communications Network	Purchasing Agent 2	2/1/02 - 11/27/02	40.0	848	-
1	Temporary staff	Olsten Staffing	Sandra Crandell	Public Health	Program Planner 3	2/1/02 - 3/27/02	194.0	4,984	-
1	Temporary	State of Iowa	Carl A Castelda	Revenue	Public Service Executive 5	3/29/02 - 12/5/02	291.0	12,547	960
1	Temporary	State of Iowa	Drucillia C Cullor	Administrative Services	Info Tech Admin 3	2/14/02 - 11/21/02	1,615.5	64,774	4,955
1	Temporary	State of Iowa	Gary L Runge	Administrative Services	Personnel Management Program Coordinator	3/29/02 - 4/11/02 & 2/10/06 - 2/23/06	10.0	397	30

Admin. Fee	Total Rehire Cost	Bi-weekly Wage	Rehire Hourly Rate	Job Title While Employed by the State of Iowa	Date Left Employment	Biweekly Salary	Employee Hourly Rate	Bi-weekly Rate Comparison	Hourly Rate Difference	Rate Paid to Rehire was
-	97,848	5,760	72.00	Executive Officer 2	1/31/2002	\$1,983.20	\$ 24.79	3,776.80	47.21	higher
-	382,940	units of service based	-	Rehabilitation Supervisor	8/15/2002	2,019.20	25.24	n/a	n/a	paid more on an annual basis
160	11,103	3,172	39.65	Public Service Executive 4	2/1/2002	1,360.00	17.00	1,812.00	22.65	higher
350	11,382	1,097	13.71	Public Service Executive 3	1/31/2002	2,716.80	33.96	(1,619.66)	(20.25)	lower
680	114,789	6,169	77.11	Physican Supervisor	1/31/2002	5,334.40	66.68	834.39	10.43	higher
200	11,950	2,720	34.00	Executive Officer 3	1/31/2002	2,716.80	33.96	3.20	0.04	essentially the same
880	64,227	3,281	41.02	Public Service Executive 4	1/31/2002	3,120.00	39.00	161.25	2.02	higher
1,000	49,302	2,502	31.27	Public Service Executive 2	1/31/2002	2,314.40	28.93	187.41	2.34	higher
1,000	35,111	2,827	35.33	Facilities Engineer Coordinator	1/17/2002	2,608.80	32.61	217.90	2.72	higher
400	38,434	3,820	47.75	Public Service Executive 5	1/31/2002	3,590.40	44.88	229.43	2.87	higher
320	35,381	4,302	53.77	Public Service Executive 6	8/15/2002	3,943.20	49.29	358.35	4.48	higher
360	17,022	2,569	32.12	Administrative Assistant 5	8/15/2002	2,424.00	30.30	145.49	1.82	higher
400	18,351	2,871	35.89	Education Program Consultant	7/31/2002	2,376.80	29.71	494.00	6.18	higher
1,120	72,146	2,207	27.58	Public Service Executive 5	7/15/2004	3,900.80	48.76	(1,694.10)	(21.18)	lower
268	1,116	1,696	21.20	Purchasing Agent 2	1/31/2002	1,644.00	20.55	52.00	0.65	higher
1,197	6,181	2,055	25.69	Program Planner 3	1/31/2002	2,055.20	25.69	0.06	0.00	same
-	13,507	hourly	43.12	Public Service Executive 5	1/31/2002	3,530.40	44.13	hourly	(1.01)	lower
-	69,729	hourly	40.10	Info. Tech. Administrator 3	2/1/2002	3,296.00	41.20	hourly	(1.10)	lower
-	427	hourly	39.70	Personnel Management Program Coordinator	1/31/2002	2,716.80	33.96	hourly	5.74	higher

A Review of Early Out Incentive Programs

Detail of Rehires

EOI Prg.	Rehiring Method Used	Company Rehired Through or State of Iowa	Participant Name	Rehiring State Agency	Job Title for Rehired Participant	Dates Worked/ Duration	Number of Hours Rehire Worked	Rehire Gross Wages	Employer Share of Payroll Taxes
1	Temporary	State of Iowa	Ronald O Roe	Agriculture & Land Stewardship	Meat Inspector	4/12/02 - 12/19/02	914.5	12,004	918
1	Temporary	State of Iowa	Erma L Heiken	Corrections - Anamosa	Canteen Operator 2	4/15/02 - 9/12/02	392.9	6,039	462
1	Temporary	State of Iowa	June L Lowery-Bergstrom	Corrections - Mitchellville	Registered Nurse	5/24/02 - 11/21/02	566.0	13,988	1,070
1	Temporary	State of Iowa	Beverly J Wullner	Corrections - Oakdale	Registered Nurse	4/12/02 - 6/20/02	112.5	2,767	212
1	Temporary	State of Iowa	Marda M Hennigsen	Governor's Office of Drug Control Policy	Administrative Assistant 2	2/15/02 - 7/4/02	760.0	15,398	1,178
1	Temporary	State of Iowa	Sharon J Putney	Governor's Office of Drug Control Policy	Info. Tech. Specialist 3	3/1/02 - 3/14/02	24.5	631	48
1	Temporary	State of Iowa	William D Kluitner	Human Rights	Budget Analyst 2	9/16/02 - 10/24/02	117.0	2,615	200
1	Temporary	State of Iowa	Sandra S Hoth	Human Services	Program Planner 3	12/2/05 - 1/12/06	151.0	4,418	338
1	Temporary	State of Iowa	V Jan Ibsen	Human Services	Management Analyst 3	4/26/02 - 12/5/02	879.0	23,885	1,827
1	Temporary	State of Iowa	Harold M Thompson	Iowa Communications Network	Exec. Dir. IA Telecom. & Tech. Comm.	2/1/02 - 7/4/02	1,174.0	50,799	3,886
1	Temporary	State of Iowa	Barbara A Alfrey	Iowa Workforce Development	Statistical Research Analyst 2	3/1/02 - 9/27/02	108.5	2,117	162
1	Temporary	State of Iowa	Gary W Hopp	Iowa Workforce Development	Workforce Advisor	5/10/02 - 7/18/02	317.0	4,768	365
1	Temporary	State of Iowa	Lawrence M Paul	Iowa Workforce Development	Workforce Advisor	5/10/02 - 11/21/02	493.7	7,451	570
1	Temporary	State of Iowa	Richard A Borgman	Iowa Workforce Development	Workforce Advisor	5/10/02 - 12/5/02	923.0	13,937	1,066
1	Temporary	State of Iowa	Robert L Orozco	Iowa Workforce Development	Workforce Advisor	4/26/02 - 11/21/02	655.0	9,895	757
1	Temporary	State of Iowa	Surria M Rizk	Iowa Workforce Development	Workforce Advisor	5/10/02 - 11/21/05	877.3	15,207	1,163

Admin. Fee	Total Rehire Cost	Bi-weekly Wage	Rehire Hourly Rate	Job Title While Employed by the State of Iowa	Date Left Employment	Biweekly Salary	Employee Hourly Rate	Bi-weekly Rate Comparison	Hourly Rate Difference	Rate Paid to Rehire was
-	12,922	hourly	13.13	Meat Inspector	1/31/2002	1,075.20	13.44	hourly	(0.31)	lower
-	6,501	hourly	15.37	Canteen Operator 2	1/31/2002	1,229.60	15.37	hourly	0.00	same
-	15,058	varied from 1,968 to 2,027	24.71	Registered Nurse	2/1/2002	2,027.20	25.34	hourly	(0.63)	lower
-	2,979	hourly	24.60	Registered Nurse	1/31/2002	1,968.00	24.60	hourly	0.00	same
-	16,576	hourly	20.26	Admin Assistant 2	1/31/2002	1,620.80	20.26	hourly	0.00	same
-	679	hourly	25.76	Info. Tech. Specialist 3	1/31/2002	2,060.00	25.75	hourly	0.01	essentially the same
-	2,815	hourly	22.35	Budget Analyst 2	1/31/2002	1,841.60	23.02	hourly	(0.67)	lower
-	4,756	hourly	29.26	Program Planner 3	1/31/2002	2,013.60	25.17	hourly	4.09	higher
-	25,712	hourly	27.17	Public Service Executive 2	1/31/2002	2,226.40	27.83	hourly	(0.66)	lower
-	54,685	4,853	43.27	Executive Director Iowa Telecom & Tech. Commission	1/31/2002	4,731.56	59.14	121.32	(15.87)	lower
-	2,279	hourly	19.51	Statistical Research Analyst 2	2/1/2002	1,608.00	20.10	hourly	(0.59)	lower
-	5,133	hourly	15.04	Public Service Executive 2	1/31/2002	1,239.20	15.49	hourly	(0.45)	lower
-	8,021	hourly	15.09	Executive Officer 1	1/31/2002	1,239.20	15.49	hourly	(0.40)	lower
-	15,003	hourly	15.10	Workforce Advisor	1/31/2002	1,239.20	15.49	hourly	(0.39)	lower
-	10,652	hourly	15.11	Workforce Advisor	12/28/2001	1,239.20	15.49	hourly	(0.38)	lower
-	16,370	hourly	17.33	Workforce Advisor	1/31/2002	1,425.60	17.82	hourly	(0.49)	lower

A Review of Early Out Incentive Programs

Detail of Rehires

EOI Prg.	Rehiring Method Used	Company Rehired Through or State of Iowa	Participant Name	Rehiring State Agency	Job Title for Rehired Participant	Dates Worked/Duration	Number of Hours Rehired Worked	Rehire Gross Wages	Employer Share of Payroll Taxes
1	Temporary	State of Iowa	Virgina A Rowen	House of Representatives	Legislative staff	4/11/03 - 4/24/03, 1/2/04 - 4/22/04, 12/31/04 - 6/2/05, 12/30/05 - 2/23/06	1,238.4	17,018	1,302
1	Temporary	State of Iowa	W Lynn Barney	Management	Fiscal and Policy Analyst	10/11/02 - 12/5/02	258.5	10,032	767
1	Temporary	State of Iowa	Clinton P Davis III	Natural Resources	Executive Officer 2	2/15/02 - 7/4/02	44.5	1,114	85
1	Temporary	State of Iowa	Daniel R Frye	Natural Resources	Natural Resources Aide	8/30/02 - 5/9/03	100.8	820	63
1	Temporary	State of Iowa	Gary A Wee	Natural Resources	Natural Resources Aide	4/12/02 - 9/26/02	896.0	8,772	671
1	Temporary	State of Iowa	James Joseph Zohrer	Natural Resources	Executive Officer 2	3/1/02 - 11/21/02	152.5	4,558	349
1	Temporary	State of Iowa	Beverly J Sorensen	Public Health	Administrative Assistant 1	9/27/02 - 12/5/02	164.0	2,523	193
1	Temporary	State of Iowa	Phyllis J Ward	Public Health	Budger Analyst 2	9/27/02 - 12/5/02	122.0	2,545	195
1	Temporary	State of Iowa	Sandra A Jesse	Public Health	Information Tech. Support Worker 2	6/21/02 - 12/5/02	500.0	7,208	551
1	Temporary	State of Iowa	Carroll L Bidler	Public Safety	Public Service Executive 5	2/7/02 - 2/26/02 & 2/15/02 - 2/28/02	73.4	3,208	245
1	Temporary	State of Iowa	Gerald D Bair	Revenue	Department Director & Chief Operating Officer	2/15/02 - 7/19/02 & 7/19/02 - 12/5/02	1,900.5	83,714	6,404
1	Temporary	State of Iowa	Barbara J Vance	Revenue	Utility Worker	4/12/02 - 5/9/02	76.0	616	47
1	Temporary	State of Iowa	Harry Max Griger	Revenue	Attorney 2	3/1/02 - 5/9/02	150.3	4,675	358
1	Temporary	State of Iowa	Christine E Carlon	Veterans Affairs	Accounting Technician 3	2/15/02 - 8/29/02	153.3	2,529	193
1	Temporary	State of Iowa	Jack J Dack	Veterans Affairs	Public Service Executive 6	2/15/02 - 2/13/03	797.0	35,427	2,710
1	Temporary	State of Iowa	Jaqueline D Steveson	Veterans Affairs	Info. Tech. Specialist 4	3/15/02 - 11/21/02	551.6	16,448	1,258
1	Temporary	State of Iowa	Mary A Rudd	Veterans Affairs	Nurse Clinician	5/24/02 - 1/2/03	285.4	6,884	527
1	Temporary	State of Iowa	Rosemary L Lyle	Veterans Affairs	Nurse Clinician	5/24/02 - 9/27/02	241.3	5,766	441
2	Temporary	State of Iowa	Gary W Nicholson	Revenue	Executive Officer 4	8/30/02 - 11/21/02	318.5	12,538	959

Admin. Fee	Total Rehire Cost	Bi-weekly Wage	Rehire Hourly Rate	Job Title While Employed by the State of Iowa	Date Left Employment	Biweekly Salary	Employee Hourly Rate	Bi-weekly Rate Comparison	Hourly Rate Difference	Rate Paid to Rehire was
-	18,320	1,099	13.74	Computer Systems Analyst 3	4/26/2002	2,247.20	28.09	(1,147.85)	(14.35)	lower
-	10,799	hourly	38.81	Fiscal and Policy Analyst	1/31/2002	3,131.20	39.14	hourly	(0.33)	lower
-	1,199	hourly	25.03	Personnel Management Facilitator	2/1/2002	1,670.40	20.88	hourly	4.15	higher
-	883	hourly	8.14	Highway Maintenance Supervisor	1/31/2002	2,048.80	25.61	hourly	(17.47)	lower
-	9,443	hourly	9.79	Natural Resources Technician 2	1/31/2002	1,454.40	18.18	hourly	(8.39)	lower
-	4,907	hourly	29.89	Executive Officer 2	1/31/2002	2,376.80	29.71	hourly	0.18	higher
-	2,716	hourly	15.38	Clerk Specialist	1/31/2002	1,236.80	15.46	hourly	(0.08)	essentially the same
-	2,740	hourly	20.86	Accountant 2	1/31/2002	1,693.60	21.17	hourly	(0.31)	lower
-	7,759	hourly	14.42	Information Tech. Support Worker 2	1/31/2002	2,055.20	25.69	hourly	(11.27)	lower
-	3,453	hourly	43.70	Public Service Executive 5	12/31/2001	3,496.00	43.70	hourly	0.00	same
-	90,118	4,046	44.05	Director of Revenue & Finance	2/1/2002	4,259.18	53.24	(212.96)	(9.19)	lower
-	663	hourly	8.11	Secretary 1	12/21/2001	1,142.40	14.28	hourly	(6.17)	lower
-	5,033	hourly	31.10	Attorney Supervisor	1/31/2002	2,488.00	31.10	hourly	0.00	same
-	2,722	hourly	16.50	Accounting Technician 3	2/1/2002	1,320.00	16.50	hourly	0.00	same
-	38,137	hourly	44.45	Veterans Home Commandant	1/31/2002	3,559.20	44.49	hourly	(0.04)	essentially the same
-	17,706	hourly	29.82	Info. Tech. Specialist 4	1/31/2002	2,448.00	30.60	hourly	(0.78)	lower
-	7,411	hourly	24.12	Nurse Clinician	1/31/2002	1,928.00	24.10	hourly	0.02	essentially the same
-	6,207	hourly	23.90	Nurse Clinician	1/31/2002	1,872.00	23.40	hourly	0.50	higher
-	13,497	hourly	39.37	Executive Officer 4	8/15/2002	3,120.00	39.00	hourly	0.37	higher

A Review of Early Out Incentive Programs
Detail of Rehires

EOI Prg.	Rehiring Method Used	Company Rehired Through or State of Iowa	Participant Name	Rehiring State Agency	Job Title for Rehired Participant	Dates Worked/Duration	Number of Hours Rehire Worked	Rehire Gross Wages	Employer Share of Payroll Taxes
2	Temporary	State of Iowa	Kathryn A Tilton	Administrative Services	Info. Tech. Support Worker 4	9/27/05 - 10/24/02	40.0	673	51
2	Temporary	State of Iowa	Dale R Pierantoni	Commerce - Utilities	Utilities Regulation Engineer 3	4/23/04 - 6/17/04	135.3	4,057	310
2	Temporary	State of Iowa	Curtis C Fredrickson	Corrections - Oakdale	Physician	12/3/04 - 7/14/05	313.7	30,265	2,315
3	Temporary	State of Iowa	Barbara A Gordon	Iowa Finance Authority	Public Service Executive 5	8/16/02 - 12/5/02	780.0	33,563	2,568
3	Temporary	State of Iowa	James L Flahive	Iowa Workforce Development	Workforce Dev. Manager	9/24/2004	-	118	9
3	Temporary	State of Iowa	Patricia A Schaefer	Iowa Workforce Development	Field Auditor 3	12/16/02 - 2/23/06	130.8	3,330	255
3	Temporary	State of Iowa	Stephen H Morris	Iowa Workforce Development	Public Service Executive 5	3/25/05 - 4/7/05	6.0	294	22
3	Leased employee	USA Staffing	Jan Higgins	State Fair Authority	Assistant Manager	8/13/04 - 12/31/04	not known	60,102	n/a
3	Leased employee	USA Staffing	Kathie Swift	State Fair Authority	Marketing Manager	8/13/04 - 12/31/04	not known	25,285	n/a
3	Leased employee	USA Staffing	Don Edmundson	State Fair Authority	Graphics Manager	8/13/04 - 12/31/04	not known	12,048	n/a
Total								<u>\$ 1,557,331</u>	<u>104,401</u>

Admin. Fee	Total Rehire Cost	Bi-weekly Wage	Rehire Hourly Rate	Job Title While Employed by the State of Iowa	Date Left Employment	Biweekly Salary	Employee Hourly Rate	Bi-weekly Rate Comparison	Hourly Rate Difference	Rate Paid to Rehire was
-	724	hourly	16.83	Info. Tech. Support Worker 4	8/15/2002	1,345.60	16.82	hourly	0.00	same
-	4,367	hourly	30.00	Utilities Regulation Engineer 2	8/15/2002	2,241.60	28.02	hourly	1.98	higher
-	32,580	hourly	96.49	Physician	6/20/2003	7,422.40	92.78	hourly	3.71	higher
-	36,131	hourly	43.03	Public Service Executive 5	11/27/2002	3,407.20	42.59	hourly	0.44	higher
-	127	2,362	29.52	Workforce Development Manager	8/12/2004	2,361.60	29.52	hourly	0.00	same
-	3,585	hourly	25.47	Field Auditor Supervisor	7/2/2004	2,250.40	28.13	hourly	(2.66)	lower
-	316	hourly	49.00	Public Service Executive 5	7/2/2004	3,923.20	49.04	hourly	(0.04)	essentially the same
-	60,102	2,862	35.78	Assistant Manager	8/12/2004	3,636.00	45.45	(774.00)	(9.68)	lower
-	25,285	2,258	28.22	Marketing Director	8/12/2004	2,868.00	35.85	(610.40)	(7.63)	lower
-	12,048	1,721	21.52	Printing and Graphics Manager	8/12/2004	2,186.40	27.33	(465.20)	(5.82)	lower
8,335		1,670,067								

A Review of Early Out Incentive Programs

Staff

This review was conducted by:

Annette K. Campbell, CPA, Director
Suzanne R. Hanft, CPA, Manager
Mark C. Moklestad, CPA, Senior Auditor
Dorothy O. Stover, Staff Auditor
Michael J. Hackett, Staff Auditor
Melissa J. Knoll-Speer, Staff Auditor



Tamera S. Kusian, CPA
Deputy Auditor of State