

Contact: Marcia Brunson

**REPORTS OF UNIVERSITY OF IOWA AND IOWA STATE UNIVERSITY
EARLY RETIREMENT PROGRAMS**

Action Requested: Receive the report

Executive Summary: During FY 2010, the Board approved two early retirement programs for the University of Iowa, three for Iowa State University and one each for the University of Northern Iowa and the Iowa Braille and Sight Saving School. Following the conclusion of each of the programs, a report to the Board of the outcomes was required. In February 2010, the Board received reports on the first SUI and ISU programs and the UNI and IBSSS programs.

The chart below depicts the number of participants by employee group and indicates how many positions will not be replaced for the second SUI program and the second and third programs approved for ISU.

	SUI #2		ISU #2		ISU #3	
	Participants	Not Replaced	Participants	Not Replaced	Participants	Not Replaced
Faculty	5	0	19	15	11	4
P&S	36	14	23	10	33	14
SEIU	13	2	n/a	n/a	n/a	n/a
Merit AFSCME covered	29	13	37	19	31	17
Merit Supervisory	5	2	6	2	1	0
Total Participants	88	31	85	46	76	35

The institutions estimated the following net savings from these programs.

University of Iowa #2	\$13,235,593
Iowa State University #2	\$21,465,474
Iowa State University #3	\$13,451,541

With the receipt of this report, the Board has received reports on all of the FY 2010 early retirement programs.

For the Board's information, the report of the first SUI and ISU programs and UNI and IBSSS programs received in February is attached to this memorandum.

BOARD OF REGENTS
STATE OF IOWA

AGENDA ITEM 14a
FEBRUARY 3-4, 2010

Contact: Thomas Evans

REPORT OF EARLY RETIREMENT PROGRAMS

Action Requested: Receive the report

Executive Summary: In March and April of last year, the Board approved early retirement programs for the University of Iowa, Iowa State University, University of Northern Iowa and the Iowa Braille and Sight Saving School. Summaries of the programs provided to the Board in April are shown on the following page.

Since the initial programs were approved, the Board approved a second early retirement program for ISU. In Agenda Item 14b, the Board is asked to consider a second program for the University of Iowa.

The following table outlines the number of participants in the programs for SUI, ISU and UNI. IBSSS had two participants – one faculty and one merit; neither will be replaced.

	SUI #1		ISU #1		UNI	
	Participants	Not Replaced	Participants	Not Replaced	Participants	Not Replaced
Faculty	18	3	15	11	19	11
P&S	113	45	97	62	27	16
SEIU	24	6	n/a	n/a	n/a	n/a
Merit AFSCME covered	155	80	86	40	58	20
Merit Supervisory	30	15	8	5	13	4
Total Participants	340	149	206	118	117	51

The University of Iowa estimates if the 340 participants had remained employed for the five years of the program the cost of salary and benefits would have been \$150.4 million and the costs for the incentives including projected salary/benefits for replacements would be \$83.1 million. The estimated savings over the five years of the program would be \$67.4 million. Increases in salary and benefit costs benefits are calculated into the estimated cost for replacements. Costs and savings include all funds.

Iowa State University reports that the estimated cost of the program incentives for the five-year period excluding the cost of replacements for the 206 participants would be \$7.2 million. The total projected savings for the period would be \$49.7 million resulting in a net savings of \$42.5 million. No increases in salary or in the cost of benefits are calculated into the estimated cost. Costs and savings include all funds.

The University of Northern Iowa reports the estimated cost for continued employment of the 117 participants for the five-year period would be \$43.2 million and the costs of incentives including projected salary/benefits for replacements would be \$26.3 million. The estimated savings over the five years of the program would be \$16.9 million. No increases in salary or in the cost of benefits are calculated into the estimated cost for replacements. Costs and savings include all funds.

Iowa Braille School costs for the five years are estimated to be \$130,401 and projected savings of \$719,720. As indicated above, IBSSS had two participants; and neither will be replaced.