



Executive Office for Administration & Finance

COMMONWEALTH OF MASSACHUSETTS

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SECRETARY

May 8, 2015

Nick Favorito, Executive Director
State Retirement Board
One Winter Street
8th Floor
Boston, MA 02108

Dear Mr. Favorito:

I write pursuant to subsection (d) of section 2 of Chapter 19 of the Acts of 2015, "An Act Relative to State Personnel." That provision requires me to notify you of "the number of executive department employees reduced, or expected to be reduced, under clauses (i), (ii) and (iv) of subsection (b)" of section 2.

In providing this notice, my office has interpreted this provision to require the calculation of a "net" number of reductions. Where there is a reasonable expectation that a vacancy will be re-filled during fiscal year 2016, we have excluded that vacancy from being counted.

The following are this office's current estimates of the reductions of employees resulting from the measures identified in subsection (b) of Chapter 19, other than the employee retirement incentive program:

Clause (i), continuing the interim hiring control policy through fiscal year 2016 – at funding levels proposed in House One, continuing this policy is expected to result in a reduction of 124 executive department employees during fiscal year 2016.

Clause (ii), offering one-time incentive payments – Executive department agencies have the option to offer a one-time incentive of up to \$10,000 to employees who have reached their maximum allowable percentage for retirement. Based on ANF experience with similar buyout programs in the past and the limited number of employees to whom such buyouts will be offered, we expect this program to result in a reduction of 100 executive department employees during fiscal year 2016.

Clause (iv), requiring layoffs of employees -- Funding levels proposed in House One are expected to result in a reduction of 216 executive department employees. As you know, House One does not contain any widespread layoff "program."

These expected reductions total 440. As noted above, these represent our best estimates of the impact of the programs identified in the legislation during fiscal year 2016. We do expect that these estimates will sharpen as we approach and enter fiscal year 2016. We look forward to sharing additional information about size of the state workforce in the coming weeks and months.

Sincerely,



Kristen Lepore
Secretary, Executive Office for
Administration and Finance

Cc: Chairwoman Karen A. Spilka, Senate Committee on Ways and Means
Chairman Brian Dempsey, House Committee on Ways and Means
Secretary Marylou Sudders
Secretary Daniel Bennett
Secretary Ronald Walker
Secretary Jay Ash
Secretary Stephanie Pollack
Secretary James Peyser
Secretary Matthew Beaton
Paul Dietl, Chief Human Resources Officer, HRD