

CHARLES D. BAKER
GOVERNOR

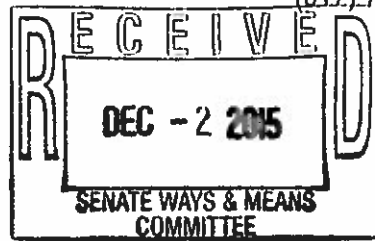
KRISTEN LEPORE
SECRETARY

Executive Office for Administration & Finance

COMMONWEALTH OF MASSACHUSETTS

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KARYN E. POLITO
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December 1, 2015

Chairman Brian Dempsey
House Ways and Means Committee
State House, Room 243
Boston, MA 02133

Chairman Karen A. Spilka
Senate Ways and Means Committee
State House, Room 212
Boston, MA 02133

Dear Chairman Dempsey and Chairwoman Spilka:

I write pursuant to section 14 of Chapter 19 of the Acts of 2015, "An Act Relative to State Personnel." This section requires me to report to you certain information regarding the implementation of the retirement incentive program.

The following data, which is the most recent available, is current as of the close of business on Saturday, November 14, 2015. As of that date, 2,497 employees participated in the retirement incentive program authorized by Chapter 19. Estimated salary savings attributable to these employees are \$189,675,975 in FY16 and \$195,366,254 in FY17. The FY17 number is based on an assumed salary increase of 3% for all participating employees.

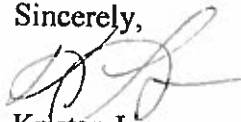
Thus far, 138 of the positions vacated by these retiring employees have been filled, including both new hires and internal promotions. The total salary cost for these filled positions is \$3,667,456.

The number of positions that we expect to be refilled during the rest of FY16 is difficult to determine at this time. As you will recall, the "cap" on backfills is a limitation on the amount of salary to be spent, not on the numbers of positions. People who are new hires have a different salary impact than people who are promoted internally. Agencies continue to refine their requests for hiring or promotions, and will continue to do so through the rest of the fiscal year.

My office will continue to work with all executive department offices affected by early retirement to ensure the delivery of critical state services as we have done since proposing this multi-year budget saving initiative last March.

Thank you for your collaboration in advancing and implementing this important legislation.

Sincerely,



Kristen Lepore
Secretary, Executive Office for
Administration and Finance

Cc: 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
Nicola Favorito, State Board of Retirement