U.S. Environmental Protection Agency Voluntary Early Retirement and Voluntary Separation Incentive Payments Authorities Business Cases and Budget Projections

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I. Introduction

EPA is seeking to reduce, restructure and reshape its various program and regional offices according to the following themes: delayering to increase supervisor to staff ratio; consolidation or reduction of administrative or support functions; restructuring or reducing highly graded supervisory and non-supervisory positions; restructuring to focus on core business functions (administrative support); restructuring to focus on STEM/programmatic priorities; and consolidating and streamlining functions/activities/reduce number of programs. VERA and VSIPs will be offered to all regional offices and program offices except the Office of Inspector General (22 total offices).

For all positions covered by EPA's request, if a position is vacated under VERA/VSIP the organization must restructure the position as follows before refilling the position:

- Change from supervisory to non-supervisory.
- Decrease the grade and/or full performance level (i.e., at least one grade level lower than the current position).
- Change the series of the position.
- Significantly change the duties of the position (at least 25%) if the series and grade are to remain the same (i.e., the incumbent who vacated could not be expected to learn how to perform these new duties within a reasonable amount of time. The servicing Human Resources Shared Service Center will determine if the change in duties are significant.

This is the same criteria the agency uses when tracking post-VERA/VSIP hires to ensure programs and regions are adhering to the plans they put forth to reshape their workforce.

If the number of applications received exceeds the total number of VSIPs we can offer, approvals will be based first on service computation date for leave, then on entry on duty date (total EPA years of service.) If the SCD and EOD dates are the same for two eligible employees, then the offer will be granted to the employee who submitted his or her application first.

Summary of Agency-wide Costs and Savings:

	FY 2017	FY 2018	FY 2019
Agency-wide Direct Costs	**$48,229,252**		
Agency-wide Savings		**$129,680,961**	**$77,342,826**

II. Office of the Administrator

Business Case

The Office of the Administrator over the course of many years has become one of the most highly graded organizations in the agency. As part of our strategic vision, we will continue to evaluate how well AO's organizational structure and staffing meets the agency's needs; ensuring that AO operates efficiently and effectively. Consequently, AO requests to:

1. Offer the VERA/VSIP to a generally broad segment of the AO workforce. We believe this inclusive approach will allow the majority of AO employees to decide if this is the right time for them to accept the VERA/VSIP rather than management deciding for them by limiting the positions targeted.

2. Restructure, reduce and rebalance the current top-heavy, non-supervisory GS-14/15 grades in order to create opportunities for recruiting at lower grade levels. There has been a significant rise in nonsupervisory high-graded GS-14 and GS-15 positions in AO; these positions represent nearly half of our entire staff.

3. At a later date, reshape the workforce to reflect changes in programmatic direction; strengthen technical programmatic expertise with the appropriate skill mix; and maximize administrative support positions.

4. We will conduct ongoing assessments to ensure that AO's organizational structure meets current and future operational needs. Each Associate Administrator and Staff Office Director will continue to discuss their organization's priorities with the Chief of Staff and Deputy Chief of Staff. These structured meetings will specifically discuss how AO will advance the Administrator's priorities for the remainder of FY17 and begin analysis of FY18 conditions as information becomes more available. These discussions will enable refined assessment of the workforce, budget, and efficiencies across AO, as well as set priorities and develop action items AO-wide. Additionally, these discussions will aid in identifying potential savings and synergies to maximize effective utilization of AO's resources.

Information Required for VERA and VSIP Requests

Overall AO has targeted 139 positions out of a total 339 positions (339 does not include political appointees). Of the targeted positions, 110 of the 139 are GS-13 or higher and all are non-supervisory. We intend to offer VERA/VSIP to restructure a maximum of 65 positions in AO. All positions that are offered VERA/VSIP, with the exception of one SL level position which will be eliminated, will be restructured, primarily at a lower grade level. AO will continue to identify opportunities to improve the efficiency and effectiveness of the existing workforce by offering opportunity to train and develop staff through creative approaches using short-term assignments via Skills Marketplace; details through Talent Hub; and opportunities to participate in training and developmental programs. In addition, AO will continue to seek ways to streamline processes; eliminate or modify areas of redundancy and encourage our workforce to join networks to share new methods and resources for performing the day-to-day work in support of the office mission and the Administrator's overall goals.

Finally, each office has developed a plan to maintain office functions while positions are restructured and re-staffed. Their selection of positions to be offered is predicated on their ability to restructure the position and hire employees with new skills and at lower grade levels to meet future requirements – up to their AO designated FTE ceiling.

Both the VERA and VSIP opportunities will be offered to staff in targeted series in all 12 individual offices within the Office of the Administrator. Targeting decisions were made by senior managers based on the specific mission needs required to reshape the workforce and lower the overall personnel compensation and benefits salary base. This proposal sets a maximum number of VSIPs to be offered for each series in each office. Decisions on who receives VSIPs will be made on the basis of seniority.

These offers are based on an understanding that these offices will be allowed to restructure position and staff up to their AO authorized FTE ceiling.

NOTE: Given the pool of available candidates across our offices, if AO does not receive a high percentage of applicants at the GS-15 or GS-14 levels in any particular office, we request the flexibility to increase (or decrease) the offer number in one or more categories, as long as our total reduction does not exceed a total of 65.

VSIP-Specific Information

The targeted position spreadsheet identifies the details of the specific positions to be offered VSIP and restructured. Within AO all the positions offered VERA/VSIP are to be restructured, primarily at a lower grade level with only one exception as noted above. The maximum amount of voluntary separation incentive payments to be offered in AO is 65. In AO everyone that is early out (VERA) is VSIP eligible as well. Our organizational charts are attached – AO is not making any changes to its organizational structure at this time. However, we continue to assess potential opportunities to gain greater efficiencies.

VERA-Specific Information

The total number of position with the Office of the Administrator potentially undergoing change is 65. Within AO all the positions offered VERA/VSIP are to be restructured, primarily at a lower grade level except one. AO does not have any employees in the program who will be involuntarily separated, downgraded, transferred, or reassigned as a result of these actions. AO has a total number of 75 employees eligible for early retirement. The estimated total number of employees in the Office of the Administrator who are "likely" to take early retirement is approximately 30, which is about 40% of the total eligible employees.

The Office of the Administrator plans to offer opportunities for temporary assignments with possible reassignments; using Talent Hub to post opportunities for lateral reassignments; and allow offices to recruit, where needed, at the lowest grade level possible for specific skillsets that are not available within the agency. These recruitments will include the restructured positions which will decrease the total number of non-supervisory GS-14/15 positions.

Budget Information

Table A – Direct Costs for VERA/VSIP	
65 of Targeted Positions for VSIP x $25,000	$1,625,000
Annual Leave Pay Out for # of Targeted Positions for VERA, Optional Retirement or Resignation {Hourly rate based on the average grade and step of the targeted pool $64.09 x 240 x 65 of Targeted Positions}	$999,804
Total Maximum Direct Costs	$2,624,804

Table B – Estimated Savings for FY 2018 through FY 2019		
	FY 2018 Estimate	FY 2019 Estimate

A. Pre-VERA/VSIP Annual Payroll Cost	$61,147,000	$61,147,000
B. VERA/ VSIP Payout Cost	$0	$0
C. Leave Payout Cost	$0	$0
D. Post VERA/VSIP Annual Payroll Cost	$52,482,032	$52,482,032
E. Payroll for 64 New Hires	$1,886,976	$3,773,952
F. Payroll Savings for 65 VERA/VSIP Targeted Positions (F = A – B – C – D - E)	$6,777,992	$4,891,016
G. Pre-VERA/VSIP Annual WCF Cost	$4,034,000	$4,034,000
H. Post VERA/VSIP Annual WCF Cost	$3,417,020	$3,417,020
I. WCF for 64 New Hires	$303,744	$607,488
J. WCF Savings for 65 VERA/VSIP Targeted Positions (J = G – H – I)	$313,236	$9,492
Projected Savings with VERA/VSIP (F + J)	**$7,091,228**	**$4,900,508**

Notes:
A. Cost based on OA's FY 2017 Operating Plan payroll calculations.
D. Hourly rate of $64.09 based on the average of a GS-13/14/15 step 6 times 2080 hours times 65 target positions.
E. Hourly rate of $28.35 based on the average of a GS-7/9/11 step 3 times 2080 times 64 new hires (eliminating 1 position); Assumes new hires will onboard mid-year in FY 18
F. F = A - B - C - D - E
G. OA's WCF allocation in the FY 2017 Operating Plan
H. Based on OA's FY 2017 Operating Plan WCF costs; assumes $9,492 per person; 65 targeted positions
I. Used $9,492 WCF cost per person (64 new hires -- eliminated 1 position); Assumes new hires will onboard mid-year in FY 18
J. J = G - H - I

III. Office of Air and Radiation

Business Case

Over time, OAR has taken a number of steps to reshape its administrative workforce, including:

- Reorganizing work units and realigning or eliminating positions in order to consolidate mission support functions;
- Replacing positions performing non-inherently governmental clerical duties with grantees; and
- Offering separation incentives to employees whose positions were identified as redundant or obsolete.

Such incremental efforts, combined with ongoing attrition, have proven effective at realizing improved customer service with fewer positions and a lower cost to payroll. Also, in recent years EPA has adopted new internet-based data systems that require analysts who are skilled in using the full capability of the systems and who must be able to produce and interpret data reports. As the demands of mission support functions have evolved, OAR has found that on-the-job training is not always sufficient to enable employees to use these systems effectively, and that new skills sets are needed.

In the event that EPA determines that OAR will offer new separation incentives, such incentives will be offered to non-SES positions in administrative series, predominantly in the 0300 family, in order to: 1) continue OAR's efforts to realize workforce efficiencies by consolidating and eliminating positions that are no longer mission-critical or that can be done at lower grade levels; and 2) refocus efforts on programmatic priorities.

Our proposal seeks to streamline administrative operations and reduce the number of personnel with obsolete skills. In addition, in certain offices, it is necessary to redirect limited resources from general administrative services to essential programmatic functions required for meeting agency strategic goals, as well as to support new and emerging agency priorities and federal environmental and programmatic mandates.

This VERA/VSIP proposal includes a total of 67 eligible positions and sets forth a maximum total number of 20 VERA/VSIP offers in OAR, as shown in the targeted position spreadsheet.

For any positions vacated by an employee who accepts VERA/VSIP, the office will redistribute mission-critical duties to existing positions to the extent possible. Depending on the availability of FTE in FY2018 and beyond, offices will seek to fill any competency gaps not addressed through redirection of duties by establishing positions and recruiting for skill sets needed for programmatic and mission-critical priorities as permitted by EPA.

How VSIP will be used in conjunction with VERA

About 15% of OAR's workforce is eligible for optional retirement. Combined with employees eligible for early retirement, the total number of VSIP + VERA employees constitute 40% of our workforce. We are requesting authority to offer VSIP/VERA in order to reach the goal of 20 voluntary separations. Offering VSIP/VERA is more appealing than VERA alone and most likely will help us achieve the voluntary separations needed to restructure the grade levels of our workforce and better align the skill sets needed to meet current and future mission needs.

VSIP-Specific Information

The categories of positions that will be offered VSIP are the same as those indicated in the targeted position spreadsheet. This VERA/VSIP proposal targets a total of 67 positions and set forth a maximum total number of 20 VERA/VSIP offers in OAR. OAR will accept VSIP offers alone, or in combination with VERA or Optional Retirement.

OAR does not expect that any reorganizations will be necessary after the agency has completed the incentive payments. However, OAR will continue to explore ways to further improve workforce efficiencies.

VERA-Specific Information

OAR employs 1,119 employees as of May 12, 2017. Approximately 270 employees are eligible for early retirement. The estimate of the total number of employees in OAR who are expected to take early retirement is five or fewer.

As stated above, at this time, OAR does not expect that any reorganizations will be necessary post-VERA/VSIP. Certain personnel actions may be necessary as a result of the departures of staff. Some position descriptions may need to be updated to reflect new or amended duties, and this could require the processing of reassignment or realignment actions if the change is more than minimal. In addition, depending on where these departures occur, it may be necessary to offer details/temporary promotions to cover work if it cannot be handled by current staff. We would expect these actions to be few and used mainly if workforce departures are unevenly distributed.

Budget Information

Table A – Direct Costs for VERA/VSIP	
# of Targeted Positions for VSIP x $25,000	$ 500,000
Annual Leave Pay Out for # of Targeted Positions for VERA, Optional Retirement or Resignation {Hourly rate based on the average grade and step of the targeted pool x 240 x # of Targeted Positions}	$ 245,000
Total Maximum Direct Costs	$ 745,000

Table B – Estimated Savings for FY 2018 through FY 2019		
	FY 2018 Estimate	FY 2019 Estimate
A. Pre-VERA/VSIP Annual Payroll Cost	$172,283,000	$172,283,000
B. VERA/ VSIP Payout Cost	$0	$0
C. Leave Payout Cost	$0	$0
D. Post VERA/VSIP Annual Payroll Cost	$170,163,000	$170,163,000
E. Payroll for # New Hires	$225,875	$451,750
F. Payroll Savings for # VERA/VSIP Targeted Positions (F = A – B – C – D - E)	$1,894,125	$1,668,250
G. Pre-VERA/VSIP Annual WCF Cost	$14,725,000	$14,725,000
H. Post VERA/VSIP Annual WCF Cost	$14,545,000	$14,545,000
I. WCF for # New Hires	$22,500	$45,000
J. WCF Savings for # VERA/VSIP Targeted Positions (J = G – H – I)	$157,500	$135,000
Projected Savings with VERA/VSIP (F + J)	$2,051,625	$1,803,250

A. Assumes payroll allocation from FY17 Enacted budget for OAR.
B. VERA/VSIP payout takes place in FY17 and doesn't impact FY18 or FY19.
C. Leave payout takes place in FY17 and doesn't impact FY18 or FY19.
D. Assumes annual payroll cost of average salary of eligible positions ($106,000) x 20 positions = $2,120,000.
E. Assumes hiring 5 GS-12, step 5 positions in Washington, DC. Start date April 2018.
F. A – B – C – D - E
G. Assumes working capital fund allocation from FY17 Enacted budget for OAR.
H. Assumes $9K WCF per person x 20 positions = $180,000.
I. Assumes $9K WCF per person.

IV. Office of Administration and Resources Management

Business Case

The Office of Administration and Resources Management is requesting approval authority for the use of VSIP and VERA to transform its workforce by placing a renewed focus on core business services, eliminating business services with low demand, centralizing internal support in select administrative areas, and reshaping the workforce to optimize support to the agency.

OARM has 698 permanent employees. The VERA/VSIP plan targets 154 positions: 34 positions in support job series and 120 positions in programmatic series. Targeting decisions were made by senior managers based on the specific mission needs required to reshape and reposition the organization by correcting competency gaps necessary to meet federal and agency mandates. The maximum number of VERA/VSIPs to be offered is 98 as shown in the targeted position spreadsheet. These offers span 20 different job series. Decisions on which employees may be authorized VERA and VSIP will be based on the employee's permanent official division, position of record, occupational series, and grade level. The estimate of the total number of employees in OARM who are expected to take early retirement is five. OARM will focus on the following themes:

- Restructure or reduce highly graded, supervisory and non-supervisory staff positions (GS 14 and 15) into lower graded positions that support the skills and competencies needed to meet current and emerging mission and program requirements and rebalance the current structure and recruit at lower grade and career ladder levels. (Note that in one of OARM's divisions (OROM/FACMD) the pool for 0343 positions does not include one GS-14. This position acts as the Committee Management Officer and is excluded because it is required by GSA and the FAC Act.)

- Restructure positions to focus on core business functions where needs can be met more economically, by leveraging technology, or utilizing other resources. Includes the printing function, printing officers, and elimination of embedded attorney services in favor of OGC expertise. These positions will be restructured at lower grade levels and into positions that support core business functions.

- Consolidate or reduce administrative or support functions to increase emphasis on positions and series directly supporting our core business functions – facility, engineering, contract, grant and human resources management.

    - Reduce the number of employees in specific occupational series (e.g., automation clerks, secretaries, procurement analysts, grants assistants, program and management analyst positions).
    - Realign current administrative specialists and program analysts to consolidate internal HR support and budget execution in OARM to achieve efficiency.
    - Restructure positions to recruit candidates having skills required to close current competency gaps.

The specific positions, grade, series and locations targeted can be found in the targeted position spreadsheet.

How VSIP will be used in conjunction with VERA

OARM has 121 employees eligible for regular retirement and 164 eligible for early retirement through VERA in the above identified series. The VSIP authority presents an attractive enticement to those employees who will realize a reduced annuity from retiring early through VERA. Therefore, the combination of optional and early retirement eligible employees will result in the maximum number of departures, which is important to OARM to reshape its organization. The VSIP can further increase the potential departure group by providing a separation incentive to employees who have more than three years of status and hence could elect to depart to pursue other career opportunities. Thus, the combination of VERA and VSIP provides the greatest likelihood for OARM achieving the necessary reshaping and restructuring of its workforce.

The types of personnel actions anticipated as a result of the above proposed restructuring and elimination of positions include:

- Directed reassignments
- Competitive details
- Voluntary separations and retirements
- Abolishment of some positions
- Reclassification and restructuring of some positions
- Internal and possible external competitive recruitments.

Budget Information

Basic assumptions for calculations (e.g., hourly rate based on average grade and step) should be captured in footnotes or otherwise explained in the business case.

Table A – Direct Costs for VERA/VSIP	
# of Targeted Positions for VSIP 98 x $25,000	$ 2,450,000
Annual Leave Pay Out for 98 of Targeted Positions for VERA, Optional Retirement or Resignation {$64.86* x 240 x 98 of Targeted Positions}	$ 1,525,507
Total Maximum Direct Costs	$ 3,975,507

*Payroll estimated on a GS-13, step 5 ($51.48) with 26% included for loaded cost in Washington, D.C.

Table B – Estimated Savings for FY 2018 through FY 2019		
	FY 2018 Estimate	FY 2019 Estimate
A. Pre-VERA/VSIP Annual Payroll Cost	$99,580,367	$99,580,367
B. VERA/ VSIP Payout Cost	$0	$0
C. Leave Payout Cost	$0	$0
D. Post VERA/VSIP Annual Payroll Cost (A-(98 Targeted Positions*$145,000)	$86,789,387	$87,262,394

E. Payroll for 84 New Hires	$2,810,070	$5,646,460
F. Payroll Savings for # VERA/VSIP Targeted Positions (F = A – B – C – D - E)	$9,980,910	$6,671,513
G. Pre-VERA/VSIP Annual WCF Cost	$6,280,000	$6,280,000
H. Post VERA/VSIP Annual WCF Cost	$5,473,852	$5,473,852
I. WCF for 84 New Hires (assumes half of WCF costs mid-year in FY 18 - $4,113 * 84 and full costs $8,226 * 84 in FY 19)	$345,492	$690,984
J. WCF Savings for # VERA/VSIP Targeted Positions (J = G – H – I)	$460,656	$115,164
Projected Savings with VERA/VSIP (F+J)	**$10,441,566**	**$6,786,677**

Calculation Notes:
A – FY 2017 Payroll amount.
B/C – VERA/VSIP Payout and Leave Payout Costs occur in FY 2017.
D – 145,000 is the estimated average cost of FTE
E – Assume a GS-09, Step 1 with 20% added to cover the cost of benefits.
H - Total is Pre-VERA/VSIP Annual WCF Cost – (98 Targeted Positions x $8,226).
I – For FY 2018 assumes new hires are only funded for ½ of the year at $4,113.

V. Office of the Chief Financial Officer

Information Required for VERA and VSIP Requests

OCFO plans to reduce the number of administrative positions by using VERA/VSIP authorities to:

- Eliminate a clerk position.
- Reduce the number of financial technician positions.
- Reduce the number of secretary positions within OCFO's Office of the Controller (Reduce the number of management analyst positions within OC.

In addition, OCFO plans to reduce the number of financial management positions in OC by using VERA/VSIP authorities to:

- Reduce the number of financial specialist positions.
- Reduce the number of accountant positions.

Vacated clerk, secretary, and financial technician positions will be abolished. After VERA/VSIP offers have been accepted, OCFO will determine how many OC positions remain in the management analyst, accountant, and financial specialist series, and make appropriate workforce decisions. These decisions include possible reassignments of remaining personnel to fill positions in other parts of OCFO to fill mission-critical needs. The decisions also include possible restructuring to fill a small number of vacated positions with new skills needed to perform and support advanced data analytics and deliver secure, high-quality financial management processes, operations, and systems. These changes would be part of EPA's continuing efforts to meet the demand for a technologically sophisticated, analytical financial management workforce, as well as qualified technical and IT security staff.

OCFO will be able to operate without eliminated positions due to increased use of technology. Over time, the agency's financial management programs and functions have undergone significant change, particularly in the use of technology. In October 2011, the agency implemented the Compass Core Financial System, a key element of EPA's overall Financial System Modernization Plan, which provided increased integration among EPA's various systems and added new functionality. Now, we will take greater advantage of the full functionality of Compass to reduce our need for separate systems which cost time, money, and staff resources to integrate. As just one example, moving portions of the payment tracking systems and other interfacing systems into Compass will eliminate the need to reconcile discrepancies when all functionality is housed in one system. This should result in streamlined processes, better data quality, and reduced staff needed for integration of the separate systems and reconciliation of data. As a result, the workforce supporting the agency's financial management operations including the supporting administrative staff, which are located in OCFO, can be restructured and reduced, while qualified technical and IT security staff would be maintained.

We will be able to realign or reorganize to create operational efficiencies, while at the same time minimize any potential negative impacts on the workforce. We also plan to recruit for new skills needed by hiring a modest number of positions. We will recruit candidates who have analytical and critical thinking, and information management and technology skills. If needed, OCFO will implement management-directed reassignments or details to ensure mission-critical programs are not interrupted. OCFO's senior leadership will ensure that the highest priorities of EPA and OCFO will be carried out during this time of organizational change and workforce restructuring.

VSIP will be used in conjunction with VERA to maximize the incentives for employees to accept a VERA/VSIP offer. OCFO's attrition rate is low, and many of our optional retirement-eligible employees have continued to work years beyond retirement eligibility. For these individuals, VSIP is the only incentive we can offer. Another target group is eligible for neither optional retirement nor early retirement. For these individuals too, VSIP is the only incentive available. Given that a reduced government income relative to optional retirement is inherent in VERA, we anticipate VSIP to be a necessary enticement also among the target group who are VERA-eligible. VERA authority in conjunction with VSIP will be essential if we are to reach our goal of 27 voluntary separations from among a target group of 160.

VSIP-Specific Information

- The maximum number of VERA/VSIP to be offered is 27.
- The maximum amount that will be paid is $25,000.
- The total maximum amount that will be paid is $675,000.

A maximum of 27 VSIP payments would be offered in accordance with the targeted position spreadsheet.

VERA-Specific Information

As of May 15, 2017, OCFO has 303 non-temporary employees on board. 83 employees are eligible for early retirement. The estimate of the total number of employees in the agency/organization who are expected to take early retirement is 20. At this time, we anticipate one position in an occupational series that OCFO no longer needs may require the incumbent to be involuntarily separated unless the individual accepts a VERA-VSIP offer or finds a position in another EPA office or federal agency. The types of personnel actions anticipated as a result of OCFO's need for VERA include separations, details (if necessary), reassignments, abolished and/or reclassified positions, and internal and external recruitments.

Budget Information

Basic assumptions for calculations (e.g., hourly rate based on average grade and step) should be captured in footnotes or otherwise explained in the business case.

Table A – Direct Costs for VERA/VSIP	
27 Targeted Positions for VSIP x $25,000	$675,000
Annual Leave Pay Out for 27 of Targeted Positions for VERA, Optional Retirement or Resignation {Hourly rate ($49.66) based on the average grade and step (GS-12, Step 10) of the targeted pool x 240 x 27 Offers to Targeted Positions}	$321,797
Total Maximum Direct Costs	$996,797

Table B – Estimated Savings for FY 2018 through FY 2019		
	FY 2018 Estimate	FY 2019 Estimate
A. Pre-VERA/VSIP Annual Payroll Cost	$41,371,000	$41,371,000
B. VERA/ VSIP Payout Cost	$0	$0
C. Leave Payout Cost	$0	$0
D. Post VERA/VSIP Annual Payroll Cost	$38,572,747	$38,572,747
E. Payroll for 7 New Hires	$362,737	$725,473
F. Payroll Savings for 20 VERA/VSIP Targeted Positions (F = A – B – C – D - E)	$2,435,516	$2,072,780
G. Pre-VERA/VSIP Annual WCF Cost	$2,203,170	$2,203,170
H. Post VERA/VSIP Annual WCF Cost	$2,010,660	$2,010,660
I. WCF for 7 New Hires	$24,955	$49,910
J. WCF Savings for 27 VERA/VSIP Targeted Positions (J = G – H – I)	$167,555	$142,600
Projected Savings with VERA/VSIP (F + J)	$2,603,071	$2,215,380

A - Based on payroll allocation from FY17 Enacted Budget for OCFO.

E - Assumes that new hires in FY 2018 will be onboard for ½ year. Calculation is based on a GS-12 Step 10 (for 2017 in Washington DC). The 2017 GS-12 Step 10 salary is $103,639 or $49.66/hr. With a 30% increase to account for benefits, the total annual cost is $134,730 annually.

G - Working Capital Fund cost is based on the mandatory services (computer, telephone, internet access, etc) and is estimated at $7,130 each per 309 on-board personnel.

H - Working Capital Fund cost is based on the mandatory services (computer, telephone, internet access, etc) and in FY18 is estimated at $7,130 per 282 on-boards (309- 27 VERA/VSIP departures = 282 remaining).

I - Working Capital Fund cost is based on the mandatory services (computer, telephone, internet access, etc) and in FY18 is estimated at 7 new hires for half a year ($24,955); and in FY19 is estimated at 7 new hires for a full year ($49,910).

VI. Office of Chemical Safety and Pollution Prevention

Business Case

OCSPP is requesting approval authority for the use of VSIP and VERA together to transform its workforce to meet administrative and programmatic challenges facing the organization by reducing administrative support positions through efficiencies and technology, reshaping the organization to reflect changes in programmatic direction and increased efficiency, and reducing and restructuring our highly-graded full-time equivalents. OCSPP plans to offer both VSIP/VERA together (except for series GS-0303 which will only receive VSIP).

- Reduce the number of Miscellaneous Clerk and Assistant positions across OCSPP. As technology use across the workforce has expanded, many of the activities of the administrative staff in this series (e.g., typing, filing, screening calls, scheduling meetings, photocopying, mailing documents, timekeeping, and making travel reservations) have been assumed by the office's professional and technical staff. These functions have been re-engineered into user-friendly automated systems, i.e., Concur, Webforms, People Plus, and other automated administrative work systems. This change in the work environment has diminished the need for positions in this administrative field and will enable the organization to reduce obsolete skills and consolidate a broader range of functions. OCSPP has 3 of these positions. One is in the Office of Pollution Prevention and Toxics (GS-10) in Washington, DC, and 2 are in the Office of Pesticide Programs in Arlington, VA (GS-7, GS-8). All offers would be accepted.
- Reduce and restructure the work of non-supervisory Miscellaneous Administration and Program Series positions in the OCSPP IO to restructure positions with new skill sets that advance multimedia approaches and new technology. The IO will look to restructure positions requiring broader programmatic experience, communication and communication technology and the use of collaboration tools to better support the IO senior management. The IO would evaluate and determine how to restructure any position prior to filling the position. The IO has 2 GS-13 non-supervisory positions in this series in Washington, DC. All offers would be accepted.
- Reduce the number of Miscellaneous Administration and Program Series positions in OPPT's Information Management Division. The functions of OPPT have evolved with the manner and processing of submissions under the Toxic Substances Control Act (TSCA). Increased electronic reporting by the regulated community and automated workflows are resulting in efficiencies and changes in priority functions. OPPT would expect to fill any new FTE positions at lower grades in restructured positions. OPPT has 4 non-supervisory GS-13 positions in this series in IMD. Up to two offers would be accepted.
- Reduce and restructure the number of non-supervisory GS-15s across OCSPP. Many non-supervisory GS-15 positions were established to focus on specific programs when sufficient higher graded work was present. Program priorities have evolved over time and continue to do so and not all of these positions are currently required. Increased electronic reporting by the regulated community and automated workflows are resulting in efficiencies and changes in priority functions. OCSPP will review positions that are vacated and determine whether the work

of the position is needed or whether it should be abolished. If the position is still needed, we will evaluate and determine how it will be restructured before filling. Decisions on job series, duties, grade and promotion potential will be made after careful evaluation of the needs and priorities of the organization, current and projected staffing levels and VERA-VSIP rules and requirements. Restructured positions will reflect new and/or different duties, different job series or a different grade level appropriate for the scope of duties for that position. OCSPP has 56 positions eligible for retirement or early retirement (this excludes one IT security position). Up to 43 offers would be accepted across many series (3 in the IO; 22 in OPPT, 15 in OPP (see the next bullet), and 3 in the Office of Science Coordination and Policy). Positions are located in Washington, DC, Arlington, VA, Chicago, IL and Ft. Meade, MD.

- Reduce the number of OPP supervisory positions by restructuring branches in two OPP divisions. These new structures will consolidate functions across several branches to increase efficiency and increase the supervisor-to-staff ratios. In the Health Effects Division, OPP would combine information functions with science information functions into a single unit and also combine scientific specialties related to health effects and exposure into one branch. This restructuring would lead to better cross-sharing of information and more efficient use of technical capabilities and staff resources. In the Pesticides Re-evaluation Division, OPP would eliminate one branch and task work from that branch across three other branches, eliminating the need for an administrative services branch. Reshaping these branches helps with increased efficiency and reduces the number of supervisors. OPP would re-task work to existing staff and supervisors. OPP currently has 3 positions located in Arlington, VA. Two of the three are GS-15-0343 Program Analysts, and one is a 0401Biologist. Up to 15 positions would be accepted in OPP from this group and the OPP non-supervisory GS-15s combined (OPP current and future organization chart attached.)

The specific positions, grade, series and locations targeted can be found in the targeted position spreadsheet.

Budget Information

Table A – Direct Costs for VERA/VSIP	
50 of Targeted Positions for VSIP x $25,000	$1,250,000
Annual Leave Pay Out for *50* of Targeted Positions for VERA, Optional Retirement or Resignation {Hourly rate based on the average grade and step *(GS 13 Step 5 - $66.49)* of the targeted pool x 240 x *50* of Targeted Positions}	$797,880
Total Maximum Direct Costs	$2,047,880

Table B – Estimated Savings for FY 2018 through FY 2019		
	FY 2018 Estimate	FY 2019 Estimate
A. Pre-VERA/VSIP Annual Payroll Cost	$133,784,000	$133,784,000
B. VERA/ VSIP Payout Cost	$0	$0
C. Leave Payout Cost	$0	$0
D. Post VERA/VSIP Annual Payroll Cost	$126,869,040	$126,869,040
E. Payroll for *47* New Hires	$3,250,027	$6,500,053

F. Payroll Savings for *50* VERA/VSIP Targeted Positions (F = A – B – C – D - E)	$3,664,933	$414,907
G. Pre-VERA/VSIP Annual WCF Cost	$8,081,000	$8,081,000
H. Post VERA/VSIP Annual WCF Cost	$7,732,500	$7,732,500
I. WCF for *47* New Hires	$163,795	$327,590
J. WCF Savings for *50* VERA/VSIP Targeted Positions (J = G – H – I)	$184,705	$20,910
Projected Savings with VERA/VSIP (F + J)	**$3,849,638**	**$435,817**

Table A
Assumes 50 Targeted Positions at buyouts of $25,000
Assumes leave payout of 240 hours for all 50 Targeted Positions at a fully loaded average salary rate of a GS 13 Step 5 ($66.49)

Table B

A. Assumes FY 17 Enacted Payroll for RPIO 20.
B. VERA/VSIP payout takes place in FY 17 and does not impact FY 18 or FY 19.
C. VERA/VSIP leave payout takes place in FY 17 and does not impact FY 18 or FY 19.
D. Assumes annual payroll cost of annual salary of eligible positions (GS-13 Step 5 - $138,299) x 50 positions = $6,914,960.
E. Assumes payroll for 47 new hires at GS-13 Step 5 $138,299 * 47. FY 17 costs assume hiring in April 2018.
F. A – B – C – D – E
G. Assumes FY 17 Enacted WCF for RPIO 20.
H. Assumes savings of $348,500 – annual WCF cost / FTE of $6,970 * 50 maximum offers
I. Assumes annual WCF cost for 47 new hires of $139,400 – annual WCF cost / FTE of $6,970 * 47 new hires. FY 17 costs assume hiring in April 2018.
J. G – H – I

VII. Office of Enforcement and Compliance Assurance

Business Case

The Office of Enforcement and Compliance Assurance is requesting authority for the use of VERA and VSIP to address longstanding shortfalls in extramural and other non-pay accounts through elimination or restructuring of positions vacated by departing employees.

OECA will offer VERA/VSIP broadly to enable redirection and refocusing of resources to establish a more efficient enforcement and compliance program aligned with the agency's strategic direction. OECA will accept VERA/VSIP applications for eligible General Schedule employees in all locations and across all job series except GS-1811 Criminal Investigators, allowing the OECA to reshape its workforce, consolidate functions, and preserve extramural funds necessary to meet core business needs. The VERA/VSIP would encompass GS 5 – 15 positions in all locations. Please see the targeted position spreadsheet for detailed information on specific positions, series, grades and locations.

NOTE: Given the pool of available candidates, if OECA does not receive applicants at the numbers outlined in the Targeted Positions Template, we request the flexibility to increase (or decrease) the number in one or the other category, as long as our total does not exceed 51. This would be implemented by adhering to the selection criteria for each job category and then adjusting other categories where appropriate to meet overall target levels.

Through a combination of restructuring and elimination, OECA will refocus the workforce and balance extramural needs to meet changing priorities in coordination with our state and local partners. Some of OECA's components include separate administrative and program support functions which may be consolidated to reduce redundancies and promote greater efficiency. In addition, OECA may restructure compliance and enforcement activities across organizational lines to improve coordination and streamline functions. For the GS-2210 Information Technology Specialist positions, OECA will restructure two information-security positions and reassign work to lower graded employees in this series. While these are positions with direct-hire authority, reassignments internal to the agency should allow us to meet program needs.

OECA has 681 non-temporary employees in targeted positions, of which 164 are VERA-eligible and 522 are VSIP-eligible. OECA plans to offer up to 51 VSIPs (with or without VERA) to eligible General Schedule employees in all locations and across all job series except GS-1811 Criminal Investigators in a pool of 506 targeted positions. This broad applicant pool will enable a large-scale approach towards a multi-faceted reshaping effort.

The estimate of the total number of employees in OECA who are expected to take voluntary early retirement are 25. With a target of 51 positions overall, we plan to restructure 25 positions to meet changing agency priorities and eliminate 26 positions to address longstanding financial needs for critical agency support activities.

Personnel actions as a result of the VERA/VSIP will likely be part of broader agency reform and restructuring efforts and will be a combination of details, reassignments, competitive hires and realignments.

Budget Information

Basic assumptions for calculations (e.g., hourly rate based on average grade and step) should be captured in footnotes or otherwise explained in the business case.

Table A – Direct Costs for VERA/VSIP	
51 Targeted Positions for VSIP x $25,000	$1,275,000
Annual Leave Pay Out for 51 Targeted Positions for VERA, Optional Retirement or Resignation {Hourly rate of $64.63 based on the average grade and step (GS 14/7) of the targeted pool x 240 x 51 Targeted Positions}	$ 791,070
Total Maximum Direct Costs	$2,066,070

Table B – Estimated Savings for FY 2018 through FY 2019		
	FY 2018 Estimate	FY 2019 Estimate
A. Pre-VERA/VSIP Annual Payroll Cost	$92,598,000	$92,598,000
B. VERA/ VSIP Payout Cost	$0	$0

C. Leave Payout Cost	$0	$0
D. Post VERA/VSIP Annual Payroll Cost	$83,265,000	$83,265,000
E. Payroll for 25 New Hires	$2,287,500	$4,575,000
F. Payroll Savings for 51 VERA/VSIP Targeted Positions (F = A – B – C – D - E)	$7,045,500	$4,758,000
G. Pre-VERA/VSIP Annual WCF Cost	$3,896,200	$3,896,200
H. Post VERA/VSIP Annual WCF Cost	$3,503,500	$3,503,500
I. WCF for 25 New Hires	$96,250	$192,500
J. WCF Savings for 51 VERA/VSIP Targeted Positions (J = G – H – I)	$296,450	$200,200
Projected Savings with VERA/VSIP (F + J)	**$7,341,950**	**$4,958,200**

A. Fully loaded average payroll cost for targeted positions ($183,000 x 506).
B. No cost in FY 2018 or FY 2019.
C. No cost in FY 2018 or FY 2019.
D. Fully loaded average payroll cost for targeted positions minus 51 ($183,000 x 455).
E. Assumes hiring of 25 new staff at yearly salary of $183,000 per employee; 6 months of FY 2018/full year 2019.
F. See calculation formula.
G. Average WCF cost per employee in targeted positions ($7,700 x 506)
H. Average WCF cost for targeted positions minus 51 ($7,700 x 455).
I. Assumes hiring of 25 new staff at yearly WCF cost of $7,700 per employee; 6 months of FY 2018/full year of FY 2019.
J. See calculation formula.
K. See calculation formula.

VIII. Office of Environmental Information

Business Case

OEI will offer VSIP and VERA opportunities to non-supervisory GS-15, GS-14, and GS-13 staff. Our workforce analysis shows a significant proportion of OEI's workforce (132 positions or 43%) is classified in nonsupervisory high-graded GS-14 and GS-15 positions. An additional 138 positions, or 45%, are GS-13; and only 11% are graded at or below the GS-12 level. OEI needs to have a balanced grade structure that is sustainable. Junior and mid-level staff are needed to support our IT and IM experts at the GS-14 and GS-15 levels. With the current distribution, a disproportionate number of OEI's staff is highly-graded experts, which does not allow for a career ladder growth path. Through restructuring, OEI aims to attract appropriately-skilled junior-level staff experienced in modern technology projects and programs. OEI is both an information technology and information management organization; a better distribution of these modern skills is needed to support the agency's mission.

After reducing the number of non-supervisory higher-graded positions (GS-13 and above), OEI will consolidate the higher graded work in remaining positions. Temporary work assignments may be required for high priority projects while the hiring plan is implemented. Some non-critical projects may be delayed during the transition period. Once our non-supervisory, high-graded workforce has been restructured, we will look for opportunities to centralize work where it can be or otherwise align the positions to the appropriate organizations. This will protect against duplication of effort, streamline reporting relationships, and improve accountability.

OEI averages less than 10 retirements per year, although OEI currently has 74 positions that are fully eligible for immediate retirement. Given our low attrition rate and the fact that many of our retirement-eligible employees have continued to work years beyond retirement eligibility, we request authority to offer VERA with VSIP to supplement our number to reach our goal of 30 voluntary separations. Offering VERA with VSIP is more appealing than VERA alone and will likely help us achieve the voluntary separations needed to restructure the grade levels and work of our workforce
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VSIP-Specific Information

Please see the targeted position spreadsheet for detailed information on specific positions, series, grades and locations. We plan to offer VSIP/VERA to non-supervisory employees at the GS-13 through GS-15 levels in the specified organizations.GS-2210 IT Specialist Security/INFOSEC are not included in this proposal.

With an organizational FTE ceiling of 421 positions and a vacancy rate of 78 positions, it will be critical for OEI to develop a replacement hiring plan. The goal of the plan will be to lower our grade structure and recruit new skills needed to advance current and future information management and technology requirements for the agency given fewer resources.

We will offer 30 VSIPs, each up to the maximum of $25,000 for a total amount of $750,000. The following table illustrates the maximum allocation of VERA/VSIPs by OEI Office and/or Division. Review OEI's Targeted Positions Template for detailed information.

Allocation of VERA/VSIPs by Office		***Allocation of VERA/VSIP by Division (OITO and OEIP)**		
ODSTA	4	OEIP	IO	1
OCAPPM	3	OEIP	EQMD	1
OBOS	2	OEIP	ERMD	2
OIM	8	OEIP	FLAD	1
OISP	3	**OEIP Total**		**5**
OEIP*	5	OITO	IO	1
OITO*	5	OITO	SBMD	4
TOTAL	**30**	**OITO Total**		**5**

VERA-Specific Information

As of April 17, 2017, OEI employs 343 permanent employees. Following VERA/VSIP, OEI will look to restructure functions, positions, and/or organizational structures to better meet mission needs. To gain additional cost efficiencies and improve OEI's ability to hire and retain highly qualified staff, especially in technical fields, OEI will also consider redistributing some of the restructured positions to RTP, North Carolina, where we currently have staff present. If we deem it necessary to most effectively support EPA's mission, OEI may involuntarily reassign up to 10 employees as a result of this proposal.

A total number of 79 OEI employees are eligible for early retirement. The estimate of the total number of employees in OEI who are expected to take early retirement is eight, or 10% of the total eligible.

We expect to complete the following types of personnel actions as a result of OEI's need for VERA: management directed reassignments, details, voluntary separations, permanent internal and external recruitments, temporary/term internal and external recruitments.

Budget Information

Table A – Direct Costs for VERA/VSIP	
30 of Targeted Positions for VSIP x $25,000	$ 750,000
Annual Leave Pay Out for 30 of Targeted Positions for VERA, Optional Retirement or Resignation {$60.83 x 240 x 30}	$ 437,976
Total Maximum Direct Costs	$ 1,187,976

Note: Hourly rate based on the average grade and step (14/5) of the targeted pool per OPM's locality pay salary table for Washington, DC: https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2017/DCB_h.pdf

Table B – Estimated Savings for FY 2018 through FY 2019		
	FY 2018 Estimate	FY 2019 Estimate
A. Pre-VERA/VSIP Annual Payroll Cost	$ 56,623,657	$ 56,623,657
B. VERA/ VSIP Payout Cost	$ 0	$ 0
C. Leave Payout Cost	$ 0	$ 0
D. Post VERA/VSIP Annual Payroll Cost	$ 52,814,917	$ 52,814,917
E. Payroll for 30 New Hires	$ 1,093,134	$ 2,186,267
F. Payroll Savings for 30 VERA/VSIP Targeted Positions (F = A – B – C – D – E)	$ 2,715,606	$ 1,622,473
G. Pre-VERA/VSIP Annual WCF Cost	$ 2,886,315	$ 2,886,315
H. Post VERA/VSIP Annual WCF Cost	$ 2,612,235	$ 2,612,235
I. WCF for 30 New Hires	$ 137,034	$ 274,080
J. WCF Savings for # VERA/VSIP Targeted Positions (J = G – H – I)	$ 137,046	$ 0
Projected Savings with VERA/VSIP (F + J)	$ 2,852,652	$ 1,622,473

A. Estimate based on FY 2017 straight-line payroll projection for the year as of July 3, 2017. Does not factor in a cost of living increase, attrition, or unprocessed cash awards.

D. Post V/V annual payroll cost based on savings of EPA HQ GS-14/5 base yearly salary for 30 positions ($126,958 X 30 = $3,808,740), per OPM's locality pay salary table for Washington, DC: https://www.opm.gov/policy-data-oversight/pay-leave/salaries-wages/salary-tables/pdf/2017/DCB.pdf. This calculation does not include an estimate of savings on benefits.

E. FY18 calculations include the base salary (not benefits) of 30 new hires across EPA HQ and EPA RTP onboard for ½ year:

- 3 GS-9 Step 1 in HQ at $27,486 per person; 3 GS-9 Step 1 in RTP at $25,739 per person
- 4 GS 11 Step 1 in HQ at $33,255 per person; 4 GS 11 Step 1 in RTP at $31,141 per person
- 4 GS 12 Step 1 in HQ at $39,860; 4 GS 12 Step 1 in RTP at $37,326
- 4 GS 13 Step 1 in HQ at $47,398; 4 GS 13 Step 1 in RTP at $44,385
- Estimated total salary for new hires at ½ year for HQ = $564,510 and RTP = $528,624.

FY19 calculations include the base salary of 30 new hires from FY 2018 across EPA HQ and EPA RTP onboard for 1 year:

- 3 GS-9 Step 1 in HQ at $54,972 per person; 3 GS-9 Step 1 in RTP at $51,477 per person
- 4 GS 11 Step 1 in HQ at $66,510 per person; 4 GS 11 Step 1 in RTP at $62,282 per person
- 4 GS 12 Step 1 in HQ at $79,720; 4 GS 12 Step 1 in RTP at $74,652
- 4 GS 13 Step 1 in HQ at $94,796; 4 GS 13 Step 1 in RTP at $88,770

- Estimated total salary for new hires at one year for HQ = $1,129,020 and RTP = $1,057,247.

H. Average annual WCF cost per person is $9,136, for a 12-month period ($761.30 monthly cost), based on May 2017 usage.

I. Assumes 30 new hires will be on board for ½ of the year in FY 2018 ($761.30 x 6 months x 30 hires) and a full year in FY 2019 ($9,136.00 x 30 hires).

IX. Office of General Counsel

Business Case

The Office of General Counsel provides legal services to all the agency's organizational elements with respect to all programs and activities. Specifically, OGC provides legal opinions, legal counsel, litigation support, and assists in the formulation and administration of the agency's policies and programs as legal advisors. OGC's workforce is primarily comprised of attorney advisers.
OGC often has a shortfall in its non-pay budget lines. Because the agency is considering VERA and VSIP, OGC has taken steps to ensure it only has essential personnel at the right grade level so as to ensure it has as much non-pay funding available as possible. In reviewing OGC's ongoing work and the agency's needs, OGC decided to restructure or reduce one (1) highly graded non-supervisory position and one (1) non-supervisory position in its Immediate Office. Below is the VERA and VSIP business case justification:

POSITION	FUNCTION	ORGANIZATION	LOCATION	OCCUPATIONAL CATEGORY	GRADE LEVEL
Senior Counsel for International Affairs	Oversees special projects of significant concern to the agency.	OGC Immediate Office	WA, DC	Management	SL-0905-00
Executive Assistant	Executes day-to-day responsibilities & assignments that are routine and/or may be of a sensitive nature.	OGC Immediate Office	WA, DC	Administrative	GS-0301/12

The senior counsel SL-0905 position targeted under the VERA/VSIP authorities was a new position OGC created soon after a significant environmental incident. The position's original duty station was in Denver, CO, that was changed in late 2016 to Washington, DC. The position responsibilities included special projects such as supporting the agency mission-driven environmental and human health efforts related to the Region 8 Gold King Mine. Given the reduced impacts surrounding the Gold King Mine efforts at this time, this position is no longer high priority or critical to the agency mission. OGC made the decision to eliminate this position. This position is retirement eligible. OGC will offer only the VSIP authority.

OGC's Immediate Office currently employs two executive assistant GS-0301/12 positions of which one position is considered in excess at the GS-12 level. OGC will target two positions under the VERA/VSIP authorities but will offer only one position. In reviewing its administrative support needs in the OGC Immediate Office, OGC determined that the work may be restructured at the GS-11 level. OGC will offer both the VERA and VSIP authority for the one position.

VSIP- and VERA-Specific Information

The one targeted SL-0905 position is retirement eligible. OGC will offer only the VSIP authority.

- Total 0905 General Attorney = 173 // Retirement Eligible = 25 // VERA eligible = 37 // VSIP eligible = 136

OGC is targeting two positions at the GS-0301/12 but only offering one position based on the first to apply. The one position will be eligible for both VERA and VSIP authority. The targeted GS-12 position will be restructured at the GS-11 level.

- Total 301 Miscellaneous Administration and Program = 13 // Retirement Eligible = 4 // VERA eligible = 3 // VSIP eligible = 13

Budget Information

Table A – Direct Costs for VERA/VSIP	
2 of Targeted Positions for VSIP x $25,000	$ 50,000
Annual Leave Pay Out for # of Targeted Positions for VERA, Optional Retirement or Resignation {Hourly rate based on the average grade and step of the targeted pool x 240 x 2 of Targeted Positions}	$ 40,685
Total Maximum Direct Costs	$ 90,685

Table B – Estimated Savings for FY 2018 through FY 2019		
	FY 2018 Estimate	FY 2019 Estimate
A. Pre-VERA/VSIP Annual Payroll Cost	$39,738,600	$39,738,600
B. VERA/ VSIP Payout Cost		
C. Leave Payout Cost		
D. Post VERA/VSIP Annual Payroll Cost	$39,381,990	$39,381,990
E. Payroll for 1 New Hires	$42,234	$84,468
F. Payroll Savings for 2 VERA/VSIP Targeted Positions (F = A – B – C – D - E)	$314,376	$272,142
G. Pre-VERA/VSIP Annual WCF Cost	$1,979,007	$1,979,007
H. Post VERA/VSIP Annual WCF Cost	$1,961,007	$1,961,007
I. WCF for 1 New Hires	$4,500	$9,000
J. WCF Savings for # VERA/VSIP Targeted Positions (J = G – H – I)	$13,500	$9,000
Projected Savings with VERA/VSIP (F + J)	$327,876	$281,142

Assumptions:

A. Payroll based on FY 2017 Op Plan
B. VERA VSIP Payout – assumes payout will occur in FY17

C. Leave Payout Cost – assumes payout will occur in FY17
D. Post VERA VSIP payroll removes cost for a GS-12/6 ($93,008) and SL position $187,000. The positions include a 27% benefits rate
E. New Hire GS-11/1 ($66,510) plus a 27% benefits rate for ½ yr for FY18 and full year cost in FY19
F. No assumption: Calculation
G. Pre VERA/VSIP WCF Cost based on FY 2017 Op Plan authority
H. Post VERA/VSIP WCF cost reduces the Pre-VERA/VSIP cost by $ ($9K per person)
I. WCF new hire assumes WCF cost for ½ year in FY18 and full year in FY19
J. No assumption: Calculation

X. Office of International and Tribal Affairs

Business Case

The Office of International and Tribal Affairs proposes offering VERA and VSIP to GS-13 through GS-15 non-supervisory staff and to a small number of staff in administrative positions to facilitate the consolidation of programs and functions across the organization.

OITA currently has 74 non-temporary employees, the majority of whom are at the GS-13 to GS-15 grade levels. We propose to offer VERA/VSIP buyouts primarily to eligible employees at these grade levels, and will restructure the positions vacated by departing employees. The maximum number of positions eligible will be based upon current staffing levels and anticipated organizational needs, with adjustments to be made in accordance with future restructuring efforts.

OITA seeks to align the work of its international and tribal programs with administration priorities. Because of the administration's focus on fewer high-priority initiatives for international and tribal programs, OITA will need fewer higher-graded employees to serve as program leads. (The reduction in the number of key program areas is more significant in the international programs than in the tribal programs, and OITA is targeting fewer positions in its American Indian Environmental Office, accordingly).

Although OITA offered VERA/VSIP in 2014, the Office still has GS-13 through GS-15 level employees performing some functions that could be performed by staff at lower grades. As part of the office's efforts to realign its work and consolidate functions, less complex work will be restructured into lower-graded positions, which will facilitate consolidating more complex duties (e.g., policy development, multilateral negotiations, etc.) among the higher-graded staff who remain following the VERA/VSIP process. EPA offers in-house training (e.g., COR certification, IA Project Officer certification, etc.) that can help prepare lower-graded staff to assume some of the less complex duties currently being performed by higher-graded employees.

A reduction in the number of programs and the number of staff should also allow OITA to further consolidate some administrative functions, with slightly fewer staff providing administrative support to the office's programs. (OITA's 2014 VERA/VSIP process saw the departure of a number of key administrative support staff. Although some further consolidation is possible, there are currently fewer opportunities to reduce administrative functions than to collapse program management functions). OITA's current structure is already "flat." The office anticipates no reorganization as a result of VERA/VSIP. Realignments within each of OITA's constituent organizations are more likely, with teams being combined or staff assignments being consolidated.

Tentative areas of workforce reshaping and restructuring include:

- A reduction in the number of formal teams. Staff in OITA's program components are currently divided into a total of nine teams, each of which is headed by a GS-15 Senior Advisor. Combining existing teams will allow us to reduce the need for a number of higher-graded staff.
- A reduction in the number of GS-15s other than Senior Advisors. OITA's international programs currently have three non-supervisory GS-15s serving in positions other than team leaders. Several of these GS-15s support programs that OITA plans to significantly reduce in order to align the office's international priorities with the focus areas identified by the new administration. As the GS-15s who support these programs depart, OITA will restructure the positions to reduce their full promotion potential and to restructure the positions to support new priority programs.
- Realignment of resources across OITA will increase efficiencies in managing assistance agreements and contracts, which should reduce the number of staff needed to administer these vehicles. Some work currently supported by employees at the GS-13, 14, and 15 grade levels – in both the international and tribal programs -- can be reassigned to staff at lower grades.

OITA will target a total of six positions in accordance with the targeted position spreadsheet.

VSIP

VSIP will be offered for each of the six targeted positions, with a maximum of five offers being accepted. If OITA receives and accepts the maximum number of requests, $125,000 will be required for buy-outs.

A number of staff who occupy the targeted positions are already retirement eligible. VSIP will serve as an incentive for these employees to retire from federal service.

VERA

Nineteen employees in OITA are VERA eligible. The estimate of the total number of employees in the office who are expected to take early retirement is two.

The administration's focus on a smaller number of key international and tribal programs will result in the need for fewer higher-graded employees as program leads. Reductions in major initiatives may necessitate the transfer of up to ten OITA employees to other parts of the agency. OITA may also need to make significant changes to portfolio assignments for up to twenty other employees as a result of rapidly changing focus areas for our programs. OITA seeks VERA authority as one option for alleviating the need to transfer employees.

Budget Information

Office of International and Tribal Affairs
Updated: Friday, June 30, 2017

Table A – Direct Costs for VERA/VSIP – FY 2017	
5 Targeted Positions for VSIP x $25,000	$ 125,000

Annual Leave Pay Out for # of Targeted Positions for VERA, Optional Retirement or Resignation {Hourly rate based on the average grade and step of the targeted pool x 240 x **5** Targeted Positions}	$ 73,000
Total Maximum Direct Costs	**$ 198,000**

Table B – Estimated Savings for FY 2018 through FY 2019		
	FY 2018 Estimate	FY 2019 Estimate
A. Pre-VERA/VSIP Annual Payroll Cost	$ 12,221,150	$ 12,221,150
B. VERA/ VSIP Payout Cost	$ 0	$ 0
C. Leave Payout Cost	$ 0	$ 0
D. Post VERA/VSIP Annual Payroll Cost	$ 11,414,954	$ 11,414,954
E. Payroll for **5** New Hires	$ 174,542	$ 349,085
F. Payroll Savings for **5** VERA/VSIP Targeted Positions (F = A – B – C – D - E)	$ 631,654	$ 457,111
G. Pre-VERA/VSIP Annual WCF Cost	$ 552,500	$ 552,500
H. Post VERA/VSIP Annual WCF Cost	$ 516,750	$ 516,750
I. WCF for **5** New Hires	$ 17,875	$ 35,750
J. WCF Savings for **5** VERA/VSIP Targeted Positions (J = G – H – I)	$ 17,875	$ 0
Projected Savings with VERA/VSIP (F + J)	**$ 649,529**	**$ 457,111**

Table B – Estimated Savings Assumptions

Line A	Payroll costs are calculated on OITA's workforce salary and benefits as of May 15 plus projected step increases for remainder of FY 2017. (No COLA projected in FY18 though 1.9% in FY19)
Line B	No additional VERA / VSIPs projected
Line C	No additional Leave Payout Cost projected
Line D	Average G14/S5 [Sal & Ben (27%)] for Targeted Positions
Line E	Projected on-boarding April 2018; Average G9/S1 [Sal & Ben (27%)] for New Hires
Line H	Projected FY 2018 WCF FTE costs is $7,150/year; no projected increase to per year cost factor
Line I	Projected on-boarding April 2018

XI. Office of Land and Emergency Management

The Office of Land and Emergency Management is requesting approval authority for the use of VERA and VSIP.

OLEM will use these authorities to:

- Reshape its workforce to reflect changes in programmatic direction, strengthen technical programmatic expertise with appropriate skill mix through efficiencies and technology;

- Streamline OLEM's national workforce by reducing and reshaping the current top-heavy GS-13/14/15 grade structure to create opportunities for recruiting at lower grade levels for alignment with the agency's highest priorities;
- Restructure existing staff layers to improve organizational productivity while reducing the staffing and associated payroll costs;
- Review and evaluate all programs to take advantage of efficiencies by streamlining and centralizing functions, reducing administrative and programmatic redundancies, and consolidating program mission areas into Centers of Excellence;
- Implement a strategic workforce succession plan to ensure mission critical positions are filled; and create hiring opportunities to correct significant competency gaps by creating a number of vacancies at lower grades (GS-7/9/11) to recruit new staff with critical knowledge, skills and abilities to create a higher-performing organization.

OLEM currently employs 494 permanent employees. Of these, 112 are eligible for voluntary retirement, 134 are eligible for early retirement, and 451 are eligible for voluntary separation payments. OLEM plans to target 219 positions with a maximum of 94 offers. Both the VERA and VSIP opportunities will be offered to staff in targeted series in OLEM. The estimated number of employees expected to take early retirement is 24 employees (25%). Because OLEM will be restructuring and not eliminating positions, we expect to rehire approximately 94 positions.

OLEM manages the agency's programs for hazardous waste and underground storage tank management, contaminated site cleanup including federal facilities, Brownfields redevelopment, and accidental releases from oil and chemical facilities.

Under the Resource Conservation and Recovery Act, the Office of Resource Conservation and Recovery is primarily responsible for implementing EPA's resource conservation, recovery and waste management goals. ORCR's principal responsibility is to build a national waste management program, implemented through EPA regional offices and state programs. OLEM plans to reshape and realign its waste management program to create a more efficient national program in two areas:

(1) More efficient oversight of mature state implemented RCRA Subtitle C Permitting, Corrective Action, PCBs and other state implemented programs.

Most states and territories are authorized to implement both the RCRA Hazardous Waste Permitting and Corrective Action programs. In many cases, the states oversee much of the Permitting and CA work through work sharing agreements with EPA. Today there are more efficient approaches to achieve effective program oversight. Through the use of technology, information, and collaborative problem solving, effective oversight can be achieved with fewer personnel resources.

(2) To offset resource reductions in prior years, efficiencies have been gained across the RCRA program due the implementation of a variety of LEAN efforts. These process improvements distill practical lessons learned and experiences contributed by federal, state, and regulated community representatives involved with many aspects of the federal hazardous waste program.

The RCRA program continues to aggressively use LEAN techniques to achieve cost savings and efficiencies. Continued use of the RCRA FIRST toolbox for corrective action and associated tools in the other areas will help EPA regional staff and their partners take advantage of the efficiency and quality gains from more efficient approaches. These tools include how-to-guides, process flow maps, and tools

and templates to make it easier to complete different parts of the RCRA program. Project teams can tailor the resources to efficiently meet each region or state's specific needs.
Under the contaminated site cleanup program, OLEM proposes focusing efforts on addressing risk and on economic redevelopment possibilities, while suspending work on sites or portions of sites that are low risk and have low potential for redevelopment. This will result in a streamlined organization.
Site assessment involves gathering historical and other available information about site conditions to evaluate whether the site poses a threat to human health and the environment and/or whether further investigation is needed. The preliminary assessment helps identify sites that may need immediate or short-term response actions.

The site characterization phase determines the nature and extent of contamination at the site, tests whether certain technologies are capable of treating the contamination, and evaluates the cost and performance of technologies to clean up the site. EPA begins its outreach and community involvement efforts concurrently with the site characterization phase as well as during the response decision process. Community Involvement Coordinators (CIC) work with community members throughout the cleanup process. On-Scene Coordinators and Remedial Project Managers also have significant roles along with input from hydrogeologists, toxicologists and ecological risk assessors and grants/project officers that administer cooperative agreements to states for their participation in the process.

OLEM proposes prioritizing cleanup work based on reducing risk and other factors at sites, including but not limited to sites that are good candidates for reuse. Therefore, we will continue to implement all phases of the response program to find future high risk/high redevelopment potential projects to add to the National Priorities List or to conduct removal actions. This will require careful allocation of resources to the completion of the other phases of the process, such as Record of Decision, and Remedial Design and Remedial Actions to achieve completion of site cleanups through fund-lead or enforcement-lead work. This may reduce the need for technical positions as well as administrative staff and will lead to program efficiencies and/or streamlined program operations, including the implementation of cross discipline expertise, consolidation of organizational elements, and the introduction of entirely new competencies to better meet program goals. Please see the targeted position spreadsheet for detailed information on specific positions, series, grades and locations.

Budget Information

Office of Land and Emergency Management
(June 30, 2017 updated VERA/VSIP Tables)

Table A – Direct Costs for VERA/VSIP	
94 of Targeted Positions for VSIP x $25,000 *(94 offers)*	$2,350,000
Annual Leave Pay Out for 94 of Targeted Positions for VERA, Optional Retirement or Resignation {Hourly rate based on the average grade and step of the targeted pool x 240 x 94 of Targeted Positions} *(Assumptions: 94 offers at an hourly rate of a GS-13/5 (DC locality) + 15% benefit [does not include health benefits])*	$1,335,597
Total Maximum Direct Costs	$3,685,597

Table B – Estimated Savings for FY 2018 through FY 2019 (assumptions list below)		
	FY 2018 Estimate	FY 2019 Estimate
A. Pre-VERA/VSIP Annual Payroll Cost	$82,712,000	$82,712,000
B. VERA/ VSIP Payout Cost	$0	$0
C. Leave Payout Cost	$0	$0
D. Post VERA/VSIP Annual Payroll Cost	$69,583,443	$69,583,443
E. Payroll for # New Hires	$3,358,789	$6,717,578
F. Payroll Savings for 94 VERA/VSIP Targeted Positions (F = A – B – C – D - E)	$9,769,768	$6,410,979
G. Pre-VERA/VSIP Annual WCF Cost	$15,702,000	$15,702,000
H. Post VERA/VSIP Annual WCF Cost	$15,044,000	$15,044,000
I. WCF for # New Hires	$329,000	$658,000
J. WCF Savings for 94 VERA/VSIP Targeted Positions (J = G – H – I)	$329,000	$0
Projected Savings with VERA/VSIP (F + J)	$10,098,768	$6,410,979

Assumptions for Table B

A: FY18 & assume FY 2017 Enacted Payroll for OLEM HQ (to allow for comparison)
B: '18 & '19 $0 as per instructions
C: '18 & '19 $0 as per instructions
D: '18 & '19 assumes savings of $13,128,557 (94 offers at GS-13/5 DC locality + 30% benefits costs)
E: '18 assumes 94 rehires at the GS-9/1 DC locality + 30% benefits for ½ year
'19 assumes all 94 are on board for full year (other assumptions the same)
F: '18 & '19 applies formula
G: '18 & '19 assume FY 17 WCF BOC 38 for OLEM HQ (total)
H: '18 & '19 assumes 94 offers leave at $7000/offer
I: '18 assumes 94 new hires at ½ year at $7000/hire
'19 assumes 94 new hires at full year at $7000/hire
J: '18 & '19 applies formula
Total savings = formula

XII. Office of Research and Development

The Office of Research and Development plans to reshape its workforce to place a greater focus on the science supporting the Administrator's priorities of (1) supporting core drinking water/clean water infrastructure projects; (2) implementing TSCA reform: (3) bringing about measurable changes in communities with Superfund sites; and (4) attaining the air quality standards. Our plan is to accomplish this through the restructuring of our workforce by consolidating our Las Vegas workforce to other ORD locations, bringing our supervisor-to-staff ratio in line with agency standards, and reducing the number of highly graded, non-supervisory staff position.

Restructured positions will allow ORD the opportunity to maintain its core post-doctoral program that provides technical expertise in cutting-edge scientific areas supporting the agency's priorities, as well as to create vacancies to recruit staff at the entry level with the skill sets needed to support our core functions. Additionally, reducing the number of employees at our LV facility will allow us to reduce the footprint in leased space, eventually allowing us to reallocate those funds to other high priority initiatives.

ORD plans to use the VERA, in conjunction with the VSIP, as an incentive to implement these restructuring strategies. ORD historically has a low attrition rate, and many of our optional retirement-eligible employees have continued to work years beyond retirement eligibility. Together, these two authorities provide the most favorable opportunity for the organization to meet its goals while offering an attractive incentive for eligible employees to elect to leave the organization.

VSIP will be offered to a maximum of 183 employees with an estimated 55 (or 30%) accepting the offer. These offers will be made to retirement or early out (VERA) eligible employees located in LV, Nevada; eligible employees who are non-supervisors at the GS-14 and above grade level (to include ST, SL); and eligible supervisors with <5 employees. ORD's labs, centers, and offices are all unique in how they support the priorities of the agency. Each will handle restructuring under the three scenarios slightly different based on their current staffing needs, mainly through a variance in the maximum offers by geographic location, series, and grade. Our attached template takes those considerations into account and includes numbers based on the LCO specific requests. Given the pool of available candidates across our offices, ORD would like to request the flexibility to increase (or decrease) the offer number in one or more categories if necessary, with the understanding that the overall cap of 183 cannot be exceeded. ORD will not have any changes to its organizational chart (attached) as a result of these offers.

ORD currently has 1564 non-temporary employees. Of those, 322 employees are eligible for early retirement. VERA will be offered to 66 of the non-temporary employees in ORD. The estimate of the total number of employees in ORD who are expected to take early retirement is 13 (20%). ORD does not anticipate any involuntary separations, downgrades or transfers as a result of this restructuring. It is anticipated that it will be necessary to implement a limited number of details and reassignments as a result of the VERA in order to continue our restructuring/reshaping process. We anticipate some reassignments specifically associated with our goal to increase the supervisor/staff ratio in ORD. VERA will help us move toward that goal. Additionally, a reduction in the number of high graded non-supervisors as a result of this VERA will allow ORD to bring in new, lower graded employees with skills to take on work to support the agency's core functions, as well as continue our focus on our post doc program. Please see the targeted position spreadsheet for detailed information for each job series.

<u>Budget Information</u>

Basic assumptions for calculations (e.g., hourly rate based on average grade and step) should be captured in footnotes or otherwise explained in the business case.

Table A – Maximum Direct Costs for VERA/VSIP	
# of Targeted Positions for VSIP x $25,000	183 x $25,000 = $ 4,575,000
Annual Leave Pay Out for # of Targeted Positions for VERA, Optional Retirement or Resignation {Hourly rate based on the average grade and step of the targeted pool x 240 x # of Targeted Positions}	$ 3,030,480
Total Maximum Direct Costs	$ 7,605,480

Table B – Estimated Savings for FY 2018 through FY 2019

	FY 2018 Estimate	FY 2019 Estimate
A. Pre-VERA/VSIP Annual Payroll Cost	$265,438,372	$265,438,372
B. VERA/ VSIP Payout Cost	$0	$0
C. Leave Payout Cost	$0	$0
D. Post VERA/VSIP Annual Payroll Cost	$231,738,922	$231,738,922
E. Payroll for # New Hires	$10,876,788	$21,753,576
F. Payroll Savings for # VERA/VSIP Targeted Positions (F = A – B – C – D - E)	$22,822,662	$11,945,874
G. Pre-VERA/VSIP Annual WCF Cost	$10,560,825	$10,560,825
H. Post VERA/VSIP Annual WCF Cost	$9,412,500	$9,412,500
I. WCF for # New Hires	$1,315,496	$1,148,325
J. WCF Savings for # VERA/VSIP Targeted Positions (J = G – H – I)	($167,171)	$0
Projected Savings with VERA/VSIP (F + J)	**$22,655,491**	**$11,945,874**

Budget assumptions:
Table A:
 # Targeted x 25,000: Assumes max (cap) of 183 accept $25K each for a total of $4.575M
Annual Leave Pay Out: The average hourly rate for the targeted pool is $69 x 183 max (cap) x 240 hours = $3,030,480

Table B:
A: Amounts of PC&B for ORD as of FY17
B: Assumes that no VERA/VSIP payout will take place in FY18 or FY19.
C: Assumes that no leave payout will take place in FY18 or FY19.
D: Amounts of PC&B estimated for cap of 183 leaving with $145,000 average salary and 27% benefits % of PC&B estimate across EPA, so (Line A) - (183 X $145,000 X 127%) = $231,728,922 for FY18 and the same for FY19.
E: We estimate183 new hires/restructured positions at an average hourly rate of $45/hour, with 27% benefits. We assume the new hires work half the year for FY18 and all FY19, so, (183 X $45 X 2080 X 127% X 50%) for FY18, and double for FY19.
G: The $6275 WCF cost/year/person for FY17 for ORD FTE times 1683 FTE FY18/FY19 is: (1683 X $6275) = $10,560,825.
H: $6275 WCF cost/year/person for FY17. Assuming 183 depart, (Line G) - ($6275 X 183) = $9,412,500 FY18/FY19.
I: $6275 WCF cost/year/person for FY17. Additional one-time background check costs are $4051/employee. For 183 new hires, working a half year in FY18 and all FY19, cost is ($6275 X 50% X 183) + ($4051 X 183) for FY18 and ($6275 X 183) =for FY19.

XIII. Office of Water

The Office of Water (OW – Washington, DC and Cincinnati, OH) will use the VERA and VSIP authorities to:

- Reduce and rebalance our current grade structure by reducing GS-13s and GS-14s, non-supervisory GS-15s, and supervisory and non-supervisory SLs to adjust skill and grade levels.
- Restructure our programmatic and administrative positions to refresh skill sets to address modern and ever-changing technologies, enhance collaboration and coordination, and deal with increasingly complex technical and scientific challenges.

- Reshape current workforce to correct significant competency gaps by creating a limited number of vacancies to recruit new staff with critical knowledge, skills and abilities in current and potentially different series to create a higher-performing organization.
- Assess on an ongoing basis our position management structure and make future changes based on staff attrition and changing technology.

Please see the targeted position spreadsheet for detailed information on specific positions, series, grades and locations.

The office will reassign the most complex work (i.e., GS-13 level and above) to existing higher graded positions in order to concentrate the assignment of this work into fewer positions. This will allow us to recruit at the entry-level for positions working on program and technical issues that require the integration of multimedia approaches and new technology skills to more efficiently and effectively implement program objectives. Other positions, to the extent feasible and practical, will be restructured through the transfer and retraining of staff with outdated skill sets or staff that are currently focused on work activities that will not be emphasized in the future.

How VSIP will be used in conjunction with VERA

OW will use the VERA authority to increase the number of positions in the targeted job series who would be eligible to accept a VSIP offer, if they were allowed to retire early. Currently, there are 85 targeted positions that are eligible for voluntary (optional) retirement and eligible to accept a VSIP offer without VERA approval. The number of VERA employees eligible for a VSIP is 67 so by adding VERA, the number of targeted positions who are eligible to accept a VSIP offer increases to 152 and improves the probability of reaching the OW goal to realign resources. Additionally, by adding employees who are eligible for VSIP only (239) and not eligible for voluntary or early retirement, it increases our number of positions in targeted job series to 391. OW will make VERA and VSIP offers simultaneously to all employees in targeted positions during the same offer period. A total of 30 VSIP offers will be approved and the combined use of VERA authority along with the VSIP offers will increase the odds of OW reaching the goals of restructuring and reshaping the workforce. OW will approve up to 30 VSIPs, each up to the maximum of $25,000 or the amount of severance pay to which an employee is entitled (whichever is less).

VERA-Specific Information

Number of non-temporary employees in OW undergoing change	391
Number of non-temporary employees in OW who may be involuntarily separated, downgraded, transferred, or reassigned as a result of the situation	5
Number of employees in OW who are eligible for early retirement (excluding employees eligible for optional retirement)	67
The estimate of the total number of employees in OW who are expected to take early retirement is:	5

The actions listed below provide a description of the types of personnel actions anticipated as a result of OW's need for voluntary early retirement authority:

- Directed Reassignments
- Details
- Voluntary Separations
- Abolish or Reclassify Positions

- Voluntary Retirements
- Internal and External Recruitments

Budget Information

Basic assumptions for calculations (e.g., hourly rate based on average grade and step) should be captured in footnotes or otherwise explained in the business case.

Table A – Direct Costs for VERA/VSIP	
30 Targeted Positions for VSIP x $25,000	$750,000
Annual Leave Pay Out for 30 targeted positions for VERA, Optional Retirement or Resignation {Hourly rate based on the average grade and step of the targeted pool x 240 x 30 Targeted Positions}	$470,098
Total Maximum Direct Costs	$1,220,098

1) Annual Leave payout is calculated based on the average grade and step for the target pool:
   - Hourly salary of an SL employee in Washington, D.C. times 240-hour annual leave balance times the targeted number of VERA/VSIPs. $84.76 x 240 = $20,342 x 1 = $20,342
   - Hourly salary of a GS15, Step 7 employee in Washington, D.C. times 240-hour annual leave balance times the targeted number of VERA/VSIPs. $75.77 x 240 = $18,185 x 11 = $200,033
   - Hourly salary of a GS14, Step 6 employee in Washington, D.C. times 240-hour annual leave balance times the targeted number of VERA/VSIPs. $62.62 x 240 = $15,029 x 9 = $135,261
   - Hourly salary of a GS13, Step 6 employee in Washington, D.C. times 240-hour annual leave balance times the targeted number of VERA/VSIPs. $52.99 x 240 = $12,718 x 9 = $114,462
   - The total leave payout is the sum of $20,342 + $200,033 + $135,261 + $114,462 = $470,098
2) The total maximum direct cost is the sum of $750,000 + $470,098 = $1,220,098

Table B – Estimated Savings for FY 2018 through FY 2019		
	FY 2018 Estimate	FY 2019 Estimate
A. Pre-VERA/VSIP Annual Payroll Cost	$92,832,000	$92,832,000
B. VERA/ VSIP Payout Cost	0	0
C. Leave Payout Cost	0	0
D. Post VERA/VSIP Annual Payroll Cost (pre-VERA/VSIP payroll cost- payroll for 30 targeted positions)	$87,314,227	$87,314,227
E. Payroll for 15 New Hires (assumes 15 FTEs external to OW by mid-year in FY18)	$634,473	$1,268,946
F. Payroll Savings for 30 VERA/VSIP Targeted Positions (F = A – B – C – D - E)	$4,883,300	$4,248,827
G. Pre-VERA/VSIP Annual WCF Cost	$5,914,224	$5,914,224
H. Post VERA/VSIP Annual WCF Cost	$5,619,984	$5,619,984
I. WCF for 15 New Hires (assumes half of WCF costs for FY18; full WCF for FY19)	$73,560	$147,120
J. WCF Savings for 30 VERA/VSIP Targeted Positions (J = G – H – I)	$220,680	$147,120

Projected Savings with VERA/VSIP (F + J)	$5,103,980	$4,395,947

A. Pre VERA/VSIP costs are based on the 2017 Opplan payroll.

B and C. Employees will be required to separate by the end of Fiscal Year 2017 so there are no anticipated VERA/VSIP costs or payroll associated with FY18 or FY19.

D. Post VERA/VSIP annual payroll is pre-VERA/VSIP payroll minus the payroll costs for 30 targeted positions. Salary calculations are based on the annual salary of an employee in Washington, D.C. An additional 35% increase is added to account for benefits. This total is multiplied by the number of VERA/VSIPs offered.

SL $176,303 x 1 = $176,303

GS 15/7 $158,123 x 11 = $1,739,353

GS 14/6 $130,692 x 9 = $1,176,228

GS 13/6 $110,595 x 9 = $995,355

Total payroll costs for targeted VERA/VSIP positions = $4,087,239 + 35% = $5,517,773

Post VERA/VSIP annual payroll = $92,832,000- $5,517,773 = $87,314,227

E. Assumes new hires will be on board for half of FY18 and the entirety of FY19. Salary calculations are based on the annual salary of an employee in Washington, D.C. An additional 35% increase is added to account for benefits.

GS 9/1 $54,972 x 5 = $274,860 x .5 = $137,430

GS 11/1 $66,510 x10 = $665,100 x .5 = $332,550

E (FY19). $274,860 + $665,100 = $939,960 + .35 = $1,268,946

E (FY18). $939,960 x .5 = $469,980 + .35 = $634,473

F (FY18) Payroll Savings for # VERA/VSIP Targeted Positions

$92,832,000 – $0 – $0 - $87,314,227 - $634,473 = $4,883,300

F (FY19) Payroll Savings for # VERA/VSIP Targeted Positions

$92,832,000 – $0 – $0 - $87,314,227 - $1,268,946 = $4,248,827

G. Working capital fund costs are based on $7,000 per person per year for computer, telephone and internet access.

$9,808 x 603 on-boards = $5,914,224

H. Working capital fund costs are based on $7,000 per person per year for computer, telephone and internet access, times the targeted number of VERA/VSIP positions. Total Working capital fund costs – VERA/VSIP savings.

$9,808 x 30 = $294,240
$5,914,224- $294,240 = $5,619,984

I. Working Capital Fund costs assume new hires will be on board for half of FY18 and the entirety of FY19.

(FY18). Working capital fund costs are based on $9,808 per person per year for computer, telephone and internet access. Cost for 6 months is $4,904. $4,904 x 15 = $73,560

I (FY19). Working capital fund costs are based on $9,808 per person per year for computer, telephone and internet access, times the targeted new hires. $9,808 x 15 = $147,120

J (FY18) WCF Savings for # VERA/VSIP Targeted Positions

$5,914,224- $5,619,984 - $73,560 = $220,680

J (FY19) WCF Savings for # VERA/VSIP Targeted Positions

$5,914,224- $5,619,984 - $147,120 = $147,120

FY18 Projected Savings with VERA/VSIP. $4,883,300 + $220,680 = $5,103,980

FY19 Projected Savings with VERA/VSIP. $4,248,827 + $147,120 = $4,395,947

XIV. Region 1

Business Case

Region 1 is requesting approval authority for the use of VERA and VSIP to further accelerate workforce planning efforts/goals in three areas: consolidate/reduce administrative support; reduce/restructure highly graded positions; and restructure positions to focus on technical and programmatic priorities and core business functions.

Region 1 employs 567 non-term employees. Currently, 137 (24%) of our workforce is eligible for a Regular Retirement, and 201 (36%) of our workforce is eligible for an Early Retirement. While we have made good progress in shaping a workforce to meet our mission's objectives, the region's continued low attrition ranging from 3% to 4% per year has slowed our efforts to restructure the workforce and achieve efficiencies. Using a strategic but narrow approach to identifying eligible positions in each Division, we believe that VERA/VSIP can accelerate our workforce restructuring goals. Region 1 senior leaders have determined that offering VSIP in conjunction with VERA will increase our ability to meet these goals.

Region 1 will offer a total of 36 VERA/VSIP opportunities to 112 positions which are eligible for either a Regular Retirement or an Early Retirement. Region 1 will not be offering VSIP to employees not currently eligible for Regular Retirement or an Early Retirement, as management has determined, with our narrow approach, the skill sets and positions established are needed to support mission objectives. The estimate of total number of employees in the region to take an early retirement is seven.

Administrative and Support Functions: As the region adopts new technologies, employs Lean principles to our operations, and centralizes certain functions, our administrative and support needs continue to change. In the case of the VERA/VSIP opportunities offered to administrative and support functions, the remaining work will be pooled or absorbed with existing positions, or restructured into lower graded, part-time positions.

Region 1 will offer a maximum of 5 VERA/VSIP opportunities to 9 individuals/positions in the Boston, Massachusetts location.

Reduce and/or Restructure Highly Graded Positions: Region 1 plans to reduce the number of high graded technical experts and senior policy advisors to better reflect the current priority work. For emerging priority needs, the region will work with our SSC to restructure technical expert positions and senior policy advisors consistent with classification standards used across the agency. In instances where the position is eliminated, remaining work will be redistributed to grade appropriate positions, or the position may be reclassified at a lower grade level and considered for reassignment. To support a greater balance of grade levels across the region we may consider entry-level hiring for positions needing new skill sets or expertise not readily available within the region.

Region 1 will offer a maximum of 12 VERA/VSIP opportunities to 27 individuals/positions: 3 VERA/VSIP opportunities to employees in Chelmsford, MA; and 9 VERA/VSIP opportunities to employees in Boston, Massachusetts location.

Please see the targeted position spreadsheet for detailed information on specific positions, series, grades and locations.

Budget Information

Table A – Direct Costs for VERA/VSIP	
36 of Targeted Positions for VSIP x $25,000	$ 900,000
Annual Leave Pay Out for 36 of Targeted Positions for VERA, Optional Retirement or Resignation {Hourly rate based on the average grade and step of the targeted pool x 320 x # of Targeted Positions}	$ 665,219
Total Maximum Direct Costs	$ 1,565,219

Table B – Estimated Savings for FY 2018 through FY 2019		
	FY 2018 Estimate	FY 2019 Estimate
A. Pre-VERA/VSIP Annual Payroll Cost	$86,525,000	$86,525,000
B. VERA/ VSIP Payout Cost	0	0
C. Leave Payout Cost	0	0
D. Post VERA/VSIP Annual Payroll Cost	$80,953,776	$80,953,776
E. Payroll for 25 New Hires	$1,500,000	$3,000,000
F. Payroll Savings for # VERA/VSIP Targeted Positions (F = A – B – C – D - E)	$4,071,224	$2,571,224
G. Pre-VERA/VSIP Annual WCF Cost	$2,774,000	$2,774,000

H. Post VERA/VSIP Annual WCF Cost	$2,630,000	$2,630,000
I. WCF for 25 New Hires	$50,000	$100,000
J. WCF Savings for # VERA/VSIP Targeted Positions (J = G – H – I)	$94,000	$44,000
Projected Savings with VERA/VSIP (F + J)	**$4,165,224**	**$2,615,224**

Table A:
Assumed maximum carryover and leave to date of calculation and assumed some used average 320 annual leave hours times hourly rate at step 10 of grade

Table B:
A: This is the Annual Payroll Cost per Bas v. 1 for Region 1
D: Assumed the Step 10 for each grade level targeted
E: Assumed $120,000 pay for 25 new hires/restructured positions
H & I: Annual WCF costs $ 4,000 per position

XV. Region 2

Business Case

Region 2 proposes to extend a maximum of 30 VERA/VSIP offers, up to 27 to employees with a New York, NY duty station and up to three to employees with an Edison, NJ duty station. These fall into three of the six major themes identified by the agency. Please see the targeted position spreadsheet for detailed information on specific positions, series, grades and locations.

- Consolidate and streamline functions/activities/reduce number of programs.
- Restructure or reduce highly-graded supervisory or non-supervisory positions.
- Consolidate or Reduce Administrative or Support Functions.

The estimated number of employees expected to take early retirement is eight to 10. This assumes that 1) a majority but not all of slots will be taken; and 2) employees eligible for regular retirement will have service computation dates that have the effect of precluding some offers to less senior VERA-eligible applicants. Region 2 intends for employees in targeted positions to be included in the offer pool regardless of whether they are eligible for VSIP and regular retirement, VERA/VSIP, or VSIP only.

Absent a VERA/VSIP, we would anticipate no involuntary actions of an adverse nature; some employees would need to be reassigned. We do not anticipate undertaking a reorganization following the implementation of this VERA/VSIP proposal. Therefore, we are providing a single set of organization charts. The theme-based paragraphs above convey a sense of how the region would operate with certain positions eliminated and others filled at lower grades, different series, or with a different set of programmatic responsibilities. We anticipate that personnel actions as a result of VERA/VSIP implementation would include a modest number of reassignments, details, and merit promotions. We may also proceed with external hires at the entry level based on feasibility and degree of need.

Budget Information

Table A – Direct Costs for VERA/VSIP

30 Targeted Positions for VSIP x $25,000	$ 750,000
Annual Leave Pay Out for # of Targeted Positions for VERA, Optional Retirement or Resignation {Hourly rate of based on the average grade and step of the targeted pool x 240 x 30 Targeted Positions} *	$ 506,928
Total Maximum Direct Costs	**$ 1,256,928**

Notes:

* Annual leave payouts based on an average hourly rate of $52.805 and 320 hours of leave for each employee who takes the VV.

Table B – Estimated Savings for FY 2018 through FY 2019		
	FY 2018 Estimate	***FY 2019 Estimate***
A. Pre-VERA/VSIP Annual Payroll Cost	$ 121,683,000	$ 121,683,000
B. VERA/ VSIP Payout Cost	$ -	$ -
C. Leave Payout Cost	$ -	$ -
D. Post VERA/VSIP Annual Payroll Cost	$ 117,207,977	$ 117,207,977
E. Payroll for 15 New Hires	$ 577,588	$ 1,155,177
F. Payroll Savings for 30 VERA/VSIP Targeted Positions (F = A – B – C – D - E)	$ 3,897,435	$ 3,319,846
G. Pre-VERA/VSIP Annual WCF Cost	$ 3,887,000	$ 3,887,000
H. Post VERA/VSIP Annual WCF Cost	$ 3,767,000	$ 3,767,000
I. WCF for 15 New Hires	$ 30,000	$ 60,000
J. WCF Savings for 15 VERA/VSIP Targeted Positions (J = G – H – I)	$ 90,000	$ 60,000
Projected Savings with VERA/VSIP (F + J)	$ 3,987,435	$ 3,379,846

Notes:

A. 2018 Pre-VV Annual Payroll Cost based on current FY 2017 payroll costs.
B. VV payout takes place in FY 17 and does not impact FY 18 or FY 19.
C. Leave payout takes place in FY 17 and does not impact FY 18 or FY 19.
D. Projected payroll costs based on current FY 17 salaries.
E. Payroll for New Hires assume the 15 positions identified for restructuring will be filled within 6 months for FY 2018 and will be charging the entire FY for FY 2019.
G. For WCF savings and hires, $4,000 used per position.
H. For WCF savings and hires, $4,000 used per position.
I. WCF for New Hires assume the 15 positions identified for restructuring will be filled within 6 months for FY 2018 and will be charging the entire FY for FY 2019.

XVI. Region 3

Business Case

Region 3 is requesting VERA/VSIP authority to increase its flexibility in implementing efficiency measures by eliminating positions, restructuring positions and reassigning staff to priority programs. The region is currently at FTE ceiling. The current attrition rate of 3-4% annually, would not allow the region to pursue the efficiency measures without VERA/VSIP incentives. To achieve the reductions needed to implement the efficiency measures, VERA/VSIP will be offered to employees in most job series and grades within targeted levels. The region is not proposing to reorganize as a result of VERA/VSIP however it is anticipated that reassignments and limited merit promotion actions will be required as a result of the VERA/VSIP. Future reorganizations would be based on outcomes from new initiatives and policy directions and the response to VERA/VSIP. The region is proposing the following actions to increase efficiency and effectiveness of agency programs and regional operations:

1. **Delayering.**

On average, the supervisor to staff ratio in the region is 1:8. The ratios vary widely by Divisions and there are opportunities to reorganize functions in order eliminate supervisory positions and decrease supervisory layers. In addition, an increased focus on scientific positions has reduced the need for Supervisory Environmental Protection Specialists.

2. **Consolidate or reduce administrative functions.**

Improvements in technology and decreased dependence on paper has made many traditional administrative and clerical functions obsolete. By offering VERA/VSIP to all grades in the administrative and clerical series, these support functions can be consolidated.

3. **Restructure and reduce highly graded supervisory and non-supervisory positions.**

The region has over 85 non-supervisory GS-14/15 positions. Offering VERA/VSIP to all eligible staff in this population will help reduce the number of GS-14 and 15 employees. Remaining non-supervisory GS-14/15s can be reassigned to vacated supervisory positions where suitable.

Forty percent of the region is a GS-13. While there is a need to maintain higher graded staff to provide leadership and subject matter expertise to programs, the region is weighted heavily in higher grades.

Through attrition gained by VERA/VSIP, the region will restructure functions and reassign work to the existing positions. The region has over 100 interdisciplinary scientists at the GS-07/09/11/12 level who can be reassigned to new functions to fill critical areas. These entry level staff will benefit from cross training early in their career and build the capability of the next generation of agency leaders. The region does not anticipate filling any of the positions with external candidates, though there may be opportunities for reassignments and merit promotion actions within the existing workforce.

4. **Restructure to focus on core business functions.**

Changes to program implementation including an enhanced partnership with states focusing on cooperative federalism have decreased the need for project officers, investigators, compliance officers, grants administration, and outreach. These functions are filled by staff in a range of positions, series and grades. By offering VERA/VSIP widely, staff remaining in these functions can be shifted to new program requirements.

<u>Budget Information</u>

Basic assumptions for calculations (e.g., hourly rate based on average grade and step) should be captured in footnotes or otherwise explained in the business case.

Table A – Direct Costs for VERA/VSIP	
159 of Targeted Positions for VSIP x $25,000	$ 3,975,000
Annual Leave Pay Out for 159 of Targeted Positions for VERA, Optional Retirement or Resignation {$51.65 based on the GS-13/6 of the targeted pool x 240 x 159 of Targeted Positions}	$ 1,970,964
Total Maximum Direct Costs	$ 5,945,964

Table B – Estimated Savings for FY 2018 through FY 2019		
	FY 2018 Estimate	FY 2019 Estimate
A. Pre-VERA/VSIP Annual Payroll Cost	$112,875,000	$112,875,000
B. VERA/ VSIP Payout Cost	0	0
C. Leave Payout Cost	0	0
D. Post VERA/VSIP Annual Payroll Cost	$95,737,344	$95,737,344
E. Payroll for 124 New Hires	$7,440,000	$14,880,000
F. Payroll Savings for 159 VERA/VSIP Targeted Positions (F = A – B – C – D - E)	$9,697,656	$2,257,656
G. Pre-VERA/VSIP Annual WCF Cost	$4,196,547	$4,196,547
H. Post VERA/VSIP Annual WCF Cost	$3,343,830	$3,343,830
I. WCF for 124 New Hires	$332,506	$665,012
J. WCF Savings for 159 VERA/VSIP Targeted Positions (J = G – H – I)	$520,211	$187,705
Projected Savings with VERA/VSIP (F + J)	**$10,217,867**	**$2,445,361**

Footnotes

1. Table A – Hourly rate ($51.65) of a GS-13/6 X 240 X 159 (# of targeted positions)

2. Table B – Row D – Yearly salary ($107,784) of a GS-13/6 x 159 = $17,137,656 subtracted from $112,625,000
3. Table B- Row E—Assumes $120,000 pay x 124 rehires/restructured positions
4. Table B – Row G - $5,363/per person X 782.5 FTE
5. Table B- Row I - $5,363 X 124 rehires/restructured positions

XVII. Region 4

Business Case

As Region 4 continues to acquire the skills needed to perform current and emerging technical, analytical and programmatic work of the organization, we will need skill sets that are multidisciplinary, highly analytical, creative, and flexible. Building on our FY 2014 VERA/VSIP efforts in restructuring the workforce to create a higher-performing organization, we will utilize these authorities to continue to focus on optimizing our workforce in support of the agency's and region's mission critical priorities. The VERA and VSIP authorities will allow region 4 to continue to garner efficiencies and better serve customers. Region 4 will align grade levels and restructure the workforce to recruit new skills and competencies in support of evolving agency needs and mission critical core programs; and, meet technical, operational, financial, and programmatic challenges facing the organization. This will include providing training and assistance to our state counterparts and addressing critical infrastructure needs within the region, in addition to, increasing the number of employees trained and working in core program areas (i.e., biological sciences, environmental engineering, physical sciences, and project management) while reducing certain administrative/clerical series and other functions related to non-core program work.

Region 4 will reduce positions which are obsolete and/or do not provide optimum flexibility in staffing environmental programs, technical, mission support, information and operations positions. Readjusting priorities, we will have the opportunity to recruit skills to meet emerging technical and programmatic needs. In consolidating position functions into other technical positions, we will improve flexibility and increase efficiency of core mission functions. We will reshape the workforce where the demand for specific skills is no longer there, place expertise in needed areas; and, recruit at lower grades where gaps are identified.

Region 4 has been a leader in working with state and private partners to develop tools to increase the capacity of state and local governments to adopt and implement more efficient policies, practices and incentives. In continuing cooperative federalism, we intend to take advantage of the efficiencies created by those tools, including technology, information and collaborative problem solving. Our partnership with states and tribes will allow us to focus efforts to realign resources, streamline and merge functions across the organization, reduce redundancies and subsequently strengthen our support of state and tribal functions.

Region 4 continues to evaluate opportunities for consolidation or realigning resources for compliance and enforcement activities. The region has identified opportunities to achieve near term workforce reductions to achieve a more efficient and focused enforcement and compliance program.
Region 4 will capitalize on workforce reductions to create more efficiencies by aligning with the agency's strategic direction and support efforts to manage shortfalls in extramural funding

experienced over the past few years. Priorities will be realigned with personnel focusing efforts on addressing high risk sites and on economic redevelopment possibilities. The region will continue to reallocate resources to achieve completion of site clean ups through fund lead or enforcement lead work. As a result, it is anticipated that the efforts will lead to program efficiencies and further streamline program operations, including the implementation of cross discipline expertise, consolidation of organizational elements, and the introduction of entirely new competencies to better meet program goals.

As positions are vacated, Region 4 will review to determine appropriate restructuring. Decisions on job series, duties, grade and promotion potential will be made after careful evaluation of the needs and priorities of the organization, current and projected staffing levels, and VERA-VSIP rules and requirements. Restructured positions will reflect new and/or different duties and grade level(s) appropriate for the scope of work performed. In some cases, the duties of a vacated position may be reassigned to another position.

The aforementioned efforts will facilitate strategic workforce planning to ensure mission critical positions are filled and hiring priorities are adjusted to correct any anticipated significant competency gaps within the organization.

Budget Information

Basic assumptions for calculations (e.g., hourly rate based on average grade and step) should be captured in footnotes or otherwise explained in the business case.

Table A – Direct Costs for VERA/VSIP – Region 4	
25 of Targeted Positions for VSIP x $25,000	$ 625,000
Annual Leave Pay Out for **25** of Targeted Positions for VERA, Optional Retirement or Resignation {Hourly rate based on the average grade and step of the targeted pool x 240 x **25** of Targeted Positions}	$ 284,114
Total Maximum Direct Costs	$909,114

Table B – Estimated Savings for FY 2018 through FY 2019 – Region 4		
	FY 2018 Estimate	FY 2019 Estimate
A. Pre-VERA/VSIP Annual Payroll Cost	$130,535,000	$130,535,000
B. VERA/ VSIP Payout Cost	$0	$0
C. Leave Payout Cost	$0	$0
D. Post VERA/VSIP Annual Payroll Cost	$126,935,000	$126,935,000
E. Payroll for **15** New Hires	$1,087,500	$2,175,000
F. Payroll Savings for # VERA/VSIP Targeted Positions (F = A – B – C – D - E)	$2,512,500	$1,425,000
G. Pre-VERA/VSIP Annual WCF Cost	$4,059,000	$4,059,000
H. Post VERA/VSIP Annual WCF Cost	$3,946,500	$3,946,500
I. WCF for **15** New Hires	$33,750	$67,500
J. WCF Savings for # VERA/VSIP Targeted Positions (J = G – H – I)	$78,750	$45,000

Projected Savings with VERA/VSIP (F + J)	$2,591,250	$1,470,000

Table A
Calculation based the 25 particular targeted positions' grade level @step-5 hourly rate.

Table B
Row A: Annual payroll cost (2017 Operating Plan Payroll – Pre-VERA/VSIP)
Row B: Assumes VERA/VSIP payout takes place in FY17 and no impact to FY18 or FY19.
Row C: Assumes Leave Payout takes place in FY17 and no impact FY18 or FY19.
Row D: Annual payroll cost less cost for 25 targeted positions @$144K each ($130,535,000-$3.600,000).
Row E: Assumes 15 external hires to R4 @$145k each (FY18-50% and FY19-100%).
Row G: WCF cost/regional employee. ($4500 per employee)
Row H: Assumes WCF on-board cost minus 25 targeted positions. ($4500 per position)
Row I: Assumes $4,500 @15 new hires (FY18-50% and FY19-100%).

XVIII. Region 5

Business Case

Both the VERA and VSIP opportunities will be offered to a maximum of 79 employees in targeted occupations, and grade levels located within EPA Region 5. Region 5 will target 182 positions and a maximum of 79 offers will be made. Decisions on who receives VERA and VSIP will be prioritized based upon the employee's permanent official position of record, occupational series, and grade level.

Our shifting mission requirements and need for efficiencies require the region to reduce, rebalance, and restructure our workforce in a manner not possible through current attrition rates, which have averaged about 4%, without the use of VERA/VSIP. Region 5 is seeking VERA/VSIP authority to focus on ensuring that critical positions and job series are maintained and occupied with employees with the appropriate skills to meet our mission. Opportunities to gain efficiencies through consolidation and restructuring to increase the staff to supervisory ratio while rebalancing the top-heavy specialist positions into entry-level generalist positions are described in detail below.

Information Required for VERA and VSIP Requests

As part of our planning process, we reviewed our workforce demographics to determine the number of positions, occupations, and grade levels to be considered for workforce reshaping to accommodate shifting priorities in the agency and within the region. In addition to targeting positions that will be eliminated, we plan to use VERA and VSIP to target organizations and/or job series that could provide efficiency opportunities by moving to broader scientist/engineer series by restructuring higher graded specialist positions. This should provide for flexibility in the workforce regardless of budget constraints. We plan to reduce and restructure our workforce through a multi-pronged approach of consolidating duties, reducing branches and sections within most divisions/offices, and addressing the changing nature of workforce skill requirements.

Region 5 has a substantial number of employees eligible for optional retirement and an even higher number of VERA-eligible employees. However, given our low attrition rate and the fact that many of our optional retirement-eligible employees have continued to work years beyond retirement eligibility, we are requesting authority to offer VERA with VSIP to supplement our number in order to reach our goal of 79 voluntary separations.

Offering VERA with VSIP is more appealing than VERA alone and most likely will help us achieve the voluntary separations needed to restructure the grade levels of our workforce and gain the skillsets needed to meet current and future mission needs.

VERA Specific Information

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Region 5 employs 1,075 permanent employees. There are 244 employees currently eligible for retirement, with an additional 42 becoming eligible by the end for this calendar year. There are 278 employees eligible for VERA under the plan, with an additional 3 becoming eligible by the end of the calendar year. The estimate of the total number of employees in the agency/organization who are expected to take early retirement is nine (9).

As a result of the agency's need for VERA, Region 5 anticipates the following personnel actions may be necessary:

- Directed reassignments
- Details
- Temporary promotions
- Voluntary separations
- Abolish and/or reclassify positions

Budget Information

Basic assumptions for calculations (e.g., hourly rate based on average grade and step) should be captured in footnotes or otherwise explained in the business case.

Table A – Direct Costs for VERA/VSIP	
79 of Targeted Positions for VSIP x $25,000	$ 1,975,000
Annual Leave Pay Out for # of Targeted Positions for VERA, Optional Retirement or Resignation {Hourly rate based on the average grade and step of the targeted pool x 240 x 79 of Targeted Positions}	$ 939,658
Total Maximum Direct Costs	$ 2,914,658

Table B – Estimated Savings for FY 2018 through FY 2019		
	FY 2018 Estimate	FY 2019 Estimate
A. Pre-VERA/VSIP Annual Payroll Cost	$145,857,958	$145,857,958
B. VERA/ VSIP Payout Cost	$0	$0
C. Leave Payout Cost	$0	$0
D. Post VERA/VSIP Annual Payroll Cost	$135,515,460	$135,515,460
E. Payroll for 71 New Hires	$2,368,330	$4,736,659
F. Payroll Savings for # VERA/VSIP Targeted Positions (F = A – B – C – D - E)	$7,974,168	$5,605,839

G. Pre-VERA/VSIP Annual WCF Cost	$5,295,000	$5,295,000
H. Post VERA/VSIP Annual WCF Cost	$4,979,000	$4,979,000
I. WCF for 71 New Hires	$142,000	$284,000
J. WCF Savings for 79 VERA/VSIP Targeted Positions (J = G – H – I)	$174,000	$32,000
Projected Savings with VERA/VSIP (F + J)	$8,148,168	$5,637,839

Table A
Used average hourly rate of $49.56 for a GS12 step 10.

Table B
A: Base cost from latest pay period posted (2017 PP20) projected for 26 pay periods with 27% added for benefits ($4,417,261 x 26 x 127%).
B: $0 per guidance
C: $0 per guidance
D: Row A minus annual payroll cost of 79 targeted positions ($49.56 x 127% x 2080 Hours x 79).
E: New outside hires at lower pay (GS 9 step 1) for restructured positions using $26.29 per hour including 22% for benefits ($26.29 x 2080 x 122% x 71) starting at mid-year 2018. Applied half the amount to 2018 and the full amount to 2019.
G: WCF amount pulled from BAS v4.0 2017 Enacted Operating Plan
H: Row G minus annual WCF cost of 79 targeted positions ($4,000 x 79).
I: New outside hires for restructured positions using annual WCF cost of $4,000 per FTE ($4,000 x 71) starting at mid-year 2018. Applied half the amount to 2018 and the full amount to 2019.

XIX. Region 6

Business Case

Region 6 proposes a broad VERA/VSIP offering to over 200 of our current on-board employees in anticipation of a restructuring of organizational components, consolidation of functions, and delayering of management to achieve both near-term workforce reductions and to establish a more efficient organization better aligned to accomplish the agency's strategic direction. Region 6 identified 147 maximum offers that will be made under the VERA/VSIP program, and will extend those offers to employees in all job series and grades within targeted levels, consistent with our goal of fully utilizing the VERA/VSIP programs to reshape our organization. Region 6 is proposing the following actions to increase efficiency and effectiveness of agency core environmental programs and regional operations:

1. Delayering.

Region 6 has identified opportunities to organize our functions and organizations in order to eliminate supervisory positions and decrease supervisory layers. Organizational options to delayer our organization will be identified at the completion of the VERA/VSIP program when a better understanding of vacated positions is known. Therefore, future organizational charts will not be submitted at this time.

2. Consolidate or reduce administrative functions.

As a result of Region 6's use of technology improvements, online collaborative tools and decreased dependence on paper, many traditional administrative and clerical functions are becoming obsolete. By offering VERA/VSIP program to all grades in the administrative and clerical series, these support functions can be more efficient through consolidation and savings can be focused on priority work.

3. Restructure and reduce highly graded supervisory and non-supervisory positions.

Region 6 has identified opportunities to utilize the VERA/VSIP program to restructure and reduce many of our highly graded positions in the region. Approximately 47% percent of the region's employees are GS-13. Region 6 has 86 non-supervisory GS-14/15 positions including attorneys. Ten of these non-supervisory attorney positions have been identified as safe positions associated with priority work. Offering the VERA/VSIP program to all eligible staff in this population will help reduce the number of GS-14 and 15 employees, allow us to improve the distribution of work and reinvest savings in priority program areas.

4. Restructure to focus on core business functions.

Changes to program implementation including an enhanced partnership with states focusing on cooperative federalism have decreased the need for project officers, investigators, compliance officers, grants administration, and outreach. Region 6 has identified opportunities to utilize the VERA/VSIP program to improve our ability to align our organization and workforce with priority work. These functions are filled by staff in a range of positions, series and grades. By offering the VERA/VSIP program broadly, Region 6 will be able to both direct employees toward new program requirements and invest savings to priority program areas.

5. Restructure to focus on STEM/programmatic priorities

Region 6 has identified opportunities to utilize the VERA/VSIP program to improve our ability to focus on core scientific requirements and programmatic priorities necessary to accomplish the agency's mission. Region 6 intends to focus on STEM disciplines to better align our workforce with the agency priorities related to essential technical work and invest savings in these areas.

6. Consolidate and streamline functions/activities/reduce number of programs

Region 6 has identified opportunities to utilize the VERA/VSIP program to generate savings through consolidation and streamlining our work. By offering the VERA/VSIP program, Region 6 will be able to realize gains in efficiencies, improve integration with state and tribal partners, and invest savings to priority program areas.

Budget Information

Basic assumptions for calculations (e.g., hourly rate based on average grade and step – this is a GS-13 step 10 for Region 6) should be captured in footnotes or otherwise explained in the business case.

Table A – Direct Costs for VERA/VSIP	
# of Targeted Positions for VSIP (147) x $25,000	$3,675,000
Annual Leave Pay Out for # of Targeted Positions for VERA, Optional Retirement or Resignation {Hourly	147x$56.96x240 = $2,009,549

rate based on the average grade and step of the targeted pool x 240 x # of Targeted Positions}	
Total Maximum Direct Costs	$5,684,549

Table B – Estimated Savings for FY 2018 through FY 2019		
	FY 2018 Estimate	FY 2019 Estimate
A. Pre-VERA/VSIP Annual Payroll Cost	$107,218,000	$107,218,000
B. VERA/ VSIP Payout Cost	$0	$0
C. Leave Payout Cost	$0	$0
D. Post VERA/VSIP Annual Payroll Cost	$85,832,271	$85,832,271
E. Payroll for # New Hires (147 in FY 18 GS-9 step 1)	$3,884,680	$7,769,361
F. Payroll Savings for # VERA/VSIP Targeted Positions	$17,501,049	$13,616,368
G. Pre-VERA/VSIP Annual WCF Cost	$4,157,417	$4,157,417
H. Post VERA/VSIP Annual WCF Cost	$3,328,190	$3,328,190
I. WCF for # New Hires (147 in FY 18, GS-9 step 1)	$414,614	$829,227
J. WCF Savings for # VERA/VSIP Targeted Positions	$414,613	$0
Projected Savings with VERA/VSIP (F + J)	**$17,915,662**	**$13,616,368**

Table A:
Annual leave payout based on average GS 13 Step 10.

Table B:

A. Payroll Ceiling is based on FY 17 on-board FTE of 737 on 31 Mar 2017. No price adjustments for COLAs are included.
B. VERA/VSIP payout takes place in FY17 and does not impact FY18 or FY19.
C. Lump Sum Leave payout takes place in FY17 and does not impact FY18 or FY19.
D. Annual payroll of 590 remaining FTE after VERA/VSIP based on average annual labor cost. ($145,479 x 590 = $85,832,271).
E. New hires of 147 FTE at GS 9 Step 1, start date April 2018.
F. A-B-C-D-E = F.
G. Average WCF Cost of $5,641 per 737 FTE.
H. Average WCF Cost of $5,641 per 590 FTE.
I. Average WCF Cost of $5,641 per 147 FTE, start date April 2018.
J. G-H-I = J.

XX. Region 7

Business Case

Region 7's low attrition rate (around 4%) will not generate enough attrition to create a sufficient number of vacancies to rebalance and reshape our workforce. In order to avoid the use of more drastic authorities, Region 7 would like to utilize VERA and VSIP to reduce the level of full time employee equivalents.

Targeting decisions were made by senior managers based on the specific mission needs required to reshape the Region 7 workforce with new skills and competencies. Through attrition gained by VERA and VSIP, we expect fewer higher graded positions and the most complex work (i.e., GS-13 level and above) will be reassigned to remaining higher graded positions in order to concentrate this work into fewer positions. In addition to creating more workforce balance between higher and lower graded positions, our restructuring is expected to introduce enhanced integration of multimedia approaches and advanced technology skills to more efficiently and effectively implement program objectives.

Region 7 will offer a total of 45 VERA/VSIP opportunities up to 168 non-SES positions which are eligible for either a regular retirement or an early retirement. The following occupational series are not the focus for VERA/VSIP in Region 7: SES, GS-510, GS-511, GS-1102, GS-1109, GS-2210 as well as Phased Retirees. Region 7 will not be offering VSIP to employees not currently eligible for regular retirement or an early retirement. As with other federal workforce restructuring authorities, the agency has the ability to reassign employees to minimize the impact of its restructuring efforts.

Region 7 will use these authorities in three focused themes to help transform the workforce:

- Restructure or reduce highly graded supervisory and non-supervisory positions at the GS-13 through GS-15 grade levels, across all divisions and geographic locations within Region 7 to meet our changing mission requirements and move to new models of work. The change in program priorities of the agency and the region has decreased the need for many specialized non-supervisory positions. The work of the non-supervisory positions can be consolidated, eliminated, or redistributed to lower-graded positions.
- Restructure to focus on core business functions in our regional programmatic support positions at the GS-9 through GS-15 grade levels, supervisory and non-supervisory positions, across all divisions within the Kansas and Missouri offices to more efficiently and effectively implement program objectives. Restructuring some of the positions performing these functions could reduce redundancies and promote greater efficiencies.
- Consolidate or reduce administrative or support functions positions at the GS-6 through GS-11 grade levels across all divisions in the Kansas offices to better align with current and projected workload needs. Region 7 may realign administrative support resources and combine functions to capitalize on efficiencies and for enhancing the positions with new skills and competencies. Region 7 will be in a position to pursue additional administrative support consolidation scenarios, or at the very least, will continue to consolidate the administrative support functions into fewer positions.

Region 7’s goal is to reduce the overall workforce from 497 permanent employees to 452 permanent employees for FY 2017. VSIP opportunities will be offered to up to 45 employees. The estimate of the total number of employees in Region 7 who are expected to take early retirement is 10.

Specific Region 7 Divisional Plans:

Superfund Division

- 3 Remedial Project Manager positions within 1301 occupational series will be safe positions.
- 1 On Scene Coordinator and 2 Remedial Project Manager (total of 3) positions within 819 occupational series will be safe positions.
- Maximum offers up to 2 RPMs and 2 OSCs.

Budget Information

Table A – Direct Costs for VERA/VSIP	
45 of Targeted Positions for VSIP x $25,000	$ 1,125,000
Annual Leave Pay Out for 45 of Targeted Positions for VERA, Optional Retirement or Resignation {Hourly rate based on the average grade and step (GS-12/10) of the targeted pool $45.16 x 240 x 45 of Targeted Positions}	$ 487,728
Total Maximum Direct Costs	$ 1,612,728

Table B – Estimated Savings for FY 2018 through FY 2019		
	FY 2018 Estimate	FY 2019 Estimate
A. Pre-VERA/VSIP Annual Payroll Cost	63,413,538	63,413,538
B. VERA/ VSIP Payout Cost	0	0
C. Leave Payout Cost	0	0
D. Post VERA/VSIP Annual Payroll Cost	57,451,882	57,451,882
E. Payroll for 45 New Hires	$2,980,823	$5,961,645
F. Payroll Savings for 45 VERA/VSIP Targeted Positions (F = A – B – C – D - E)	$2,980,833	$11
G. Pre-VERA/VSIP Annual WCF Cost	2,400,000	2,400,000
H. Post VERA/VSIP Annual WCF Cost	2,220,000	2,220,000
I. WCF for 45 New Hires	$90,000	$180,000
J. WCF Savings for 45 VERA/VSIP Targeted Positions (J = G – H – I)	$90,000	$0
Projected Savings with VERA/VSIP (F + J)	**$3,070,833**	**$11**

FOOTNOTES:

Table B

A. Based on FY2016 total payroll expense incurred.
B. All V/V payout cost in FY 2017. No cost incurred in FY 2018 or 2019.
C. All V/V leave payout cost in FY 2017. No cost incurred in FY 2018 or 2019.
D. For 2018 and 2019, Pre-V/V annual payroll cost less 45 targeted positions x GS-12 step 10 average salary of $128,644 or [$63,791,000 – (45 x $128,644)].
E. Assumes 45 rehires/restructured positions filled at GS-12 step 10 average salary of $132,481.
F. n/a
G. Based on FY 2016 authority of $2,400,000 rounded up. Assume FY 2018 and 2019 WCF authority relatively constant.
H. Pre-V/V WCF cost of $2,400,000 less 45 targeted positions x average of $4,000/employee or [$2,400,000 - (45 x $4,000)]
I. Assumes 45 rehires/restructured positions at average WCF/employee of $4,000
J. n/a

XXI. Region 8

Business Case

As of May 1, 2017, Region 8 employed 525 full-time, permanent employees. Approximately 97 of our employees are retirement eligible and additional 127 employees are eligible for VERA. This VERA/VSIP proposal targets a total of 64 positions and sets forth a maximum total number of 8 VERA/VSIP offers in the Region 8 duty stations of Denver, CO; Laboratory in Golden, CO; Pierre, South Dakota and Butte, Helena and Libby, MT. The estimated total number of employees who will take early retirement is 6. No employees would be involuntarily separated, downgraded or transferred as a result of this proposal. The maximum number of employees who would be involuntarily reassigned is 34. Any reassignments would be the result of consolidation of units through the reduction in the number of supervisory positions. A small number of reassignments or hires could be needed in future fiscal years to fill positions which are restructured as a result of this proposal.

Reshaping since our last VERA/VSIP has resulted in an increase in GS-12 and below positions; a decrease in GS-13 and above positions; and a significant shift away from support positions. The region's intention is to build on prior reshaping efforts in order to improve our supervisory ratio, consolidate administrative functions, and ensure that higher graded work is consolidated into a limited number of higher graded positions. VERA and/or VSIP will be offered to eligible employees where opportunities exist to achieve these reshaping goals.

Region 8 will use both the VERA/VSIP authorities to make near-term workforce adjustments. The region will offer VERA and/or VSIP to all eligible employees in the following categories:

- All non-supervisory GS-14 and GS-15s except attorneys, public affairs specialists, and toxicologists in order to restructure and consolidate highly graded non-supervisory positions. A maximum of 2 VERA or VSIP offers will be made in this category. Through attrition gained by VERA/VSIP, the region will reassign the most complex work (i.e., GS-14 level and above) to existing higher graded positions in order to concentrate the assignment of this work into fewer positions. The less complex work will be restructured into lower-graded GS-7/9/11/12/13 positions.
- All supervisory GS-14 and GS-15 supervisory environmental protection specialists in order to restructure supervisory positions. A maximum of 4 VERA or VSIP offers will be made in this category. Offers will only be accepted on a case-by-case basis. Where possible, the region will take the opportunity to consolidate units in order to improve supervisory to staff ratios. If this is not possible, due to staff size or the nature of the work of the unit, the region will restructure these positions to one of the professional series, such as physical scientist or environmental engineer. Offers will not be made in situations where neither unit nor position restructuring is possible.
- All administrative officers and environmental protection assistants in order to consolidate administrative functions. A maximum of 2 VERA or VSIP offers will be made from this category. Work will be reassigned to existing administrative staff or eliminated, as appropriate.

Please see the targeted position spreadsheet for detailed information on specific positions, series, grades and locations.

Budget Information

Basic assumptions for calculations (e.g., hourly rate based on average grade and step) should be captured in footnotes or otherwise explained in the business case.

Table A – Direct Costs for VERA/VSIP	
8 Targeted Positions for VSIP x $25,000	$ 200,000
Annual Leave Pay Out for 8 Targeted Positions for VERA, Optional Retirement or Resignation {Hourly rate based on the average grade and step of the targeted pool (GS-14/7) x 240 x 8 positions}	$ 121,287
Total Maximum Direct Costs	$ 321,287

Table B – Estimated Savings for FY 2018 through FY 2019		
	FY 2018 Estimate	FY 2019 Estimate
A. Pre-VERA/VSIP Annual Payroll Cost	$78,956,715	$78,956,715
B. VERA/ VSIP Payout Cost	$0	$0
C. Leave Payout Cost	$0	$0
D. Post VERA/VSIP Annual Payroll Cost	$77,558,164	$77,558,164
E. Payroll for 7 New Hires	$411,271	$822,542
F. Payroll Savings for # VERA/VSIP Targeted Positions (F = A – B – C – D - E)	$987,280	$576,009
G. Pre-VERA/VSIP Annual WCF Cost	$2,817,558	$2,817,558
H. Post VERA/VSIP Annual WCF Cost	$2,788,678	$2,788,094
I. WCF for 7 New Hires	$12,635	$25,270
J. WCF Savings for 7 VERA/VSIP Targeted Positions (J = G – H – I)	$16,245	$4,194
Projected Savings with VERA/VSIP (F + J)	**$1,003,525**	**$580,203**

FOOTNOTES:

Table A

1. Used an average of GS 14/7 for Region 8, locality for Denver, CO. Used the standard 240 hours, with 8 maximum, accepted offers during FY17.

Table B

A. Based on projections done by R8 through pay period 15 and March PHS.
B. VERA/VSIP payout takes place in FY17 and doesn't impact FY18 or FY19.
C. Leave payout takes place in FY17 and doesn't impact FY18 or FY19.
D. Assumes GS-14/7 annual salary x 32.54% for benefit costs x 8 positions, subtracted from A.
E. Assumes 7 rehires/restructured positions at GS-12/5 x 32.54% benefits ($117,506) x ½ year for 2018, full-year for 2019
F. A – B – C – D -E
G. Assumes WCF allocation from FY17 enacted budget for Region 8.
H. Assumes $3610 x 8 = $28,880, taken from G for FY18; for FY19, assumes a 2% increase in costs $3683 x 8 = $29,464, taken from G.

I. Assumes 7 re-structured positions WCF at $3610
J. G – H - I

XXII. Region 9

Business Case

For specific organizations and designated positions located in San Francisco, CA, Region 9 will use the VERA/VSIP authorities to decrease the number of supervisory positions, reduce highly-graded non-supervisory positions, and streamline administrative support, STEM and other administrative and program operations by consolidating, reducing and restructuring positions to achieve workforce reductions in the following areas.

VERA & VSIP Categories and Specific Positions

For positions located in San Francisco, CA, the following categories and specific positions are included in Region 9's VERA/VSIP request.

Delayering (increasing supervisor-to-staff ratio): Pending the completion of a regional review of all supervisory positions, we will achieve workforce reductions in the following organizations.

- Office of the Regional Administrator: Reduce and reshape the Public Affairs Office by one Supervisory Public Affairs Specialist position and reassign staff to rebalance and improve the organization's supervisor-to-staff ratio.
- Environmental Management Division: Reduce and reshape the Infrastructure Services Branch by one Supervisory Information Technology Specialist position and reassign staff to rebalance and improve the organization's supervisor-to-staff ratio.

Consolidate or reduce administrative or support functions: To improve administrative support functions through consolidation, we will reduce and reshape positions in the following organizations.

- Office of the Regional Administrator: Reduce and reshape administrative support positions within the Immediate Office by one Administrative Specialist position.
- Water Division: Reduce and reshape the administrative support team by three Environmental Protection Assistant positions including one position at the GS-7 level and two positions at GS-8 level.

Restructure or reduce highly-graded non-supervisory positions: Reduce and reshape highly-graded non-supervisory positions in the following organizations.

- Enforcement Division. Reduce and reshape two non-supervisory Environmental Protection Specialist positions including one GS-14 position and one GS-15 position. These positions will be restructured to lower-graded positions aligned to the agency's program priorities.
- Superfund Division. Reduce and restructure one non-supervisory Environmental Scientist (On-Scene Coordinator) position in the Emergency Response Section with promotion potential limited to the GS-13 level.

Restructure to focus on STEM/programmatic priorities: Reduce and reshape STEM and program specialist positions to align with new environmental program priorities in the following organizations.

- Enforcement Division. Reduce and reshape positions to establish a more efficient and effective Federal enforcement and compliance program aligned with the agency's strategic direction across all program job series including:
    - Environmental Protection Specialist positions including one GS-12 and four GS-13 graded positions. The reductions will be used to reassign staff to new program priorities. STEM positions including two Environmental Engineer positions and two Environmental Scientist positions. The reductions will be used to reassign staff to new program priorities.
- Superfund Division. Reduce and reshape positions to establish a more efficient and effective emergency and remedial response programs to meet new program directions including:
    - Restructuring one On-Scene Coordinator position from any of the interdisciplinary occupations including Life Scientist, Environmental/Physical Scientists, or Environmental Engineer. The reduction will allow us to reassign staff to align with program activities. Restructuring one Remedial Project Manager position from any of the interdisciplinary occupations including Life Scientist, Environmental/Physical Scientists, or Environmental Engineer. The reductions will be used to reassign staff to align with program activities.
- Environmental Management Division. Reduce and reshape the environmental management system program within the Infrastructure Branch by one Environmental Scientist, GS-13 position. The reduction will be used to reshape and realign program activities within the region.

Consolidate and streamline functions/activities

- Office of Regional Counsel: Reduce two non-supervisory Attorney-Advisor positions including one position at the GS-14 level and one position at the GS-15 level to realign staffing with program activities.

Please see the targeted position spreadsheet for detailed information on specific positions, series, grades and locations.

Post-VERA/VSIP Operations

The VERA/VSIP plan includes a plan to reorganize the Public Affairs Office located within the Immediate Office of the Regional Administrator and the Infrastructure Services Branch within the Environmental Management Division. Using VERA/VSIP, we have identified two supervisory positions and twenty-two non-supervisory positions across the region. The number of positions scheduled for voluntary separation represents a 3% reduction of the region's workforce. The VERA/VSIP plan identifies the minimum number of positions needed to achieve near term workforce reductions without compromising program commitments.

Following the conclusion of the VERA/VSIP separations, a reorganization plan to restructure the Public Affairs Office located within the Immediate Office of the Regional Administrator and the Infrastructure Services Branch within the Environmental Management Division will be finalized for implementation. Additionally, the region will assess the workforce separations and implement streamlining plans to consolidate administrative support services, reduce work in non-priority areas, and reassign personnel, as necessary, to perform agency program objectives.

We anticipate processing the following personnel actions to implement restructuring plans:

- Directed Reassignments to balance supervisor-to-staff ratios among remaining supervisors
- Directed Reassignments to realign position assignments to program priorities
- Details
- Abolish no longer needed supervisory or higher-graded positions

Use of VERA and VSIP

The two programs will be used to gain voluntary separations from positions that have been identified for reshaping to gain program efficiencies in the following workforce areas:

- Improving the supervisor-to-staff ratio in designated organizations;
- Consolidating and restructuring of administrative support positions; and
- Restructuring STEM and non-STEM administrative and program positions to align with the agency's program priorities.

VERA Information

Region 9 employs 736 permanent employees of whom 208 are eligible for VERA.

The FY17 Region 9 workforce reduction plan targets 23 positions, which includes 167 permanent employees of whom 45 are eligible for VERA.

The total number of employees in the agency/organization who are expected to take early retirement is estimated to be 6.

Budget Information

Table A – Direct Costs for VERA/VSIP	
23 of Targeted Positions for VSIP x $25,000	$ 575,000
Annual Leave Pay Out for 23 of Targeted Positions for VERA, Optional Retirement or Resignation {Hourly rate based on the average grade and step of the targeted pool x 240 x 23 of Targeted Positions}	$ 300,271
Total Maximum Direct Costs	$ 875,271

Table B – Estimated Savings for FY 2018 through FY 2019		
	FY 2018 Estimate	FY 2019 Estimate
A. Pre-VERA/VSIP Annual Payroll Cost	$113,007,397	$113,007,397
B. VERA/ VSIP Payout Cost	$0	$0
C. Leave Payout Cost	$0	$0
D. Post VERA/VSIP Annual Payroll Cost	$110,396,289	$110,396,289
E. Payroll for 23 New Hires	$778,895	$1,557,790
F. Payroll Savings for # VERA/VSIP Targeted Positions (F = A – B – C – D - E)	$1,832,213	$1,053,318

G. Pre-VERA/VSIP Annual WCF Cost	$4,355,646	$4,355,646
H. Post VERA/VSIP Annual WCF Cost	$4,244,096	$4,244,096
I. WCF for 23 New Hires	$55,775	$111,550
J. WCF Savings for # VERA/VSIP Targeted Positions (J = G – H – I)	$55,775	$0
Projected Savings with VERA/VSIP (F + J)	**$1,887,988**	**$1,053,318**

A. Assumes payroll allocation from FY17 Enacted budget for Region 9.
B. VERA/VSIP payout takes place in FY17 and does not impact FY18 or FY19.
C. Leave payout takes place in FY17 and does not impact FY18 or FY19.
D. Assumes annual payroll costs of average salary of eligible positions, $113,526, x 23 positions = $2,661,108.
E. Assumes hiring 23 GS-09 step 5 positions in San Francisco. Start date: April 2018.
F. A-B-C-D-E.
G. Assumes working capital fund allocation from FY17 Enacted budget for Region 9.
H. Assumes $4,850 WCF per person x 23 positions = $111,550.
I. Assumes $4,850 WCF per person.
J. G-H-I.

XXIII. Region 10

Business Case

Region 10 is requesting approval authority for the use of VERA and VSIP to further accelerate workforce planning efforts in four areas:

- Restructure to focus on STEM/programmatic priorities;
- Consolidate and streamline functions/activities/reduce the number of programs;
- Restructure or reduce highly-graded supervisory or non-supervisory positions; and
- Consolidate or reduce administrative or support functions.

Region 10 employs 544 non-term employees (including part-time employees). Currently, 118 (22%) of Region 10's workforce is eligible for a Regular Retirement, and 125 (23%) are eligible for an Early Retirement. Region 10 estimates this proposal will achieve greater results and accelerate efficiencies by building on the successful VERA/VSIP processes in FY14 and FY15 in which 53 people (nearly 10% of the workforce) separated. Using a strategic focused approach to identify eligible positions in each Office, the region believes that VERA/VSIP can accelerate its continuing progress on workforce restructuring goals. Region 10 estimates that offering VSIP in conjunction with VERA will increase the region's ability to meet these goals. Region 10 does not plan to offer VSIP to employees not currently eligible for Regular Retirement or Early Retirement, as management has determined that approach will not enable the organization to preserve key skill sets and positions supporting mission objectives.
The estimate of the total number of employees in Region 10 who are expected to take early retirement is 10.

Absent a VERA/VSIP, Region 10 anticipates no involuntary actions of an adverse nature, although some employees may need to be reassigned. Region 10's implemented of a significant reorganization in 2016 and does not anticipate undertaking additional reorganization following the implementation of this VERA/VSIP proposal. The theme-based paragraphs below convey a sense of how the region would operate with certain positions restructured, eliminated, or reclassified with a different set of programmatic responsibilities and technical skill sets.

All of the region's offers would be made to individuals holding positions targeted for restructuring or elimination. The region would need to undertake a small number of personnel actions (such as reassignments and/or merit promotions) once those accepting offers have departed to fully implement this plan.

Region 10 proposes to extend a maximum of 19 VERA/VSIP offers among incumbents of 44 targeted positions which are eligible for either regular or early retirement. Duty stations are primarily in Seattle, but also in Richland, WA and Portland, OR. These nineteen planned offers fall into four of the six major themes identified by the agency. Assuming the offers are accepted and positions vacated, the region plans to restructure or eliminate these positions as described in the targeted position spreadsheet.

Budget Information

Basic assumptions for calculations (e.g., hourly rate based on average grade and step) should be captured in footnotes or otherwise explained in the business case.

Table A – Direct Costs for VERA/VSIP	
# of Targeted Positions for VSIP x $25,000	$ 475,000
Annual Leave Pay Out for # of Targeted Positions for VERA, Optional Retirement or Resignation {Hourly rate based on the average grade and step of the targeted pool x 240 x # of Targeted Positions}	$ 224,640
Total Maximum Direct Costs	$ 699,640

Table B – Estimated Savings for FY 2018 through FY 2019		
	FY 2018 Estimate	FY 2019 Estimate
A. Pre-VERA/VSIP Annual Payroll Cost	75,360,000	75,360,000
B. VERA/ VSIP Payout Cost	0	0
C. Leave Payout Cost	0	0
D. Post VERA/VSIP Annual Payroll Cost	72,517,928	72,517,928
E. Payroll for # New Hires	1,259,487	2,518,974
F. Payroll Savings for # VERA/VSIP Targeted Positions (F = A – B – C – D - E)	1,582,585	323,098
G. Pre-VERA/VSIP Annual WCF Cost	2,168,900	2,168,900
H. Post VERA/VSIP Annual WCF Cost	2,091,000	2,091,000
I. WCF for # New Hires	34,850	69,700
J. WCF Savings for # VERA/VSIP Targeted Positions (J = G – H – I)	43,050	8,200
Projected Savings with VERA/VSIP (F + J)	**1,625,635**	**331,298**

A. Includes benefits approximated at 35% of salary.
D. FY17 estimated annual payroll (line A) less 19 FTEs average cost.
E. Assumes 17 FTEs external to Region 10 at mid-year in FY18.
G Uses estimate of $4100 per FTE.
H. FY17 estimated WCF (line G) less ($4100*19).
I. Assumes half of WCF costs mid-year in FY18 ($2050*17) and full costs in FY19 ($4100*17).