

## *Integrated Program Review 2*

# Workforce: Proposed spending level reductions

February 15, 2017

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# Workforce IPR 2 background

## Scope

- The objective of reviewing workforce spending levels in IPR 2 is to propose reductions to the IPR close-out estimates for FY 2018 and 2019 based on a refined forecast of our ability to hire (i.e. new hires net of attrition).
- Proposed reductions factor in considerations such as:
  - Anticipated use of federal workforce underspending assumed in existing undistributed reductions to ensure BPA did not count the same reductions twice.
  - Ability to accomplish functional and programmatic requirements with less federal FTE than anticipated.
  - Impact on supplemental labor - both based on current plans and potential increases to accomplish work for which federal FTE are not available.
- The workforce review in IPR 2 is independent of the broader Workforce Strategy KSI and its FY 2017 Workforce Modernization sub-element.
- The IPR 2 workforce analysis looks to right-size spending levels resulting from hiring challenges and is not intended to capture longer-term changes in workforce size or composition that could result from the Workforce Strategy KSI.

# Proposed workforce spending level reductions

(FY 2018 and 2019 average in \$ millions)

	Power	Transmission	
	Expense	Expense	Capital
Corporate	2.2	1.8	0.9
CAO Pool	0.4	1.3	0.6
Power Pool	0.9	-	-
Transmission Pool	-	**	-
Unfunded Post-Retirement	4.4	2.6	-
<b>Total Workforce Reductions</b>	<b>7.9</b>	<b>5.7</b>	<b>1.7</b>

\* The Corporate and CAO pool amounts shown here reflect the expense portion of these savings.

\*\* Transmission expenses in IPR included an average undistributed reduction of \$11.8 million for FY 2018-2019. This undistributed reduction anticipated, in part, reduced costs from federal staffing. Through the Workforce IPR 2 efforts, transmission has identified an average of \$3.8 million of proposed reductions that will be applied to the existing undistributed reduction.

# Unfunded post-retirement benefits

- BPA worked extensively with the Corps of Engineers and Bureau of Reclamation to refine the methodology used to calculate BPA’s unfunded post-retirement benefit contributions. The new methodology combines forecasts with a year-end true-up based upon actual data (number of employee in each retirement plan, salaries, participation in health and life insurance programs, etc.).
- Based on FY 2016 actuals, improved information from the Corps of Engineers and Bureau of Reclamation and a significant reduction in the required FY 2017 contribution for federal employee health benefits, we revised our forecasts for FY 2017-2019.

	<b>FY 2018 IPR Closeout</b>	<b>FY 2018 IPR 2 Update</b>	<b>Difference</b>	<b>FY 2019 IPR Closeout</b>	<b>FY 2019 IPR 2 Update</b>	<b>Difference</b>
<b>Power</b>	<b>19,345,351</b>	<b>14,962,013</b>	<b>(4,383,338)</b>	<b>20,099,675</b>	<b>15,620,326</b>	<b>(4,479,349)</b>
<b>Transmission</b>	<b>17,590,980</b>	<b>14,945,591</b>	<b>(2,645,389)</b>	<b>18,209,173</b>	<b>15,532,099</b>	<b>(2,677,074)</b>
<b>Total</b>	<b>36,936,331</b>	<b>29,907,604</b>	<b>(7,028,727)</b>	<b>38,308,848</b>	<b>31,152,425</b>	<b>(7,156,423)</b>

# Contact Us

## Comments:

Participants can submit comments on BPA's IPR 2 proposed levels during a public comment period which opens Feb. 15 and closes March 13, 2017. Comments can be submitted:

- Online: [www.bpa.gov/comment](http://www.bpa.gov/comment).
- By mail: BPA, P.O. Box 14428, Portland, OR 97293.
- By email: [BPAFinance@BPA.gov](mailto:BPAFinance@BPA.gov).

Please send questions to [BPAFinance@BPA.gov](mailto:BPAFinance@BPA.gov).

# Financial Disclosure

- This information was made publicly available on Feb.10, 2017, and contains information not sourced directly from BPA financial statements.