

**Tennessee Student Assistance Corporation
2015 Voluntary Buyout Program
Business Justification**

I. Executive Summary

The Tennessee Student Assistance Corporation (TSAC) is currently designated as a federal guaranty agency responsible for the administration of postsecondary educational loan programs. Due to changes in federal laws and procedures, the funding for the loan programs administered by this division will be eliminated over time. This change will create a need to eliminate and reorganize positions throughout TSAC which receive funding from and/or provide support for this program. As we plan for this change, the four positions below identified as eligible to participate in the Voluntary Buyout Program (VBP) will potentially be affected by this change.

This agency plan identifies positions that the Department presently believes may need to be eliminated, or relocated, or reclassified downward (to a lower pay level), or reclassified upward if certain VBP-eligible employees do not elect the VBP. Those positions are identified in the accompanying chart of VBP eligible positions. However, no final decision has been made in these regards. No position eliminations, relocations, or reclassifications will occur until after VBP participants have separated from employment on July 31, 2015. Any position eliminations or the like will be conducted in accordance with State law, including notice requirements.

The four positions below have been identified as VBP-eligible:

- A. **Loan Administration:** One position in the Loan Administration Division, an Administrative Assistant 2-NE, has been selected as eligible to participate in the Voluntary Buyout Program. A decrease in the need for administrative support in this Division will allow us to use this position in other areas of TSAC where additional staff is needed.
- B. **Grant & Scholarship Programs:** One position, an Administrative Services Assistant 2-NE, has been selected as eligible to participate in the VBP. A decreased need for administrative support in this division due to increased systems functionality will allow the agency to use this position as TSAC's role in administering lottery scholarship programs and Tennessee Promise expands.
- C. **Compliance:** One Administrative Assistant 2-NE in the Compliance division has been selected as eligible to participate in the VBP. The decreasing need for administrative support in this area will allow the agency to move this position to another area of TSAC where additional resources are needed.
- D. **Fiscal Affairs:** One Information Resource Support Specialist 2 in the Fiscal Affairs Division has been selected as eligible to participate in the VBP. The change in staffing will decrease the need for this desktop support position. Existing information technology staff will be able to assume the remaining duties assigned to this position.

II. Business Justification and Assessment

The Loan Administration Division currently has nine positions. The administrative support duties performed by the Administrative Assistant 2-NE position can be shared among the remaining staff without disrupting services.

The Grant & Scholarship Programs Division currently has twelve positions. The administrative support functions performed by the Administrative Services Assistant 2-NE position could be reassigned to existing positions as needed. Process automation in recent years has decreased the need for the manual processes performed by this administrative position.

The Compliance Division currently has five positions. The administrative duties performed by the Administrative Assistant 2-NE position can be disbursed to existing staff within the division and to staff in TSAC's Fiscal Affairs Division. Process automation in recent years has decreased the need for the manual processes performed by this administrative position.

The Fiscal Affairs Division has nine positions. The desktop support duties performed by this position can be assigned to other staff in THEC/TSAC's Fiscal Affairs Division. The upcoming changes within TSAC will decrease the need for this position and allow it to be reassigned to another program area as needed.

III. Estimated Net Cost Savings

The attached spreadsheet shows the rates for the positions in the selected classifications along with the anticipated net cost savings of the **VBP**.*



Interim Executive Director

5/11/15

date

* This will presumably include pay and benefit savings in the first year offset by VBP benefits, with annual pay and benefit savings thereafter. Account for enhanced retirement benefits as appropriate. Agencies must later submit detailed information on classifications to DOHR.