
Vacancy Factors and Personal Services Costs

Department of Labor and Workforce Development
House Finance Budget Subcommittee
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What is a vacancy factor?

Vacancy Factor = Cost of Filling All Positions – Budgeted Funding

Why are positions purposely underfunded?

Underfunding positions (i.e., having a vacancy factor) is intended to account for savings attributable to staff turnover.

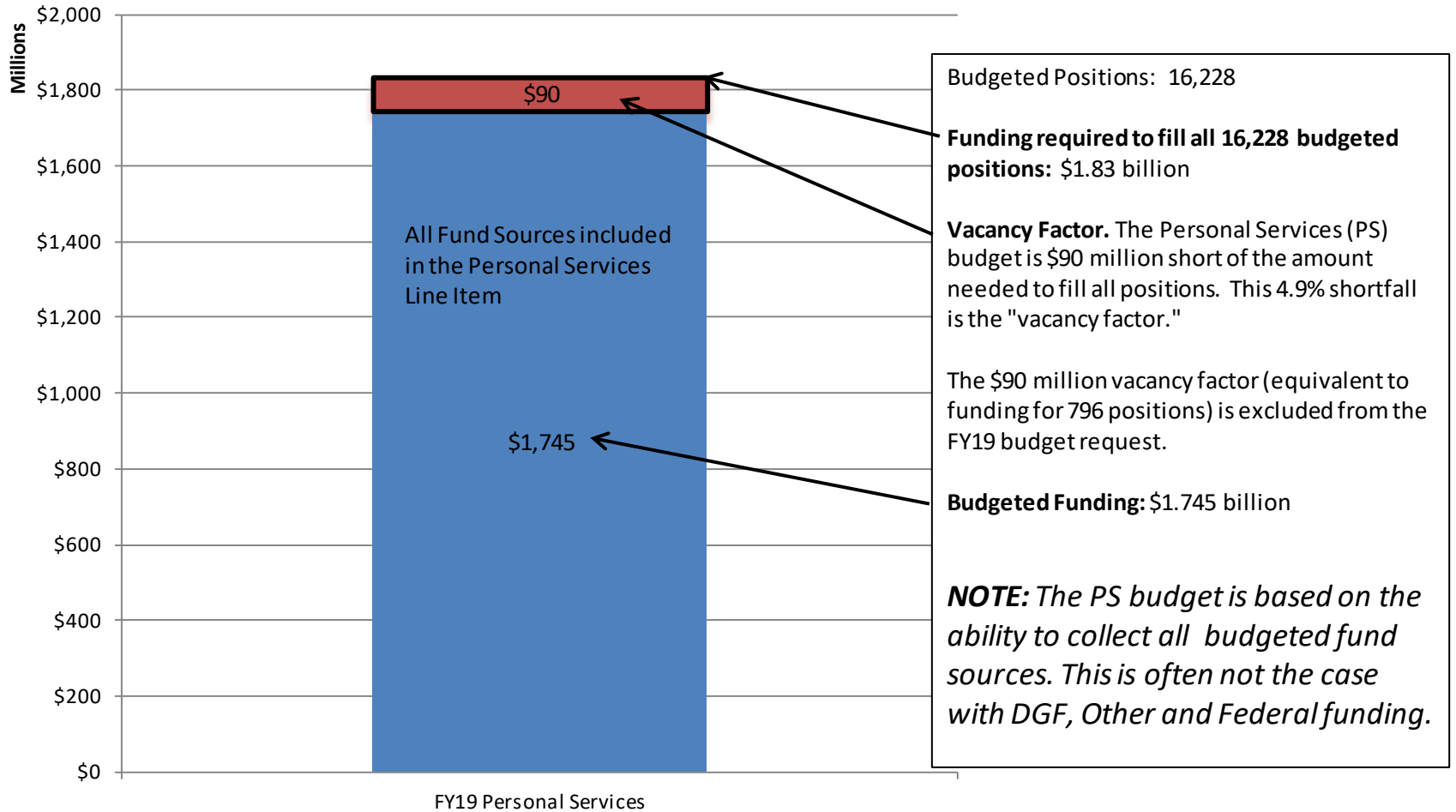
Who determines the appropriate vacancy factor?

The Office of Management and Budget (OMB) provides minimum and maximum vacancy factor guidelines.

Number of Full Time Positions	Minimum Vacancy Factor *	Maximum Vacancy Factor
10 or less	0%	3%
11 to 20	1%	4%
21 to 30	2%	5%
31 to 50	3%	6%
51 plus	4%	7%

*Per OMB, the minimum vacancy factor is optional.

FY 19 EXECUTIVE BRANCH PERSONAL SERVICES LINE FUNDING SUMMARY* All Funds



Budgeted Positions: 16,228

Funding required to fill all 16,228 budgeted positions: \$1.83 billion

Vacancy Factor. The Personal Services (PS) budget is \$90 million short of the amount needed to fill all positions. This 4.9% shortfall is the "vacancy factor."

The \$90 million vacancy factor (equivalent to funding for 796 positions) is excluded from the FY19 budget request.

Budgeted Funding: \$1.745 billion

NOTE: The PS budget is based on the ability to collect all budgeted fund sources. This is often not the case with DGF, Other and Federal funding.

*Excludes Personal Services Costs for the University, Judiciary and Legislature and the Alaska Marine Highway System.

How do I find the vacancy Factor?

The vacancy factor for each allocation with positions is included in the Governor's Budget Detail Books and on OMB's web site. An example of the Personal Services Expenditure Detail Report is below.

Personal Services Expenditure Detail Department of Labor and Workforce Development

Scenario: FY2019 Governor (14641)
Component: Workforce Development (3117)
RDU: Employment and Training Services (646)

PCN	Job Class Title	Time Status	Retire Code	Barg Unit	Location	Salary Sched	Range / Step	Comp Months	Split / Count	Annual Salaries	COLA	Premium Pay	Annual Benefits	Total Costs	UGF Amount
														Total Salary Costs:	2,477,375
														Total COLA:	0
														Total Premium Pay:	0
														Total Benefits:	1,339,613
														Total Pre-Vacancy:	3,816,988
														Minus Vacancy Adjustment of 2.50%:	(95,388)
														Total Post-Vacancy:	3,721,600
														Plus Lump Sum Premium Pay:	0
														Personal Services Line 100:	3,721,600

Vacancy Factor ←

PCN Funding Sources:	Pre-Vacancy	Post-Vacancy	Percent
1002 Federal Receipts	3,267,319	3,185,668	85.60%
1003 General Fund Match	150,715	146,949	3.95%
1004 General Fund Receipts	52,872	51,551	1.39%
1054 State Employment & Training Program	255,537	249,151	6.69%
1151 Technical Vocational Education Program Account	90,544	88,282	2.37%
Total PCN Funding:	3,816,988	3,721,600	100.00%

Funding Sources Budgeted for Personnel Services.

Post-vacancy funding (funding included in the budget) is 97.5% of **Pre-vacancy funding** (the funding needed to fully fund all budgeted positions).

How am I supposed to find out which positions are vacant, how long they have been vacant and why they are vacant?

- A new report from OMB provides information on vacancy at the level of individual positions.
- Only the department can answer questions regarding *why* positions are vacant.

OMB's Personal Services Report is on the LFD's web site under the "Analysis Tools" tab

Personal Services Filled vs Vacant (1734)

Labor & Workforce

Scenario: FY2018 Management Plan (14331)

RDU Name: Employment and Training Services (646)

Component: Workforce Development (3117)

FY2018 Management Plan		Total cost if every PCN was filled for an entire year (calculation start only, not component's authorized budget)*:	FY2018 Management Plan	FY2019 Governor	Change
Budgeted	Deleted		\$3,758,804	\$3,816,988	
FT: 30	0	Minus budgeted vacancy rate**:	(\$0) 0.0%	(\$95,388) 2.5%	
PT: 0	0	Personal Services lump sum and boards budgeted amount:	\$0	\$0	
NP: 5	0	Budget Request (Line 1000 Authority):	\$3,758,804	\$3,721,600	(\$37,204)

On average, this component must maintain 0.0 months of vacant PCNs to stay within FY2018 Management Plan budget.

PCN	Count Status	Filled in Payroll by Month												Prior Year Filled Months	PCN Budgeted Months	PCN Budgeted Amount*	Split	Job Title	Percent UGF
		1/15/2017																	
02-1514	FT	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12.0	144,356		Program Coordinator II	0.0%
05-1615	FT	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12.0	165,341		Education Specialist II	50.0%
07-5105	FT	✓	✓	✓	✓	□	□	✓	✓	✓	✓	✓	✓	10	12.0	167,719		Asst Dir Employ Security	0.0%
07-5123	FT	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12.0	138,147		Employ Sec Analyst III	0.0%
07-5355	FT	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12.0	150,268		Employ/Unemploy Ins Tech Mgr	0.0%
07-5422	FT	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	✓	12	12.0	103,154		Grants Administrator II	0.0%
07-5479	FT	✓	✓	✓	✓	□	□	□	□	□	□	□	□	5	12.0	78,162		Employ Serv Tech I	0.0%
07-5481	FT	✓	✓	✓	✓	✓	□	□	□	□	□	□	□	6	12.0	115,576		Program Coordinator II	5.0%

So how am I supposed to find out what kind of money is used to pay for positions?

Start with

- **Allocation Totals reports in the Subcommittee Books.**
Compare FY17 Actuals and the FY18 Mgmt Plan to the FY19 request. (See next slide.)
- **Personal Services Detail** (pcns, location, cost of salary & benefits, vacancy factors, and the amount of UGF budgeted for each position).
- Then talk to your LFD analyst and department staff.

**2018 Legislature - Operating Budget
Allocation Totals - Governor Structure**

The FY19 budget reduces "excess" DGF, Other and Federal authorization based on anticipated FY19 revenue collections.

Numbers and Language

Agency: Department of Labor and Workforce Development

**Appropriation: Employment and Training Services
Allocation: Workforce Development**

	[1] 17Actual	[2] 18MgtPIn	[3] GovSupp 12/15	[4] 19Adj Base	[5] 19GovAdj	[5] - [1] 17Actual to 19GovAdj	[5] - [2] 18MgtPIn to 19GovAdj	[5] - [4] 19Adj Bas to 19GovAdj			
Total	25,875.1	31,288.5	0.0	31,298.8	26,106.5	231.4	0.9 %	-5,182.0	-16.6 %	-5,192.3	-16.6 %
Objects of Expenditure											
1 Personal Services	3,503.7	3,758.8	0.0	3,769.1	3,721.6	217.9	6.2 %	-37.2	-1.0 %	-47.5	-1.3 %
2 Travel	53.0	66.8	0.0	66.8	56.8	3.8	7.2 %	-10.0	-15.0 %	-10.0	-15.0 %
3 Services	2,086.3	4,735.0	0.0	4,735.0	2,177.9	91.6	4.4 %	-2,557.1	-54.0 %	-2,557.1	-54.0 %
4 Commodities	50.0	81.8	0.0	81.8	51.8	1.8	3.6 %	-30.0	-36.7 %	-30.0	-36.7 %
5 Capital Outlay	0.0	0.0	0.0	0.0	0.0	0.0		0.0		0.0	
7 Grants, Benefits	20,182.1	22,646.1	0.0	22,646.1	20,098.4	-83.7	-0.4 %	-2,547.7	-11.3 %	-2,547.7	-11.3 %
8 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0		0.0		0.0	
Funding Sources											
1002 Fed Rcpts (Fed)	10,094.4	12,383.0	0.0	12,391.6	10,391.6	297.2	2.9 %	-1,991.4	-16.1 %	-2,000.0	-16.1 %
1003 G/F Match (UGF)	1,952.5	1,953.6	0.0	1,954.0	1,954.0	1.5	0.1 %	0.4		0.0	
1004 Gen Fund (UGF)	2,011.1	1,861.3	0.0	1,861.4	1,861.4	-149.7	-7.4 %	0.1		0.0	
1007 I/A Rcpts (Other)	0.0	2,844.6	0.0	2,844.6	0.0	0.0		-2,844.6	-100.0 %	-2,844.6	-100.0 %
1054 STEP (DGF)	7,377.3	8,035.9	0.0	8,036.8	8,036.8	659.5	8.9 %	0.9		0.0	
1151 VoTech Ed (DGF)	4,439.8	4,210.1	0.0	4,210.4	3,862.7	-577.1	-13.0 %	-347.4	-8.3 %	-347.7	-8.3 %
Positions											
Perm Full Time	30	30	0	30	30	0		0		0	
Perm Part Time	0	0	0	0	0	0		0		0	
Temporary	5	5	0	5	5	0		0		0	
Funding Summary											
Unrestricted General (UGF)	3,963.6	3,814.9	0.0	3,815.4	3,815.4	-148.2	-3.7 %	0.5		0.0	
Designated General (DGF)	11,817.1	12,246.0	0.0	12,247.2	11,899.5	82.4	0.7 %	-346.5	-2.8 %	-347.7	-2.8 %
Other State Funds (Other)	0.0	2,844.6	0.0	2,844.6	0.0	0.0		-2,844.6	-100.0 %	-2,844.6	-100.0 %
Federal Receipts (Fed)	10,094.4	12,383.0	0.0	12,391.6	10,391.6	297.2	2.9 %	-1,991.4	-16.1 %	-2,000.0	-16.1 %

WRAP-UP

When considering position deletions

- ❑ Avoid assumptions
- ❑ Use available resources
- ❑ Understand impacts
- ❑ Don't go down the position rabbit hole