

Vacancy Factors and Personal Services Costs

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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?

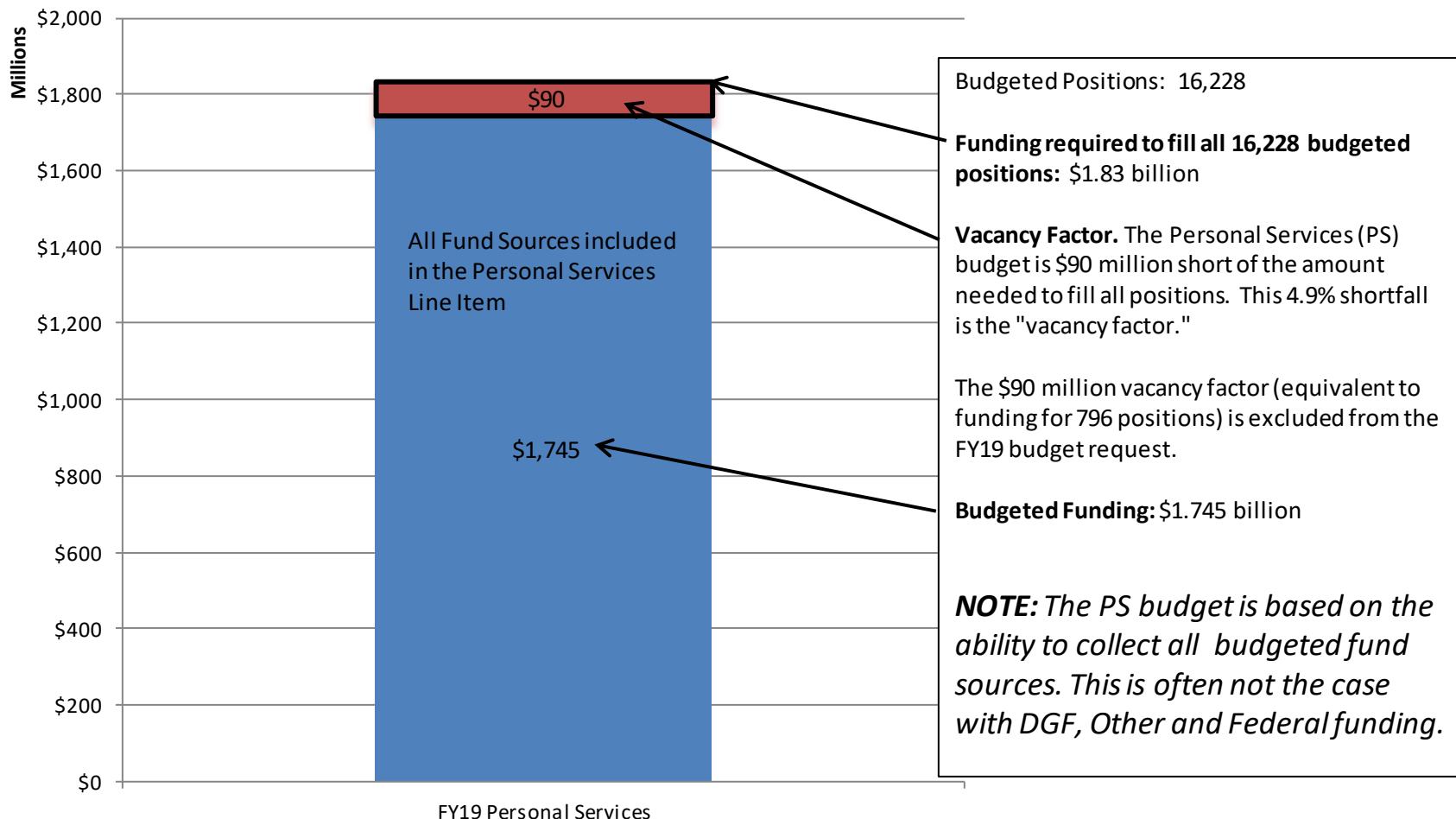
The Office of Management and Budget (OMB) provides minimum and maximum vacancy factor guidelines.

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



*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 Health and Social Services															
Scenario: FY2019 Governor (14641)															
Component: Pioneer Homes (2671)															
RDU: Alaska Pioneer Homes (503)															
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 Positions	New		Deleted										Total Salary Costs: 28,478,799	
Full Time Positions:	541	0		0										Total COLA: 0	
Part Time Positions:	33	0		0										Total Premium Pay: 2,067,840	
Non Permanent Positions:	24	0		0										Total Benefits: 20,343,825	
Positions in Component:	598	0		0											
Total Component Months: 6,999.1															
Total Pre-Vacancy: 50,890,464															
Minus Vacancy Adjustment of 1.45%: (739,064) (Vacancy Factor)															
Total Post-Vacancy: 50,151,400															
Plus Lump Sum Premium Pay: 0															
Personal Services Line 100: 50,151,400															
PCN Funding Sources:															
1002 Federal Receipts						1,062,790		1,047,356		2.09%					
1004 General Fund Receipts						14,681,811		14,468,592		28.85%					
1005 General Fund/Program Receipts						13,488,811		13,292,918		26.51%					
1007 Interagency Receipts						4,953,948		4,882,003		9.73%					
1037 General Fund / Mental Health						16,266,957		16,030,718		31.96%					
1108 Statutory Designated Program Receipts						436,147		429,813		0.86%					
Total PCN Funding:						50,890,464		50,151,400		100.00%					
Funding Sources Budgeted for Personal Services															
Pre-vacancy Funding (funding needed to fully fund all positions) is multiplied by the vacancy factor (1.45%) to determine the Post-Vacancy funding.															
Post vacancy funding is included in the budget.															

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)

Health & Social Svcs

Scenario: FY2018 Management Plan (14331)

RDU Name: Alaska Pioneer Homes (503)

Component: Pioneer Homes (2671)

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	Minus budgeted vacancy rate**: (\$708,593) 1.4%	\$50,149,993	\$50,890,464	
FT: 541	0	Personal Services lump sum and boards budgeted amount:	\$0	(\$739,064) 1.5%	
PT: 33	0	Budget Request (Line 1000 Authority):	\$49,441,400	\$50,151,400	\$710,000
NP: 24	0				

On average, this component must maintain 91.7 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	12/15/2017												
02-7007	FT	<input checked="" type="checkbox"/>	12	12.0	152,748	Pioneers Home Admin I	54.1%									
02-7016	FT	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	6	12.0	73,976	Certified Nurse Aide I	59.1%
02-7100	FT	<input checked="" type="checkbox"/>	12	12.0	142,751	Pioneers Home Admin I	59.1%									
02-7101	FT	<input checked="" type="checkbox"/>	12	12.0	86,661	Administrative Assistant II	59.1%									
02-7102	FT	<input checked="" type="checkbox"/>	12	12.0	105,438	Supply Technician II	59.1%									
02-7104	FT	<input checked="" type="checkbox"/>	12	12.0	113,398	Maint Gen Foreman	59.1%									
02-7105	FT	<input checked="" type="checkbox"/>	12	12.0	101,039	Certified Nurse Aide I	59.1%									
02-7106	FT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	11	12.0	143,734	Nurse II	59.1%					
02-7108	FT	<input checked="" type="checkbox"/>	12	12.0	95,938	Recreation Therapist I	59.1%									
02-7109	FT	<input type="checkbox"/>	<input type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	9	12.0	71,394	Certified Nurse Aide I	59.1%
02-7110	FT	<input checked="" type="checkbox"/>	12	12.0	125,178	Nurse III	59.1%									
02-7111	FT	<input checked="" type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	<input type="checkbox"/>	2	12.0	128,738	Nurse III	59.1%
02-7112	FT	<input checked="" type="checkbox"/>	12	12.0	136,302	Nurse II	59.1%									

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

Numbers and Language

Agency: Department of Health and Social Services

Appropriation: Alaska Pioneer Homes

Allocation: Pioneer Homes

	[1] 17Actual	[2] 18MgtPln	[3] GovSupp 12/15	[4] 19Adj Base	[5] 19GovAdj	[5] - [1] 17Actual to 19GovAdj	[5] - [2] 18MgtPln to 19GovAdj	[5] - [4] 19Adj Bas to 19GovAdj
Total	56,366.9	61,231.0	0.0	61,416.0	61,941.0	5,574.1	9.9 %	710.0
Objects of Expenditure								
1 Personal Services	46,206.3	49,441.4	0.0	49,626.4	50,151.4	3,945.1	8.5 %	710.0
2 Travel	9.6	18.9	0.0	18.9	18.9	9.3	96.9 %	0.0
3 Services	7,386.4	8,164.3	0.0	8,164.3	8,164.3	777.9	10.5 %	0.0
4 Commodities	2,705.7	3,506.0	0.0	3,506.0	3,506.0	800.3	29.6 %	0.0
5 Capital Outlay	56.5	48.4	0.0	95.6	95.6	39.1	69.2 %	47.2
7 Grants, Benefits	2.4	52.0	0.0	4.8	4.8	2.4	100.0 %	-47.2
8 Miscellaneous	0.0	0.0	0.0	0.0	0.0	0.0		0.0
Funding Sources								
1002 Fed Rctps (Fed)	683.8	696.7	0.0	699.3	1,224.3	540.5	79.0 %	
1004 Gen Fund (UGF)	17,349.8	16,531.8	0.0	16,579.2	16,579.2	-770.6	-4.4 %	
1005 GF/Prgrm (DGF)	15,788.5	17,477.7	0.0	17,527.2	17,527.2	1,738.7	11.0 %	
1007 I/A Rctps (Other)	4,352.8	7,367.6	0.0	7,391.9	7,391.9	3,039.1	69.8 %	
1037 GF/MH (UGF)	15,960.8	16,073.0	0.0	16,132.2	16,132.2	171.4	1.1 %	
1108 Stat Desig (Other)	2,231.2	3,084.2	0.0	3,086.2	3,086.2	855.0	38.3 %	
Positions								
Perm Full Time	541	541	0	541	541	0		
Perm Part Time	33	33	0	33	33	0		
Temporary	24	24	0	24	24	0		
Funding Summary								
Unrestricted General (UGF)	33,310.6	32,604.8	0.0	32,711.4	32,711.4	-599.2	-1.8 %	106.6
Designated General (DGF)	15,788.5	17,477.7	0.0	17,527.2	17,527.2	1,738.7	11.0 %	49.5
Other State Funds (Other)	6,584.0	10,451.8	0.0	10,478.1	10,478.1	3,894.1	59.1 %	26.3
Federal Receipts (Fed)	683.8	696.7	0.0	699.3	1,224.3	540.5	79.0 %	527.6
								525.0
								75.1 %

The FY19 Gov is \$5.6m above 17Actuals. If you cut UGF, will you be able to provide the FY17 levels of services? No

UGF is \$599.2 (1.8%) below the FY17 actuals (despite increased health insurance costs in FY18 of \$397.0)

Some of the non-UGF funding sources may be "uncollectible".

WRAP-UP

When considering position deletions

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