# VACANCIES, TURNOVER SAVINGS, AND PERSONNEL COST CHANGES

EXECUTIVE APPROPRIATIONS COMMITTEE
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ISSUE BRIEF

## SUMMARY

Legislative staff lacks clear policy direction on treatment of vacant positions when calculating personnel cost changes. This report seeks such direction from legislators. The report recommends including "funded vacant positions" in compensation change calculations, but discounting the cost by a standard 5 percent to account for turnover.

## LEGISLATIVE ACTION

A range of options to consider can be found on page 5 of this issue brief. From these options the Legislative Fiscal Analyst (LFA) recommends:

1. All agencies include funded vacant positions in their budget personnel lists.
2. The LFA apply a standard 5 percent turnover savings factor to all agency personnel lists, including higher education, when calculating personnel cost changes.
3. The LFA exempt line items with fewer than 20 full-time equivalent (FTE) employees from recommendation 2 given line items with fewer than 20 FTEs can experience greater staffing fluctuations from year to year.

## TURNOVER SAVINGS

Turnover savings represents "the amount of money saved when budgeted positions go unfilled or remain under-filled" [*State of Utah FY 2013 Budget Guideline*]. Turnover savings is a normal and expected part of the process of losing and then replacing staff in state agencies. The cost of staff, as represented through employee salary and benefits, is a large part of many state agency budgets. For agencies where functions are performed primarily by state staff, salary and benefit costs can represent 80 percent of an agency's budget. For example, the appropriated FY 2013 budget for the Utah State Hospital (USH) is $52,834,300. Of the total USH appropriated budget, $41,589,400 or 79 percent is for staff salary and benefit costs.

## TURNOVER SAVINGS IS AN ACCEPTED LABOR MARKET FACTOR

Turnover savings is experienced in all labor markets. The following generally describes turnover in labor markets:

> *The U.S. Census Bureau measured monthly job turnover of 6.4 percent during a three-year research study. The study found total turnover varies from as low as 3.9 percent each month for managers to as high as 11.6 percent per month for farm laborers and 9.5 percent per month for service workers. That turnover rate includes all job changes. . . When the monthly rates for intra-occupational churning are converted to annual rates, they present quite substantial rates, from 6 percent for managerial workers to 13.7 percent among service workers. . . Evidence shows that the rate of job quits is not necessarily affected by recessions. For instance, the Bureau of Labor Statistics' Job Openings and Labor Turnover Survey shows that even in the recessionary year of 2001, the annual rate of voluntary quits was 23.4 percent, or 30.8 million workers. That is evidence of persistent turnover in a recession, even slightly higher than the 23.1 percent voluntary quits experienced in the growth year of 2005."* [*in context – A publication of the Indiana Business Research Center at IU's Kelley School of Business*, Jan-Feb 2009, Vol. 10, No. 1]

## VACANCIES AND TURNOVER SAVINGS CAN IMPACT PERSONNEL COST CHANGES

Calculating personnel cost changes is part of the yearly state budget process. This may include calculating cost-of-living (COLA) increases, changes in retirement or health insurance rates, or other related items such as life insurance costs or set asides for post-employment benefits. Calculations are done using agency personnel lists. Including funded vacant positions has the effect of increasing the number of employees on the list. Turnover savings, if applied, either reduces the size of the list or discounts the cost associated with the list.

| Agency Personnel List Used for Calculating Personnel Cost Changes | | | | | | |
|---|---|---|---|---|---|---|
| **Name** | **PCN** | **Class Title** | **FTE** | **Salary** | **Benefits** | **Total** |
| Bob A. | 44466622 | Research Analyst | 1.0 | 59,278 | 29,143 | 88,421 |
| Jill W. | 12345678 | Caseworker I | 1.0 | 35,419 | 16,259 | 51,678 |
| Samantha W. | 21191142 | Caseworker I | 0.5 | 17,710 | 14,341 | 32,051 |
| Tom J. | 32323232 | Legal Secretary | 1.0 | 27,729 | 14,001 | 41,730 |
| Fred L. | 40762315 | Office Specialist | 1.0 | 22,947 | 17,259 | 40,206 |
| Wilma F. | 56647891 | Warehouse Worker III | 1.0 | 32,656 | 20,435 | 53,091 |
| Barney C. | 32546789 | Purchasing Agent III | 1.0 | 46,437 | 28,273 | 74,710 |
| Vacant | 17895632 | Caseworker II | 1.0 | 40,548 | 18,248 | 58,796 |
| Vacant | 64579832 | Public Information Officer | 1.0 | 60,906 | 29,811 | 90,717 |

Table 1

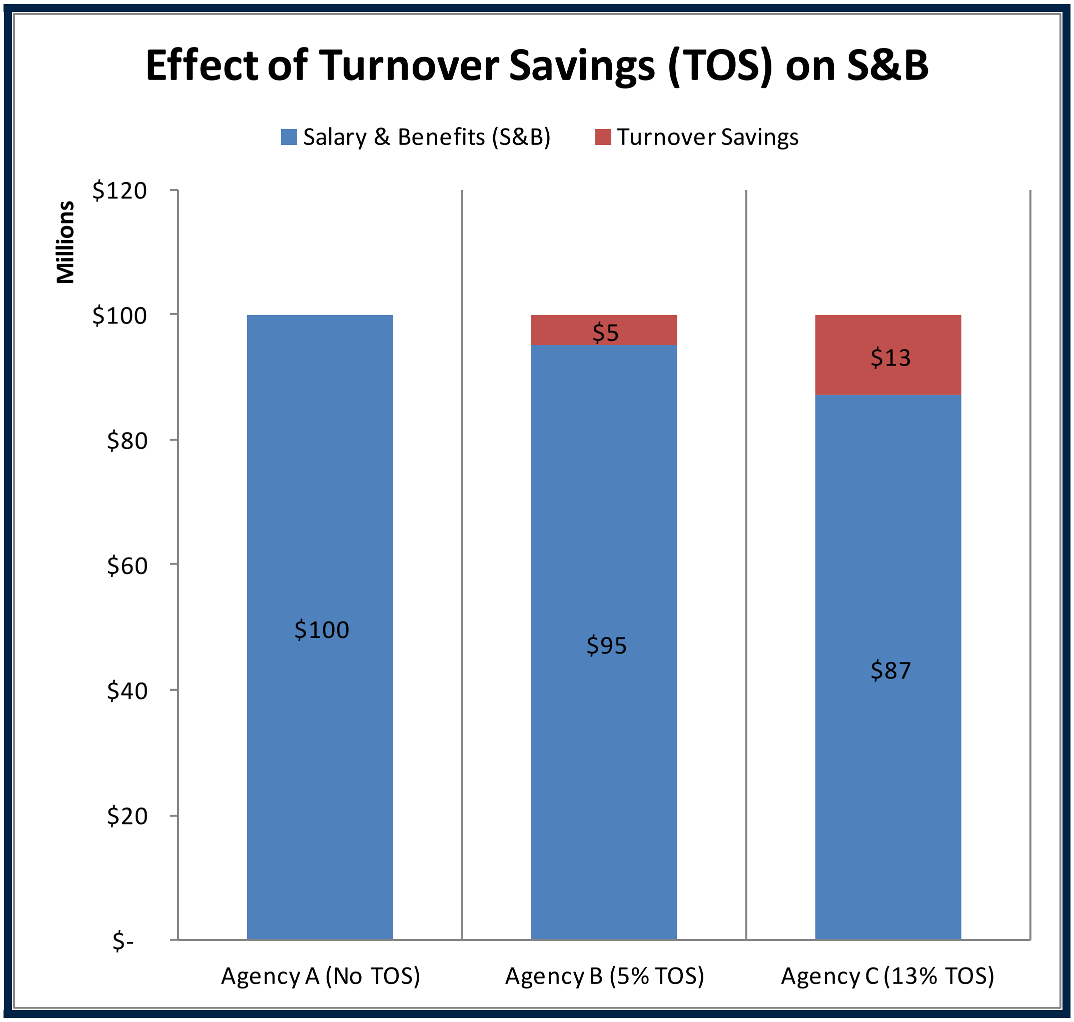


Figure 1

**Example: Calculating Personnel Cost Changes With and Without Vacant Positions**

| | FTE | Salary | Benefits | Total | Retire % | Retire $ | New Ret % | New Ret $ | Ret Incr | 1% COLA | Benefits | COLA Incr |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Bob | 1.0 | $59,278 | $29,143 | $88,421 | 18.76% | $11,121 | 19.96% | $11,832 | $711 | $593 | $214 | $807 |
| Jill | 1.0 | $35,419 | $16,259 | $51,678 | 18.76% | $6,645 | 19.96% | $7,070 | $425 | $354 | $128 | $482 |
| Samantha | 0.5 | $17,710 | $14,341 | $32,051 | 18.76% | $3,322 | 19.96% | $3,535 | $213 | $177 | $64 | $241 |
| Tom | 1.0 | $27,729 | $14,001 | $41,730 | 18.76% | $5,202 | 19.96% | $5,535 | $333 | $277 | $100 | $378 |
| Fred | 1.0 | $22,947 | $17,259 | $40,206 | 18.76% | $4,305 | 19.96% | $4,580 | $275 | $229 | $83 | $312 |
| Wilma | 1.0 | $32,656 | $20,435 | $53,091 | 18.76% | $6,126 | 19.96% | $6,518 | $392 | $327 | $118 | $445 |
| Barney | 1.0 | $46,437 | $28,273 | $74,710 | 18.76% | $8,712 | 19.96% | $9,269 | $557 | $464 | $168 | $632 |
| Vacant | 1.0 | $40,548 | $18,248 | $58,796 | 18.76% | $7,607 | 19.96% | $8,093 | $487 | $405 | $147 | $552 |
| Vacant | 1.0 | $60,906 | $29,811 | $90,717 | 18.76% | $11,426 | 19.96% | $12,157 | $731 | $609 | $220 | $829 |
| Total | 8.5 | $343,630 | $187,770 | $531,400 | | $64,465 | | $68,589 | **$4,124** | $3,436 | $1,243 | **$4,679** |

Table 2

To illustrate the impact of turnover savings, suppose the Legislature were considering a compensation package with a 1.2 percent increase in the retirement rate and a 1.0 percent cost of living adjustment (COLA). For the personnel in the small agency shown in Table 1, assuming all employees are on the same retirement plan, the total cost of this compensation package would sum to approximately $8,800. If the Legislature chose not to include the two vacant positions in the calculation, the cost would decrease to $6,200. In this agency's case, the vacant positions are two of the most highly paid employees in the agency, thus excluding them has a disproportionate impact on savings. In reality the compensation of vacant positions would vary greatly by year and by agency. If we assume the vacant positions are funded and will be filled at some point during the year, we could apply a 5.0 percent "turnover savings rate" reduction to the agency's compensation base. Applying a 5.0 percent turnover savings reduction to the agency in Table 1 would reduce the compensation package to $8,400.

## TREATMENT OF VACANCIES AND TURNOVER SAVINGS VARIES AMONG STATES

At the request of the LFA, the National Association of Legislative Fiscal Officers (NALFO) sent out an April 2012 request to all states to respond to the following three questions regarding the treatment of vacant positions and the application of turnover savings:

1. Does your state include vacant positions when calculating the 'personnel base budget?'
2. If you include vacant positions in the 'personnel base budget,' do you factor in a turnover savings (i.e. – reduce the personnel base budget by the turnover savings amount)?
3. Does your state apply a consistent turnover savings factor to all budgets or does it vary by agency?

Eleven states responded to this request. Table 3 shows treatment of vacancies and turnover savings varies significantly among the eleven responding states. The full responses are found in *Appendix B*:

| State Responses to NALFO Request Regarding Turnover Savings (TOS) April 2012 | | | | |
|---|---|---|---|---|
| **State** | **Include Vacant Positions in Personnel Base** | **Reduce Personnel Base by TOS** | **Apply Consistent TOS Factor to All Budgets** | **Other Comments** |
| Alaska | Yes | Yes - varies based upon agency size | No - factor varies with agency size | |
| Arizona | No | N/A | No | Stopped using TOS over 10 years ago |
| Kansas | Yes | Yes | No - varies by agency | |
| Maine | Yes | Yes | Yes | Special rules apply for smaller agencies |
| Maryland | Yes | Yes | No - varies by agency based upon agency vacancy experience | |
| Minnesota | No | No | No | Minn. Legislature does not track nor budget for positions or FTEs |
| Montana | Yes | Yes - applies a 4% 'vacancy savings rate' | Yes - 4% but agencies with fewer than 20 employees are exempt | Statute prohibits the application of TOS factor on some positions such as highway patrol officers |
| Nebraska | Varies based upon assigned Legislative Fiscal Analyst (LFA) | Varies by assigned LFA | No | |
| New Jersey | Yes | Varies on a case by case basis | No | |
| Oregon | Yes | Yes - varies by agency | No | Have statutory requirement for agencies to submit long term vacancy report every quarter. |
| **Utah** | **Varies based upon agency (see Table 4, *Appendix A*)** | **Varies by LFA (see Table 4, *Appendix A*)** | **No** | |
| Washington | Generally yes | Yes (see comment) | No | Make assumption agencies with more than 100 FTEs can pay for annual salary range increments through TOS |

Table 3

## INCONSISTENT INCLUSION OF TURNOVER SAVINGS IN AGENCY BUDGETS

In October, 2008 the Governor's Office of Planning and Budget (GOPB) presented a Turnover Savings In-Depth Study to the Executive Appropriations Committee. The report analyzed turnover savings from all state agencies and other groups submitting budgets (including Higher Education, Elected Officials, and Courts) and compared agency practices to current budget guidelines at that time. GOPB found that only 17 of 42 agencies included turnover savings. Of those including a turnover savings factor, they found varied approaches where the percentage of turnover savings as compared to total salary and benefits "ranged from a high of 13 percent to a low of zero percent." A current review conducted by the LFA shows that 14 of 42 agencies included turnover savings in their FY 2013 budget submissions and the percentage of turnover savings as compared to total salary and benefits ranged from a high of 4 percent to a low of zero percent [see Table 4 in *Appendix A*].

## INCONSISTENT APPLICATION OF TURNOVER SAVINGS IN CALCULATING PERSONNEL COST CHANGES

In the absence of a uniform approach and consistent with differing practices by state agencies, application of turnover savings when calculating personnel cost changes varies by assigned legislative staff member. In the 2012 General Session, Legislative staff applied turnover savings to one third of the agencies (see Table 4 in *Appendix A*).

## PUBLIC AND HIGHER EDUCATION AND TURNOVER SAVINGS

While legislative staff has ready access to detailed payroll records for state agency personnel, we do not have access to the same level of detail for employees in higher education institutions and local education agencies. For higher education, staff receives total salary and benefit base information for each line item at each institution. For public education, only historical data is available.

Using the salary and benefit base information we receive from higher education institutions, we believe we can apply a standard discount rate to personnel cost changes. The State Board of Regents also provides a report providing vacancy information for each higher education institution.

For school districts and charter schools – known as Local Education Agencies (LEAs) – we do not even have a budgeted salary and benefits base. In many cases, LEAs negotiate compensation packages with employees through collective bargaining. Compensation mixes vary among LEAs – some may have chosen higher salaries in lieu of maintaining health coverage while others may forgo salary for richer benefits. For public education, the Legislature typically indexes the value of the Weighted Pupil Unit as a proxy for changes in personnel costs. As LFA staff lack prospective compensation data for LEAs, and as there is no direct relationship between the value of the WPU and teacher compensation, we do not recommend discounting the WPU value changes for vacancies.

## OPTIONS REGARDING VACANCIES, TURNOVER SAVINGS, AND PERSONNEL COST CHANGES

The Executive Appropriations Committee could consider the following options when calculating personnel cost changes:

1. Use actual point-in-time payroll records. These records exclude any vacant positions since only staff employed as of the selected date would be reflected in such records.
2. LFA Recommends: Direct staff to include funded vacant positions and apply a 5 percent standard turnover savings factor to all agency personnel lists prior to making any compensation related budget adjustments (see Maine response in Table 5 in *Appendix B*). This option could be varied by either exempting some agencies (option 4) or by altering the turnover savings factor percentage (option 3).
3. Direct staff to apply a different percentage standard turnover savings factor by either increasing or decreasing the percentage in option 2.
4. Exempt certain agencies from applying the turnover savings factor (see Montana in Table 5 in *Appendix B* where Montana statute prohibits the application of vacancy savings on limited positions such as highway patrol officers and game wardens).
5. Require the application of an agency specific turnover savings factor. The factor could either be determined and reported by agencies or based upon turnover reports produced by the Department of Human Resource Management (DHRM). DHRM tracks only position turnover and does not factor in any funding- or cost-related items for positions.
6. Leave all agency actions regarding salary and benefits and turnover savings to agencies to determine and manage (see Minnesota response in Table 5 in *Appendix B*).
7. Some combination of the above options.
8. Make no changes to the current process.

## APPENDIX A –REVIEW OF TURNOVER SAVINGS AND VACANCIES

**Turnover Savings (TOS) and Vacancies**
**Review of FY13 Budget Submittal**
**All Agencies**

| Agency: | Total Submitted Budget | Total Personal Services | Estimated Turnover Savings | TOS as % of Tot PS | TOS as % of Tot Budget | Agency Included Funded 'Vacant' Positions in Personnel List | TOS Applied by LFA |
|---|---|---|---|---|---|---|---|
| Administrative Services | 47,293,938 | 13,224,938 | - | 0% | 0% | Yes | Yes |
| Agriculture and Food | 28,956,200 | 15,849,600 | - | 0% | 0% | Yes | Yes |
| Alcoholic Beverage Control | 31,418,565 | 20,090,965 | - | 0% | 0% | Yes | Yes |
| Attorney General | 51,358,900 | 42,761,500 | - | 0% | 0% | No | No |
| Auditor | 5,022,000 | 4,728,700 | - | 0% | 0% | No | No |
| Board of Pardons and Parole | 3,784,200 | 3,078,300 | - | 0% | 0% | Yes | No |
| Capitol Preservation Board | 3,059,400 | 375,500 | - | 0% | 0% | No | No |
| Career Service Review Board | 227,500 | 187,700 | - | 0% | 0% | No | No |
| Commerce | 27,075,600 | 18,798,100 | 87,600 | 0% | 0% | Yes | Yes |
| Community and Culture | 189,619,400 | 13,419,200 | - | 0% | 0% | Yes | Yes |
| Corrections | 265,827,900 | 175,085,800 | 431,100 | 0% | 0% | Yes | No |
| Courts | 128,954,300 | 88,336,400 | 2,405,800 | 3% | 2% | Yes | No |
| Environmental Quality | 50,870,100 | 34,343,200 | 1,310,300 | 4% | 3% | Yes | Yes |
| Financial Institutions | 5,994,700 | 5,081,700 | 51,500 | 1% | 1% | No | No |
| Governor | 36,115,400 | 11,937,600 | 115,500 | 1% | 0% | Yes | No |
| Governor's Office of Economic Development (GOED) | 17,122,600 | 6,620,500 | - | 0% | 0% | Yes | Yes |
| Health | 2,256,313,400 | 70,757,200 | 3,225,800 | 4% | 0% | Yes | Yes |
| Higher Education | 1,266,999,000 | 987,727,200 | - | 0% | 0% | N/A | N/A |
| Human Resource Management | 3,283,500 | 1,485,200 | - | 0% | 0% | No | No |
| Human Services | 557,016,100 | 181,304,700 | 7,876,400 | 4% | 1% | Yes | No |
| Insurance | 11,086,200 | 7,229,400 | - | 0% | 0% | Yes | Yes |
| Juvenile Justice Services | 86,882,600 | 48,482,700 | 1,371,000 | 3% | 2% | Yes | Yes |
| Labor Commission | 12,193,300 | 9,060,900 | 37,500 | 0% | 0% | Yes | No |
| Legislature | 19,071,100 | 16,647,500 | - | 0% | 0% | No | No |
| Medical Education Council | 1,050,000 | 548,900 | - | 0% | 0% | No | No |
| National Guard | 67,452,700 | 14,702,900 | - | 0% | 0% | Yes | No |
| Natural Resources | 171,779,800 | 82,212,000 | 525,700 | 1% | 0% | Yes | No |
| Public Education | 555,579,900 | 41,663,800 | - | 0% | 0% | Yes | Yes |
| Public Lands Policy Coordinating Office | 1,694,900 | 1,055,700 | - | 0% | 0% | Yes | Yes |
| Public Safety | 174,771,100 | 88,582,100 | 1,271,700 | 1% | 1% | No | No |
| Public Service Commission | 11,196,400 | 2,035,900 | - | 0% | 0% | Yes | No |
| Tax Commission | 83,033,200 | 46,497,600 | 726,800 | 2% | 1% | No | No |
| Technology Services | 4,744,800 | 2,165,200 | - | 0% | 0% | No | No |
| Transportation | 1,033,674,400 | 127,502,400 | - | 0% | 0% | Yes | Yes |
| Treasurer | 2,821,700 | 2,044,400 | - | 0% | 0% | Yes | No |
| Trust Lands Administration | 17,919,700 | 6,493,100 | - | 0% | 0% | Yes | Yes |
| USTAR | 19,173,300 | 911,400 | - | 0% | 0% | No | No |
| Utah College of Applied Technology | 54,650,900 | 42,862,900 | - | 0% | 0% | N/A | N/A |
| Utah Education Network | 37,916,600 | 9,719,400 | - | 0% | 0% | No | No |
| Utah State Office of Rehabilitation | 77,854,300 | 33,969,500 | - | 0% | 0% | No | No |
| Verterans' Affairs | 1,211,700 | 1,033,000 | - | 0% | 0% | No | No |
| Workforce Services | 1,213,479,900 | 129,504,700 | 962,200 | 1% | 0% | Yes | No |
| **Total of All Agencies** | **8,635,551,203** | **2,410,119,403** | **20,398,900** | **1%** | **0%** | | |

Table 4

## APPENDIX B – COMPLETE RESPONSE TO NALFO REQUEST REGARDING TURNOVER SAVINGS

### NALFO LISTSERV: TURNOVER SAVINGS

| State/Jurisdiction | Does your state include vacant positions when calculating the "personnel base budget?" | If you include vacant positions in the "personnel base budget," do you factor in a turnover savings (i.e. – reduce the personnel base budget by the turnover savings amount)? | Does your state apply a consistent turnover savings factor to all budgets or does it vary by agency (provide the percentage if available)? |
|---|---|---|---|
| Alabama | No response (N/R) | N/R | N/R |
| Alaska | All positions—filled and unfilled—are included in the Governor's budget request. That includes positions authorized by the legislature and those added by the administration. | Alaska uses a vacancy factor that varies with the size of the appropriation unit. You might want to take a look at page 18 of the Overview of the Governor's budget found on our website http://www.legfin.state.ak.us/ for a discussion of the vacancy factor. The link to the Overview is dated 1/13/2012. | The factor is variable. Small units have small (sometimes zero) factors, and the factor generally increases with size. The factors are not fixed—OMB sets a range that is acceptable. |
| Arizona | No . | | We stopped using turnover savings factors over 10 years ago. |
| Arkansas | N/R | N/R | N/R |
| California | N/R | N/R | N/R |
| Colorado | N/R | N/R | N/R |
| Connecticut | N/R | N/R | N/R |
| Delaware | N/R | N/R | N/R |
| Florida | N/R | N/R | N/R |
| Georgia | N/R | N/R | N/R |
| Hawaii | N/R | N/R | N/R |
| Idaho | N/R | N/R | N/R |
| Illinois | N/R | N/R | N/R |
| Indiana | N/R | N/R | N/R |
| Iowa | N/R | N/R | N/R |
| Kansas | Yes we do include vacant positions in our personnel base budget. | Yes, we do include turnover savings. | Yes it does vary by agency. In recent years turnover has turned into a budget tool to reduce agency budgets. Over all state agencies, the turnover rate is set at 3.3 percent of all salaries and wages. |
| Kentucky | N/R | N/R | N/R |
| Louisiana | N/R | N/R | N/R |

### NALFO LISTSERV: TURNOVER SAVINGS

| State/Jurisdiction | Does your state include vacant positions when calculating the "personnel base budget?" | If you include vacant positions in the "personnel base budget," do you factor in a turnover savings (i.e. – reduce the personnel base budget by the turnover savings amount)? | Does your state apply a consistent turnover savings factor to all budgets or does it vary by agency (provide the percentage if available)? |
|---|---|---|---|
| Maine | Vacant, but authorized positions are budgeted as if they were filled. | All positions in the Executive and Judicial Branches are budgeted with a 5% attrition factor (that was increased to 6% in FY 2013 on a one-time basis). The Legislature opted out of recent increases in this rate. | Each Executive and Judicial Branch agency receives the same attrition factor reduction to personnel costs. Agencies unable to achieve the targeted attrition factor savings, common among smaller agencies, can access a central pool of salary savings. |
| Maryland | Yes | Yes | It varies by agency based on vacancy experience. Smaller agencies (a few employees) typically have no turnover taken out. Usually turnover ranges from 3-5% of salary, social security, retirement, and unemployment compensation. New positions are always budgeted at 25% turnover to permit 3 months for recruiting. We have dozens of agencies so it probably is not practical to give a full accounting. |
| Massachusetts | N/R | N/R | N/R |
| Michigan | N/R | N/R | N/R |
| Minnesota | The Minnesota Legislature does not track or budget for positions or FTEs. So an agency can use vacant positions as a tool to manage its budget. (Agencies do have to report FTEs to the Legislature in the budget documents but the Legislature does not control agency complement.) | | |
| Mississippi | N/R | N/R | N/R |
| Missouri | N/R | N/R | N/R |
| Montana | Yes. | Yes – Montana applies (traditionally) a 4% vacancy savings rate. | Varies – While most agencies are applied 4%, agencies with fewer than 20 FTE are exempt. Statute prohibits the application of vacancy savings on limited other positions such as highway patrol officers and game wardens. The legislature will also make certain other exceptions and/or apply differential rates on a biennium to biennium basis, such as the Judicial and Legislative Branches, and certain 24/7 positions. |

## NALFO LISTSERV: TURNOVER SAVINGS

| State/Jurisdiction | Does your state include vacant positions when calculating the "personnel base budget?" | If you include vacant positions in the "personnel base budget," do you factor in a turnover savings (i.e. – reduce the personnel base budget by the turnover savings amount)? | Does your state apply a consistent turnover savings factor to all budgets or does it vary by agency (provide the percentage if available)? |
|---|---|---|---|
| Nebraska | This is done case by case, as determined by the assigned analyst and the judgment of the Appropriations Committee. Vacant positions may be included in the budget depending on factors such as the likelihood for filling a position during the budget period. | There is no formula for turnover routinely applied to a proposed budget. Factors are too variable, thus case by case choices are made. Some larger agencies with a long history of predictable turnover will have a budget adjusted based on prior turnover patterns. | As expressed above, a consistent factor is not practical. Judgments are made case by case. |
| Nevada | N/R | N/R | N/R |
| New Hampshire | N/R | N/R | N/R |
| New Jersey | Yes. | On a case by case basis. More typically, vacant positions in a personnel base budget are "unfunded" to the extent needed to meet either a stipulated staffing level or a stipulated funding level, on average vacant position value, until the desired or stipulated funded position level is attained. Vacant positions are assumed to have a value of step 1 of the salary range or, if no salary range, a selected amount based on the agency and title/nature of the vacant position. | |
| New Mexico | N/R | N/R | N/R |
| New York | N/R | N/R | N/R |
| North Carolina | N/R | N/R | N/R |
| North Dakota | N/R | N/R | N/R |
| Ohio | N/R | N/R | N/R |
| Oklahoma | N/R | N/R | N/R |
| Oregon | Oregon does include vacant positions when determining the base budget, but we use a vacancy factor calculation to project budget savings reasonably expected from staff turnover in the coming biennial budget period. This is done on an agency by agency basis with each agency being able to adjust the savings (with approval from the Executive Branch and Legislative Branch budget analysts) in cases where extraordinary vacancies occurred in the current biennium. Oregon also has a statutory requirement that all agencies report to the Legislature each quarter on all positions vacant for six months or more. This report is received and reviewed by the Legislative Fiscal Office. We can then make recommendations during session for elimination of identified long-term vacant positions with a corresponding budget adjustment. | | |
| Pennsylvania | N/R | N/R | N/R |

## NALFO LISTSERV: TURNOVER SAVINGS

| State/Jurisdiction | Does your state include vacant positions when calculating the "personnel base budget?" | If you include vacant positions in the "personnel base budget," do you factor in a turnover savings (i.e. – reduce the personnel base budget by the turnover savings amount)? | Does your state apply a consistent turnover savings factor to all budgets or does it vary by agency (provide the percentage if available)? |
|---|---|---|---|
| Rhode Island | N/R | N/R | N/R |
| South Carolina | N/R | N/R | N/R |
| South Dakota | N/R | N/R | N/R |
| Tennessee | N/R | N/R | N/R |
| Texas | N/R | N/R | N/R |
| Utah | N/R | N/R | N/R |
| Vermont | N/R | N/R | N/R |
| Virginia | N/R | N/R | N/R |
| Washington | Generally yes, provided that the positions are funded. | Staff are typically paid within a range and get annual increments until they are at the top of the range. In agencies with more than 100 FTEs, it is assumed that the savings from turnover will pay for any increased costs from the increments. In addition, individual budget steps do often capture savings from vacant positions – this is a case by case decision. | See question #2. Also, we have sometimes calculated and captured savings from hiring freezes. Those were calculated on an agency-by-agency basis. |
| West Virginia | N/R | N/R | N/R |
| Wisconsin | N/R | N/R | N/R |
| Wyoming | N/R | N/R | N/R |

**Key:** (N/R) = No response, (N/A) = Not applicable.

**Source**: NALFO listserv positing, April 18, 2012.

Table 5