

## Monitoring of Vacancy Savings

Monitoring the accumulation of vacancy savings has become vitally important. Each year, budgeted and estimated vacancy are plowed back into the budget to fund additional appropriations which would otherwise go unfunded due to the requirement of presenting a balanced annual budget.

Additionally, salaries and benefits comprise an overwhelming portion of the budget. Personnel costs in both GRs make up 74% of the total budget (ignoring contingency). Recognizing personnel budget fluctuations is thus crucial to overall fund balances.

In 2022, the inclusion of vacancy as a budgeted item allowed for additional appropriations as follows:

Fund	Budgeted Vacancy	Off-Book Vacancy	Total Additional Appropriations Available
GR 1	\$934,241.71	\$227,932.32	\$1,162,174.03
GR 2	\$847,396.78	\$0.00	\$847,396.78
LEST	\$454,446.23	\$15,021.75	\$469,467.98
<b>Total</b>	<b>\$2,236,084.72</b>	<b>\$242,954.07</b>	<b>\$2,479,038.79</b>

Besides budgeted vacancy being used to fund spending outside of personnel, there are other uses currently being made of vacancy savings:

- On 12/28/2021, Commission approved an authorization to pay overtime using vacancy savings *above budgeted vacancy*, or other savings within budget.
- Shift differential pay, included in the 2022 Budget, is to be covered by vacancy *in excess of budgeted vacancy*.
- Per the 2022 Budget Executive Summary, the Employee Hiring Policy states: "To remain budget neutral, a vacancy period will be case-by-case determined such that the *savings from vacancy will cover the added cost of the employee payout* occurring with the vacancy."

Thus, there is a reliance upon vacancy savings to cover other categories of personnel spending not otherwise budgeted.

Because the need exists to understand how ongoing actual expenses compare to the level where the budgeting process expected them to be, a comparison between actual S&B costs and net periodic budgeted costs will be presented after the processing of each payroll.

## Creation of a Period-by-Period Budget

A Countywide position database (used for determining costs for the 2022 Budget) was used to generate a period-by-period budget for each individual position for the full year. This allows for comparisons of actual vs. budget to be performed after each payroll, instead of only once per month.

Expected hire dates of new and unfilled positions were taken into account in this process. Thus, position costs are not included in cumulative budget amounts until after the hire date provided to the Budget Department during the budgeting process in 2021. This provides a greater degree of accuracy to the resulting periodic budget.

All individual positions were then categorized by department according to their Eden account numbers.

Using an assumption that vacancy is realized at a constant rate throughout the year, any departmental vacancy planned by the Budget Department was divided and spread evenly across all pay periods, then subtracted from each gross total to obtain a *net* periodic budget for salaries and benefits.

By accounting for planned vacancy in generating a net periodic budget, the assertion can then be made that any departmental savings from the net budget is actually *realized savings in excess of budget*.