

Monitoring of Vacancy Savings

Excluding contingency savings and municipal LEST distributions, salaries and benefits make up 77% of the total 2023 Budget in General Revenue, and 72% in LEST. Because personnel costs are such a large part of the overall budget, monitoring vacancy savings is critical to understanding fiscal performance.

During the budgeting process, estimated vacancy for the forthcoming year is plowed back into available funding to be used for additional appropriations which would otherwise go unfunded. For 2023, budgeted vacancy has allowed for the appropriation of additional expenditures as follows:

Fund	Budgeted Vacancy	Off-Book Vacancy	Total Additional Appropriations
General Revenue	\$3,262,723.80	\$342,161.54	\$3,604,885.34
LEST	<u>\$506,915.83</u>	<u>\$46,244.41</u>	<u>\$553,160.24</u>
Total	\$3,769,639.63	\$388,405.95	\$4,158,045.58

Besides its use for additional appropriations, there are other uses made of accumulated vacancy savings. Per the 2023 Budget Executive Summary:

- Employee Hiring – *“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.”*
- Payout of Overtime and/or Existing Compensatory Time – *“For calendar year 2023, Greene County departments may choose to pay out overtime and/or existing compensatory time balances. Overtime and compensatory balances may only be paid if a department has vacancy in excess of budgeted vacancy. This pay-out option supports our departments which are unable to grant time-off requests due to low staffing levels.”*

Thus, there is also a reliance upon vacancy savings to cover other categories of personnel spending not otherwise budgeted. Because of this reliance as well as the need for timely and current information, a comparison between actual year-to-date 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 2023 Budget costs, allows for the generation of a period-by-period budget for each individual position. All positions are then categorized by Eden account to create departmental budgets. These budgets allow for a comparison of actual year-to-date spending against a cumulative budget after each payroll cycle.

Expected hire dates of new and unfilled positions are taken into account in this process, so that salary costs are not included until after the anticipated hire dates provided to the Budget Department during the budgeting process. Benefit costs are not included until the earliest possible eligibility date. This provides a greater degree of accuracy to the resulting periodic budget. Costs for budgeted overtime are spread evenly across the year, and budgeted holiday pay is placed in the appropriate pay periods.

Using the assumption that vacancy is realized at a rate consistent with the accumulation of salary cost, budgeted vacancy was spread across all pay periods in a ratio consistent with the accumulation of budgeted salary. This is then subtracted from each gross total in order to obtain a *net* periodic budget.

Because budgeted vacancy is accounted for in determining the net periodic budget, any departmental savings from the net periodic budget is *realized savings in excess of budgeted vacancy*.