

OFFICE OF THE
LEGISLATIVE
FISCAL
ANALYST

JONATHAN C. BALL
DIRECTOR

MEMORANDUM FOR EXECUTIVE APPROPRIATIONS COMMITTEE

FROM: Stephen Jardine, Legislative Fiscal Staff
DATE: November 6, 2012
SUBJECT: Update on the Turnover Savings Factor Calculation

On May 15, 2012 legislative fiscal staff presented an issue brief titled, *Vacancies, Turnover Savings, and Personnel Cost Changes* to the Executive Appropriations Committee (EAC). As part of the issue brief, staff made the following recommendation (found on page 1 of the brief):

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.*

Local school districts and charter schools were also excluded from the calculation in recommendation number 2 based upon the lack of prospective compensation data for local public education entities and the fact that there is no direct relationship between the value of the weighted pupil unit and teacher compensation. EAC approved the following substitute motion:

Approve recommendations 1, 2, and 3 but on recommendation 2 strike "apply a standard 5 percent" and insert in its place "calculate a historical turnover rate for each agency and apply this calculated rate."

The LFA has completed the turnover savings factor calculations in compliance with the EAC May 15th motion. In making the calculations, the LFA used fiscal years 2011 and 2012 and compared revised appropriated to actual expenditures for salary and benefits. The two years were then averaged to determine an agency's turnover savings factor. In cases where an agency spent more for salary and benefits than it was appropriated, a turnover savings factor of zero was entered based upon the fact that in those instances an agency under-budgeted for salary and benefits. The LFA calculations follow.

UTAH STATE CAPITOL COMPLEX
HOUSE BUILDING, SUITE W310
P.O. BOX 145310
SALT LAKE CITY, UTAH

PHONE: (801) 538-1034
FAX: (801) 538-1692

WEBSITE:
WWW.LE.UTAH.GOV/LFA



Historical Agency Turnover Savings - Utah

Revised Appropriated Personnel Services Budget Compared to Actual Expenditure

11/6/2012 10:51

Agency	FY11 Revised Appropriated	FY11 Actual	FY12 Revised Appropriated	FY12 Actual	FY12 FTEs	FY11 Turnover Savings %	FY12 Turnover Savings %	2 Year Avg Turnover Savings %	Applied Turnover Savings %
Administrative Services	12,516,300	12,283,600	13,078,500	11,766,300	137.0	-1.9%	-10.0%	-5.9%	-5.9%
Agriculture and Food	14,109,700	15,108,000	13,754,900	13,481,400	200.6	7.1%	-2.0%	2.5%	0.0%
Alcoholic Beverage Control	15,771,500	18,420,900	14,205,200	15,124,400	380.4	16.8%	6.5%	11.6%	0.0%
Attorney General	42,317,400	41,838,600	42,380,900	42,453,900	416.8	-1.1%	0.2%	-0.5%	-0.5%
Board of Pardons and Parole	3,147,600	3,003,900	3,083,900	2,962,200	34.8	-4.6%	-3.9%	-4.3%	-4.3%
Capitol Preservation Board	471,400	347,300	805,500	396,400	6.5 (a)	-26.3%	-50.8%	-38.6%	0.0%
Career Service Review Board	190,100	187,400	186,200	190,000	2.0 (a)	-1.4%	2.0%	0.3%	0.0%
Commerce	17,737,900	16,442,300	18,799,700	16,953,100	230.0	-7.3%	-9.8%	-8.6%	-8.6%
Community and Culture	15,013,200	14,767,100	14,233,200	12,712,581	169.2	-1.6%	-10.7%	-6.2%	-6.2%
Corrections	179,761,500	164,032,400	175,178,300	165,420,400	2,178.1	-8.7%	-5.6%	-7.2%	-7.2%
Courts	89,888,000	89,798,000	86,903,400	89,429,400	1,034.9	-0.1%	2.9%	1.4%	0.0%
Dixie State College	25,452,300	30,331,100	26,365,100	33,161,600	588.4	19.2%	25.8%	22.5%	0.0%
Economic Development	6,026,000	6,065,500	6,031,100	6,430,600	71.6	0.7%	6.6%	3.6%	0.0%
Environmental Quality	34,451,100	33,109,900	35,159,600	32,838,900	371.2	-3.9%	-6.6%	-5.2%	-5.2%
Financial Institutions	5,148,700	4,955,700	5,120,700	4,829,500	47.3	-3.7%	-5.7%	-4.7%	-4.7%
Governor's Office	9,571,100	9,083,400	11,955,700	12,427,500	115.5	-5.1%	3.9%	-0.6%	-0.6%
Health	73,392,200	71,215,300	70,463,000	69,432,400	913.0	-3.0%	-1.5%	-2.2%	-2.2%
Human Resource Management	1,458,000	1,500,600	1,476,900	1,460,400	15.8 (a)	2.9%	-1.1%	0.9%	0.0%
Human Services	200,216,300	181,731,600	179,680,000	176,062,800	2,965.6	-9.2%	-2.0%	-5.6%	-2.0%
Insurance	7,274,500	5,710,000	6,737,600	6,183,300	79.5	-21.5%	-8.2%	-14.9%	-14.9%
Juvenile Justice Services	56,983,700	52,445,900	53,550,400	51,699,600	916.2	-8.0%	-3.5%	-5.7%	-3.5%
Labor Commission	8,690,500	8,697,200	8,511,600	8,965,700	113.9	0.1%	5.3%	2.7%	0.0%
Legislature	16,925,800	16,862,800	16,981,900	16,681,200	129.2	-0.4%	-1.8%	-1.1%	-1.1%
Medical Education Council	561,100	487,700	507,300	577,800	6.4 (a)	-13.1%	13.9%	0.4%	0.0%
Natural Resources	88,720,800	88,352,800	83,771,300	84,302,000	1,269.2	-0.4%	0.6%	0.1%	0.0%
Office of Energy Development	n.a.	n.a.	716,500	1,089,600	22.0	n.a.	52.1%	52.1%	0.0%
Public Lands Office	777,600	788,000	773,600	696,100	13.3 (a)	1.3%	-10.0%	-4.3%	0.0%
Public Safety	96,594,000	88,438,200	93,142,800	92,231,200	1,264.4	-8.4%	-1.0%	-4.7%	-4.7%
Public Service Commission	1,221,900	1,854,300	1,465,100	1,835,200	17.3 (a)	51.8%	25.3%	38.5%	0.0%
Salt Lake Community College	88,278,800	91,041,800	90,168,000	93,005,900	1,525.2	3.1%	3.1%	3.1%	0.0%
School & Inst Trust Lands	6,620,100	6,530,000	6,620,100	6,519,500	71.2	-1.4%	-1.5%	-1.4%	-1.4%
Snow College	18,854,400	19,927,100	19,405,600	20,222,100	302.3	5.7%	4.2%	4.9%	0.0%
Southern Utah University	42,828,100	47,190,000	46,743,300	50,577,400	700.1	10.2%	8.2%	9.2%	0.0%
State Auditor	4,892,400	4,595,900	4,481,800	4,718,100	41.4	-6.1%	5.3%	-0.4%	-0.4%
State Board of Education	46,408,300	43,355,100	44,237,500	41,000,200	545.7	-6.6%	-7.3%	-6.9%	-6.9%
State Board of Regents	2,145,400	2,962,200	2,447,500	3,029,900	23.4	38.1%	23.8%	30.9%	0.0%
State Office of Rehabilitation	32,157,200	32,119,600	34,029,700	31,533,500	433.7	-0.1%	-7.3%	-3.7%	-3.7%
State Treasurer	2,192,500	1,840,500	1,999,000	1,810,700	20.9	-16.1%	-9.4%	-12.7%	-12.7%

Agency	FY11 Revised		FY12 Revised		FY12 FTEs	FY11 Turnover	FY12 Turnover	2 Year Avg	Applied	
	Appropriated	FY11 Actual	Appropriated	FY12 Actual		Savings %	Savings %	Turnover	Turnover	
Tax Commission	46,865,700	45,295,300	46,216,900	45,119,000	712.4	-3.4%	-2.4%	-2.9%	-2.9%	
Technology Services	2,078,700	2,061,100	2,265,000	2,036,200	22.4	-0.8%	-10.1%	-5.5%	-5.5%	
Transportation	129,231,400	124,623,800	128,339,700	120,987,900	1,548.8	-3.6%	-5.7%	-4.6%	-4.6%	
University of Utah	320,798,700	341,317,100	325,928,200	364,343,100	3,968.2	6.4%	11.8%	9.1%	0.0%	
USTAR	825,700	1,638,800	1,824,400	1,394,900	12.5	(a)	98.5%	-23.5%	37.5%	0.0%
Utah College of Applied Technology	39,510,400	42,942,900	41,371,000	44,529,300	682.5	8.7%	7.6%	8.2%	0.0%	
Utah Education Network	9,328,900	9,686,600	9,657,700	10,044,100	111.1	3.8%	4.0%	3.9%	0.0%	
Utah National Guard	13,647,100	14,188,600	14,369,900	14,928,500	222.1	4.0%	3.9%	3.9%	0.0%	
Utah State University	207,409,600	201,851,800	202,774,300	206,782,400	2,631.1	-2.7%	2.0%	-0.4%	-0.4%	
Utah Valley University	102,926,600	114,840,300	115,080,800	124,722,600	1,950.3	11.6%	8.4%	10.0%	0.0%	
Veterans' Affairs	1,013,400	1,043,000	970,000	1,030,700	14.7	(a)	2.9%	6.3%	4.6%	0.0%
Weber State University	93,136,700	91,463,800	92,868,600	92,651,100	1,471.8	-1.8%	-0.2%	-1.0%	-1.0%	
Workforce Services (b)	139,064,100	134,213,500	146,352,000	131,263,800	1,896.7	-3.5%	-10.3%	-6.9%	-6.9%	
Grand Total	2,374,604,400	2,352,588,300	2,363,170,900	2,384,046,381	32,618.6					

(a) - motion passed in Executive Appropriations Committee, May 15, 2012, exempts agencies with less than 20 FTE.

(b) - for Workforce Services, the agency budget request is used instead of 'Revised Appropriated' - which was unavailable.