

HB 2 BOILER PLATE – VACANCY SAVINGS

The 2013 Legislature paid particular attention to personal services budgeting. As a part of this heightened interest, the HB 2 boiler plate language was modified to include the following language:

Section 3. Legislative intent. It is the intent of the legislature that the appropriations for personal services contained in this bill for fiscal year 2014 and fiscal year 2015, except for the reductions contained in decision packages that remove an additional vacancy savings amount, are supported by only the number of FTE that are funded. It is the intent of the legislature that this net level of FTE is the level that will be used to calculate personal services funding in the next biennium.

This language will be implemented in the 2015 biennium and used to modify how personal services are budgeted in future years. Implementing this language fits within the charge of the Legislative Finance Committee to make recommendations to the House Appropriations Committee and the Senate Finance and Claims Committee on the application of budget issues. “At a minimum, the recommendations must include procedures for the consistent application during each session of inflation factors, the allocation of fixed costs, and the personal services budget.” 5-12-205(7), MCA.

Currently, personal services budget techniques are based on traditions and processes developed over the years that include:

- Funding personal services based on FTE, or full-time equivalent positions (the legislature does not “approve” any FTE)
- Determining which ongoing FTE positions can be included in the next budget base and used to determine personal services appropriations in the next biennium,
- Establishing a vacancy savings amount that reduces the funding for personal services, but leaves all of the FTE positions (frequently 4%) used to determine personal services appropriations

This amendment reduces the number of positions that will be used by the legislature to determine the 2017 biennium personal services appropriation. The Legislative Finance Committee will recommend the specific manner in which this will be implemented for the next biennium.

The spreadsheet on page A-11 in Appendix A illustrates the calculated FTE reductions by agency.