POSITIONS BUDGETED (PB)[1]

Positions Budgeted are technically only a budgeting tool, used as a placeholder for establishing a total budget available for hiring personnel in state government. The legislature has the responsibility for establishing an overall appropriation for this purpose, but for executive branch agencies, the executive has complete control over how many individuals are hired, and in what capacity, as long as it fits within the existing appropriation. The figure below shows the total amount of HB 2 PB authorized in FY 2024 compared to the total amount of employees at the time of the snapshot.

Statewide PB (HB 2)	Employees (HB 2)
11,722.12	12,039 (1,137 vacant)

Is PB The Same As A State Employee?

No. While many PB are directly correlated with specific positions currently filled by state employees, there is not a perfect correlation. Part-time positions may add up to a total of 1.00 PB, and some positions are vacant at different points in time, where the funding is not being used for an employee at all. In addition, the legislature often does not provide enough funding to hire 100.0% of the PB used to establish the budget. This practice of reducing the budget is referred to as budgeted vacancy savings.

What Is Vacancy Savings?

Both the executive proposed budget and the legislative budget often include a reduction in personal services funding to account for employee turnover, recognizing agencies are rarely fully staffed at all times. This amount can vary, but it is not uncommon to consider a 3.0% - 6.0% reduction to the budget for "vacancy savings."

If PB Are Not Employees, How Are PB Used?

To arrive at a reliable estimate of the needed funding for state government personnel, PB authorized by the legislature are used as the basis for developing the personal services budget. Each PB is associated with an amount budgeted based on the position it is associated with. For filled positions, the allocation is calculated to exactly cover the expenses associated with those positions. The process whereby the cost of these

Budgeted Vacancy Savings is a planning tool to reduce the overall budget, recognizing not all positions are filled at the same time due to natural turnover.

Actual or **Realized Vacancy Savings** reflects the actual savings due to employee turnover.

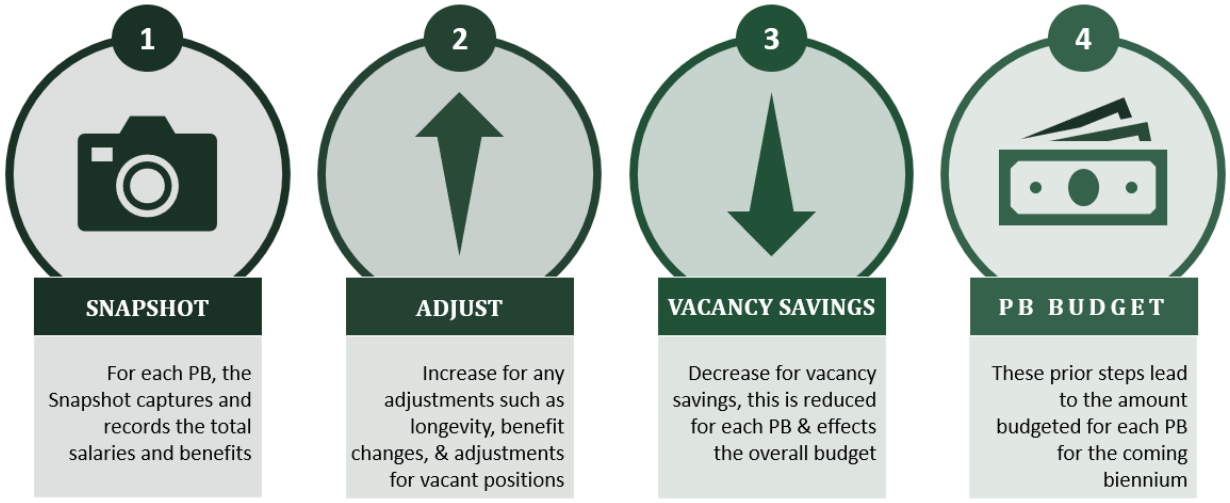
More information can be found here: https://leg.mt.gov/content/Publications/fiscal/leg_reference/Brochures/Vacancy-Savings.pdf

[1] Formerly known as FTE (Full Time Equivalents)

positions is calculated and accumulated begins with the "snapshot" of current personal services actual positions.

What Is The Snapshot?

The snapshot is taken from the State Accounting and Human Resources System (SABHRS), to capture the attributes of authorized positions. The data are used to calculate the budget for each permanent position in state government to be presented to the legislature in House Bill 2 as the projected personal services budget for the next biennium. The snapshot also captures data for all permanent non-budgeted proprietary "NAPROP" positions, and permanent statutory appropriation positions.



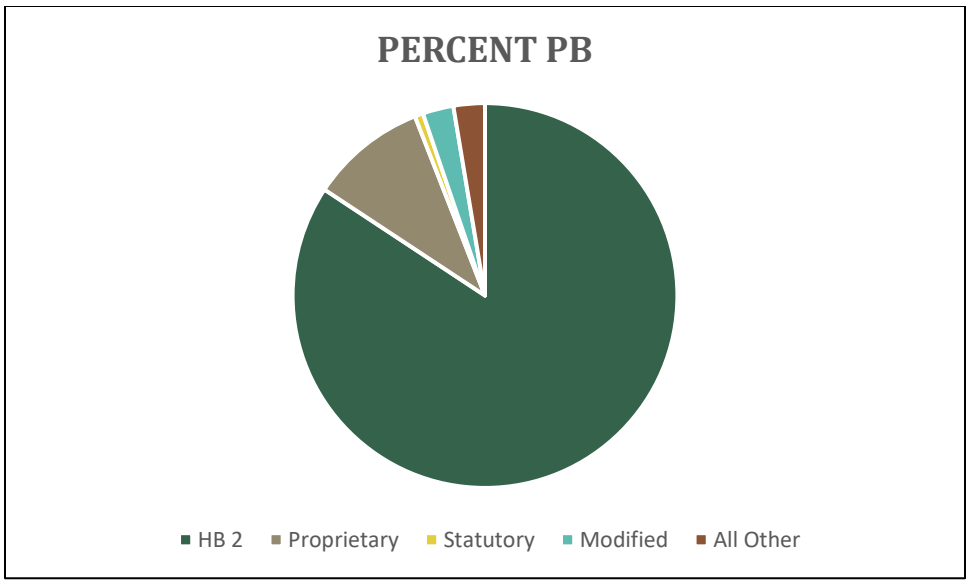
Filled Vs. Vacant Positions At Snapshot

When developing the budget based on the snapshot, filled positions are budgeted to cover the known costs for that position for the coming biennium. Vacant positions are budgeted based on the expected hiring cost, based on known market data. All legislatively authorized PB are included in the budget, regardless of their vacancy status, with the funding available to the agency. Over the last five (5) biennia, the average actual vacancy rate at the time of the snapshot has been just under 10.0%.

Historical HB 2 PB						
	2019 Biennium	2021 Biennium	2023 Biennium	2025 Biennium	2027 Biennum	Average
Filled	10,884.22	10,804.45	11,040.63	10,500.98	11,097.62	10,865.58
Vacant	780.04	1,194.79	957.01	1,590.51	1,176.85	1,139.84
Total	11,664.26	11,999.24	11,997.64	12,091.49	12,274.47	12,005.42
Filled	93.3%	90.0%	92.0%	86.8%	90.4%	90.5%
Vacant	6.7%	10.0%	8.0%	13.2%	9.6%	9.5%
Percent	100.0%	100.0%	100.0%	100.0%	100.0%	100.0%

Where Does PB Authority Come From?

While the majority of the PB budgeted in state government are included in HB 2, there are also non-budgeted proprietary PB, as well as modified positions using authorized funding to hire additional personnel without exceeding overall budget authority. The pie chart below shows the ratio of PB authorized under HB 2, proprietary, statutory, modified, and all other sources of authority. All other sources of authority include budget amendments, cat and dog bills, administrative appropriations, and private funds.



What Are Modified Positions?

Because the executive has the final say on who to hire with the resources provided, agencies sometimes hire temporary positions with funding from their overall budget. This might be budget authority that was provided for operating expenses but is being used to address an agency need through hiring. These positions are referred to as modified positions and are not included in the development of the snapshot. Generally, these positions are considered temporary, although some positions of this nature have been filled this way for many biennia. Some agencies have continued to hire personnel this way, and then request additional budget authority to cover pay plan increases, since these positions are not captured in the snapshot or in calculating the cost of the pay plan.