

State of Iowa
FY 2011 FTE Positions and Personnel Costs

ISSUE

This ***Issue Review*** provides updated information on an ***Issue Review*** published in December 2010 concerning the full-time equivalent (FTE) positions in State government. The background information provides a general explanation and understanding of the various aspects of ***FTE positions***. This ***Issue Review*** includes year-end FTE and salary data for FY 2011 and compares the data to prior years.

CODE AUTHORITY

[Section 8.36A](#)

BACKGROUND

FTE Positions Defined: Language defining an FTE position was added to the Iowa Code during the 1990 Legislative Session with the enactment of SF 2427 (Budgetary and Financial Procedures of State Agencies Act). Iowa Code Section 8.36A defines an FTE position as:

“a budgeting and monitoring unit that equates the aggregate of full-time positions, part-time positions, a vacancy and turnover factor, and other adjustments. One full-time equivalent position represents two thousand eighty working hours, which is the regular number of hours one full-time person works in one fiscal year. The number of full-time equivalent positions shall be calculated by totaling the regular number of hours that could be annually worked by persons in all authorized positions, reducing those hours by a vacancy and turnover factor and dividing that amount by two thousand eighty hours.”

During the 1987-1989 Legislative Sessions, language defining an FTE position, nearly identical to the codified language, was included annually in session law. Prior to the 1987 Legislative Session, FTE positions were not authorized in legislation for most State agencies. However, there were instances when the General Assembly authorized FTE positions for certain programs as a means of controlling the personnel costs of certain appropriated funds.

There are no provisions in the Iowa Code that require FTE positions to be authorized in order for a State agency to expend funds for personnel costs. However, the State's centralized payroll system calculates FTE utilization for agencies that use the system. In addition, for budgeting purposes, all State agencies enter FTE data in the State budget system regardless of whether or not the FTE positions had previously been authorized in prior legislation.

Definitions of FTE Categories Used in State Budget Documents: In order to analyze FTE data, it is important to understand how FTE information is categorized and reported on State budget documents. The FTE data can be divided into the following categories:

- **Actual utilized positions** – At the close of a fiscal year, FTE positions are calculated for all positions of departments that use the Centralized State Payroll System. This includes all departments and agencies except for the Board of Regents institutions and the judicial district departments (a.k.a., community-based corrections agencies). The FTE usage is calculated by taking the actual hours worked during the fiscal year and dividing the number by 2,080 hours. For example, if a department has budgeted a full-time position (equating to 1.0 FTE) and this position is vacant for six months of the fiscal year, at the close of the fiscal year, the calculation of the actual FTE would be 0.5 ($1,040 \div 2,080$). The calculation of the actual FTE takes into account the vacancies that occur throughout the fiscal year.
- **Budgeted positions** – At the beginning of each fiscal year, State agencies enter budget information in the budget system for the fiscal year beginning July 1. In the budget system these positions are generally referred to as estimated. State agencies also enter budget information for the fiscal year beginning July 1 of the next fiscal year. This becomes part of the department request and the Governor's recommendation for the General Assembly to consider during the next legislative session. Budgeted FTE positions typically reflect full staffing of agency FTE levels. However, there may be instances when an agency adds a vacancy factor if they are certain that the position will not be filled on July 1.
- **Authorized positions** – Authorized FTE positions refer to positions that are specifically authorized by the General Assembly in session law. The General Assembly only authorizes a portion of State government's FTE positions, and they are typically positions that are associated with annual line-item appropriations. Authorized positions differ from budgeted positions in that departments will include budgeted FTE positions for all funding sources that have salary expenditures; whereas, authorized positions only relate to FTE positions specifically authorized in legislation. Departments typically include authorized positions in the budget at the level authorized in legislation.

The authorization of FTE positions generally has been used as a way for the General Assembly to control or limit personnel costs relating to appropriated funds. In addition, there are numerous programs that are established in the Iowa Code that receive operating revenues from a source other than an annual appropriation. While these programs do not receive annual appropriations or FTE authorization levels, department's fund salaries and benefits for employees working in those programs.

Board of Regent's Positions: The payroll systems used by the Regents institutions do not calculate FTE positions for their employees. However, each of the institutions calculates FTE positions at the close of each fiscal year to accommodate requirements of the State Budget System. Most faculty members are counted as full-time employees; however, many do not have jobs based on the standard 2,080 hours. In addition, the institutions employ a large number of seasonal employees and students that are difficult to convert to FTE positions.

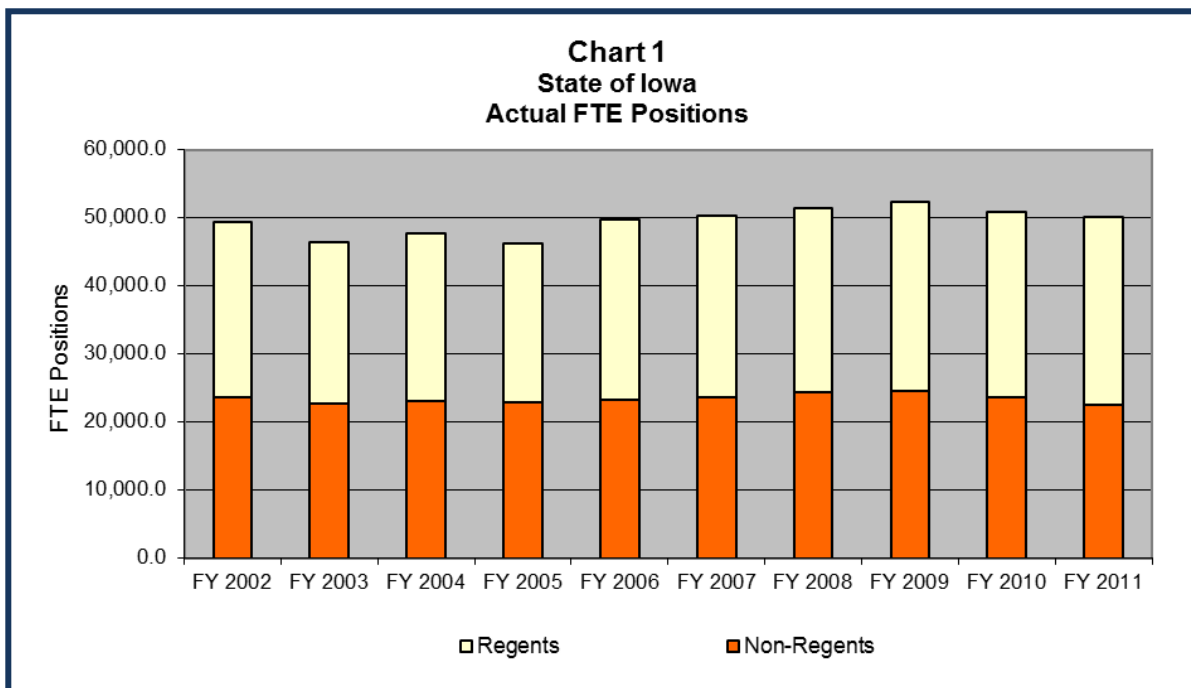
Regents institutions do keep an accurate head count of employees based on the number of paychecks issued. On an annual basis, the three Regents institutions and two special schools employ approximately 45,000 individuals. Of the total, approximately 46.0% represent full-time employees and the remainder consist of part-time, student, and temporary employees. Additional information regarding Regents staffing levels can be found in an *Issue Review* titled "Regents Employees FY 2001 – FY 2010" <http://www.legis.state.ia.us/Isadocs/IssReview/2010/IR MDF000.PDF>.

FTE Positions and Personnel Costs: Once the appropriations have been enacted, agencies determine their budgets for the coming fiscal year. The finalized budget becomes the Adopted Budget of the department and the numbers in this budget category do not change throughout the fiscal year. Any changes to a department’s budget are reflected in the Department Revised Budget category. The line item in the budget for salaries and benefits is referred to as Personal Services.

Departments can, and often do, revise their budgets throughout the fiscal year. It has become common practice for departments to move budgeted dollars for personal services available from vacant funded positions to fund expenditure increases in other expenditure line items. It also has become necessary for departments to leave authorized or budgeted positions vacant to fund the negotiated salary and benefit increases for existing staff. This occurs when additional funds are not appropriated to cover the costs of the collective bargaining agreements, or the funds that are appropriated are not sufficient to fully fund the agreements.

HISTORICAL TRENDS

FTE Positions – FY 2011 Comparison to FY 2002: Between FY 2002 and FY 2011, the State’s actual FTE position usage has fluctuated from a low of 46,164 in FY 2005 to a peak of 52,285 in FY 2009. When compared to FY 2002, the number of FTE positions in State government at the close of FY 2011 increased by 785 positions, an increase of 1.6%. During this 10-year period, the growth in FTE positions for the Board of Regents, which comprises 54.0% of the State’s total positions, increased 1,855 (7.2%) while positions for Non-Regents State agencies decreased by 1,070 positions (4.5%). **Appendix A** provides additional detail on FTE positions for the past ten years.



Four agencies experienced significant FTE reductions relative to other agencies during this 10-year period. These include: the Department of Human Services (DHS), Department of Corrections (DOC), the Department of Transportation (DOT), and the Judicial Branch. These

agencies FTE's have been reduced by a combined 1,165 positions (7.8%) during this ten-year period. **Table 1** compares the FY 2011 FTE positions to FY 2002 for State agencies.

Department	FY 2002	FY 2011	Change	Percent Change
Board of Regents	25,746.6	27,601.2	1,854.6	7.2%
Non-Regents				
Human Services	5,302.6	5,191.8	(110.7)	-2.1%
Corrections	4,028.4	3,876.1	(152.2)	-3.8%
Transportation	3,435.6	2,881.6	(554.0)	-16.1%
Judicial Branch	2,104.4	1,756.6	(347.8)	-16.5%
Natural Resources	988.1	1,007.8	19.7	2.0%
Public Safety	920.5	940.7	20.2	2.2%
Veterans Affairs	811.8	831.4	19.7	2.4%
Workforce Development	847.4	880.0	32.6	3.8%
Education	749.3	727.0	(22.3)	-3.0%
Other Departments	4,449.9	4,475.3	25.4	0.6%
Subtotal Non-Regents	<u>23,637.9</u>	<u>22,568.4</u>	<u>(1,069.5)</u>	<u>-4.5%</u>
Total	<u>49,384.4</u>	<u>50,169.6</u>	<u>785.1</u>	<u>1.6%</u>

NOTE: The sum of the numbers may not equal totals due to rounding.

FTE Positions – FY 2011 Comparison to FY 2009 and FY 2010: At the close of FY 2010, the total number of FTE positions for all of State government, including the Board of Regents, had decreased by 1,497 (2.9%) positions compared to the peak FTE level in FY 2009. The decrease was the result of budget reductions implemented in FY 2010, including a 10.0% across-the-board reduction, enactment of the State Early Retirement Incentive Program, and State agencies not receiving additional funding for the increased salary and benefit costs associated with the collective bargaining agreements. These actions were in response to the declining General Fund revenues brought on by the economic recession.

At the end of FY 2011, FTE positions had decreased by an additional 619 (1.2%) positions compared to the FY 2010 level. The Board of Regents had an increase of 396 positions (1.5%), while Non-Regents State agencies experienced a reduction of 1,015 positions (4.3%). As with FY 2010, the majority of State agencies underwent additional budget reductions in FY 2011, and the costs associated with collective bargaining agreements were not funded for the second consecutive year.

Over the last two fiscal years, the total number of FTE positions in State government has decreased by 2,116 positions, representing a 4.0% reduction. During this period, the Board of Regents experienced a loss of 71 positions (0.3%), while all other State agencies experienced a decrease of 2,045 positions (8.3%).

Table 2 provides a comparison of the FY 2011 FTE positions to FY 2009 and FY 2010 for State agencies. Many of the largest State agencies (excluding the Board of Regents) have undergone significant reductions in their workforce over the last two fiscal years. The four largest State agencies, (DHS, DOC, DOT, and the Judicial Branch), experienced a combined decrease of 1,492 (9.8%) positions during this two-year period.

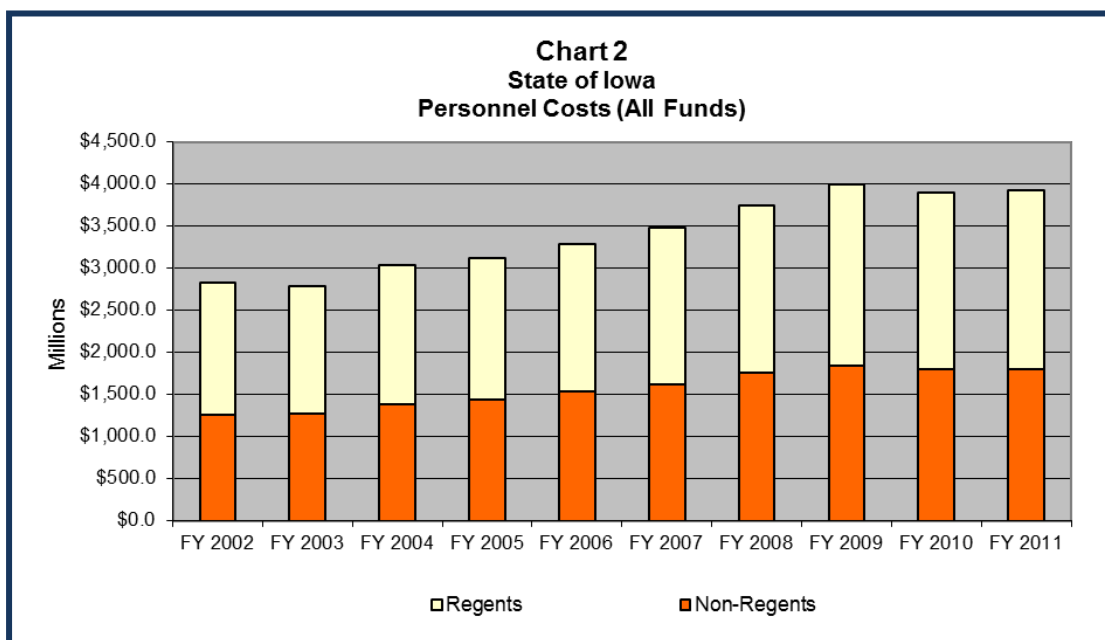
Table 2
State of Iowa
FTE Positions

Department	FY 2009	FY 2010	FY 2011	FY 2011 vs FY 2009		FY 2011 vs FY 2010	
				Change	Percent Change	Change	Percent Change
Board of Regents	27,672.2	27,205.2	27,601.2	(71.0)	-0.3%	396.0	1.5%
Non-Regents							
Human Services	5,881.5	5,594.8	5,191.8	(689.7)	-11.7%	(402.9)	-7.2%
Corrections	4,269.7	4,065.7	3,876.1	(393.6)	-9.2%	(189.6)	-4.7%
Transportation	3,125.0	3,054.3	2,881.6	(243.4)	-7.8%	(172.6)	-5.7%
Judicial Branch	1,921.9	1,746.6	1,756.6	(165.3)	-8.6%	10.0	0.6%
Natural Resources	1,105.9	1,019.9	1,007.8	(98.2)	-8.9%	(12.1)	-1.2%
Public Safety	997.8	961.2	940.7	(57.2)	-5.7%	(20.5)	-2.1%
Veterans Affairs	938.5	919.6	831.4	(107.0)	-11.4%	(88.1)	-9.6%
Workforce Development	818.9	888.3	880.0	61.1	7.5%	(8.3)	-0.9%
Education	770.9	761.5	727.0	(43.9)	-5.7%	(34.6)	-4.5%
Other Departments	4,782.9	4,571.1	4,475.3	(307.7)	-6.4%	(95.8)	-2.1%
Subtotal Non-Regents	24,613.1	23,582.9	22,568.4	(2,044.7)	-8.3%	(1,014.5)	-4.3%
Total	52,285.3	50,788.1	50,169.6	(2,115.8)	-4.0%	(618.5)	-1.2%

NOTE: The sum of the numbers may not equal totals due to rounding.

Personnel Costs – FY 2011 Comparison to FY 2002: From FY 2002 to FY 2011, personnel costs for all of State government increased from \$2.827 billion to \$3.925 billion, an increase of \$1.099 billion (38.9%). This represents an average annual increase of 3.7%. Of the total increase, \$551.6 million was associated with the Board of Regents institutions and \$546.8 million was for the rest of State government. **Appendix B** provides additional detail on personnel costs for the last 10 years.

As with FTE positions, the Board of Regents personnel costs comprise about 54.0% of the total for State government. The total personnel cost of the Board of Regents has increased from \$1.573 billion in FY 2002 to \$2.124 billion in FY 2011, an average annual increase of 3.4%. The total cost of the non-Regents agencies has increased from \$1.254 billion in FY 2002 to \$1.801 billion in FY 2011, representing an average annual increase of 4.1%.



Department	FY 2002	FY 2011	Change	Percent Change
Board of Regents	\$ 1,572.8	\$ 2,124.4	\$ 551.6	35.1%
Non-Regents				
Human Services	\$ 262.7	\$ 379.2	\$ 116.5	44.3%
Corrections	209.6	309.9	100.3	47.9%
Transportation	177.9	229.0	51.1	28.7%
Judicial Branch	106.3	146.8	40.5	38.1%
Natural Resources	59.4	85.9	26.5	44.6%
Public Safety	53.5	80.4	26.9	50.3%
Veterans Affairs	43.7	66.9	23.2	53.1%
Workforce Development	42.3	64.4	22.1	52.2%
Education	38.8	59.4	20.6	53.1%
Other Departments	259.7	378.8	119.1	45.9%
Subtotal Non-Regents	\$ 1,253.9	\$ 1,800.7	\$ 546.8	43.6%
Total	\$ 2,826.6	\$ 3,925.2	\$ 1,098.6	38.9%

NOTE: The sum of the numbers may not equal totals due to rounding.

Personnel Costs – FY 2011 Comparison to FY 2009 and FY 2010: Overall personnel costs from all funding sources, increased \$26.2 million (0.7%) in FY 2011 compared to FY 2010. The Board of Regents costs increased \$29.1 million (1.4%); while the remaining State agencies experienced a combined decrease of \$2.9 million (0.2%). Of the non-Regents State agencies, the DHS experienced the largest decrease of \$12.2 million (3.1%) in FY 2011 when compared to FY 2010. The personnel costs of many State agencies increased in FY 2011 when compared to FY 2010, although the overall FTE levels may have decreased.

Compared to FY 2009, personnel costs decreased \$65.1 million (1.6%) in FY 2011. The Board of Regents experienced a \$30.8 million (1.4%) reduction; while the rest of State government had a \$34.5 million (1.9%) decrease. **Table 4** provides a comparison of the FY 2011 personnel costs to FY 2009 and FY 2010.

Department	FY 2009	FY 2010	FY 2011	FY 2011 vs FY 2009		FY 2011 vs FY 2010	
				Change	Percent Change	Change	Percent Change
Board of Regents	\$ 2,155.2	\$ 2,095.3	\$ 2,124.4	\$ -30.8	-1.4%	\$ 29.1	1.4%
Non-Regents							
Human Services	\$ 400.1	\$ 391.4	\$ 379.2	-20.9	-5.2%	-12.2	-3.1%
Corrections	317.4	307.3	309.9	-7.5	-2.4%	2.6	0.8%
Transportation	234.2	232.4	229.0	-5.2	-2.2%	-3.4	-1.5%
Judicial Branch	145.7	144.0	146.8	1.1	0.8%	2.8	1.9%
Natural Resources	84.7	83.5	85.9	1.2	1.4%	2.4	2.9%
Public Safety	82.8	80.1	80.4	-2.4	-2.9%	0.3	0.4%
Veterans Affairs	60.0	65.1	66.9	6.9	11.5%	1.8	2.8%
Workforce Development	64.2	64.8	64.4	0.2	0.3%	-0.4	-0.6%
Education	61.5	60.8	59.4	-2.1	-3.4%	-1.4	-2.3%
Other Departments	384.6	374.2	378.8	-5.8	-1.5%	4.6	1.2%
Subtotal Non-Regents	\$ 1,835.2	\$ 1,803.7	\$ 1,800.8	\$ -34.5	-1.9%	-2.9	-0.2%
Total	\$ 3,990.3	\$ 3,899.0	\$ 3,925.2	\$ -65.1	-1.6%	\$ 26.2	0.7%

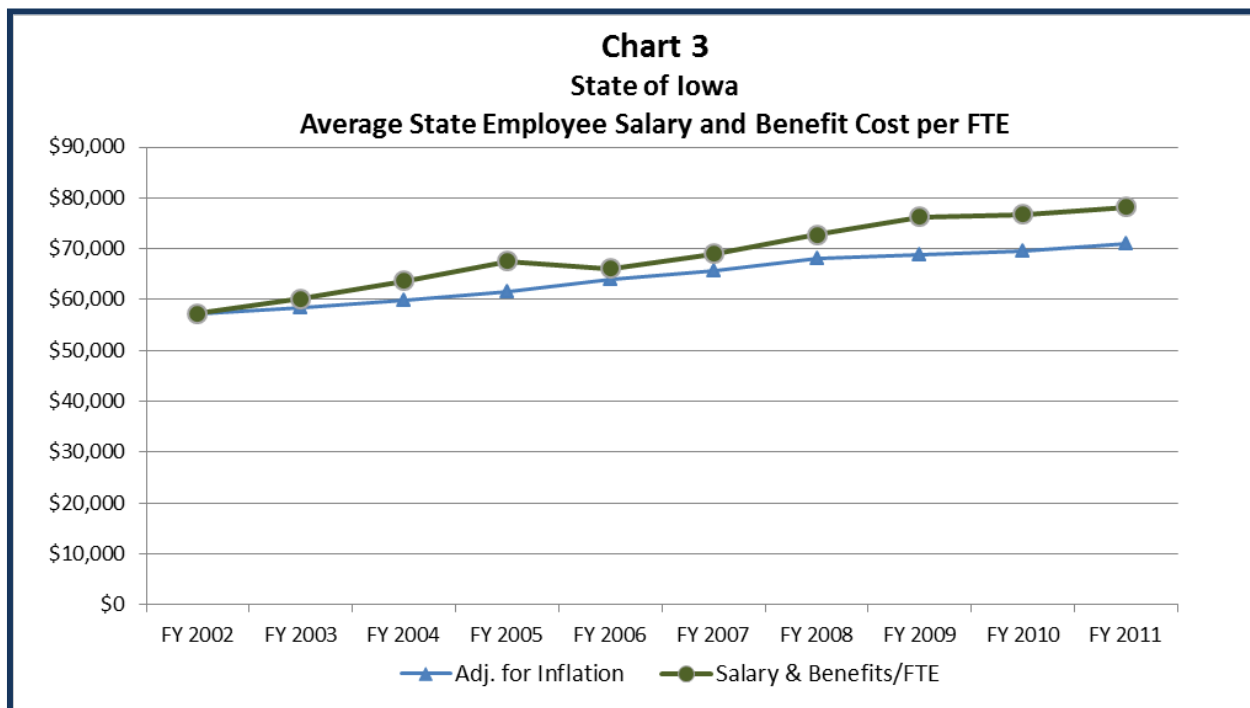
NOTE: The sum of the numbers may not equal totals due to rounding.

REPORT SUMMARY

When analyzing information regarding FTE positions, it is important to distinguish between actual, budgeted, and authorized FTE positions. In general, FTE positions categorized as actual reflect the actual utilization of the positions and incorporate the vacancies that occur throughout the fiscal year. Budgeted FTE positions typically reflect full staffing of agency FTE levels.

Since FY 2002, actual FTE positions for all State agencies have ranged from 46,000 to 52,000, with the numbers fluctuating from year to year. Much of the fluctuation has occurred with the Board of Regents, comprising approximately 55.0% of all the State’s FTE positions. Over this 10-year period total FTE positions peaked at 52,285 positions in FY 2009 and total personnel costs reached the highest level of \$3.990 billion. In response to the decrease in General Fund tax revenues in FY 2010, brought about by the economic recession, General Fund budgets were reduced in both FY 2010 and FY 2011. As a result, personnel costs (from all funding sources) over the last two fiscal years decreased by \$65.3 million (1.6%) compared to the FY 2009 level. In addition, the number of FTE positions decreased by 2,116 (4.0%) positions.

The average annual salary and benefit cost per FTE position for all State employees increased from \$57,200 in FY 2002 to \$78,200 in FY 2011, an average annual increase of 3.5%. When adjusted for inflation during this period, the average salary and benefit cost grew at an average annual rate of 1.1%.



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State of Iowa
Actual FTE Positions

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Board of Regents	25,746.6	23,737.5	24,640.2	23,318.8	26,465.4	26,716.9	27,097.8	27,672.2	27,205.2	27,601.2
Human Services	5,302.6	5,049.4	5,206.5	5,245.5	5,484.9	5,621.4	5,755.2	5,881.5	5,594.8	5,191.8
Corrections	4,028.4	3,922.6	3,963.6	3,878.2	3,966.0	4,038.6	4,267.7	4,269.7	4,065.7	3,876.1
Transportation	3,435.6	3,214.0	3,234.0	3,145.8	3,031.2	3,115.4	3,116.1	3,125.0	3,054.3	2,881.6
Judicial Branch	2,104.4	1,863.7	1,880.7	1,815.0	1,905.7	1,932.5	1,953.7	1,921.9	1,746.6	1,756.6
Natural Resources	988.1	986.4	1,016.3	1,038.7	1,058.5	1,077.0	1,115.3	1,105.9	1,019.9	1,007.8
Public Safety	920.5	876.3	758.1	843.8	891.3	933.0	969.0	997.8	961.2	940.7
Veterans Affairs	811.8	825.5	856.2	871.3	889.1	903.1	954.0	938.5	919.6	831.4
Workforce Development	847.4	820.4	831.6	796.6	795.6	768.7	810.0	818.9	888.3	880.0
Education	749.3	757.0	745.2	738.3	732.6	712.5	747.4	770.9	761.5	727.0
Other Departments	4,449.9	4,320.7	4,478.5	4,472.2	4,539.7	4,550.1	4,671.7	4,782.9	4,571.1	4,475.3
Subtotal	23,637.9	22,635.9	22,970.6	22,845.3	23,294.6	23,652.4	24,360.1	24,613.1	23,582.9	22,568.4
Total	49,384.4	46,373.5	47,610.8	46,164.1	49,760.1	50,369.2	51,457.8	52,285.3	50,788.1	50,169.6

The sum of the numbers may not equal totals due to rounding.

State of Iowa
Personnel Costs (All Funding Sources)
(Dollars in Millions)

	FY 2002	FY 2003	FY 2004	FY 2005	FY 2006	FY 2007	FY 2008	FY 2009	FY 2010	FY 2011
Board of Regents	\$ 1,572.8	\$ 1,516.2	\$ 1,651.0	\$ 1,677.9	\$ 1,754.3	\$ 1,857.3	\$ 1,993.3	\$ 2,155.2	\$ 2,095.3	\$ 2,124.4
Human Services	\$ 262.7	\$ 263.2	\$ 284.6	\$ 299.8	\$ 325.1	\$ 349.9	\$ 377.5	\$ 400.1	\$ 391.4	\$ 379.2
Corrections	209.6	218.5	237.3	243.8	261.9	279.3	306.8	317.4	307.3	309.9
Transportation	177.9	177.7	191.0	196.9	208.1	214.7	225.4	234.2	232.4	229.0
Judicial Branch	106.3	106.7	112.5	113.5	123.9	132.9	140.2	145.7	144.0	146.8
Natural Resources	59.4	59.9	61.3	63.6	67.7	73.3	79.5	84.7	83.5	85.9
Public Safety	53.5	56.7	61.7	64.9	69.2	73.3	78.3	82.8	80.1	80.4
Veterans Affairs	43.7	44.5	48.4	49.1	51.8	52.7	57.4	60.0	65.1	66.9
Workforce Development	42.3	43.1	50.0	51.1	53.3	54.8	59.9	64.2	64.8	64.4
Education	38.8	41.2	45.3	47.7	50.9	53.8	59.4	61.5	60.8	59.4
Other Departments	259.7	263.7	288.5	308.4	320.3	335.4	366.7	384.6	374.2	378.8
Subtotal	<u>\$ 1,253.8</u>	<u>\$ 1,275.3</u>	<u>\$ 1,380.7</u>	<u>\$ 1,438.8</u>	<u>\$ 1,532.3</u>	<u>\$ 1,620.1</u>	<u>\$ 1,751.1</u>	<u>\$ 1,835.2</u>	<u>\$ 1,803.7</u>	<u>\$ 1,800.8</u>
Total	<u>\$ 2,826.6</u>	<u>\$ 2,791.4</u>	<u>\$ 3,031.7</u>	<u>\$ 3,116.8</u>	<u>\$ 3,286.6</u>	<u>\$ 3,477.4</u>	<u>\$ 3,744.4</u>	<u>\$ 3,990.3</u>	<u>\$ 3,899.0</u>	<u>\$ 3,925.2</u>

The sum of the numbers may not equal totals due to rounding.