



Operational Vacancy: An Effective Tool for Workforce Planning

Wisconsin Hospital Association
March 5, 2026

Bill Lecher
Director of Nursing



SPEAKER INTRODUCTION



Bill Lecher, DNP, MBA, RN, NE-BC Director of Nursing

- Nurse, Husband, Father, Outdoor Enthusiast
- Doctorate prepared, board certified nurse leader
 - 30+ years of nursing experience
- **Specific Expertise:**
 - Strategic planning
 - Workforce development
 - Staffing operations
 - Capacity management, patient placement and flow
 - Inpatient, outpatient, support services
 - Diversity, equity and inclusion
 - Community relations and community engagement
 - Professional associations: AONL, SPN, NAHN, AAMN, NATHO

Wisconsin Executive Briefing & Roundtable on International Staffing

Shape the Future of Healthcare Staffing in Wisconsin

- U.S. Workforce Trend Insights
- Sustainable Staffing Model Strategies
- Networking Lunch Included

Tuesday, March 10th
10 AM - 1:30 PM
The Madison Club, Madison, WI



Register Today



Shape the Future of Healthcare Staffing in Wisconsin

Join senior healthcare leaders for a complimentary executive briefing on international staffing solutions.

Health Carousel International, the largest international healthcare staffing firm in the U.S. (SIA 2025), invites Wisconsin healthcare leaders to participate in an exclusive session designed to help you build a sustainable, strategic international staffing plan for your organization.



Agenda Highlights

- Advisory Board insights on the latest U.S. healthcare workforce trends
- Myth-busting discussion on international staffing
- Health Carousel International perspective on sustainable workforce models
- Schedule:
 - 10am – 12:15pm: Structured Discussion
 - 12:15pm – 1:30pm: Networking Lunch
- Location:
 - The Madison Club: 5 East Wilson Street, Madison, Wisconsin 53703 (The Capitol Room)

Who Should Attend

- CNOs,
- Nursing and Laboratory Leaders,
- CHROs,
- Talent Acquisition Leaders, and
- Operations or Workforce Strategy Executives shaping staffing and workforce planning within their organizations.

This complimentary session supports the Wisconsin Center for Nursing and its strategic priorities.

OBJECTIVES



Describe the difference between traditional vacancy rate reporting and operational vacancy rate reporting



Demonstrate understanding of the operational vacancy reporting standard operational procedures



Discuss how to incorporate operational vacancy in your work setting

We are not out of the woods yet, and It is likely to get worse again

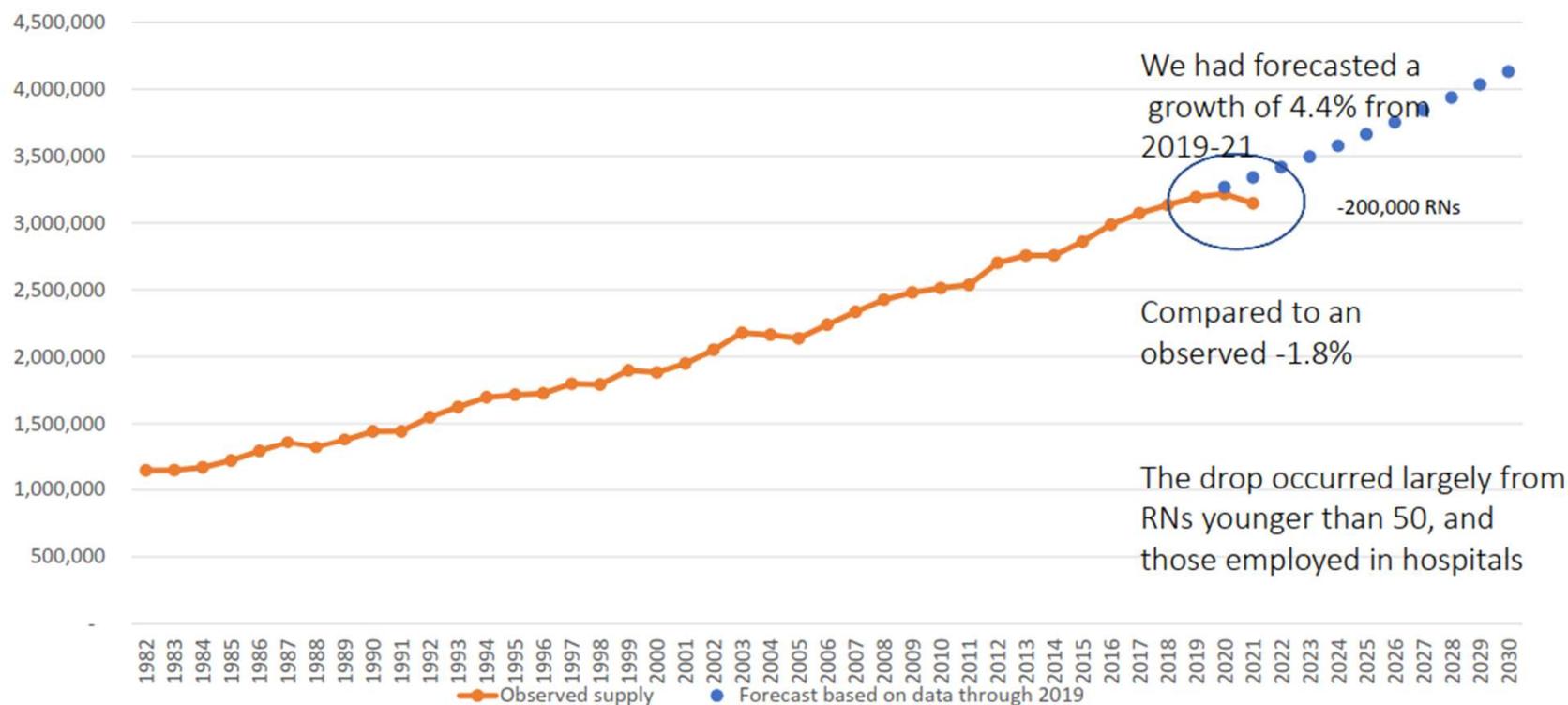


State of the Union

National statistics

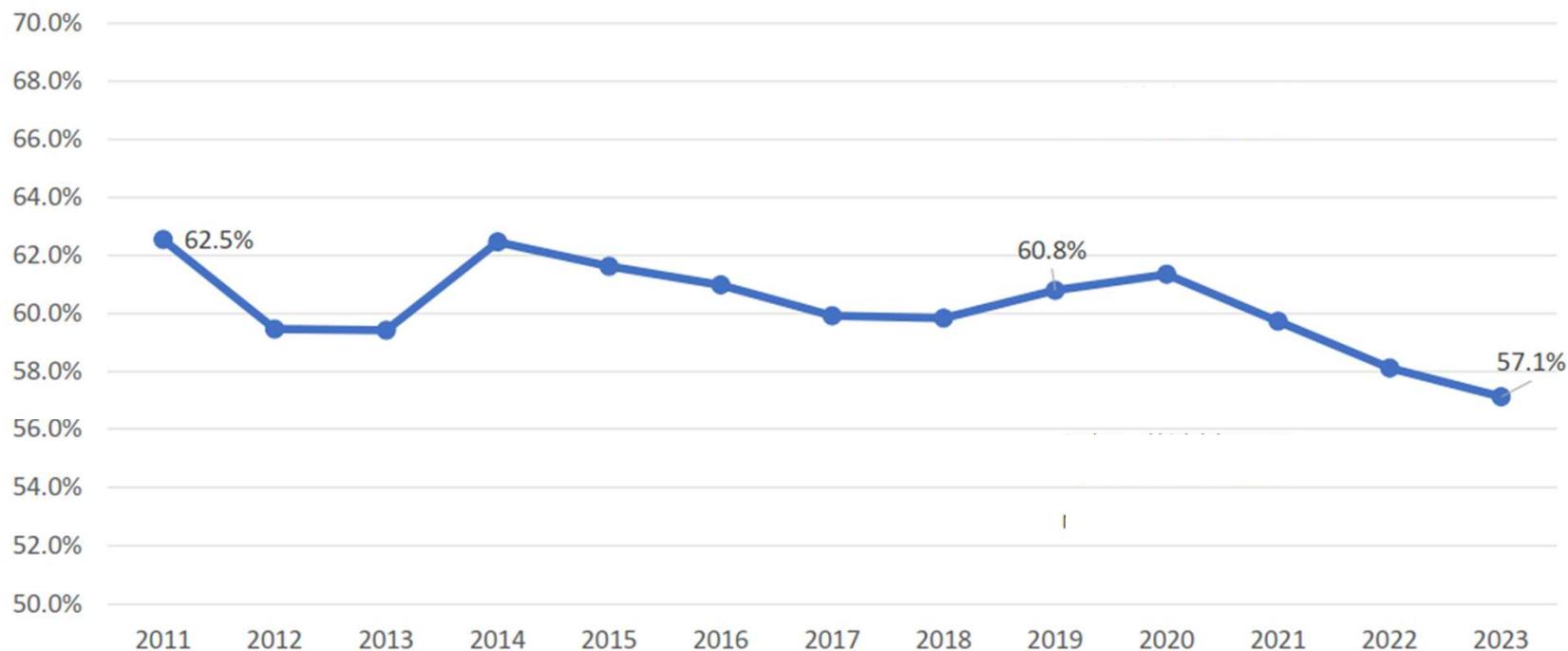


Total RN Supply in 2021 Dropped nearly 200,000 Below What had been Forecast!



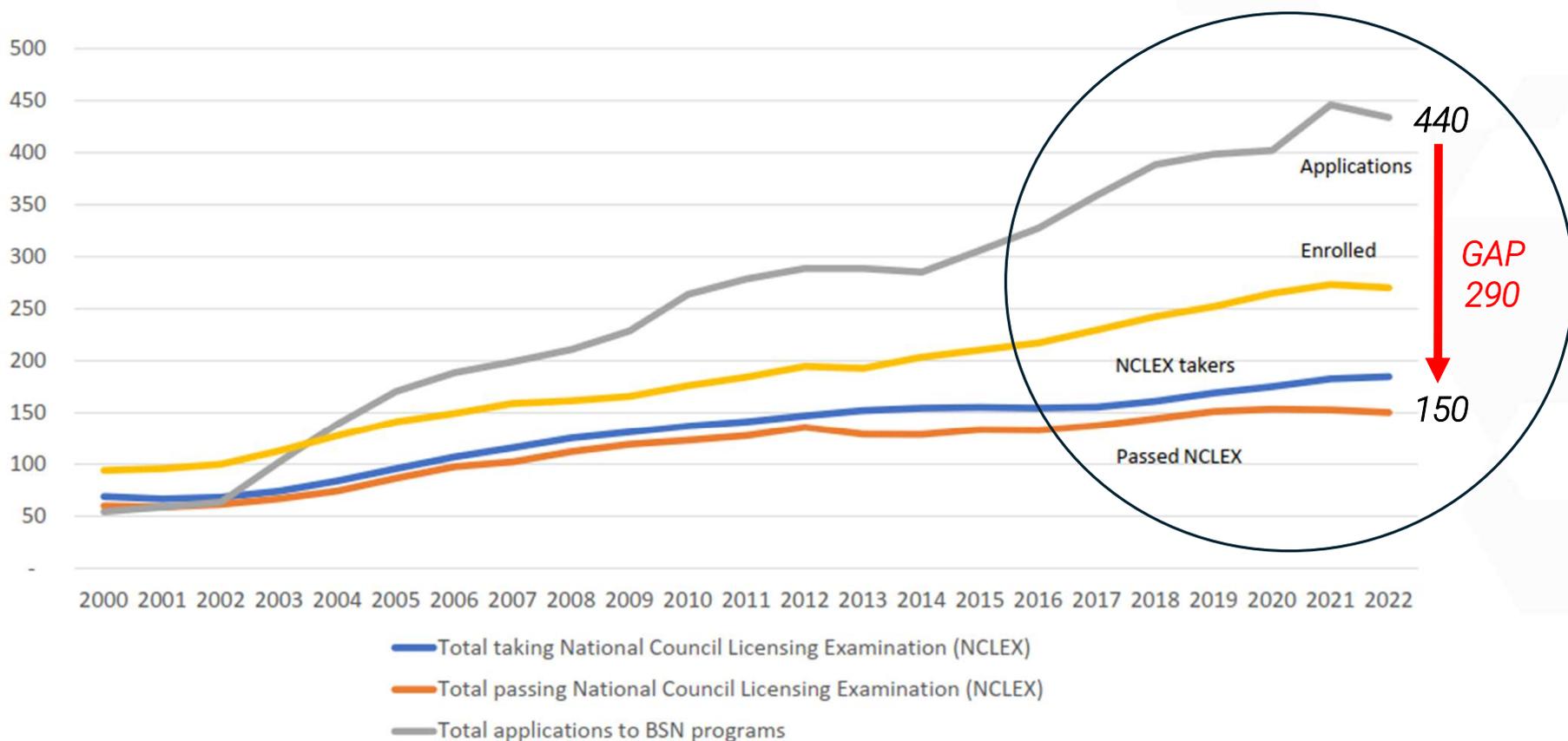
*See: Auerbach, D, Buerhaus, P, Staiger, D, Donelan K (2022). A worrisome drop in the number of young nurses. *Health Affairs Forefront*. April 13, 2022 [10.1377/FOREFRONT.20220412.311784](https://doi.org/10.1377/FOREFRONT.20220412.311784)

Percentage of RN's Working in Hospitals at an All-time Low



Source: Analysis of Current Population Survey made by David Auerbach, 2023; unpublished data.

Applications & Enrollment Slowing? NCLEX Flat, Not Increasing

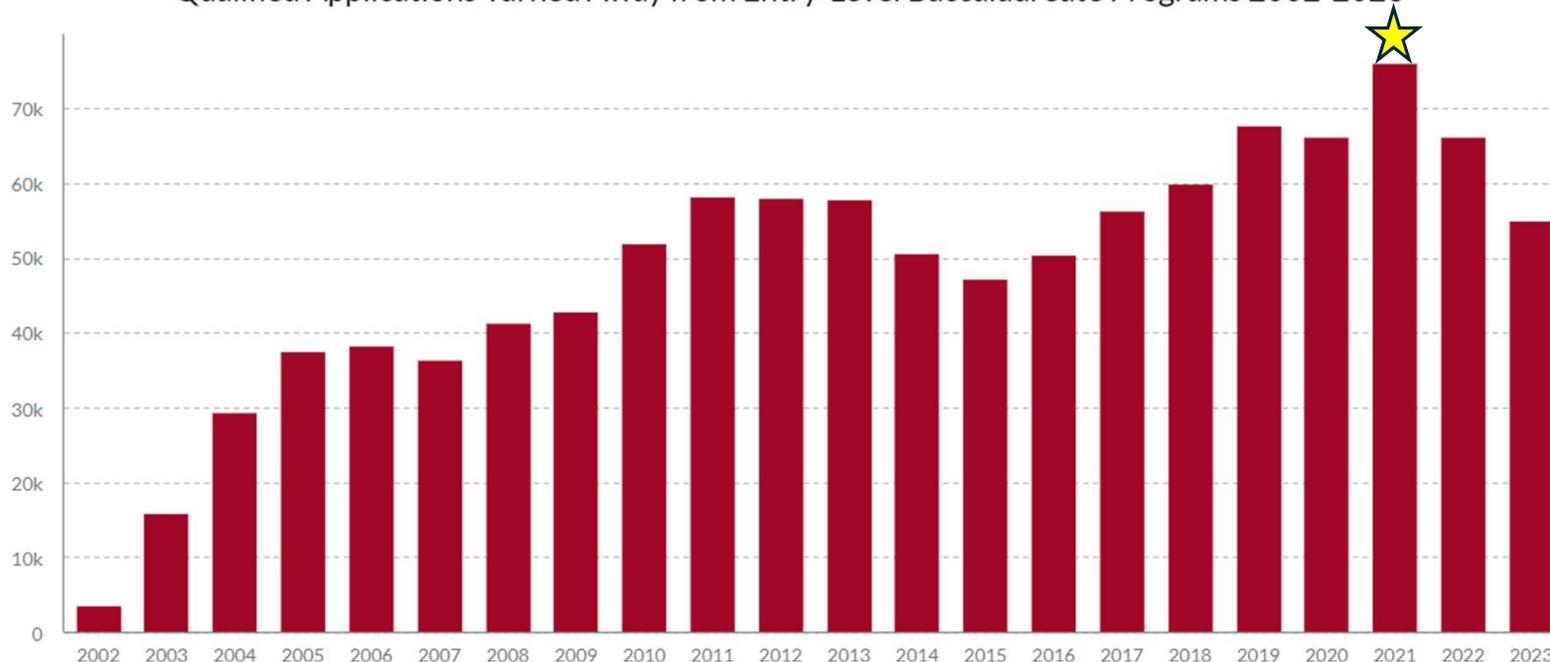


Qualified Applicants Turned Away

New AACN Data Points to Enrollment Challenges Facing U.S. Schools of Nursing, April 15, 2024

- In 2023, a total of 55,111 qualified students were turned away from entry-level baccalaureate nursing programs
- 76,140 were turned away in 2021 ... THEY ARE NOT GRADUATING SPRING, 2025

Qualified Applications Turned Away from Entry-Level Baccalaureate Programs 2002-2023

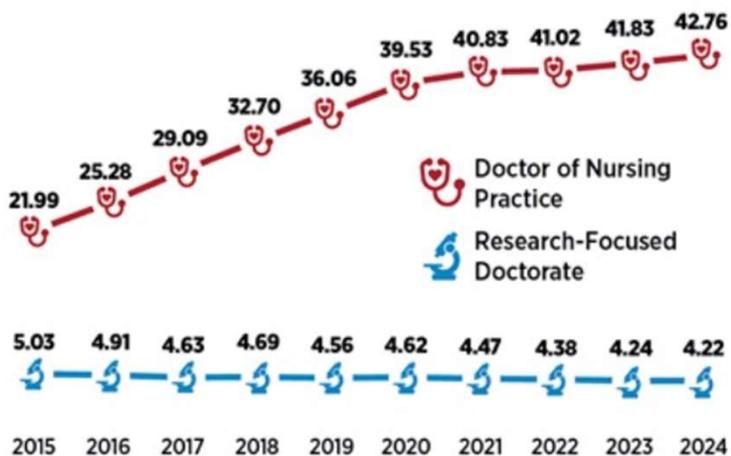


Faculty Shortages

New AACN Data Points to Enrollment Challenges Facing U.S. Schools of Nursing, June 17, 2025

ENROLLMENT IN DNP AND PhD PROGRAMS, 2015–2024

Thousands



- While DNP enrollments continue to increase, most do not work in nursing faculty positions
 - Most working in NP, CRNA, CNM, CNS, nurse leadership roles
- PhD programs see 11th year of enrollment declines
 - Insufficient numbers of faculty, researchers and leaders to meet workforce needs
 - Aging faculty workforce, average age 60+. Pending retirements
 - New graduates in practice often earn more than faculty with decades of practice

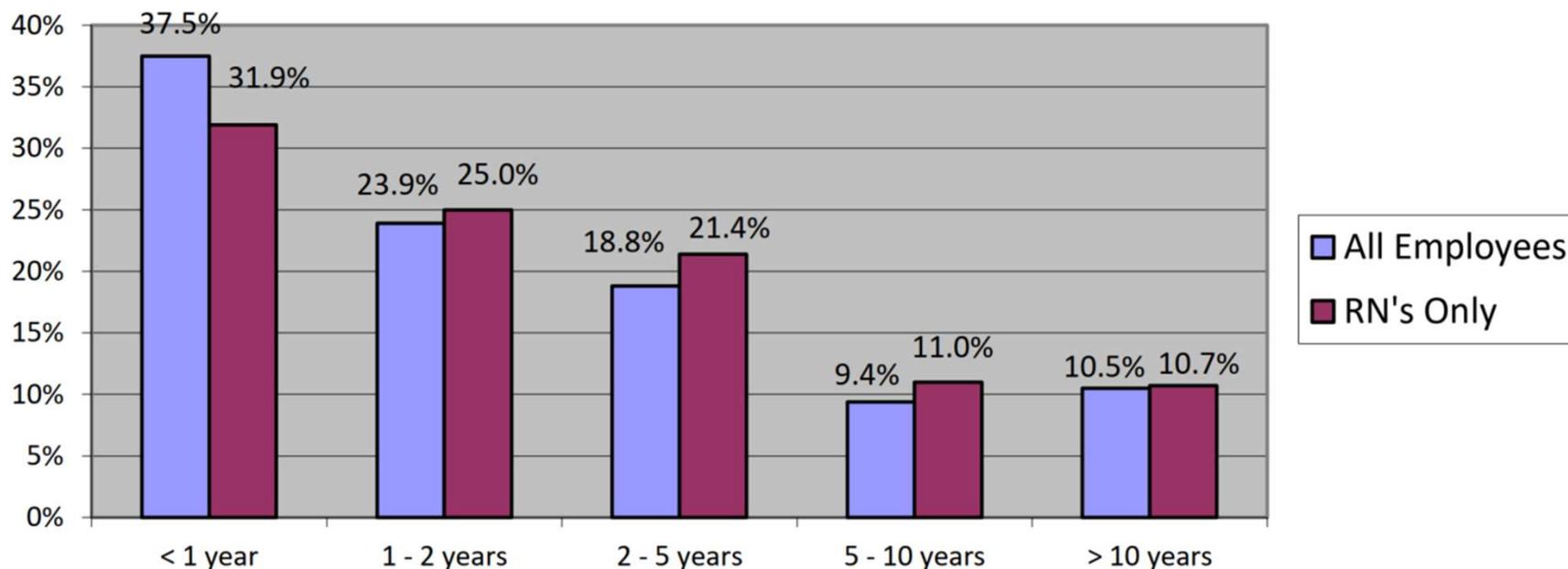
First Year New Grad RN Turnover: 20-30%

- Transition to practice challenges
- Lack of mentorship and support
- Burnout and job dissatisfaction
- Work-life balance
- Pay and benefits



First year turnover accounts for a third (31.9%) of all RN separations

HOSPITAL TURNOVER BY TENURE



https://www.nsinursingsolutions.com/documents/library/nsi_national_health_care_retention_report.pdf

Cost of RN Turnover

- Controlling labor costs are essential for a strong bottom line.
- 2025 the average cost of turnover for a staff RN increased by 8.6% in the past year to \$61,110
 - Separation costs
 - Hiring costs
 - Training & orientation
 - Lost productivity
 - Increased cost of OT; incentive, bonus shifts
 - Increased cost of contract labor

HOW ARE HOSPITALS ATTACKING THE PROBLEM



- Hiring more unlicensed assistive personal (UAPs)
- Offering more OT, incentive and bonus shifts
- Workforce redesign:
 1. Utilizing RN top of license intervention & monitoring
 2. Testing care model designs, reintroducing LPN's
 3. Implementing virtual nursing and video monitoring
- Partnering with a flexible staffing company

Comparing Overtime/Incentives/Bonus Shifts vs. Non-Licensed Staff

Overtime/Incentive/Bonus

Pros

Financial Benefit to team

Flex Schedule for staff

Cons

Physical well-being of staff may be impacted

May impact work-life balance

Patient Care may be compromised

Increases burnout

Non-Licensed Staff (UAP's)

Pros

Less competitive hiring market

Lower staffing costs (55%-77% of an RN salary)

Cons

Can't deliver independent patient interventions

Don't have knowledge, training, or support to take on a greater role in patient care

Require more supervision
Higher turnover

Workforce Redesign

1. Utilizing RN top of license intervention & monitoring
2. Testing care model designs, team-based care, reintroducing LPN's
3. Leveraging technology, implementing virtual nursing and video monitoring

All aimed at improve patient outcomes, enhance efficiency, reduce costs, improve retention.

Flex Staffing Solution: Travel Nurses

Hospitals are reducing travelers post-Covid, yet still an effective strategy to temporarily fill staffing gaps

- Allows you to staff up and staff down when and where as needed
- Gain access to an experienced talent pool Help staff difficult-to-fill nursing positions
- Contact Tessie Ward, Business Development
Tessie.Ward@healthcarousel.com



Flex Staffing Solution: International Nurses

Hire international nurses that convert to full-time employees

- Widely utilized
- Outstanding Feedback
- Long-term solution
- Likely to convert to full-time
- A new pipeline of experiences, qualified talent.



- Contact Tessie Ward, Business Development
Tessie.Ward@healthcarousel.com

OPERATIONAL VACANCY



You want this tool in your toolbox

- Keeps positions filled better
- Predicts attrition and predictive hiring reduces premium pay
- Reduces reliance on travelers or justifies traveler use when and where needed

Let's go ...

Have you ever heard? Or said?

- Why does the schedule you just put out have so many holes in it? Your RN vacancy rate is only 9%.
- Sure your vacancy rate is 18% so we approved your department to offer incentive (or bonus) shifts. Why are you asking for travelers?

Here's why ...

- Most departments are not fully staffed.
- Just because you think you are fully-staffed doesn't mean that you are.
- Pay attention to your operational vacancy, rather than traditional vacancy.

OPERATIONAL VACANCY: Why does it matter?

- 1 Better quantifies ability to staff effectively by showing hidden staffing deficits that exists
- 2 Factors in predicted attrition, non-productive orientation and FML
- 3 Effectively using operational vacancy reporting leads to improved recruitment
- 4 Reduces premium pay (OT, bonus, incentive)
- 5 Reduces contract labor spend
- 6 If operational vacancy is too high, it quantifies contract labor justification and how long needed/when to discontinue
- 7 Overall improved staffing improves nurse retention

OPERATIONAL VACANCY AND RECRUITMENT & RETENTION

Applicable for both hospital and other nursing workforce settings

Operational vacancy reporting can be applied for other licensed and unlicensed hospital workers

- Respiratory Therapy
- Surg Techs
- Nursing Assistant
- Sterile Processing
- Imaging



VACANCY RATE

A function of open positions only

VACANCY RATE CALCULATION

$$\frac{\text{Open FTE's}}{\text{Total budgeted FTE's}} = \text{Vacancy Rate}$$

EXAMPLE:

$$\frac{7.6 \text{ open}}{92.8 \text{ budgeted}} = 8.1\% \text{ Vacancy Rate}$$

OPERATIONAL VACANCY RATE

Captures employees hired and paid, but not productive and not working

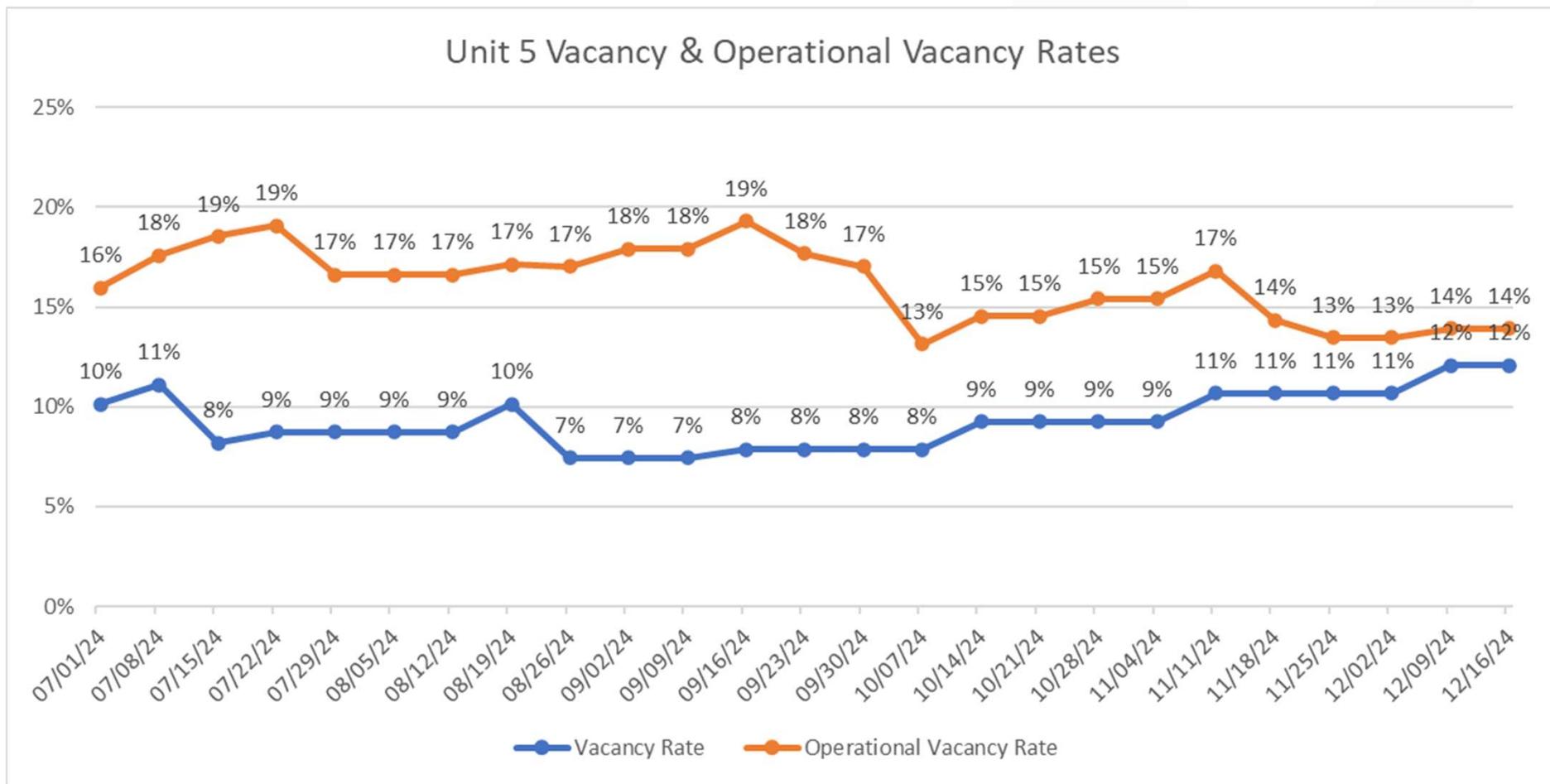
OPERATIONAL VACANCY RATE CALCULATION

$$\frac{(\text{Open FTE's} + \text{Orientation FTE's} + \text{Continuous FML FTE's})}{\text{Total budgeted FTE's}} = \text{Operational Vacancy Rate}$$

EXAMPLE:

$$\frac{(7.6 \text{ open} + 5.3 \text{ orientation} + 4.3 \text{ FML})}{92.8 \text{ budgeted}} = 19\% \text{ Operational Vacancy Rate}^*$$

*Often runs 2 or more times traditional vacancy rate



OPERATIONAL VACANCY: HOW TO DO IT

- 1 Budgeted RN FTE's by nursing unit
- 2 Orientation weeks by nursing unit
- 3 RN attrition – historical calculation from prior year
- 4 Predict RN attrition prospectively for the current fiscal year (terminations & transfers)
- 5 Update actual RN attrition every pay period (every 2 weeks)
- 6 Add new RN's hired (FTE's)
- 7 Subtract RN's in orientation (FTE's)
- 8 Subtract RN's on FML (FTE's)
- 9 Monitor, report, hire for attrition
- 10 Balance with premium pay (OT, bonus, incentive), resource pool, travelers, international RN's

STEPS 1 & 2

Budgeted RN FTE's and Orientation Weeks by nursing unit

Nursing Unit	FY25 Budgeted RN FTEs	Orientation Weeks
1	44.2	8
2	101.7	12
3	16.4	8
4	71.3	12
5	92.8	12
6	29.5	8
7	51.6	8
8	52.2	8
9	65.3	8
10	32.6	8
FTE Total	557.6	

STEP 3

RN Attrition – Historical Calculation from Prior Year

Terminations & Transfers

Nursing Unit	FY25 Budgeted RN FTEs	FTE Attrition	Percent Turnover	Attrition/4 wk schedule
1	44.2	12.3	28%	0.9
2	101.7	15.5	15%	1.2
3	16.4	3.6	22%	0.3
4	71.3	8.0	11%	0.6
5	92.8	16.8	18%	1.3
6	29.5	8.9	30%	0.7
7	51.6	7.9	15%	0.6
8	52.2	11.1	21%	0.9
9	65.3	8.2	13%	0.6
10	32.6	6.0	18%	0.5
	557.6	98.3	18%	7.6

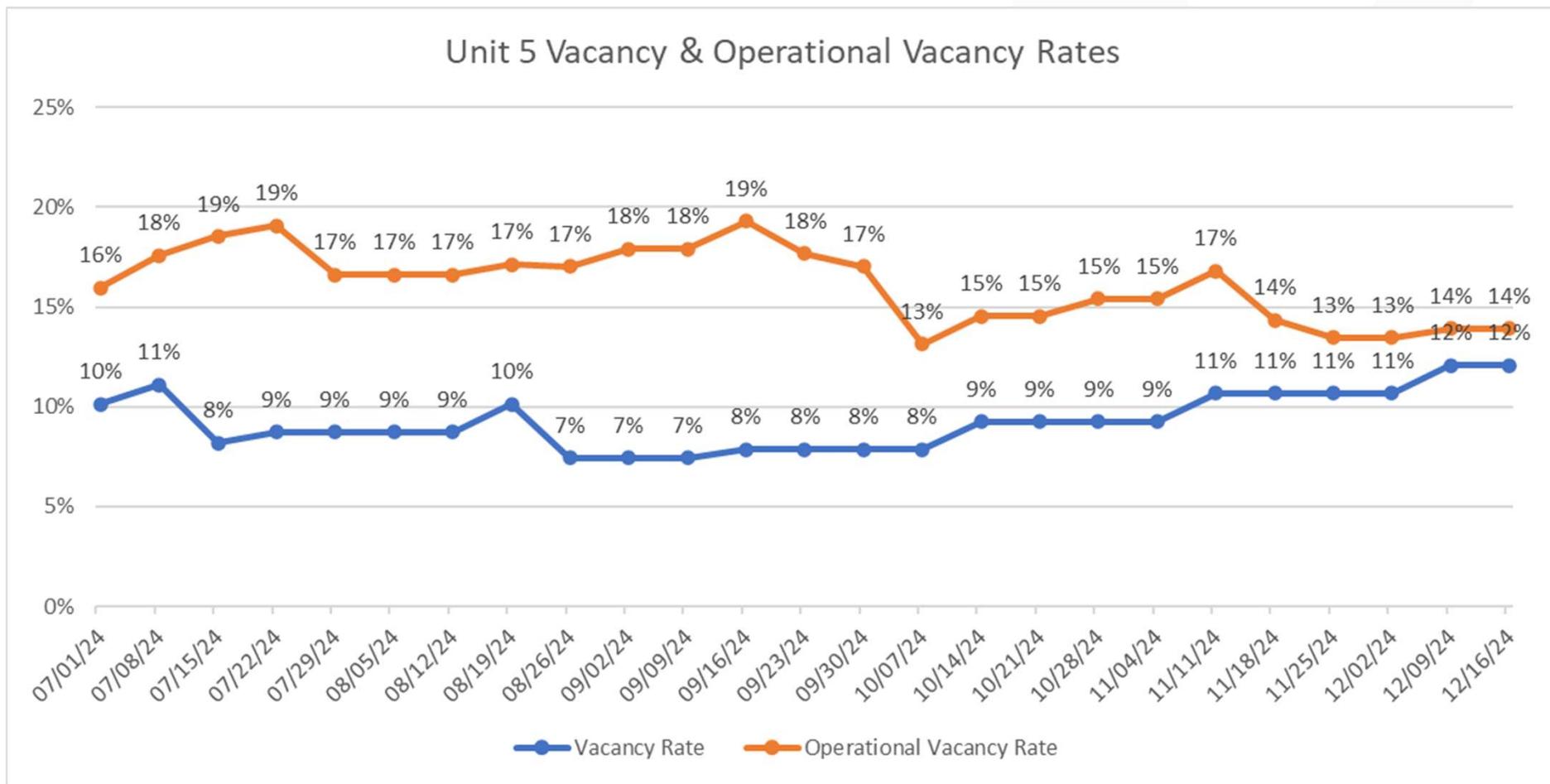
Operational Vacancy Report

Nursing Unit 5 Example

This Week



OPERATIONAL VACANCY REPORTING NURSING UNIT 5															
	07/01/24	07/08/24	07/15/24	07/22/24	07/29/24	08/05/24	08/12/24	08/19/24	08/26/24	09/02/24	09/09/24	09/16/24	09/23/24	09/30/24	
Budgeted RN FTEs Total	92.8	92.8	92.8	92.8	92.8	92.8	92.8	92.8	92.8	92.8	92.8	92.8	92.8	92.8	
Filled RN FTEs	83.4	82.5	85.2	84.7	84.7	84.7	84.7	83.4	85.9	85.9	85.9	85.5	85.5	85.5	
Total Current Open RN FTEs	9.4	10.3	7.6	8.1	8.1	8.1	8.1	9.4	6.9	6.9	6.9	7.3	7.3	7.3	
Vacancy Rate	10%	11%	8%	9%	9%	9%	9%	10%	7%	7%	7%	8%	8%	8%	
Actual/Predicted RN Attrition (note as FTE)		0.9		0.5				1.3				1.3			
New RN Hire (note as FTE in Start Week)			2.7						2.5			0.9			
Total Orientation FTE	2.6	2.6	5.3	5.3	3.5	3.5	3.5	3.5	5.2	5.2	5.2	6.1	6.1	6.1	
Total FML FTE	2.8	3.4	4.3	4.3	3.8	3.8	3.8	3.0	3.7	4.5	4.5	4.5	3.0	2.4	
Operational Vacant FTE's	5.4	6.0	9.6	9.6	7.3	7.3	7.3	6.5	8.9	9.7	9.7	10.6	9.1	8.5	
Open and Operationally Vacant FTE's	14.8	16.3	17.2	17.7	15.4	15.4	15.4	15.9	15.8	16.6	16.6	17.9	16.4	15.8	
Operational Vacancy Rate	16%	18%	19%	19%	17%	17%	17%	17%	17%	18%	18%	19%	18%	17%	



STEPS 4 & 5

Predict RN Attrition Prospectively for the Current Fiscal Year and Update Actual RN Attrition Every Pay Period (every 2 weeks)

OPERATIONAL VACANCY REPORTING NURSING UNIT 5															
	07/01/24	07/08/24	07/15/24	07/22/24	07/29/24	08/05/24	08/12/24	08/19/24	08/26/24	09/02/24	09/09/24	09/16/24	09/23/24	09/30/24	
Budgeted RN FTEs Total	92.8	92.8	92.8	92.8	92.8	92.8	92.8	92.8	92.8	92.8	92.8	92.8	92.8	92.8	
Filled RN FTEs	83.4	82.5	85.2	84.7	84.7	84.7	84.7	83.4	85.9	85.9	85.9	85.5	85.5	85.5	
Total Current Open RN FTEs	9.4	10.3	7.6	8.1	8.1	8.1	8.1	9.4	6.9	6.9	6.9	7.3	7.3	7.3	
Vacancy Rate	10%	11%	8%	9%	9%	9%	9%	10%	7%	7%	7%	8%	8%	8%	
Actual/Predicted RN Attrition (note as FTE)		0.9		0.5				1.3				1.3			
New RN Hire (note as FTE in Start Week)			2.7						2.5			0.9			

STEP 6

Add new RN's hired (FTE's)

OPERATIONAL VACANCY REPORTING NURSING UNIT 5															
	07/01/24	07/08/24	07/15/24	07/22/24	07/29/24	08/05/24	08/12/24	08/19/24	08/26/24	09/02/24	09/09/24	09/16/24	09/23/24	09/30/24	
Budgeted RN FTEs Total	92.8	92.8	92.8	92.8	92.8	92.8	92.8	92.8	92.8	92.8	92.8	92.8	92.8	92.8	
Filled RN FTEs	83.4	82.5	85.2	84.7	84.7	84.7	84.7	83.4	85.9	85.9	85.9	85.5	85.5	85.5	
Total Current Open RN FTEs	9.4	10.3	7.6	8.1	8.1	8.1	8.1	9.4	6.9	6.9	6.9	7.3	7.3	7.3	
Vacancy Rate	10%	11%	8%	9%	9%	9%	9%	10%	7%	7%	7%	8%	8%	8%	
Actual/Predicted RN Attrition (note as FTE)		0.9		0.5				1.3				1.3			
New RN Hire (note as FTE in Start Week)			2.7						2.5			0.9			

STEP 7

Subtract RN's in orientation (FTE's)

OPERATIONAL VACANCY REPORTING NURSING UNIT 5

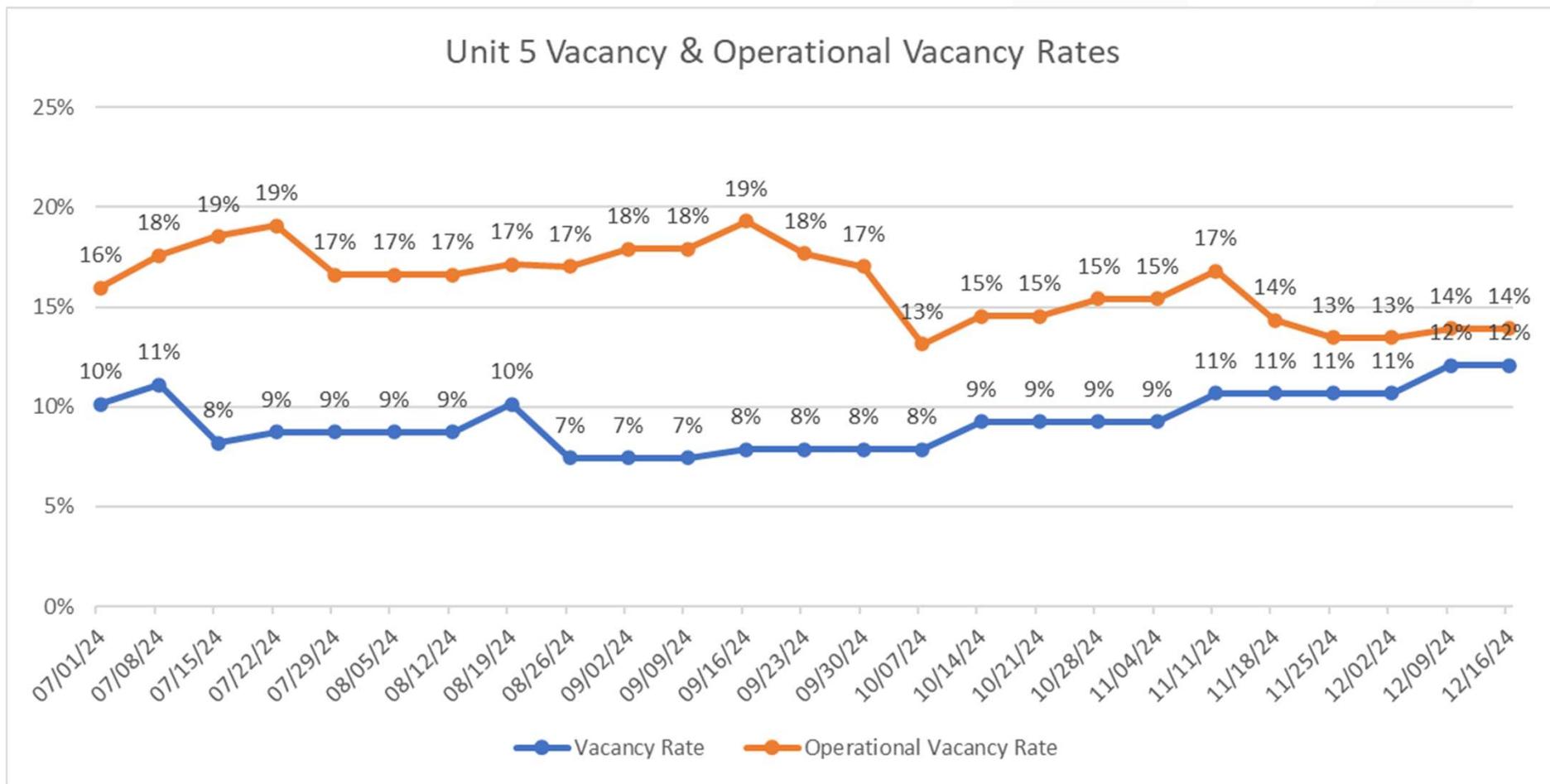
		07/01/24	07/08/24	07/15/24	07/22/24	07/29/24	08/05/24	08/12/24	08/19/24	08/26/24	09/02/24	09/09/24	09/16/24	09/23/24	09/30/24
RNs in Orientation (12 Weeks - note FTE)	Start Date	FTE													
B.D	5/6/2024	0.9	0.9	0.9	0.9										
B.A	5/6/2024	0.9	0.9	0.9	0.9										
N.L	6/3/2024	0.8	0.8	0.8	0.8	0.8	0.8	0.8	0.8						
M.L	7/15/2024			0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
D.H.	7/15/2024			0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
N.W	7/15/2024			0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
A.T.	8/26/2024									0.8	0.8	0.8	0.8	0.8	0.8
K.T.	8/26/2024									0.8	0.8	0.8	0.8	0.8	0.8
T.C	8/26/2024									0.9	0.9	0.9	0.9	0.9	0.9
M.M.	9/23/2024												0.9	0.9	0.9
TOTAL FTE's in Orientation		2.6	2.6	5.3	5.3	3.5	3.5	3.5	3.5	5.2	5.2	5.2	6.1	6.1	6.1

STEP 8

Subtract RN's on FML (FTE's)

OPERATIONAL VACANCY REPORTING NURSING UNIT 5

		07/01/24	07/08/24	07/15/24	07/22/24	07/29/24	08/05/24	08/12/24	08/19/24	08/26/24	09/02/24	09/09/24	09/16/24	09/23/24	09/30/24
RNs on FMLA (note as FTE)	Start Date	FTE													
EE #1	4/29/2024	0.5	0.5	0.5	0.5										
EE #2	5/20/2024	0.8	0.8	0.8	0.8	0.8	0.8	0.8							
EE #3	6/10/2024	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6		
EE #4	6/10/2024	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9		
EE #3	7/8/2024		0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	0.6	
EE #4	7/22/2024			0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9	0.9
EE #5	9/14/2024									0.7	0.7	0.7	0.7	0.7	0.7
EE #6	9/20/2024										0.8	0.8	0.8	0.8	0.8
EE #7	10/28/2024														
EE #8	11/18/2024														
Total FML FTE's		2.8	3.4	4.3	4.3	3.8	3.8	3.8	3.0	3.7	4.5	4.5	4.5	3.0	2.4



POWER WITH UNIT-LEVEL & HOSPITAL ROLL-UP REPORTING

Step 9: Monitor, Report, Hire for Attrition

- Identify nursing units with sound staffing
- Identify nursing units with at risk RN staffing

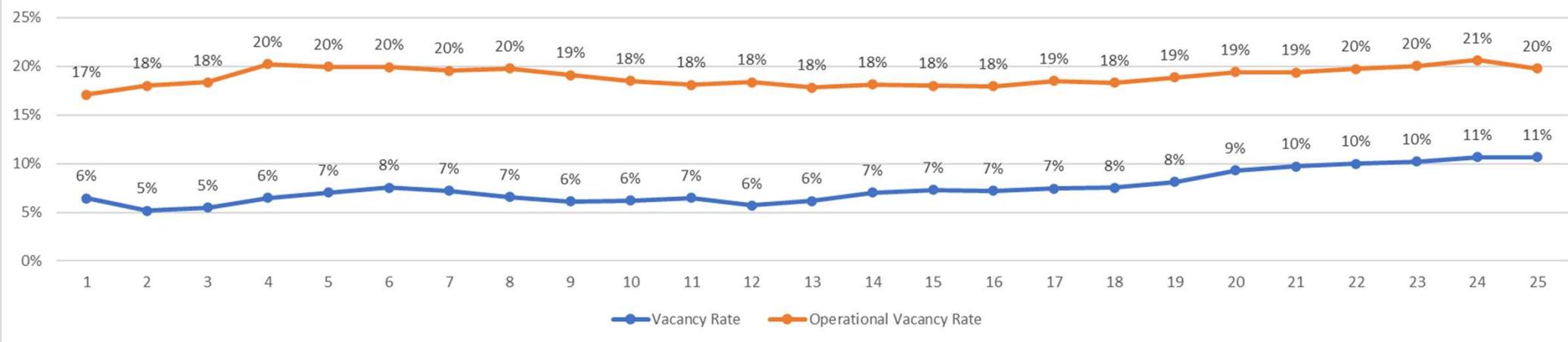
Step 10: Balance nurse staffing with...

1. Day-to-day, shift-to-shift RN reassignments
2. Internal resource pool
3. Premium pay (OT, bonus, incentive)
4. Temporary RN travelers
5. Long-term nursing workforce stabilization with international RN's

STEPS 9 & 10

Monitor, Report, Hire for Attrition and Balance with Premium Pay (OT, Bonus, Incentive), Resource Pool, Travelers, International RN's

House-wide Roll-up (10 units)



STEPS 9 & 10

Monitor, Report, Hire for Attrition and Balance with Premium Pay (OT, Bonus, Incentive), Resource Pool, Travelers, International RN's

Vacancy Rate: All Units & Roll-up														
Unit	07/01/24	07/08/24	07/15/24	07/22/24	07/29/24	08/05/24	08/12/24	08/19/24	08/26/24	09/02/24	09/09/24	09/16/24	09/23/24	09/30/24
1	10%	13%	13%	11%	11%	13%	13%	13%	13%	13%	13%	10%	10%	11%
2	9%	9%	10%	10%	10%	12%	12%	8%	8%	10%	10%	11%	11%	9%
3	-5%	-9%	-9%	-6%	-6%	-6%	-4%	-5%	-5%	-5%	-4%	-8%	-7%	-5%
4	8%	7%	6%	6%	7%	8%	3%	2%	0%	0%	1%	1%	0%	2%
5	10%	11%	8%	9%	9%	9%	9%	10%	7%	7%	7%	8%	8%	8%
6	12%	4%	10%	13%	13%	16%	16%	17%	17%	16%	16%	16%	17%	17%
7	5%	7%	7%	4%	4%	4%	4%	4%	4%	2%	2%	2%	4%	7%
8	11%	7%	7%	7%	10%	9%	9%	7%	7%	10%	12%	13%	13%	13%
9	7%	6%	6%	6%	7%	8%	8%	7%	7%	7%	7%	3%	5%	10%
10	-4%	-4%	-4%	6%	6%	3%	3%	3%	3%	1%	1%	1%	1%	-2%
Average	6%	5%	5%	6%	7%	8%	7%	7%	6%	6%	7%	6%	6%	7%

STEPS 9 & 10

Monitor, Report, Hire for Attrition and Balance with Premium Pay (OT, Bonus, Incentive), Resource Pool, Travelers, International RN's

Operational Vacancy Rate: All Units & Roll-up														
Unit	07/01/24	07/08/24	07/15/24	07/22/24	07/29/24	08/05/24	08/12/24	08/19/24	08/26/24	09/02/24	09/09/24	09/16/24	09/23/24	09/30/24
1	20%	21%	21%	22%	21%	22%	23%	24%	23%	24%	25%	24%	23%	23%
2	23%	25%	26%	27%	26%	29%	29%	28%	28%	28%	28%	28%	27%	26%
3	7%	3%	2%	5%	4%	3%	4%	1%	0%	0%	1%	3%	4%	8%
4	14%	17%	16%	18%	18%	21%	16%	21%	19%	16%	17%	15%	13%	11%
5	16%	18%	19%	19%	17%	17%	17%	17%	17%	18%	18%	19%	18%	17%
6	26%	26%	31%	34%	32%	37%	37%	43%	41%	34%	31%	31%	29%	27%
7	17%	21%	20%	19%	19%	20%	21%	17%	16%	16%	13%	12%	11%	15%
8	22%	24%	24%	22%	26%	24%	24%	24%	24%	25%	28%	29%	28%	28%
9	22%	23%	22%	24%	23%	20%	19%	18%	18%	18%	15%	18%	20%	22%
10	5%	2%	2%	11%	13%	6%	6%	6%	6%	6%	6%	6%	6%	6%
Average	17%	18%	18%	20%	20%	20%	20%	20%	19%	18%	18%	18%	18%	18%

POWER WITH UNIT-LEVEL & DIVISIONAL ROLL-UP REPORTING

Step 9: Monitor, Report, Hire for Attrition

- Identify nursing units with sound staffing
- Identify nursing units with at risk RN staffing

Step 10: Balance nurse staffing with...

1. Premium pay (OT, bonus, incentive)
2. Internal resource pool
3. Temporary RN travelers
4. Long-term nursing workforce stabilization with international RN's



Q&A

Wisconsin Executive Briefing & Roundtable on International Staffing

Shape the Future of Healthcare Staffing in Wisconsin

- U.S. Workforce Trend Insights
- Sustainable Staffing Model Strategies
- Networking Lunch Included

Tuesday, March 10th
10 AM - 1:30 PM
The Madison Club, Madison, WI



Register Today





THANK YOU

Bill Lecher, DNP, MBA, RN, NE-BA
Director of Nursing

✉ Bill.Lecher@HealthCarousel.com
(513) 407-6425

Tessie Ward
Business Development Director

✉ Tessie.Ward@healthcarousel.com
(937) 245-0613