WHY LABOR PLANNING?

The Office of Budget & Planning
What were the total FY21 annual expenditures for the entire University in our Comprehensive Annual Financial Report (CAFR)?

$2.2 Billion
What was the FY19 total annual expenditure for salary, wage, and benefits as presented in the CAFR?

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$1.42 Billion

or

65.% of our Total Expenditures
LABOR PLANNING? BUT WHY?

How much is $1.36 billion?

- https://youtu.be/QOSzaqBNEHg
- (0-1.30, 4:20-4:50)
How much is $1.42 billion?

1,420 briefcases full of cash
LABOR PLANNING? BUT WHY?

Reason #1 = How much is $1.42 billion?

- It’s A Lot of Money!! ($1.42B)
- Lots of Money = It’s **important** that we know **what** it is and that we plan it accurately
How does your unit achieve its goals and strategies?

People!!
LABOR PLANNING? BUT WHY?

Reason #2 = People

- People are *how* we do everything
- How many FTE or HC does it take to accomplish our goals and strategies? How much does it cost? How are we paying for these goals and strategies?
- People do everything = It’s *important* that we know *who* is executing our goals and strategies
LABOR PLANNING? BUT WHY?

- “But Garth” (you say hypothetically), “I can be just as accurate by taking my total Salary, Wage, and ERE figures and multiplying them by a global driver like 2%. ” Why waste my time on Position-level planning?

- This question implies stability. Some considerations for a non-stable future ahead...
LABOR PLANNING? BUT WHY?

What if scenarios:

- Multiple Annual Cycles of Career Architecture “bring to minimum”
- Faculty Career Architecture Project (don’t call it FCAP)
- Mandatory Merit Program
- Change in Admin Service Charge (either/both)
- Budget reductions/reallocations
- Future Minimum Wage Increases
- Organizational Changes
LABOR PLANNING? BUT WHY?

Career Architecture “bring to minimum”

- How much will it cost you?
- What funds will it impact?
- Do you have the resources to address?
- How are you going to communicate impact to your leadership? University senior leadership?
- How are you going to communicate need?
LABOR PLANNING? BUT WHY?

Mandatory Merit Program

- How much will it cost you?
- What funds will it impact?
- Do you have the resources to address?
- How are you going to communicate impact to your leadership? University senior leadership?
- How are you going to communicate need?
LABOR PLANNING? BUT WHY?

Budget Reduction/Reallocation or ASC Change

- What does this mean for your organization on a position level?
- Do you have the resources to address?
- How are you going to communicate impact to your leadership? University senior leadership?
- How are you going to communicate need?
LABOR PLANNING? BUT WHY?

Reason #3 = Change

- Labor Planning allows you to understand the impact of change and communicate that change to your leadership.
- Change is inevitable and you will need tools to help you navigate.
LABOR PLANNING? BUT WHY?

Reason #3 = Change Cont.

- A global driver approach (say of 2%) cannot reasonably account for the variety and magnitude of potential position-level changes coming in the near future.

- Position-level planning allows your organization to factor in the impact of position-level organizational changes.

- Plus, with a global driver approach you still won’t know the who (see Reason #2).
LABOR PLANNING? BUT WHY?

- Anyone heard their leadership use the phrase “data-informed decision-making” lately? If no, you will soon enough
- Where is that data?
- How are you going to answer their questions?
LABOR PLANNING? BUT WHY?

Reason #4 = Relevant Data

- Relevant data is required to make data-informed decisions
- Your leadership has questions, and you need data to answer those questions
- Labor planning is going to give you lots of useful data to help answer those questions
LABOR PLANNING? BUT WHY?

Reason #5 = Senior Leaders

- Senior Leaders want you to do this
- Senior leaders will have questions about your units that they will ask OBP whether you participate or not (don’t not participate that is silly and a mistake bt-dubs)
- Do you want to influence perception and decision-making of senior leadership, or do you prefer OBP do that in a vacuum? (ok that was more rhetorical)
LABOR PLANNING? BUT WHY?

Reason #6 = “Garth’s maxum” (I just made that up)

- Planning is not a science, but not planning is unprofessional
- I contend that you want to be great at your job and if your job includes providing financial guidance to your leaders you actually want to plan
LABOR PLANNING? BUT WHY?

Reason #7 = Most of you already do this

- What you say?
- Line budgeting = position-level planning
- We will be phasing-out Line budgeting as you currently know it and replacing it with this type of position-level planning
- This is not new work; this is a change in work
LABOR PLANNING? BUT WHY?

Reason #8 = A “Garth Hypothesis” (I also just made that up)

- Maybe the question was misplaced?
- Maybe you think planning is more fun than Travel Reimbursement and wish you could spend more time doing it
- Perhaps you even think there is a lot of value in position level-planning
LABOR PLANNING? BUT WHY?

Reason #8 = A “Garth Hypothesis”

- Perhaps the question is coming from another place?
- Perhaps your question is one rooted in anxiety and uncertainty about change...
THANK YOU!