THE WORKFORCE THREE-RING CIRCUS

How to Master the Complicated Personnel Planning Process

The Main Act of Government Operations

Government runs on people, and people are often the largest and most complex piece of every government's budget.

Every facet of public sector services is powered by a workforce of public servants—people dedicated to delivering services that are essential to the well-being and processes of daily life for our country's communities.

From the work of public safety like police and fire departments to utility services like roads and parks, the foundation of every service delivered to residents is the people making it happen.

With people on the main stage of every government operation, and with personnel or workforce planning at the heart of a government budget, it is vital that you master the intricacies of public workforce planning and how to overcome many of its both classic and modern challenges.

Behind the Curtain:
The Changing Workforce

Your impact on your residents truly depends on your ability to retain, attract, and hire talent. Not to mention, the challenge of negotiating with unions and the greater impact of ever-changing compensation needs.

Many governments face pressing labor shortages, wide pay gaps between the private and public sector, and sector-wide reputational issues fostering a belief that governments lag behind in technology and modern processes.

Additionally, local governments are expected to do more than ever before, with fewer resources available.

In fact, our 2023 State of Local Government Survey found that 75% of respondents have seen resident engagement increase in the last year, while 66% of teams have not grown in the past 2-3 years.

The Combined Effect is Significant

How you plan for your workforce impacts your government's ability to provide high-quality services while also being results-driven, resident-centered, and highly accountable for performance outcomes. Better salary projections, detailed cost drivers, and fewer broad assumptions lead to more accurate budgeting.

For example, a government with a $100M budget spends $70-80M on salary and wages. **By making just a 1% to 2% improvement in forecast accuracy, that government can free up $700K-$1.4M in budget capacity**—without adding one dollar to user fees or the tax rate.

Is your organization ready to tackle the evolving workforce so you can better serve your constituents?

The Three-Ring Circus of Challenges

As you know, the budget process begins six to eight months before it's adopted.

In many spreadsheet-based processes, those in leadership export a snapshot of the current workforce plan. Some will incorporate it into each department-based budget, while others keep operating and personnel budgets separate. This exercise includes an authorized position list and the associated employee costs.

Still, too often, budget managers rely on static, error-prone spreadsheets, monolithic ERP modules, or stand-alone budgeting products that don't tie into the system and are limited to a few stakeholders. As the budget season progresses, there are often changes to personnel, base rates, retirement or pension contributions, and other costs. The problem: All those budget requests worked on for months are still using the old workforce plan.

OPENGOV

Outdated Systems and Processes Also Lead To:

✓ Managers and analysts that don't have the bandwidth to think strategically

✓ Budgets with inaccurate personnel costs causing significant budget variances

✓ Union and contract negotiations informed by estimates, not data

✓ Vital personnel decisions made with stale, static data

✓ Trapped excess dollars that could have gone to strategic priorities

✓ Complete inability to multi-year plan

Let's dig deeper into the specific challenges of personnel budgeting and how modern workforce planning can help address them, leading to more accurate projections and countless hours saved.

🏕 **THE THREE-RING CIRCUS OF CHALLENGES**

Challenge #1: Variability

Historical Challenge

- ➖ Complex salary schedules

- ➖ Changing pension and retirement programs

- ➖ Growing complex benefits and annual open enrollment periods

- ➖ Union-specific compensation options

- ➖ Other post-employment benefits and costs not historically budgeted at the staff level

Modern Solution

- ➕ Combine all your positions and their associated costs in one place to verify, adjust, and analyze the step and grade tables

- ➕ Catch and fix mistakes easily with just a few clicks

- ➕ Request new positions using accurate, updated costs

- ➕ Simple and fast modeling to support union-negotiations

> *"Now we're looking at [data] and seeing that as a resource, to not only look at data descriptively but to use it predictively, to use models for the exploitation of patterns in our data, and to make projections going forward."*

ERIC DESMIDT
Database Technician, Village of Mundelein, Illinois

OPENGOV

Challenge #2: Complexity

Historical Challenge

- ➖ Number of variables (cost) that must be considered

- ➖ Number of variables and choices for each employee benefit or cost

- ➖ Need to control the ordering of and base for each subsequent calculation step

- ➖ Date ranges applicable to each employee and cost element

Modern Solution

- ➕ Make more strategic decisions by taking the guesswork out of workforce planning

- ➕ Develop unlimited salary and benefit scenarios without affecting employee information, and plan for the future with confidence

- ➕ Reduce broad assumptions to reflect a more precise budget

"I quickly set up accounts for every department manager so they could go in and populate their own proposals. One of our managers was new to the process—this was his first budgeting experience ever—and he found it extremely easy to adjust his budget proposal by line item and then see the immediate impact."

JUDY SMITH
Finance Director, Jackson County, Georgia, Water & Sewerage Authority

🎪 **THE THREE-RING CIRCUS OF CHALLENGES**

Challenge #3: Technology

Historical Challenge

- ➖ Outdated systems unable to handle workforce planning effectively

- ➖ Spreadsheet-based processes

- ➖ Multiple sources of data that do not cross-tie to deliver confidence in the costs

- ➖ Process divorced from budgeting for nonpersonnel operating costs

Modern Solution

- ➕ No more error-prone spreadsheets

- ➕ Draw from accurate, up-to-date numbers, providing full visibility into personnel cost forecasts

- ➕ Feed data seamlessly into your budget so you don't have to calculate manually
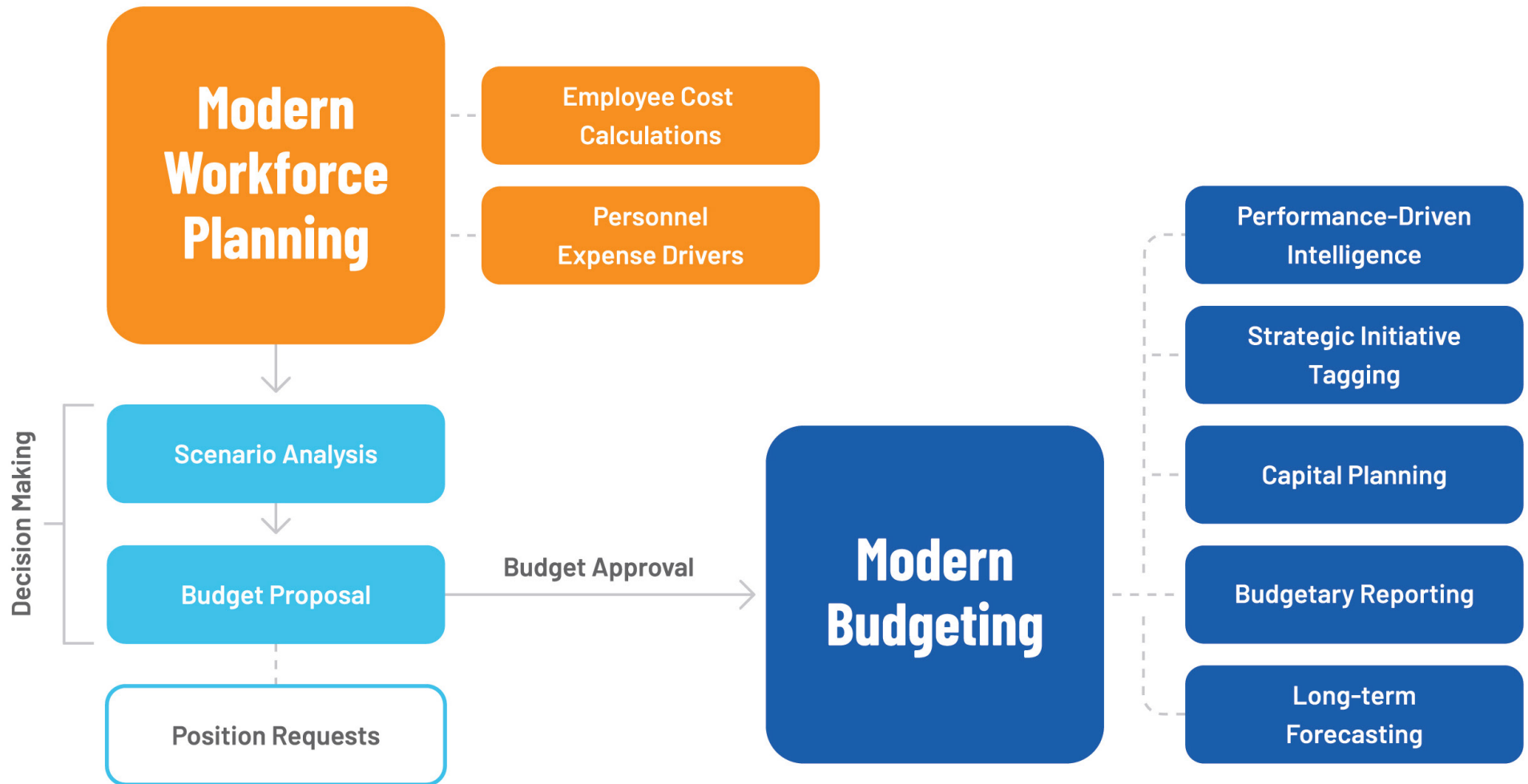
- ➕ Increase visibility into cost drivers

"OpenGov allows us to create budget scenarios and analytics for our board in a timely manner rather than always taking the time-consuming course of asking IT for the data."

RAMONA FARINEAU
Chief Financial Officer at Boulder County, Colorado

OPENGOV

How Workforce Planning Should Flow into the Budget

Modern Workforce Planning

Employee Cost Calculations

Personnel Expense Drivers

Scenario Analysis

Budget Proposal

Position Requests

Decision Making

Budget Approval

Modern Budgeting

Performance-Driven Intelligence

Strategic Initiative Tagging

Capital Planning

Budgetary Reporting

Long-term Forecasting

The Greatest Show in Government

A modern budgeting tool that integrates workforce planning should include the following capabilities to drive the greatest impact:

1. **Deep understanding of personnel costs:** To build a strategic framework for an ever-changing workforce, organizations must be able to easily see monetary value tied to each position. **A solution that is both scalable and valuable lets HR personnel and stakeholders precisely calculate personnel costs to drive better salary projections.**

2. **Enhanced attention to cost drivers:** Developing a game plan for managing personnel expenditures means that you must understand all the associated variable costs of hiring new people as well as maintaining the current headcount. **A successful tool provides visibility into what costs will be incurred with staffing adjustments.**

3. **Accurate decision-making:** Both hiring managers and HR professionals alike deserve a solution they can rely on to deliver information based on definitive, representative metrics. **Trustworthy data propels informed decisions based on actionable insights.**

These workforce planning-specific features should be included and based on a solid core set of modern budgeting features. Taking a modern approach to workforce planning means a more accurate, strategic, and efficient budget, which ultimately leads to a greater impact on your community.

It's All About Your People

At the end of the day, the success of your government depends on the people working hard behind the scenes.

Whether you are a member of the Finance team, Human Resources, or IT, your individual contribution goes a long way, and you deserve to have the most advanced and powerful tools enabling you to do your job well. An empowered workforce can have tremendous positive effects on the day-to-day operations of any government, regardless of size.

Understanding the nuances and intricacies of a workforce in flux can be difficult, but having a centralized solution that seamlessly integrates workforce planning with budget development alleviates these complexities and challenges.

Embrace the changing workforce and rest assured that you have the tools you need to plan accordingly.

Start Your Digital Transformation

Power more effective and accountable government with modern cloud software.

Learn more about OpenGov, the most flexible and delightful budgeting, permitting, procurement, asset management, and transparency solution on the market. Empower your team to:

- ✓ Build a better budget in half the time.

- ✓ Digitize paper-based workflows and improve customer satisfaction.

- ✓ Strategically manage every infrastructure asset.

- ✓ Turbocharge eprocurement from start to finish.

About OpenGov

OpenGov is the leader in modern cloud software for our nation's cities, counties, and state agencies. With a mission to power more effective and accountable government, OpenGov serves thousands of agencies across the U.S. and is built exclusively for the unique budgeting, procurement, asset management, and citizen services needs of the public sector. The OpenGov Cloud makes organizations more collaborative and efficient and enables best-in-class communication with stakeholders and community.