THE COST OF STAFF COMPENSATION AND THE IMPACT ON BUDGET

What makes up Staff Compensation?

Salary- money paid at regular payroll dates for work or services performed by employees

- Hourly wages
- Contract wages
- Stipends
- Coaches/Event pay
- Extended contracts
- Overload
- Overtime for HOURLY employees
- PTO/Vacation payouts
- Other

What makes up Staff Compensation?

Benefits- any perks offered to employees in addition to salary

- Employee insurance (health, dental, LTD, Life, STD, etc)
- Wisconsin Retirement System (WRS)
- Taxes (Employer taxes, FICA)
- Tuition reimbursement
- Other taxable reimbursements (cell phone, tech, apparel, etc)
- Post employment benefits (Fund 73)
- Other

Staff Compensation and The Budget?

Why is knowing the ongoing costs of your staff compensation important for budget purposes

- Staff compensation likely makes up between 50% and 70% of your total budget (probably close to 2/3s)
- CPI increases (past two years 4.7% and 8%) resulting in wage increases and likely high insurance renewals have significant impacts on your budgeted expenses
  - As do FTE changes and other negotiated or changed/added benefits
- Changes in benefits staff elect, employee switching from no insurance to a family plan $15,000+ increase in expenses
- Increasing and decreasing staff FTEs
- Budget shortfalls may mean staff cuts
- Maintenance of Effort concerns in Fund 27
  - Both for maintaining MOE and writing exceptions for voluntary resignations/retirements

Staff Compensation and The Budget?

Why is knowing the ongoing costs of your staff compensation important for budget purposes

- Changes have minimum to significant impact on your budget (both positive and negative)
- Budget sometimes has to drive staff changes 😔
- Awareness to changes help manage the current year budget surplus or shortage
- Payroll, we want to keep our payroll people happy right
- Whatever your involvement is in staff compensation, actively staying on top of changes will make you happy too

Staff Compensation Timeline

- Always ongoing for payroll purposes
  - Timely and effective payroll adjustments are essential for proper budget management throughout the fiscal year

- Ongoing platform for tracking staff compensation with timely updates
  - Financial software, Excel, Google Spreadsheets

- Non Renewals, staff resignations/retirements, terminations, cuts, new hires ongoing
  - Financial software, Excel, Google Spreadsheets

Staff Compensation Timeline

- January/February
  - Student scheduling/programming typically taking place
  - 2nd Friday count, enrollment projections
  - School Calendar

- March staffing needs becoming clearer, preliminary budget build beginning/ongoing
  - New needs/new positions
  - Forecasting, if available, aligning to preliminary budget
  - Identifying non renewals, retirements, resignations (policy)
  - Cuts 😪

- April new hires, staff contracts
 - New hire paperwork coming in, negotiated salary hopefully becoming clear

Staff Compensation Timeline

- May/June
  - Ongoing hiring, resignations, FTE changes, cuts,maybe retirements (policy)
  - Final preliminary budget getting prepped and Board approval
  - Employee benefits changes (likely your open enrollment changes)

- July/August/September
  - Ongoing hiring, resignations
    - Hopefully no more retirements, FTE changes, cuts
  - Employee benefit changes (qualifying events)

- October
  - Finalized budget, changes to budget no longer an option after Board of Education approval
  - Revised budgets when applicable

Staff Compensation Timeline

- November thru following June
  - Budget maintenance, awareness, and communication
    - New hires, resignation impacts
    - Employee benefit changes for qualifying events
    - Grant impacts and grant maintenance (WISEstaff presentation)
  - Budget Revisions if applicable
  - Ongoing maintenance of your platform (Skyward, Excel, Google Spreadsheets) so you can start again
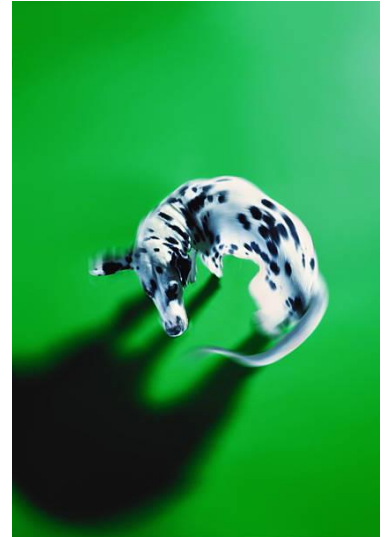
Barriers to our work and BREAKING them

Barriers

- Negotiations
- Employee insurance renewals
- Employee based decisions (should I retire? Do I need health insurance?)

BREAKING Barriers

- Communication, Communication, Communication
  - What are your timelines, budget, payroll, open enrollment for insurance
  - Two way communication, inform administration of concerns
- Policies/State Statute can be your friend
  - Statutory deadlines
  - Retirement notification dates

Employee Compensation Database (platform)

Employee Compensation Database (platform)- one standardized location for maintaining individual employee compensation for all employees

- Financial Software (Skyward)
- HR Software (Frontline)
- Excel or Google Sheets

Example- Employee Compensation Database