



Fiscal First Aid Quick Reference

Increase Part-Time Labor

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Introduction

Because personnel costs are the majority of a most governments' budgets, making increased use of part-time labor to lower benefit and wage costs can create a significant difference in cost structures.

Steps to Take

- I. **Start with an analysis of the organization's job class and position functions.**
 - A. Determine if there are tasks and duties that can be assigned to lower level or part-time staff. For example, are there routine, transactional activities that can be performed and transferred to part-time labor? Moving transactional activities to part-time labor allows the incumbent position to focus on non-transactional, value-added tasks such as analysis, decision making, and other management activities.
 - B. What skill sets are required for each position? Identify any functions that can part-timers can be trained to do quickly and easily. Focus part-time labor on skills for which training is easy and which can be adequately learned and performed by someone who receives lower total compensation and spends less time at the workplace. Also look for duties that are seasonal or of other limited duration. Is there a possibility of hiring temporary workers? Examples of tasks that might be especially appropriate for part-time staff include utility meter readings, accounts payable or payroll transactions, and miscellaneous filing and scanning. Finally, look for simple jobs that could be performed by workers with little job experience. For example, miscellaneous filing and scanning could be performed by student workers.

- II. **College interns can be a source of low-cost workers.** Use local colleges and state GFOA chapters to find interns. Colleges often sponsor job fairs where you can recruit interns. Grants to encourage the use of interns may also be available from state GFOA chapters or colleges.
 - A. Good assignments for college interns include miscellaneous research projects, cost-benefit analysis projects, grant writing, grant research, and front-counter duty. These types of projects are good because college interns have likely performed these types of activities for class projects and papers.
 - B. In addition, you can use college interns for special analysis or modeling such as cash-flows, forecasting models, rate studies, helping with research, and gathering historical data for the budget book
 - C. These assignments help college interns gain experience and an understanding of how information flows, how it is used, and how information moves from theory to practice.

- III. **Also consider using temporary appointments, contractors, and temporary employees.**
 - A. These positions are not full time and have identified start and end dates. Six months to a few years is fairly typical.
 - B. The use of the temporary staff is cost effective in many cases.
 1. The positions are funded for a specific period of time, with an end date in the books.
 2. Savings on salaries can be realized.
 3. Fringe benefits are dramatically less than those for permanent full-time employees. These positions will not receive pension benefits, and medical benefits are often limited, compared to permanent positions.



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4. The use of temporary positions can provide tremendous flexibility for organizations. If funds are not available, the appointment isn't renewed.
 - C. Contract staff may provide expertise that does not currently exist within the organization.
- IV. Forced or involuntary reductions, where staff is moved from full-time to part-time status, should be used with extreme caution and only under dire circumstances. Part-time positions should be used to supplement the organization's workload. Involuntary reductions can create an environment of low morale, where the affected staff can poison the work environment. These reductions aren't very advantageous to either the individual or the organization.

Evaluating Success

Governments can control personnel costs by coming up with creative ways to manage personnel. The largest area of expenditure is usually personnel, so using part-time or temporary labor can create significant savings. Consider part-timers as supplements to reduce overtime costs or to staff special, irregular needs. Keep in mind that morale can be affected significantly, depending on how the changes are perceived, and workers who are changed to part-time will still be part of the organization and might create an unpleasant work atmosphere.



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City of Arden Hills Case Study

The City of Arden Hills, Minnesota, has extensively utilized part-time labor and college interns for many years. They could not afford to hire additional full-time staff so they utilized interns primarily for those duties. Staff first applied for a matching internship grant from the state association (MnGFOA). The internship program has become very successful, which resulted in the City Council's desire to expand the internship program beyond the initial Finance department. The City is currently hiring interns for finance, administration, public works, and community development departments. The City benefits and outcomes resulting in their internship program are highlighted below:

- City realized improvements to their internal controls, quality, and productivity.
 - Budget book development completed on time.
 - Got rid of and improved audit findings.
 - Bank reconciliations are now timely
 - Reports are prepared and distributed faster
 - Detailed documentation with system flow charts were completed on all activities and duties.
- Worked with state organization (MnGFOA) which sponsors job fairs to recruit college interns.
- City realizes personnel and salary savings.
 - Interns have a lower hourly rate than City staff
 - Interns do not receive benefits.
- Interns conducted a variety of research related activities for the City. Research related activities were found to be very effective, as the interns were very accustomed to doing research related for their college courses, whereas some City staff were not familiar and comfortable doing research. The City found the research activities to be a great fit as it complemented staff strengths.
- City is now trying to establish a mentoring program with colleges and local high schools.
- The MnGFOA website has provided a vast pool of resume candidates for the City to recruit. In addition, the City utilizes the saved resumes the MnGFOA received during their job fairs for other positions they recruit in the future.
- Able to eliminate a position and merge duties without losing expertise. The part-time staff performed the transactional duties which allowed the full-time employee to concentrate on the core analytical job duties.

The City has also hired high school students to perform duties that are mostly transactional based. Again, using lower cost staff to perform transactional type duties has allowed senior staff to focus on their job duties and not on manual data entry type activities.