

FSU Scores Big: Using Hyperion for Managing Salary Budgets

**Gail Friedrich, Senior Budget Analyst
Budget Office
Florida State University**

**Ken Gloeckner, Budget Analyst
Budget Office
Florida State University**

Abstract

Analyzing and reporting budgeted rate has always been a difficult task in higher education. Our HR system was designed to pay people the correct amount from the correct funds every two weeks. The ability to allow faculty to have temporary appointments on grants or distance learning without compromising the reporting of our salary budget has always been a challenge. Therefore budgeting and reporting budgeted salary and position data is a top priority at Florida State University.

In an effort to be more transparent, in 2014 our Vice President for Finance & Administration charged the Budget Office with coming up with a new budgeting tool to use, not only for budgeting purposes, but also to produce timely budgeted position reports for the six divisions, sixteen colleges, and myriad schools, centers, and offices across our multiple campuses. These position reports are also used in annual reporting requirements of our ruling body, the Florida Board of Governors (BOG).

After much research, it was agreed that we would purchase Oracle Hyperion to help with the challenge. Nine months later we rolled out what we believe to be an accurate, user friendly product to help the units budget for their positions/employees and monitor these positions/employees on a bi-weekly basis. The new budgeting process, with the use of our current PeopleSoft HR system, Oracle Hyperion, and Business Intelligence, has given our campuses immediate access to timely budgeted position reports.

Introduction of the Organization

Florida State University is a public, fully accredited, coeducational research institution and one of twelve units within the State University System of Florida directed by the BOG. We operate under a \$1.3 billion budget of which \$631 million comes from state support. Located in Tallahassee, Florida's capital city, the University affords students and faculty opportunities for interaction with state and federal agencies for internships, research, and part-time employment, as well as a myriad of social, cultural, and recreational activities. The main campus is located on 476 acres in Tallahassee with other facilities owned in Leon, Bay, Collier, Franklin, Sarasota, and Gadsden counties, and leased in Escambia, Jackson, Leon, Orange, Palm Beach, St. Lucie, and Volusia counties in Florida, and other locations overseas.

Founded in 1851, Florida State University is a comprehensive, national, graduate-research university offering more than 300 outstanding academic and professional degrees in top flight programs ranging from business and physics to music and creative writing. The University instills the strength, skill, and character essential for lifelong learning, personal responsibility, and achievement.

With 16 colleges plus the Graduate School, students may take courses of study leading to the baccalaureate degree in 107 programs, the master's degree in 125 programs, the advanced master's degree in one program, the specialist degree in 25 programs, the doctorate degree in 80 programs, and the professional degree in three programs.

Approximately 85 percent of the students enrolled at FSU attend full time. Undergraduates comprised 78.3 percent and graduate students 18.9 percent of the total enrollment of 41,473 students in the fall of 2015.

Florida State University has built a reputation as a strong research center in both the sciences and the humanities. It is expected that more than \$200 million in external funds will be generated this year by the faculty and administration as supplements to state funds used for research. These external funds are in the form of contracts and grants from private foundations, industries, and government agencies, and are used to support research, improve research facilities, and provide stipends for graduate students.

In 1990, the National Science Foundation announced that FSU would be the home of the National High Magnetic Field Laboratory. A joint project with the University of Florida and Los Alamos National Laboratory, the lab became the nation's top center for research on magnets millions of times more powerful than the Earth's magnetic field. This facility was the first national lab to be located in Florida and went into operation in 1994. Research at the lab is conducted in such diverse fields as biology, materials science, medicine, physics, chemistry, engineering, and superconductivity.

The Florida State University College of Medicine was created in 2000 through the Florida Legislature and welcomed its first 30 students in May 2001. Enrollment steadily increased to the current maximum class size of 120 new medical students a year. The college's mission is to educate and develop exemplary physicians who practice patient-centered health care, discover and advance knowledge, and are responsive to community needs, especially through service to elder, rural, minority, and underserved populations. As a community-based medical school, College of Medicine students spend their first two years taking basic science courses on the FSU campus in Tallahassee and are then assigned to one of the regional medical school campuses for their third and fourth-year clinical training.

Statement (restatement) of the Problem/Initiative

Transparency in providing accurate and timely budgeted position reports was one of FSU's top priorities. Our old system of reporting centered on monthly data extracts from our PeopleSoft HR system arriving in giant flat files. This extracted data was then pulled into an Excel spreadsheet, manipulated, balanced, and ultimately put into an Access database to produce PDF reports that were emailed out to the end users. The process was dependent on two people in the Budget Office and took between one and two weeks each month from beginning to end.

The salary portion of our E&G Allocation from the State of Florida comprises about 70 percent of our annual E&G operating budget. This E&G Allocation, divided among our many divisions and schools, was also kept in an Access database by one person in the Budget Office. Each month, our E&G Allocation had to be balanced to the budgeted rate in our E&G positions. With 4,900 active E&G positions supporting \$324 million in rate, this was not an easy task. Employee compensation and classification can have hundreds of changes every month. These changes are kept current programmatically within our PeopleSoft HR system, however the budgeting properties of positions were kept in our HR system in a static format. Once a month after the rate was balanced, all the updates to position budgeting in our HR system had to be done by hand. When across the board increases occurred, these manual updates numbered in the thousands.

In addition to these monthly campus reporting requirements, the Budget Office is also responsible for providing several Salary Category Detail files to the BOG each year. Currently there are around 7,300 positions being reported holding \$460 million in both E&G and non-E&G rate. Again everything was done by hand in Excel spreadsheets that numbered close to 10,000 rows.

Lastly, as part of our operating budget process, non-E&G budgeted position reports had to be created and sent to approximately 100 budget managers to help them build their operating budgets. In order to create our operating budget salary detail submission to the BOG, manual changes to positions had to be tracked using Excel spreadsheets from the colleges. All of these manual processes were cumbersome, time-consuming, and dependent on two staff in the Budget Office to accomplish. It was time for a change in procedure.

Design

The first step was to choose the software we would use as the platform for our project. Oracle gave a presentation of their Hyperion Public Sector Planning and Budgeting (PSPB) software and after contacting several colleges using the product we chose it as our platform. Our Information Technology Services (ITS) team purchased dedicated servers to house all the different environments needed by Hyperion on premise.

The Budget Office was busy with design and functionality, and the ITS team was already taxed with current projects, so we were allocated two full time employees (FTEs) from within the university for technical assistance with the Hyperion project. We then contracted with an Oracle Hyperion expert to train the entire Budget Office staff and our two dedicated Hyperion FTEs on the product.

The next step was to draw up design specs that were sent out to multiple consultant groups. After several consultant presentations, Huron Consulting Group was selected to assist with the project. Beginning in January of 2015, key Budget Office personnel spent four months with the Huron design team talking through our processes and needs.

At the end of this research phase it was decided that Hyperion PSPB was not suitable for our position budgeting needs and a custom application should be designed using Hyperion as the platform. After a month of development and several weeks of testing, we went live with our new position budgeting tool called Hyperion SALARY in August 2015.

Our total project budget was \$1.5 million non-recurring for software, hardware, training, and consultants and \$286,000 recurring for annual maintenance fees and our two FTEs.

In order to populate Hyperion with accurate budgeting data from our PeopleSoft HR system, our in-house developers had to create a new process to automatically update budgeting

screens in the HR system when there are changes to annual compensation or funding. What was once a manual process is now an automated one. Every two weeks, the updated data is loaded onto a table in our HR system and imported into Hyperion where it resides on several forms that perform different functions.

Form 01 is launched by the home department each position is assigned to and holds data pertaining to the properties of each position:

- Position number
- Incumbent ID and name
- Base salary
- FTE
- Benefit choices (health Insurance, retirement, and life insurance)
- Job code
- Collective bargaining unit
- Administrative codes
- Salary admin plans (faculty or non-faculty)
- Budgeted weeks
- Person year
- Rank
- Pay grade

Form 02, also launched by home department, holds data related to funding:

- Position number
- Incumbent ID and name
- Funding department
- Fund
- Pay type (base pay or additional pay)
- Base salary per FTE
- Distribution percentage per funding category
- Compensation per distribution percentage
- Amounts for employer paid benefit choices
- Amounts for employer paid taxes (Social Security & Medicare)
- Totals

During operating budget season, we open up Hyperion SALARY to the budget managers who use these pre-populated forms to make changes for the upcoming fiscal year. The units can adjust for changes in base salary for promotions or across the board raises, FTE changes,

vacancies, new hires, funding changes, etc. New benefit amounts, set by the Florida Legislature each year, are loaded into the Hyperion application to produce estimated benefit costs for the next fiscal year. Periodically throughout the day, the system is locked for calculations and pushes the data into an Aggregated Storage Option (ASO) cube for reporting in Business Intelligence (BI). The units can then access their positions, with changes they have made, in BI using several reports we developed.

Budgeted Position Report – This report shows all properties of positions and incumbents including salary data and benefit choice amounts with totals. In this way, total compensation is estimated per position and per funding. This report can be run by either the home department or funding department with prompts ranging from division to department number to fund allowing units to tailor the report to their needs.

E&G Rate Variance Report – This report shows rate and FTE per funding distribution for all E&G funded positions, which is helpful in balancing a unit's E&G rate to their E&G Allocation.

Units can view one, two, or three versions of data in this report:

1. Operating Budget – how the position was budgeted in the operating budget
2. Previous – how the position looked in the last reporting period
3. Current – how the position looks in the current reporting period

A variance between previous and current is also calculated on the report.

We also removed our E&G Allocation from its Access database format. After E&G budgets are booked into our PeopleSoft Financials system, changes are made using budget journals that are coded as recurring or non-recurring. An E&G Allocation report was created in BI to record only those journals that have a recurring impact to E&G Allocations. The report includes all the pertinent details of the journal including the description of the transaction. As a

result we now have a historical record of all transactions affecting allocations across campus located in our financial system and BI for all to access.

Throughout the academic year, the Budget Office uses this same Hyperion process, on a bi-weekly basis, to balance E&G funded positions and to report position budgeting to the FSU community. In that way, up-to-date position budget reports are available to hundreds of budget managers across campus. A library of past E&G Rate Variance reports is kept on a SharePoint site specifically designed for these end users.

Gone are the enormous Excel spreadsheets, gone are the Access databases, and gone are the monthly emails containing PDF reports to the units. Transparency and accurate, timely reporting has been achieved using our current PeopleSoft systems, Hyperion, and BI reporting.

Implementation

In July 2014, Oracle was brought in to give all key campus stakeholders in this new venture an overview of the Hyperion product. In August we researched Hyperion with several colleges that used it and met with our ITS team to discuss pros and cons. In October we had two main consulting firms, Huron and Performance Architects, give presentations on how they have implemented Hyperion at other universities and how they would design Hyperion for use at FSU. More discussions were held between the Budget Office and ITS and proposals were analyzed. We made our decisions on the product, Hyperion, and the consulting firm, Huron, in November 2014. Work on the project began in January 2015.

Three key staff from the Budget Office and three ITS analysts met with our lead designer and several functional consultants during this time of discovery. All aspects of the current process and expectations of the new process were hashed out for four months before Huron came up with a complete design spec and brought in more functional staff. They spent the first part of April trying to customize PSPB to fit our needs before they finally resigned themselves to the reality that PSPB would not work for FSU and a custom Hyperion application should be developed. The rest of April and part of May was spent building the custom application for position budgeting. During this building phase we had key Budget Office staff on site for testing and tweaking the end product.

Towards the later part of May, Huron brought in a reporting consultant to work on the BI reports required. The first part of June was spent testing and tweaking the new process and reports. During the end of June, a focus group consisting of end users from across campus was brought in to try out the new system. Reviews were mixed. In July, Huron was brought back in to work out a few more kinks before we went live. In August we rolled out the first reports to the

units and used a SharePoint site to house the static reports until we were able to establish security and hold training for the campus personnel responsible for running the BI reports. Our rate tracking process began in August shortly after the beginning of the fall term. Since we are on a bi-weekly pay schedule, we run this process every two weeks bringing campus comprehensive budgeted position reports and balancing E&G rate within all units on campus. Static reports continue to be stored in SharePoint with up-to-date reports available in BI for campus to run.

Throughout the year we continued to perfect and enhance our Hyperion and BI processes. In April 2016 we opened Hyperion up for campus to use in building their 2017 salary operating budgets. These salary budgets were booked into our PeopleSoft Financials system July 1 and we started the year over again.

In May we surveyed our end users on their Hyperion experience. From those suggestions several enhancements have been requested of our ITS team. We hope to have these enhancements operational before our budget cycle begins again in spring 2017.

Benefits

The benefits gained by this endeavor are numerous. We have achieved transparency in our reporting model with up-to-date data. What once took us up to two weeks to produce, once a month, we can now do in three days, every two-weeks. Reports can be run by end users across campus without having to contact the Budget Office and these end users can run reports many different ways in all the different formats BI affords. Up-to-date budgeted position reports can now be run before the onset of the operating budget season so end users can start preparing their operating budgets without depending on the Budget Office to supply data. Operating budget changes related to position budgeting are done by end users instead of Budget Office personnel, thus freeing personnel up for other related tasks. Position budgets are automatically pushed into our Hyperion budget module for direct input into PeopleSoft Financials on July 1 of each new fiscal year. With the use of Hyperion, PeopleSoft, and BI we have achieved our goal of tracking and reporting our budgeted salary information.

Retrospect

In retrospect we would have done a few things differently. Firstly we would have queried more colleges using Hyperion for position budgeting to see how they adapted PSPB to their current processes in order to see if PSPB would be a good fit for FSU before purchasing. We also would have talked to consulting firms before purchasing PSPB to see if our processes would work with the product. After exploring both of those avenues, we would not have bought PSPB and might have been inclined to put the Hyperion platform on the cloud instead of on premise, thus saving us server costs. In addition to that cost saving, updates to Hyperion are performed in the cloud three to six months sooner than they are rolled out to those using Hyperion on premise. This being said, we feel we misused valuable consultant time trying to fit our processes into an incompatible application. If we had come to that conclusion sooner, consultant time, as well as Budget Office personnel time, could have been better utilized, thus saving additional time and funding.