Welcome to NextGen FMC June Session

Adaptive Planning - FMC Session

June 26, 2025

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Agenda

1   What is Adaptive Planning?

2   How are Agencies going to use Adaptive?

3   Agencies' Transition

4   Workforce Planning Demo

5   Timeline of Adaptive Planning

6   Next Steps

What is Adaptive Planning?

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What is Adaptive?

Adaptive Planning is a cloud-based planning and analysis solution. Therefore, it is <u>not</u> a transactional system but one yielding <u>future</u> insights by ingesting data from Workday.

With all the underlying data already populated, Adaptive provides budgeting, forecasting, reporting, and analytics that can be used for:

Workforce Planning

Use the workforce planning capabilities to get an accurate picture of your workforce and adapt to changing requirements by:

- Forecast based on Regular Employee salaries, Vacant Positions and Contractors
- Forecast fringe benefits as per the fringe policy
- Analyze performance
- Driving what-if scenarios

Workforce Planning comes with a foundational model specifically set up to integrate with Workday HCM using preset data loaders, modeled sheets, dimensions and formulas.

Financial Planning

Use the financial planning capabilities to plan for Operation expenses and revenue by:

- Modeling your general ledger accounts
- Creating budgets and forecast versions
- Importing actuals data from Workday Financials

Also, integrate with Workday Financials to publish financial plans based on data and metadata of an Adaptive Planning plan version.

Adaptive Solution for Agencies

Adaptive enables agencies to forecast current year and next year operating expense/revenue and to build their annual budget.

Forecast Operating Expense / Revenue

Agencies will have a provision to forecast current year and next year forecast in Adaptive. This forecast includes:

- Personnel Services Projections
- Operational Expenses / Non-Personnel Forecast
- Operational Revenue Forecast
- Current Year Actuals vs Budget vs Forecast
- Analysis by Program (CC Level 3 Hierarchy) and Fund Source

Build Annual Operating Budget

Adaptive helps agencies to build Annual Budget based on:

- Base Budget = Current Year AOB + Cutoff Amendments
- Appropriations Bills Entry
- Personnel Services and Benefits Forecast
- Risk Pools Forecast
- AOB Budget in Workday

Forecast Operating Expense & Revenue

Forecast Area	Adaptive Solution
Personnel Services	- Adaptive forecasts based on: - Employee salaries and applicable benefits - Vacant positions with active requisitions - Contingent workers - Published Fringe benefits rates - ALP and ALCP calculations - Scenario-based analysis (Ex. Increase pay for group of employees)
Risk Pools	- OPB to finalize the projections and state funded portions for upcoming fiscal year - Finalized Risk Pools will spread into cost center level based on Salary/FTE - Agencies will have a provision to choose Fund Source for non-state funded portion of Risk Pools

Forecast Operating Expense & Revenue

Forecast Area	Adaptive Solution
Operational Expenses Forecast	Projections based on Average of Last 3yrs, with an override option for agencies
Operational Revenue Forecast	Revenue projections approach consists of: • Grants and Awards • Customer Contracts • 3-Year Average Projections with Agency Override Capability
Capital Projects	Facilitates capital project tracking with a placeholder
Budget Amendments	• Adaptive analysis supplies inputs for budget amendments in Workday • Amendments originate in Workday FIN and are imported into Adaptive
FDM Dimensions, Actuals, Obligations	Workday FIN provides the source data, which Adaptive imports regularly

Forecast Operating Expense & Revenue

Forecast Area	Adaptive Solution
Reports	• All metadata reports like GL076, BD010, BD080 of Teamwork's • Validation reports for all forecast areas, which are in-scope • Analysis Reports by Program and by Fund Source • Actuals vs Budget vs Forecast reports • Ability for agencies to build AdHoc reports
Dashboards	• Workforce Planning Dashboards • Risk Pools Dashboards • Operational Expenses Forecast • Operational Revenue Forecast

Build Annual Operational Budget

Adaptive Solution for Agencies	
Base Budget	• Enables agencies to finalize amendments for inclusion in the Base Budget • Base Budget consists of the current year AOB plus agency-selected amendments • After agencies finalize their selections, OPB extracts the Base Budget and loads it into PBCS to begin developing the next fiscal year's budget proposal
Appropriations Bill	• Agencies can enter Appropriations Bill details in Adaptive • Appropriation Bill changes are allocated down to the Cost Center level by agencies • Agency budget offices validate the final AOB
Create AOB in Workday	• The 'Publish Plan' feature enables agencies to create budgets in Workday directly from Adaptive Planning • Agencies submit the budget in Workday for approval and to make it available

Agencies' Transition

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FY26 and FY27 Budgets

| Budget Activity	FY26	FY27 Onwards
Submit Annual Operations Budgets (AOB)	Agencies will finalize AOB in legacy COA and load into both TeamWorks and PBCS	• Agencies will develop the FY27 budget in Adaptive and use the 'Publish Plan' feature to create it in Workday. • The budget will become available in Workday after OPB's approval.
Budget Amendments	• Agencies will continue creating budget amendments in TeamWorks and PBCS, until the Workday FIN go-live cutover begins • After Workday FIN go-live, agencies will process amendments in Workday	• Agencies will create FY26 final amendments in Workday, establishing the FY26 final budget • All FY27 amendments will be initiated exclusively in Workday
Base Budget For Following Year's Budget Request	• Agencies will prepare the FY27 Budget Request in PBCS, using the FY26 AOB plus cut-off amendments as the baseline • At Workday FIN go-live, the FY25 AOB and budget amendments will be converted to the starting budget in Workday, with budget checking enabled	• FY28 Base Budget will be created Adaptive, using the FY27 AOB plus all selected amendments. Agencies will determine which amendments to include in the Base Budget • OPB will use the Base Budget in Adaptive as the starting point for the FY28 Budget Request
Forecast Analysis	Following Adaptive go-live on December 1, 2025, agencies will conduct FY26 and FY27 forecast analysis in Adaptive	Agencies will perform forecast analysis for FY27 and FY28 in Adaptive
AFY Amendments	AFY Amendments will be processed in both PBCS and Workday	AFY Amendments will be processed exclusively in Workday
Next Fiscal Year's Annual Operations Budgets (AOB)	Agencies will develop the FY27 AOB in Adaptive, incorporating the converted budget, appropriations bill, and cost center-level updates	Agencies will develop the FY28 AOB in Adaptive, incorporating base budget, appropriations bill, and cost center-level updates

Agencies will continue to do budget requests in PBCS as part of next year Budget preparation

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Adaptive Planning vs. Workday || Budget Scope

Adaptive Planning

- Build Annual Budget and future Forecast
- Analyze Performance and Variances: Actuals Vs Current Budget Vs Forecast
- Conduct Scenario based analysis and assess impact on budget
- Track Financial KPI's in Dashboards
- Budget and Forecast Allocations
- Create Ad hoc reports
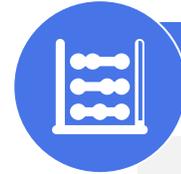
Workday

- Enter Amendments to Current fiscal year Budget
- Approve Budget Amendments
- Leverage Budget Check
- Actuals Allocations
- Master for all positions
- System for Daily Transactions

Workforce Planning Demo

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Personnel Services Forecast

Planning Area	Topics
Workforce Planning	• Employee regular salaries • Employee Cost Allocations

Design Considerations and Questions:
• Benefits are applicable only for Regular Employees (Worker Type = 'Regular') and Full-Time (i.e. Time Type = Full time)
• Benefits considered for calculations are COLA, FICA, Health Insurance (HSBA), 401K and Retirement benefits.
  ○ COLA is applicable only if employee has at least 1Yr of service
• Workday HCM has employee retirement benefits eligibility. Adaptive to Leverage eligibility for calculations.
• Annual Leave Payout: As per Policy configured in Workday, employees eligible to cashout 40 hrs. in a year if they accumulate Sick Leaves over 160 Hrs. 2Yrs of service is pre-requisite. ALP report provides liability amount based on Leave balance. Individual Agency to decide the amount to include in AOB.
• Retirees: Workday HCM has no way to identify Retirees in upcoming Fiscal year.
  ○ Agency Budget office to add a Retiree information in Adaptive

Workforce Planning

DEMO 1

As a Budget Manager, I want to view Agencies employees and benefits details

Regular Employees

- Employee Salaries Sheet
- View Applicable Benefits
- Fringe Benefits Sheet
- Run Regular Employees Report
- Run Benefits Validation Report
- ALP Liability Report

Design Aspects: Workforce Planning

Planning Area	Topics
Workforce Planning	• Vacant positions with active requisitions • Contractors/ Temporary Employees

Design Considerations and Questions:
• Adaptive considers Vacant positions with active requisitions
• Benefits are applicable only for Regular Employees (Position Worker Type = 'Regular') and Full-Time (i.e. Time Type = Full time)
• Vacant positions salaries gets prorated based on the Start date of the position
• Vacant positions Benefits calculations include FICA, Health Insurance (HSBA)
• All Temporary and/or Part time employees will be considered for Salary forecast. No benefits except FICA are applicable.
• Overtime Pay will not be included in AOB. No design required in Adaptive. Amendments to budget will be made as necessary

Workforce Planning

DEMO 2

As an Enterprise Budget Manager, I want to include all Open positions in upcoming fiscal year forecast

Regular Employees

- Open Positions Sheet
- View Applicable Benefits
- Run Open Positions Report
- Run Benefits Validation Report
- Temporary Employees

Design Aspects: Workforce Planning

Planning Area	Topics
Workforce Planning	• Risk Pools • Scenario Based Analysis

Design Considerations:
- Risk Pools: These are considered as onetime.
- All Risk Pool components follow same approach and OPB Provides forecast to include in AOB
    - How do you handle, If State does not fully fund Risk Pool Premium?
- Merit System Assessments: Adaptive calculates based on Last year Agency total Payroll
- Capital Planning: Expectation is to have 5Yrs forecast. Is this only for new Capital requests?
- State Funds: OPB provides state funds details for agencies in Adaptive. Fund Source analysis provides usage and forecast information for better utilization of funds
- Use cases for Scenario based analysis:
    - Supplemental Pay for Group of employees

Adaptive Timeline

Goals of Adaptive Implementation

Streamline annual budget development process and maintain the current fiscal year's budget while considering appropriations bills
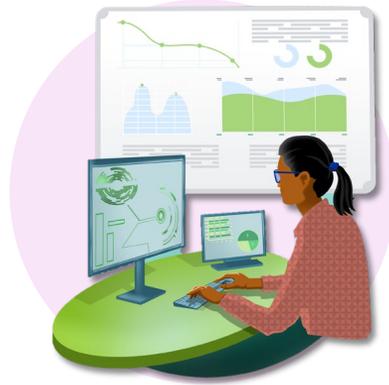
Defining State Agencies dynamic reporting requirements and establishing effective mechanisms for delivering accurate and timely data

Automating a process of sharing position information between HR and Budget Officers

Shifting focus away from transactional activities towards decision making based on Insights derived from real-time data

Adaptive Timeline
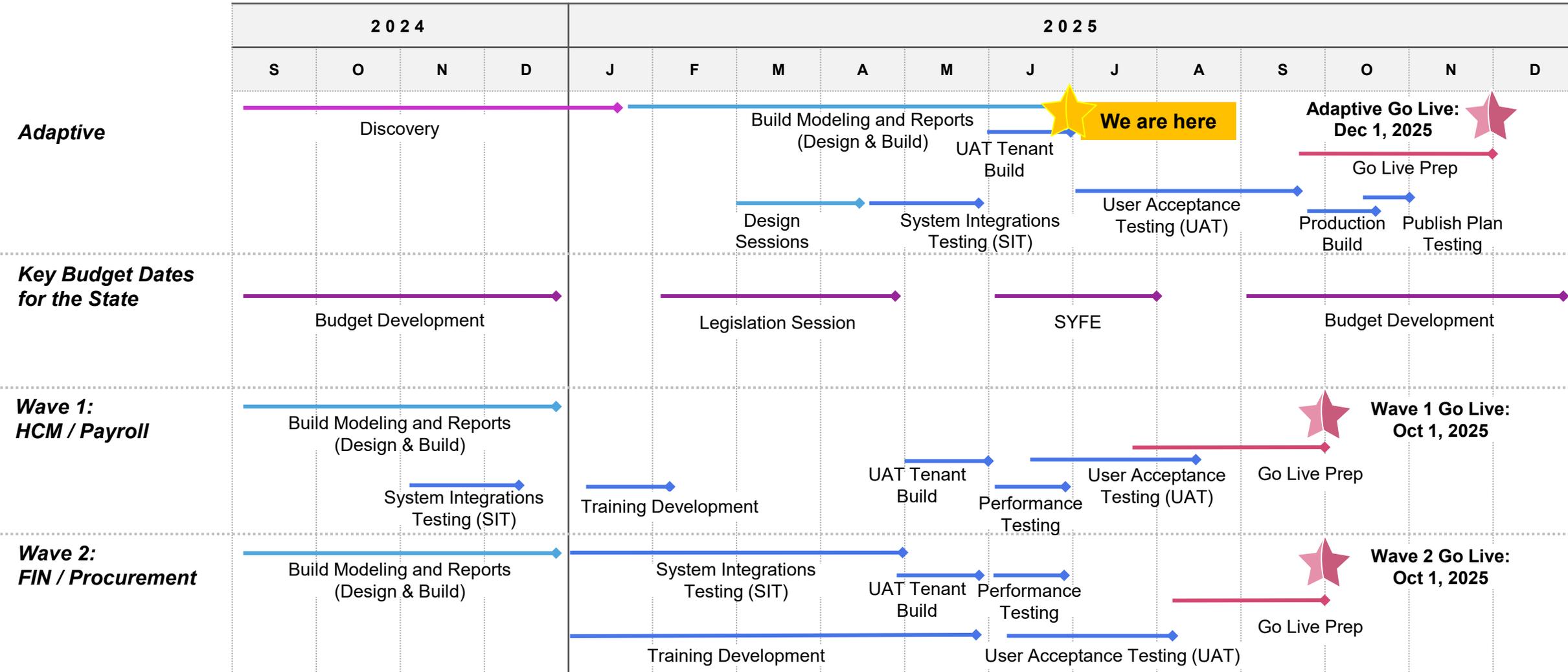
Next Steps

	Action Item	Owner	Due Date
1	Initial communication to agencies introducing "What is Adaptive"	Deloitte	24-Jun-25
2	Request to confirm Testers for Adaptive Planning UAT	Agencies	02-Jul-2025
3	Initial Learning course to agency UAT participants	OCM	08-Jul-2025
4	Adaptive UAT Kick-off	Testing Team	11-Jul-2025
5	Adaptive UAT (08-Jul-2025 to 05-Sep-2025)	Agencies	05-Sep-2025

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Questions about NextGen

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