

STANDARIZED METHOD OF HIRING PERSONNEL VERSUS CONSULTANTS

RESILIENT COMMUNITIES PROJECT | RCP 44

About the Partner

The Metropolitan Airports Commission (MAC) owns and operates Minneapolis-St. Paul International (MSP) Airport and six general aviation reliever airports in the Twin Cities metropolitan area. The MSP Airport serves 35 million passengers annually and supports more than 21,000 jobs directly tied to the operation of the airport. Of these jobs, 53% (11,200) are held by residents of Hennepin County, 25% (5,300) by residents of Ramsey County, and 10% (2,000) by residents of Dakota County, with the remaining 12% (2,700) living in other Minnesota counties or out of state. Of the 21,200 direct jobs, 96% are permanent and 85% are full time. The MAC's net operating revenue in 2024 is projected to be \$222,651,335, excluding depreciation and noise amortization. The 2024 projected budget results in \$92,268,844 of net revenue available to designate to capital projects within the system of seven airports. The MAC itself has 732 full-time equivalent positions.



Project Description

Each year, the MAC typically hires about 300 consultants at a total annual expense of more than \$60 million. About 90% of consultant expenses is spent on continuing consultants, which is a consulting firm selected for generally defined areas of work, without a maximum dollar amount and for a period not to exceed six years. The remaining 10% of the annual expenditures are for staff consultants, which is a consultant selected for generally defined areas of work or for a specific project or task and limited to an annual contract under \$175,000 per year. Although a smaller set of annual expenses, there is typically a higher quantity of staff consultants.

The MAC's 2023-2027 Strategic Plan includes the following focus areas: "Invest in our Workforce and Partnerships" and "Optimize Financial Performance while Investing to Sustain Growth." To align with these focus areas, the MAC would like to develop a systematic method to determine when to hire full-time equivalent (FTE) employees and when to contract work out to external consultants.

This project may include a market analysis to evaluate other institutions best practices, assess results and develop a recommended method for the MAC's consideration. The goal is to develop a standardized set of criteria and triggers to guide the MAC about when to hire an FTE, when to hire an external consultant or contractor, and when to change from a consultant to FTE.



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Key Issues, Questions, and Ideas for Students to Explore

1. When is it appropriate to hire an FTE rather than outsource the work to an external party? Are the considerations different for continuing consultants and staff consultants? Or for different types of job categories or projects?
2. Is there a universal set of criteria and/or triggers (i.e. financial, workload, role, scope, etc.) to be considered and on which a judgement can be made for FTE versus consultants?

How Student Work Will Build Community Resilience

This project would allow the MAC to strike the right balance between FTEs and consultants to employ these resources most effectively. This allows the MAC to continue investing in its workforce (732 employees) and consulting partners (\$60M annual expenditures), while optimizing financial performance and investing in the future.

Ultimately, the project will assist the MAC make more efficient and effective hiring decisions and add to the financial sustainability of the MAC. The MAC airports are major transportation assets, creating jobs and contributing to a thriving community. Financial sustainability for the MAC provides stability and resilience for those who rely on the MAC's system of airports for their jobs, businesses, and travel needs.

Potential Partners or Stakeholders

- None identified

Existing Plans and Reports

- MSP 2040 Long-Term Plan
- MAC's 2023-2027 Enterprise Strategic Plan

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