

MEETING DATE: 09/24/07

AGENDA ITEM: Approval of a Budget Amendment to Fund a Payroll Technician Position

ATTACHMENTS

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**L.A. Unified payroll a lesson in agony
Frustrated teachers, aides take out loans as district's troubled \$95-million system
refuses to pay them.**

By Joel Rubin
Los Angeles Times Staff Writer

August 25, 2007

Since launching a \$95-million computer system six months ago, the Los Angeles Unified School District has been beset by programming glitches, hardware crashes and mistakes by hurriedly trained clerical staff. The result: tens of thousands of teachers, cafeteria workers, classroom aides and others have been underpaid, overpaid or not paid at all.

The hardest hit have been the roughly 48,000 certificated employees -- teachers and others who require a credential to perform their jobs. Their complicated, varied job assignments and pay scales have perplexed computer programmers and, this month, an additional 3,900 people received incorrect paychecks.

That total would have been higher had the district not caught "a number of. . . system defects" and "administrative errors," before paychecks were written, acknowledged David Holmquist, the district's director of risk management and insurance.

Anedra Harper knew she would never get rich working as a teacher in Los Angeles' public schools. The trade-off, the 32-year-old figured, was the satisfaction of doing a job that mattered.

But for three months this summer, Harper, who makes about \$40,000 teaching learning and emotionally disabled students at a city high school, was not paid. With mortgage payments, bills and grocery receipts piling up, she eventually took out \$15,000 in loans to stay afloat.

"I absolutely love teaching and working with kids," she said, "but this has been a nightmare."

The continued payroll problems have become a serious stumbling block for Supt. David L. Brewer, who inherited the Business Tools for Schools technology project when he was hired in November. His early, emphatic promises to fix the mess only exacerbated the situation as district hotlines and an emergency office set up in L.A. Unified's downtown headquarters were immediately overwhelmed.

Union leaders have pounced on the issue, lambasting the district for not doing more. United Teachers Los Angeles took the district to court, unsuccessfully seeking a ruling to force a remedy. No quick fix appears possible: District officials say that several more months are needed and have already set aside an additional \$37 million to pay for the repairs.

That does not bode well for employees. With only one payday each month -- as is the case for most district staff -- when something goes awry, carefully laid plans to pay bills and budget for such basics as groceries and gas quickly become complicated.

"All I want to know is whether I am getting a paycheck or not," a calm but weary Rosanna White, an English teacher, told a frazzled payroll staffer who was trying to help determine why she had received a check for less than half of what she was owed for July. White was into her fourth hour of what would turn out to be a seven-hour wild goose chase.

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"Do you even see my [teaching] assignment in the computer?" she asked the man, the third person to whom she had repeated her story so far that day.

"No," he said, helplessly.

White, 30, who earns about \$43,000 a year as a full-time teacher at Manual Arts High School, said she was first beset by payroll problems in February, when she was working every day as a substitute at the school.

That month, she received no paycheck. With little savings in the bank, White saw her finances spiral out of control. She accepted an emergency advance from the district that estimated her net pay, but did not account for taxes, union fees or other deductions. As the district's system automatically recouped the advance in subsequent checks, White said, she was left scrambling anew and was forced to take more emergency advances. The cycle lasted for months. White said she has taken her credit cards to the limit and gotten about \$14,000 in loans to keep afloat.

Her story is a common one. Months of oscillating between underpayments and overpayments, and trying to decipher the system's pay stubs has led to widespread confusion and frustration. White and Harper, the special education teacher, eventually received paychecks for July, but both say they are uncertain whether the amounts are accurate.

"I don't even know what my base pay is anymore!" an exasperated Beverly Ann Ball said recently to a group of teachers who nodded in agreement as they waited for help at the district office. Over the last four months, Ball's paychecks have varied dramatically, fluctuating from \$1,033 to \$3,269.

Teachers continue to take the brunt of the abuse because they work 10 months out of the year, but are scheduled to be paid 12 times.

The payroll system's software was not designed to correctly spread out, or annualize, the salaries, Holmquist said. Programmers have begun the two- to three-month process of rewriting the software from scratch using more complex programs while district officials consider scrapping the 12-month pay calendar, Holmquist said.

Meanwhile, the district is in talks with Deloitte Consulting, the firm hired to plan and implement the three-phase technology project that began in 2005. District officials are negotiating a possible repayment of some of the more than \$55 million the firm has received, or an increase in the resources and staffing it provides to the district. If talks fail, district officials said, a lawsuit is possible.

"All of the potential remedies are on the table," said Holmquist, who oversees the district's efforts to fix the payroll problems. Holmquist took control after the district's chief financial officer, Charles Burbridge, left his post this summer amid increasing dissatisfaction with his performance.

A spokeswoman for Deloitte declined to respond to questions regarding the company's alleged role, saying in an e-mail: "We empathize with those district employees who have been affected by the transition to a new payroll system."

Los Angeles Unified is not alone in its troubles. The Los Angeles Community College District experienced similar problems, albeit on a smaller scale, after implementing the same system in 2005. The state government, meanwhile, has decided to phase in a similar project next year.

The confusion at L.A. Unified seems certain to continue. Next month, the district plans to begin the

process of recouping nearly \$45 million it has overpaid to more than 28,700 employees -- most of it on the June 5 payday that district officials refer to as "black Tuesday."

Not accounting for new problems that arose from the last payday, Holmquist said, the district had repaid all of the employees who had been underpaid by "any material amount."

Small underpayments, he said, will be corrected in coming months.

In an effort to minimize the inevitable confusion, district and union officials have mailed payroll histories to each affected employee in an attempt to reconcile and explain each person's situation.

Such efforts may help, but they are unlikely to erase employees' built-up aggravation. Several said their experiences in bouncing between school clerks and overwhelmed staff downtown in search of help has been a harsh reminder of the impersonal reality of working in a school district with 90,000 employees.

"It makes you feel like a small person, very insignificant," White said. "This hasn't soured me on teaching. I want to teach, but I don't have to teach at this school district."

City of Culver City

November 1998
Revised September 2000

Title: PAYROLL TECHNICIAN

Definition:

Occupants of this classification are in the classified service. Under general supervision, this position performs complex and specialized accounting work related to the preparation, processing, and maintenance of payrolls.

Supervision Received and Exercised:

This position assigned to this classification reports to the Principal Accountant. Responsibilities may include direct supervision of Senior Account Clerks and Account Clerks.

Essential Job Duties:

The following tasks are essential for this position. Incumbents in this classification may not perform all of these tasks, or may perform similar related tasks not listed here.

1. Performs maintenance of payroll records, forms, files, and documents necessary for proper calculation and documentation for employees.
2. Prepares payrolls, which include computing and adjusting pay, auditing time sheets, preparing payroll transaction code documents, and posting, balancing, and registering employees deductions.
3. Prepares internal and external payroll computer input data.
4. Prepares or causes to be prepared numerous payroll related reports which include claims, employees' organizations, unemployment claims, verifications of employment, and salary reports from lenders.
5. Maintains accurate files and records on health, disability, insurance, credit union dues, and other deductions.
6. Provides technical assistance to employees regarding income taxes, social security, tax sheltered annuity, retirement, sick leave and vacation policies, and other payroll matters.
7. Conducts detailed research of past payroll and vacation and sick leave records in response to inquiries from county and state agencies and court subpoenas.
8. Receives and processes court, Franchise Tax Board, and IRS orders to withhold earnings from employee's payroll warrants.

Minimum Knowledge, Skill and Ability:

Knowledge of:

- . Basic methods and procedures used to process payrolls.
- . Techniques and principles of supervision and training.
- . Data processing report formats and terminology.
- . Modern business office practices and procedures, including filing systems.

Skill and Ability to:

- . Interpret and apply complex policies and pertinent laws, rules and regulations related to payroll, leaves, claims, and other deductions.
- . Make mathematical calculations with speed and accuracy.
- . Exercise diplomacy, tact, and good judgment consistently.
- .
- . Operate office equipment such as adding and calculating machines, and personal computer and related software.
- . Accurately compile and prepare complete reports and compose letters.
- . Understand and carry out complex instructions.
- . Establish and maintain effective relationships with fellow employees and the public.

Training and Experience:

Any combination equivalent to training and experience that could likely provide the required knowledge, skills, and abilities would be qualifying. A typical way to obtain the knowledge, skills, and abilities would be: an Associate of Arts degree in accounting with course work in business administration and supervision, and two years prior account clerk experience.

Physical Requirements and Working Conditions:

- . Require vision (which may be corrected) to read small print.
- . Require mobility of arms to reach and dexterity of hands to grasp and manipulate small objects. Lower body mobility may not be required.
- . Perform work which is primarily sedentary.
- . Is subject to office environmental conditions.
- . May be required to work at a video display terminal for prolonged periods.