

Joint Labor-Management Benefits Committee (JLMBC) COMMITTEE REPORT 24-18

Date: April 4, 2024
 To: JLMBC
 From: Staff
 Subject: **Human Resource and Payroll (HRP) Update**

JLMBC MEMBERS:

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RECOMMENDATION

This informational report provides a routine update on staff’s ongoing efforts and participation in the HRP Project transition. This report will also discuss the potential direct and indirect impacts on staff and participants of the LAwell program by the planned Project transition.

DISCUSSION

A. Background

JLMBC Updates

Staff previously brought the following updates to the JLMBC regarding the progress of the HRP Project transition:

JLMBC Meeting & Report No.	Summary of update (with Report links)
March 7, 2024 <i>Report 24-14</i>	Update on testing delays (Committee Report 24-14: Human Resource and Payroll (HRP) Project Update)
February 1, 2024 <i>Report 24-11</i>	Update on testing delays (Committee Report 24-11: Human Resource and Payroll (HRP) Project Update)
November 2, 2023 <i>Report 23-41</i>	Update on testing; Citywide update on project’s “go live” extension to June 2024 (Committee Report 23-41: Human Resource and Payroll (HRP) Update)
September 7, 2023 <i>Report 23-26</i>	Update on End-to-End testing plan, Parallel testing, and mitigation plans for Go-Live in Nov/Dec 2023. (Committee Report 23-36: Human Resource and Payroll (HRP) Update)
June 1, 2023 <i>Report 23-23</i>	End-to-End testing was in Cycle 2, but staff had yet to be assigned tests; Staff was bracing for an overlap between Open Enrollment and HRP testing. (Committee Report 23-23: Human Resource Project (HRP) Update and Third-Party Administrator (TPA) Contract Extension)

April 6, 2023 <i>Report 23-17</i>	LAWell Program would be heavily involved with End-to-End testing scheduled to take place in four separate cycles. At that time, Cycle 1 had begun its testing efforts but was reported to be behind schedule (Committee Report 23-17: Human Resource and Payroll (HRP) Update)
January 5, 2023 <i>Report 23-03</i>	Staff updated the JLMBC on its efforts to perform Unit Testing. (Committee Report 23-03: Human Resources and Payroll (HRP) Project Update)
December 1, 2022 <i>Report 22-59</i>	HRP Phase 2 launch date was delayed one calendar year to December 2023 (Committee Report 22-59: LAWell Projects and Activities)
October 6, 2022 <i>Report 22-45</i>	Informed the JLMBC of numerous known problems with data transmissions which prevented employees from receiving LAWell benefit offers resulting from the May 2022 launch of the HRP system Phase 1; identified a plan to educate and attempt to mitigate the known problems. (Committee Report 22-45: Human Resources and Payroll (HRP) Project Update)
May 5, 2022 <i>Report 22-20</i>	Update on a meeting with staff from the Information Technology Agency (ITA) and Workday in the HRP Project Management Office (PMO) to discuss certain processes that could improve the payroll system transition for the LAWell Program. (Committee Report 22-20: Human Resources and Payroll (HRP) Project Update)
November 4, 2021 <i>Report 21-34</i>	HRP would change to a two-phase implementation project. As subsequently reported through City Council File 20-0313, Phase 1 was intended to launch in May of 2022 and Phase 2 was planned to launch in December 2022 (Committee Report 21-34: LAWell Programs and Activities)
August 5, 2021 <i>Report 21-22</i>	Comprehensive update which identified a number of concerns with the project that was then planned to “Go Live” in December 2021. The concerns raised included: a) Concerns with overlap with Open Enrollment efforts; and b) Data Integrity between the transition of systems, among other items. (Committee Report 21-22: Human Resource Program (HRP) Transition Update)
August 6, 2020 <i>Report 20-19</i>	First identified HRP as a new project which was expected to occur over the next 18-24 months and would have a heavy impact on staff and the LAWell Program (Committee Report 20-19: Employee Benefits Division Core Mandates and Resource Adaptations)

A. Current HRP Project Timeline

The HRP Project previously planned a “Go live” date for December 18, 2023. However, in November 2023, the HRP Project approved a six month extension and changed its “Go live” date to June 2024. The result of this extension has created a truncated timeline for all remaining/additional testing and an expanded timeline for its “Go live” launch period. It is staff’s understanding that the HRP project is attempting to complete all End-to-End testing and Parallel testing by the end of February 2024. The remaining timeline of March 2024 to June 2024 is intended to be used for the building and transitioning of systems.

Previously reported timeline

HRP TIMELINE			Planned Parallel Testing				
	End-to-End testing					GO LIVE	
2023	JUNE	JULY	AUGUST	SEPTEMBER	OCTOBER	NOVEMBER	DECEMBER

Currently planned timeline

HRP TIMELINE					Transition/Build			
	Parallel Testing (Cycle 2)							Go Live JUNE 16th
	End-to-End testing							
2023/ 2024	DECEMBER	JANUARY	FEBRUARY	MARCH	APRIL	MAY	JUNE	

As of the date of this report, Parallel testing has concluded. Staff are still involved in End-to-End testing processes to a limited degree. Further information on testing is outlined below.

B. Updated Impact

Testing

UPDATE AS OF MAR 2024

Outbound/Inbound file testing (aka “Integration Testing”) has begun. An outbound file was successfully sent and loaded into the TELUS Health Third Party Administrator recordkeeping system. This was a “baseline” file used to create member profiles in the test system using test data. The testing plan, as agreed to by ITA/Workday, is to send multiple files that replicate payroll periods and create situations that will change the eligibility of members on each file and prompt changes to the data which may trigger a change in benefits. Staff is currently working with the HRP team to stage data in the Workday system which will create the necessary scenarios. Then, the first true outbound test file will be sent to TELUS Health. TELUS will respond by sending an inbound payroll file, which will be loaded to the Workday system. The loading of the inbound file will subsequently trigger a number of actions and reports. Then the HRP team will stage new data and we will continue that process all over again.

The overall objective of this file testing is to ensure that data is being passed correctly and consistently. As of now, two full rounds of cycle testing are planned. Additional rounds of payroll cycle testing may be needed. Staff is working with ITA/Workday/HRP to complete this work within the time allotted before Go Live.

UPDATE AS OF FEB 2024

No progress on testing has been completed. The Outbound file produced was not usable and needs to still be fixed. As of the date of writing this report, the file has not been fixed and testing has not been able to begin. However, representatives from both Workday and KPMG, the consultant contracted to manage the project, have confirmed that LAwell file testing (aka integration testing) can continue up through the Go Live date.

Prior discussion

As previously reported to the JLMBC at its November meeting, staff planned to execute one cycle of End-to-End testing which was expected to be executed before the end of October, when all testing was identified to be completed. End-to-End testing is the transactional testing of an action from start to finish. For example, an End-to-End test might include the creating, sending, and successful loading of a single data file from one system to another. Another example of an End-to-End test might include employment changes of an employee such as an employee beginning an unpaid medical leave and ensuring that the correct data is recorded and the correct actions result from the recorded data.

With the extension of “Go Live” to June 2024, staff was able to discuss and agree to multiple cycles of End-to-End testing to be completed in the additional time. The new testing plan includes multiple rounds of testing cycles but will require different sets of data staging to be completed at various times between testing file transmission. Data staging is when data records are created and/or manipulated to emulate certain components which are intended to trigger certain expected results. Staff has asked that a series of employment transactions, such as hiring, promoting, and terminating employees, be staged cleanly so that staff and the LAwell Program’s vendor TELUS can test and validate the data transmitted on the file and then test the return of the appropriate coding.

- Example. A newly hired employee who meets all LAwell eligibility requirements should correctly, and clearly, be identified as such on the outbound data file to TELUS. Once TELUS receives that data, the system would generate a new hire benefits offer for the employee to elect. Once the employee elects coverage, a series of payroll codes would be sent to the City on the inbound payroll file to tell the system what deductions to take from payroll and what subsidy or other taxable amount to report for the employee.

In this example, the City/HRP team would need to stage data reflecting a brand new employee being hired into a benefits eligible job classification, working required hours, and being a contributing LACERS member. In turn, TELUS would need to stage benefit elections.

As of the date of this report, End-to-End testing has progressed slowly, with the required data staging being the most complicated and time consuming factor to tackle. The most recent cause of End-to-End testing delay has been due to changes in test environment access for all users. The Workday system has over nine different test environments. The testing work that LAwell/benefits performed had, to date, been exclusively performed in one specific environment. Staff were told that the testing work needed to migrate to a different environment. That process stopped all testing work for multiple weeks. The completed environment migration resulted in unexpected changes to already completed work. Staff have been actively working with ITA/HRP to fix the items that were unexpectedly altered resulting from the migration.

In addition to End-to-End testing, staff have also been active in Parallel testing. Parallel testing is the one-for-one testing of data in the current system compared to the new system. For Parallel testing, the HRP team took raw data from the PaySR system which represented a specific payroll cycle and loaded it to the Workday system. A series of reports was generated providing the results of the data load, and City department testers were then required to evaluate the discrepancies in the reports. The original plan was to have one cycle of Parallel testing before “Go live.” However, with the extension of the launch date, an additional cycle of Parallel testing was added. Staff began cycle two of parallel testing at the end of January and expects to continue through the month of February.

In all testing efforts (End-to-End and Parallel) the most tangible discussion piece is the successful testing of data transmission between the City and TELUS. The following outlines the files feeds between these two systems and their testing status:

File/Report	Description	Status	Notes
Payroll Close “full file” Outbound to TELUS (INT075)	Sent at the end of each payroll close file. Contains everything used to make LAwell offers and other actions	Pending ITA/HRP	UPDATE MAR 2024 A “Baseline” file was successfully sent and loaded. Two more runs are needed.
Daily update file Outbound to TELUS (INT075)	Sent daily with regular changes. Currently acts to update address and employment changes	Pending “full file” (INT075) completion	UPDATE MAR 2024 Pending
Payroll File - Ongoing Inbound from TELUS (INT 073)	Payroll files are sent to the City after TELUS receives a fill City Payroll file	Pending “full file” (INT075) completion	UPDATE MAR 2024 Pending
Payroll File - FULL Annual Enrollment file Inbound from TELUS	The annual enrollment “Full File” of all transactions	Marked as complete	HRP team took last year’s Payroll file, loaded and tested it themselves. EBD did not test.
Deductions/Subsidy Not Taken Outbound to TELUS		Pending load of INT 073 and run of a payroll cycle	UPDATE MAR 2024 Pending
Various reports	Many reports are created in reaction to Payroll load and other actions related to payroll cycle function	Pending relevant action(s).	UPDATE MAR 2024 Pending

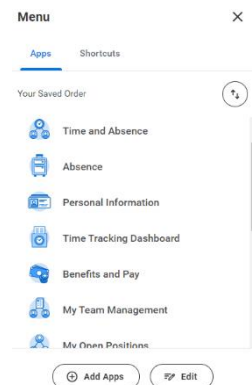
Staff will provide further updates to the JLMBC at its next meeting.

System Training

UPDATE AS OF MAR 2024 – A special benefits training, which covers Employee Benefits, LACERS, and Fire and Police Pension aspects of the Workday system, is being developed and is planned to be provided to employees in these departments/sections in early April. As with many of the trainings developed to date, this training appears to be planned to be made publicly available for anyone to view. This training also appears to be developed at a very high level and will not likely get into the level of detail for day-to-day administrative use.

After multiple discussions with benefits staff, the general consensus from staff has been that the training resources made available to date by the HRP/Workday project team are overwhelming and indirect. Multiple staff have expressed frustration in trying to find answers through the library of overview training materials made available. It appears that the Employee Benefits Division will need to resume development of its own training materials and holding its own detailed training sessions that cater directly to the day-to-day needs of employee benefits division work. This effort will be very labor intensive and require a substantial number of working hours over the remaining months leading up to Go Live, but is a crucial component to ensure staff know how to perform their duties in the new system.

UPDATE AS OF FEB 2024 – Staff are working with the HRP team to provide a demo of the Workday system to the JLMBC at its April meeting. Staff has asked that someone demonstrate all features that will be viewable and accessible by an employee when the system goes live, including the Absence, Time, and Benefits applications. (The image to the right shows a sample of a menu of options for the employee's view in Workday. The actual applications in the menu may vary by employee and specific access/role)



Staff has also asked that the demo show the employees view of the Onboarding process, at least to the point where Date of Birth is recorded/verified.

Prior discussion

In preparation for launch, the HRP Project team has created a number of City-wide training seminars for employees to learn how to use the Workday system. These trainings mostly cover general items that would apply to employees across multiple departments such as submitting time sheets and managing vacation requests. These City-wide training sessions are publicly posted at the HRP google site: <https://sites.google.com/insidela.org/hrp/training-and-resources>. Staff have taken these training sessions and will continue to take future sessions, when available.

The Employee Benefits Division staff will have much greater access to Workday system information than an average City employee. Staff will have a regular daily need to access multiple sections of the Workday system that most other City employees will not be able to view. Recently, the HRP Project team indicated an ability to potentially develop training materials that will cater directly to the needs

and use of the Employee Benefits Division and the needs of administering the LAwell Program. The HRP is reviewing our request and will discuss at a later date on what types of materials can be developed.

In an effort to best prepare, staff have begun development of its own training materials and holding detailed training sessions for Employee Benefits Division staff to learn the new system in relation to their unique use of the system to perform daily job duties. These training sessions will progress slowly. Multiple training components may not be covered until later in 2024 after the End-to-End and Parallel testing have been completed, and when large scale changes to the Workday system are less likely to occur. Staff are taking every cautionary step possible to ensure that all Employee Benefits Division staff are fully trained, knowledgeable, and experienced with the Workday system before the planned go live date in June 2024.

Submitted by:

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