LAwell
KEEPING
City of Los Angeles Employee Benefits

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Date: March 7, 2024

To: JLMBC

From: Staff

Subject: **Human Resource and Payroll (HRP) Update**

This 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)*
February 1, 2024 *Report 24-11*	Update on testing delays *(Committee Report 24-11: Human Resource and Payroll (HRP) Project Update)*
November 2, 2023 *Report 23-41*	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 *Report 23-26*	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 *Report 23-23*	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 *Report 23-17*	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 *Report 23-03*	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 *Report 22-59*	HRP Phase 2 launch date was delayed one calendar year to December 2023 *(Committee Report 22-59: LAwell Projects and Activities)*
October 6, 2022 *Report 22-45*	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 *Report 22-20*	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 *Report 21-34*	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 *Report 21-22*	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 *Report 20-19*	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)*

B. 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 the understanding of staff 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, staff are still involved in both End-to-End and Parallel testing processes to varying degrees. Further information on testing is outlined below.

C. Updated Impact

Testing
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. Staffwere 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**	The draft file created was altered during migration to a new text environment, and needs to be fixed.
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**	Requested as part of the Go Live extension, but testing is dependent on "fix" to full file.
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**	
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**	
Various reports	Many reports are created in reaction to Payroll load and other actions related to payroll cycle function	**Pending relevant action(s).**	

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

System Training
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 demo all the features that will be viewable and accessible by an employee when the system goes live, include 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 their specific access/role)
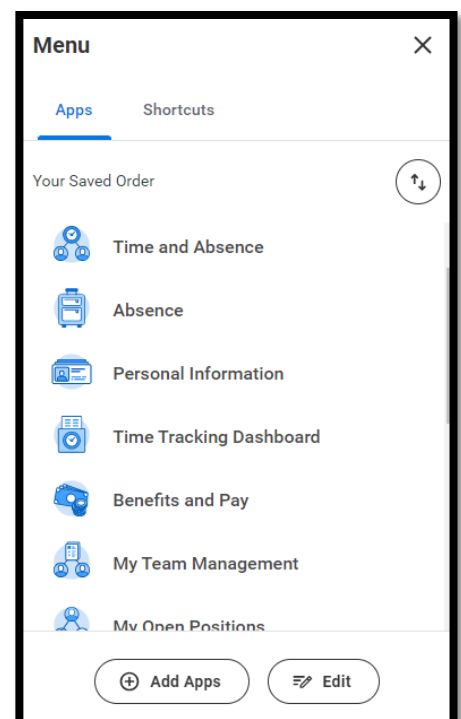
Staff has also asked that the demo show the employees view of the Onboarding process, at least to the point where Date of Birth is recorded/verified.

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.

However, 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 trainings will progress slowly and multiple training components may not be able to 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: _____

                                  Paul Makowski, Chief Benefits Analyst