

**STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES
MAY 2005**

Date: June 28, 2005

To: All Civil Service/Exempt Departments

From: State Controller's Office
Don Ward, Operations Manager
Personnel/Payroll Operations
(916) 322-8805

Re: PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES

This recaps the May 12, 2005 Personnel/Payroll Committee (PPRC) Meeting and provides information for the July 14, 2005 meeting.

We would like to thank those department representatives that participated in the May meeting for their time and effort. There were 37 representatives from 24 departments that participated in this meeting.

Personnel/Payroll Review Committee
May 12, 2005 Meeting Notes

Don Ward called the meeting to order at 1:30.

Departments represented:

Alcohol Beverage Control, Board of Equalization, California Integrated Waste Management, California Energy Commission, California Highway Patrol, Consumer Affairs, Corporations, EDD, Emergency Services, Environmental Health Hazard Assessment, Financial Institutions, Franchise Tax Board, Health and Human Services Data Center, Health Services, Lottery, Motor Vehicles, Peace Officers Standards & Training, Personnel Administration, Secretary of State, State Controllers Office, State Teacher's Retirement System, Toxics Substances Control, Transportation and Water Resources.

Old Business:

None

New Business:

Agenda Items
Distribute Handout Materials
Approve Prior Meeting Notes
Guest Speakers
SCO Update
Department Issues/Concerns
Confirm Next Meeting Agenda, Time and Place

**STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES
MAY 2005**

Discussion:

Approved March 2005 meeting notes.

Pat Quinn, Manager 21st Century Project. We have finished the procurement for the soft ware for the 21st Century Project. SAP was the successful bidder.

We are moving forward into the process of selecting a systems integrator. Also, now that the software has been chosen, we will schedule department stakeholder meetings, and provide system demonstrations of the selected software product.

We continue the process of establishing a 21st Century Project Liaison at each department. The liaison will be a central point of contact between SCO and the department. Department liaisons can be designated on the 21st Century Web site. Currently, 80 departments have completed these designations.

In late March a survey on benefits was distributed to departments through the designated department liaisons. Departments were able to update a questionnaire and electronically submit responses back to the project team. We had 57 responses, which is a 72% response to the survey.

Our next study area is Position Management followed by Employment, Payroll and Employee Self-Service.

Estimated schedule for roll out of the new system is:

Employment/Payroll/Employee Self Service	Summer 2007
Position Management	Summer 2008
Time Keeping/ Leave Accounting	Summer 2009

Guest speakers: Vicki Korach; Project Management and Analysis Bureau (PMAB) gave a brief presentation on the new State Disability Insurance (SDI) benefit that is a result of collective bargaining agreements with SEIU/CSEA.

SDI implementation is ahead of schedule and is to be implemented in September 2005. Deductions will be applied to all SDI eligible payments earned in the September 2005 or later pay period with an October 1, 2005 or later issue date.

SCO has created a test database of 200 employees and is performing payroll testing of various payment situations. This testing will continue through July. If all continues to go as expected we will make the payroll system changes in the third week of September in preparation for the September Master Payroll Cycle.

SCO/PPSD, EDD and DPA have created an inter agency task force to resolve issues, train staff and inform the covered employees. Training for Human Resources Office staff is planned for mid July. There will be a global message on the July master

**STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES
MAY 2005**

warrant, the August master and the September master. We have also arranged to have the global message appear on daily warrants during that time. There will also be two Payroll Letters in addition to the PML that was released in early May.

All rank and file employees in SEIU/CSEA Bargaining Units are required to participate in SDI upon implementation per an agreement reached between SEIU/CSEA and DPA.

Question: How is Health/Vision/ Dental covered for under SDI?

Answer: The employer will pay a maximum of 12 weeks of benefit coverage, or the period of time the employee is entitled to under the FMLA provision. If an employee is not entitled to FMLA benefits, the employee will pay the entire cost for their own benefits.

Question: What provisions are being made for Rank and File employees who are on the Annual Leave Program?

Answer: No special provisions are being allowed. Employees are required to remain in the program until 24 months have elapsed from the date of enrollment.

Question: If an employee chooses to remain on Annual Leave, will that be allowed?

Answer: Yes, although the employee would not be able to use leave credits to supplement SDI even though the employee was on Annual Leave.

SCO Update: Debbie Soto, Senior Payroll Specialist, Premium Pay Unit, provided samples of agencies providing unnecessary information on Forms Std. 674. In the samples the agency showed all the pay issued to the employee. We only require that the Payment Type to be adjusted is shown. If an employee has two overtime payments and one of those is to be adjusted, both overtime payments should be shown in item 6A and both as they should be paid need to be shown in 6B.

AR pilot: All the participants in our AR Pilot have indicated that it has worked well and saved them valuable time. We asked for comments from the members. We are ready to implement the new process statewide on a trial basis.

ViewDirect: We are in the process of adding several reports to the ViewDirect system. They include the: Periodic Position Control Report, Probable Vacant Report, Final Vacant Report and Blanket Balance Report.

New Child Support System: The Federal Welfare Reform Act of 1996 required all states to develop and implement a centralized child support collection and disbursement system that would be fully operational by October 1, 1997. Most states achieved this target date to avoid penalties for noncompliance. Unfortunately, CA is one of a couple of states that failed to achieve compliance. However, it now appears CA is getting closer to complying with the national child support law. The Department of Child Support Services has been working in partnership with the FTB to implement the CA Child Support Automated System by April 2006. SCO has meetings

**STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES
MAY 2005**

scheduled with the Department of Child Support Services and FTB to determine what changes we need to make to accommodate this new process.

The US Department of the Treasury announced that their Series EE bonds purchased beginning May 1st will change from a variable to a fixed interest rate. Currently, interest rates change every 6 months. However, this change will not affect holders of bonds purchased prior to May 1, 2005. Also, the Treasury changed the location of the 3-digit bond account number. The bond account number is used to differentiate an employee's bond accounts for the purpose of canceling or changing bonds. The new location is on the lower right side of the bond next to CA. Also, individuals can now purchase and redeem both Series EE and I bonds using the Department of Treasury's on-line paperless electronic process. We plan to inform employees of this new process via a global message in July. If you would like more information on this, visit the Treasury web site @ www.TreasuryDirect.gov.

New Employee Registry: There is a long-standing requirement that all new hires be reported to the EDD within 20 days of the initial hire. SCO reports new hires to EDD based on PAR transactions keyed by departments. According to EDD, this reporting mechanism is satisfying this requirement. For additionally information, see Payroll Letter 98-007.

We received a letter from the Social Security Administration stating that they will soon begin collecting overpayments issued to Supplemental Disability Insurance recipients using the garnishment process. We believe they will send these wage garnishments to SCO because the letter included reference to the SCO taxpayer Identification number. If you receive any correspondence or withholding orders regarding this please let us know. We do not know what the potential volume is or what priority these will have if an employee has other garnishments.

Payroll Irregularity Notices: Recently, we instituted a new PR250 process where we create the PR250 on-line and only print the items necessary for the situation at hand. We have the ability to run reports on this data and can provide this information to departments. If you would like to have this information for your department or unit, just request the information from Ann Mitchell at 916-322-7978, or at anmitchell@sco.ca.gov.

AR half-slips: We are going to make this document available on ViewDirect. We asked the attendees how they would you want the report to be displayed, sorted by SSN or by Agency Reporting Unit (ARU). The response from those in attendance was overwhelmingly in favor of having them sorted by ARU, as this is how their work is divided. We will let you know when this report is available on ViewDirect

Operations' staff recently conducted on-site visits to several departments. Don Ward, Ann Mitchell, Debbie Soto and Dan Wong visited PUC, SCIF, Sonoma Developmental Center, Napa State Hospital, Solano State Prison, California Medical Facility and Vacaville Psychiatric Facility. An information exchange was conducted at each visit and questions were answered personally or after research back at our office. If you would like to have us make a visit to your location, please contact Ann Mitchell at anmitchell@sco.ca.gov. We will be making a couple more visits this year.

**STATE CONTROLLER'S OFFICE
PERSONNEL/PAYROLL REVIEW COMMITTEE NOTES
MAY 2005**

Civil Service Audits Phone Contacts: We have had a change in the staffing in the Audits Phone Liaison. Listed below are the new Social Security Number breakdowns and the staff phone numbers to call.

000-546	VERONICA VALADEZ	322-6502
547-554	VIRGINIA MIYATA MOSELEY	322-8804
555-561	GLORIA VALENZUELA	322-6508
562-568	PAULETTE HADDOX	323-4381
569-799	LENNA LEDESMA	322-0608

Questions/Answers:

Question: Do we have to include the PSD 171 with the stipulated agreement PARs?

Answer: No, as long as the stipulated agreement/decision is from SPB (on SPB letterhead), or we have a copy in file, we do not need the PSD 171.

Next Meeting:

The next Meeting is Thursday, July 14, 2005 from 1:30 to 3:30 at:

State Controller's Office
300 Capitol Mall, 6th Floor, Room 635
Sacramento, CA 95814

Listed below are the PPRC meeting dates for the 2005 calendar year. All meetings are from 1:30 to 3:30 at the above location.

September 8, 2005
November 10, 2005

Should you have any questions regarding the PPRC meeting or have additional information to provide, please contact Don Ward at (916) 322-8805 or via e-mail at dward@sco.ca.gov