How Much am I going to be Paid?

Correctly paying employees should be easy. After all, computing pay consists of determining a rate of pay for an employee and then multiplying the rate by the time served to compute gross pay, apply tax deductions, and produce the net paycheck. In the Los Angeles Community Colleges, however, we have managed to make the process much more complicated. Unfortunately, the complexity results in a myriad of codes and “if, then” rules that can, and often, does result in inaccurate or late pay. The Project MAESTRO team, along with college, district, labor, and management staff, has undertaken a significant effort to redefine and consolidate concepts to reduce complexity. The result of this effort is that District will now have “only” 121 different ways to compensate employees. (Yes, that is the real number!) This issue of “What’s New” provides insight into the complexity and highlights new directions and approaches under consideration.

Differences, Differentials, and Distinctions

Our District did not set out to have an overly complicated payroll. Our “way of doing things” just evolved with the passage of time and with each unique situation that resulted in some sort of code or “if, then rule” being added. A brief look at how our payroll is designed sheds a light on just how complex our way of doing things really is.

- **Salary Scales and Structures:** Each represented and un-representative employee group has its own unique set of differing payroll requirements. These differences result in different salary scales and structures that vary from group to group, and even within groups from job to job. We also have a very large number of differentials that can be added to wages in ways that also vary from group to group. Absence categories, quotas and absence payment systems also vary from group to group.

- **Employment categories:** Our District has three employment general categories—Academic, Classified, and Unclassified service—each of which has its own “rules.” Within academic service, for example, there are categories of employees who are considered regular status, but who only are paid for a fraction of the year. Temporary assignments are defined, depending on the service and assignment, as temporary, provisional, or limited. Most of our employees hold more than one job each of which has its own rule system. Overtime and extra assignment rules abound. In certain cases, it is difficult to label assignments permanent or temporary because the situation seems to be partially both.

The long and short of it is our rules are so complicated that it is very difficult for people writing assignments and recording absences to always be correct. Indeed, even the definition of “correct” can even be problematic since certain situations are open to debate.

We’ve only started to work on the solutions. There is much work to be done and a long way to go before the system works as simply as we would like! The simplification work has only just begun and is anticipated to continue well after Project MAESTRO goes live on January 1, 2005.

New Directions and Approaches

The Project MAESTRO team has devoted a significant portion of the project time to the goal of properly identifying all the categories that affect pay and benefits. A summary of this effort follows:

- **Simple mechanism:** In the new system, we constructed a simple mechanism based on tools available in the new software. This effort is intended to reduce all the categories to the smallest possible number (121) of labels organized in a simple way so that everyone can reasonably identify what payment categories apply.

- **Pay Category Labels:** As discussed in last week’s issue of “What’s New,” positions are what people are assigned to when they become employees. In the new system, the approach is to construct positions with attributes—pay category labels—that determine pay and benefits to the extent possible. When a person is assigned to the position, he or she will “inherit” the pay attributes associated with the position. This approach is much less error prone than our traditional system that tried to determine and assign categories each time an assignment was written.

- **Why my Compensation Categories are Important:** If the category is right, my compensation will be right. If the category is wrong, my compensation will be wrong.