



August 15, 2023

TO: Assistant Superintendents
Chief Business Officials
Chief Personnel Officials
HRS Coordinators
Los Angeles County K-12 Schools and Community College Districts
Regional Occupational Programs/Centers and Charter Schools

FROM: Yumeka Seabrooks, Assistant Director, School Financial Systems and Services
District Personnel Information Services
Division of School Financial Services

SUBJECT: Business Process Changes for Best Advantage – Human Capital Management (HCM)
Implementation

As agencies transition from the Human Resources System (HRS) to the BEST Advantage – Human Capital Management (HCM) System, they will encounter significant business process changes. We are encouraging agencies to start reviewing and realigning their current business processes to comply with these changes. This will enhance preparedness for HCM implementation. School Financial Services (SFS) implemented these changes as part of our effort to standardize and facilitate regulatory requirements. Below are some key areas that we recommend you focus on:

Top 10 Business Process Change Impacts and Benefits Handbook

Please review the Top 10 Business Process Change Impacts and Benefits Handbook posted on the Customer Resource Center (CRC) site <https://bestcrc.lacoe.edu>. The document provides a listing of the ten (10) most significant changes to address as your agency moves into the HCM System. Agencies are encouraged to collectively review these changes with their Human Resources, Payroll and Fiscal units to better understand the impact on each area. We recommend agencies conduct regular meetings between these units to maximize synergy. These groups are the cornerstone of your BEST Advantage – HCM System implementation.

Where possible, begin to make changes to help employees transition. Identifying business processes that require improvement is a great place to start. For example, if you have staff that turn in timesheets or documentation late for payroll processing and regularly receive supplemental checks, you want to review the cause of the delay and see where changes can be made. In HCM, the supplemental schedule is no longer daily. They only occur twice per week and the turnaround time is three business days instead of two. However, supplemental cycles in HCM now have the direct deposit option. Direct deposit is also available for Mass Retro payrolls.

CalPERS and CalSTRS Compliance

Agencies are required to configure salary tables to include only base pay in HCM. Special compensation, additional pay, and stipends that are detailed in district bargaining agreements, MOUs, contracts, and/or publicly available salary schedules will be configured as separate pay events. These changes directly support compliance with California State Teachers Retirement System (CalSTRS) and California Public Employee Retirement System (CalPERS) reporting requirements. Reference bulletin number [5467](#).

Agencies can revise salary schedules in HRS to remove longevity and/or stipends from the base pay if they are 6 months to 1 year ahead of their HCM implementation. If your agency does not have this grace period, then **do not** make changes in HRS. Your changes will occur when you implement HCM. Making the change ahead of your implementation, will simplify the conversion process for your staff. It also gets your employees acclimated to the new look of their paystubs.

3rd Party Systems for Time and Leave

The HCM System offers functionality to report time and leave as well as track accruals. This functionality was not available in HRS. Agencies are not required to purchase third party time and attendance systems as they implement HCM.

In addition, agencies with exiting third party systems can interface time and leave usage into the HCM System. These agencies are encouraged to begin conversations with their third party providers on building an interface file. LACOE recommends agencies with these systems in place build an interface to limit the impact of change to their employees. Specifications for this interface are available on the CRC website <https://besterc.lacoe.edu>.

Earned Salary Advance (ESA)

HRS Earned Salary Advance (ESA) payroll cycles will be replaced by HCM Semi-Monthly payroll cycles for agencies who currently have that functionality in HRS.

If you have any questions regarding this bulletin, please contact me at Seabrooks_Yumeka@lacoe.edu.

Approved:
Nkeiruka Benson, Director
Division of School Financial Services

YS:sm
Attachment

SFS-A12-2023-2024

Earned Salary Advance (ESA)

IMPACTS of CHANGE

What is **ESA**?




Education agencies have the option to issue an advance payment as an advance against **future** earnings yet to be recorded for employee's paychecks. The ESA amount is created by HRS which calculates a simulated monthly payroll using the employee's monthly base salary and reducing that amount by deductions, which are pre-tax and called "reductions" in HRS. The resulting "GROSS PAY" is divided by 2 and cents dropped to arrive at the ESA amount. This is the amount paid to the employee as an advance.

ESA is Going Away for [DISTRICT/AGENCY] on [GO-LIVE DATE]

What to Expect when ESA stops and **Semi-Monthly** is Implemented?

- No change in Pay Dates
- Go from one deduction a month to two per month
- Employees' pay and tax withholding may be more consistent throughout the year
- Employees may need to re-evaluate their withholding
- Employees need to budget for the change that occurs 20th and 25th.

What are the Advantages of **Semi-Monthly**?

-  **Employees' pay may be more consistent throughout the year**
-  **Easier to understand the paycheck**
-  **Employee's pay may be more predictable**

Impacts of Change

| | Description of Changes | Earned Salary Advance | Semi-Monthly |
|---|--|--|---|
| Frequency of Pay | Frequency of pay will not change | E4: Paid on 10th & 25th | E4: Paid on 10th & 25th |
| Pay Periods | Transition for estimated time worked to actual day (86.67) | Employees are given an advance based on an estimated period of time worked. <ul style="list-style-type: none">▪ Estimated period: 1/1/2020 – 1/31/2020 paid on 1/20/2020 | Employees are paid for actual days/hours worked. <ul style="list-style-type: none">▪ Pay period: 1/1/2020 – 1/15/2020 paid 1/25/2020▪ Pay period: 1/16/2020 – 1/31/2020 paid 2/10/2020 |
| Deductions (e.g., Taxes, Health Benefits, Retirement Contributions/Tax Sheltered Annuities, Garnishments, Misc. Deductions) | Transition from monthly to semi-monthly deductions | Taken once per month over a 10 month period (10 deductions) | Taken twice per month over a 10 month period at ½ the monthly amount (20 deductions) |
| | | Taken once per month over a 11 month period (11 deductions) | Taken twice per month over a 11 month period at ½ the monthly amount (22 deductions) |
| | | Taken once per month over a 12 month period (12 deductions) | Taken twice per month over a 12 month period at ½ the monthly amount (24 deductions) |

Questions? Contact:

[DISTRICT/AGENCY PAYROLL TEAM CONTACT INFO GOES HERE]



Los Angeles County
Office of Education

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Business Enhancement System Transformation (BEST) Project