



# Managing Labor in a Union Environment: Butte County Automates Time and Attendance

**Tao Elson, Deputy Director of the Information Systems Department, Butte County, California**

Excerpt from *CIO Leadership for Cities and Counties: Emerging Trends and Practices*, published by The Public Technology Institute, Washington, DC



Located in the northern part of California just north of Sacramento, Butte County is no stranger to the advantages of technology. Just one look at its [GIS Data and Services Technology](#) will tell you Butte County has its finger on the pulse of innovation.

A good example of the county's forward thinking stems from the need to drive efficiency and accountability within its workforce. Labor is one of the county's largest operational expenses and can be the most difficult to manage. Also, complying with labor laws and collective bargaining agreements should not be haphazard. So once Butte County created a centralized database to collect employee time and attendance, there was no looking back.

Before talking about the solution, it's important to examine the problem. Like many municipalities across the U.S., Butte County had been tracking labor with a hodge-podge of systems. Some departments used homegrown systems, while others were still using paper timesheets. The resulting issues were numerous, but some were cause for real concern — such as managers having to “estimate time” when they couldn't meet the payroll department's time reporting deadlines. Others included the duplication of time tracking when recording labor related to grants and projects, as well as the inaccuracy of leave balances that caused some employees to think they had more time than was actually allocated. But one of the most troubling concerns with these disparate processes was the responsibility each department had to interpret labor laws.



**Labor is one of the county's largest operational expenses and can be the most difficult to manage.** Also, complying with labor laws and collective bargaining agreements should not be haphazard.

# Collective bargaining agreements and compliance

With nine separate unions, there is additional scrutiny over fairness and equity for all member employees of the county. Collective bargaining agreements can be complex, and every effort must be made to ensure compliance. To meet the continuing needs of the unions and the county, a time and attendance system was implemented to maintain a level of consistency among all 2,450 employees. During the negotiation period, this tool allowed both county and union representatives to assess the benefit to the union membership and the cost to the county to ensure the proposal worked for both parties. The county configured the pay rules based on the proposal, and then the union representatives tested the rules to see how the proposal would benefit employees.

All rules, whether federal or union, are now stored in the new system, and calculations are done automatically. Managers can go back to doing their jobs instead of spending time on administrative tasks. An interface with the county's existing human resource management system (HRMS) provides a bidirectional feed so the payroll department can process payroll faster and with fewer errors. Most important, Butte County administrators are confident that they're paying their hardworking employees accurately.

Fast-forward several years, and Butte County is still experiencing the same benefits as when it first began using an automated time and attendance system. Gone are the days of using reams of paper to track time. Managers can pull up stored data to spot trends and instantly access reports should an audit or grievance arise, with the peace of mind that issues can be addressed quickly. To think, many governments still have a basement or storage facility crammed with boxes of timecards! The time and productivity lost when someone has to physically retrieve employee records can be costly. The county now has a big advantage when it comes to compliance.

To meet the continuing needs of the unions and the county, a time and attendance system was implemented to **maintain a level of consistency among all 2,450 employees.**



## Automation of manual processes

Butte County had several goals in mind when it pursued a time and attendance system. Accuracy and accountability topped the list. Additionally, any system needed to have an audit trail that made transactions transparent to the viewer. This was important to management and to employees, as well as to any outside entity that would be reviewing timecard information. They wanted a configurable system that would allow pay rules that mirrored existing practice and allow for inevitable change.

Accuracy of employee pay was a top concern. Current practices relied on individual interpretation of nine separate and slightly different memorandums of understanding (MOUs), with employees spread out among 23 different departments. Although inadvertent, differences in pay were occurring for employees doing the same job in different departments, even though they were represented by the same bargaining unit. This lack of consistency was one reason that Butte County sought an automated solution that could define sanctioned pay practices. A system that allowed for configurable pay rules was a must.

Butte County needed to change the practice of projecting time, in which employees would submit their timecards before the end of the pay period based on their projections of what tasks they would do. During solution rollout, the county discovered an interesting fact about the calculation of projected time in one department. What was thought to be a two-day projection of time required by the manual process was actually a two-week projection because of internal processes decided on by department personnel. In this one department alone there were over 100 corrections processed each pay period after pay was calculated, squandering large chunks of staff time.

Accountability was another goal. Management wanted to shift the responsibility of time data entry to the employee, rather than using a centralized timekeeper in each department. Employees would have a better understanding of their work/ time-off status than a third party would, and the information collected would be the most accurate. The employee would be responsible for reviewing and approving the timecard. Along with accountability, this self-service functionality has many other benefits, including improved efficiencies for both managers and payroll staff, a reduction in inquiries to HR, and even increased morale for employees.

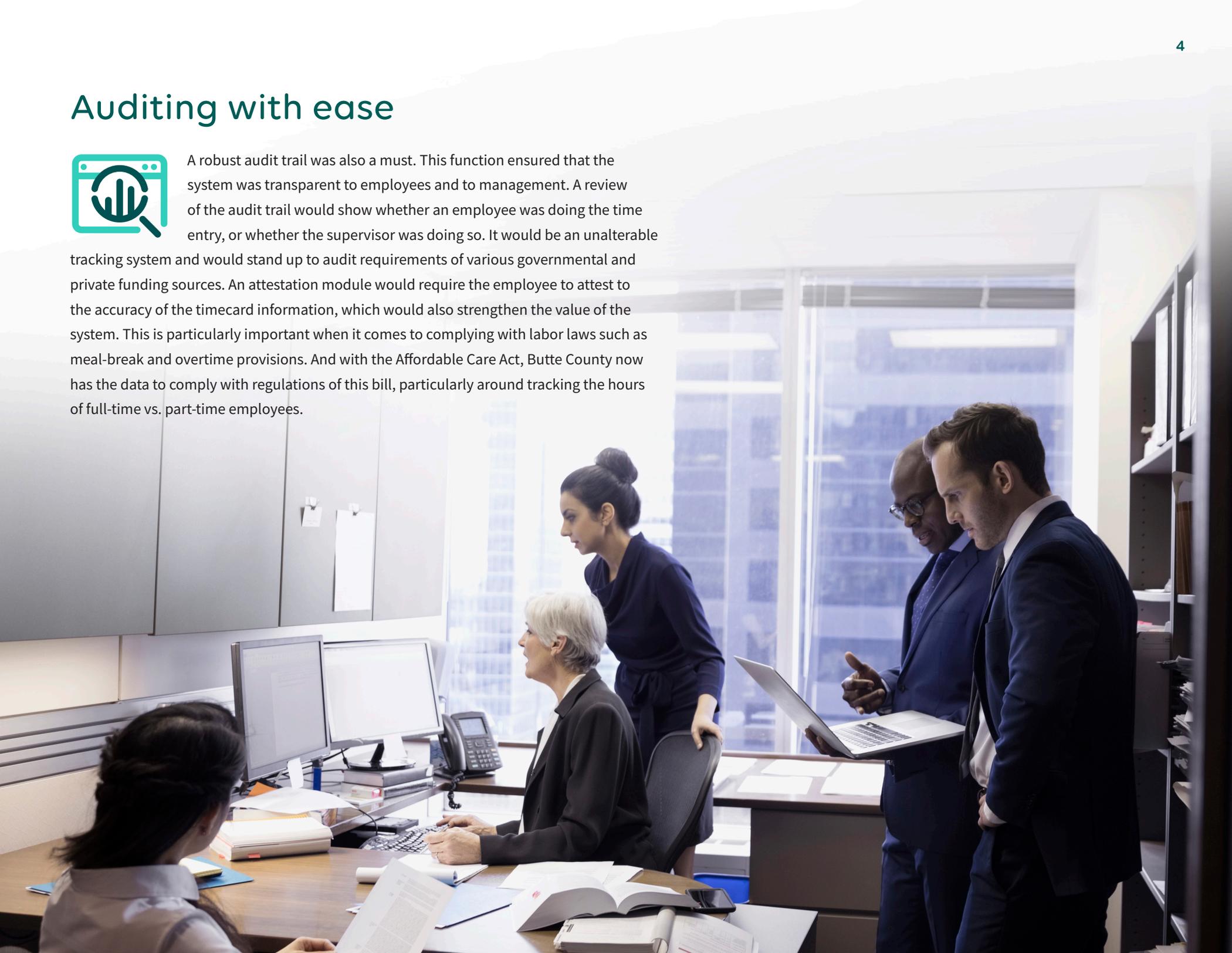


**Accuracy of employee pay was a top concern.** Current practices relied on individual interpretation of nine separate and slightly different memorandums of understanding (MOUs), with employees spread out among 23 different departments.

## Auditing with ease



A robust audit trail was also a must. This function ensured that the system was transparent to employees and to management. A review of the audit trail would show whether an employee was doing the time entry, or whether the supervisor was doing so. It would be an unalterable tracking system and would stand up to audit requirements of various governmental and private funding sources. An attestation module would require the employee to attest to the accuracy of the timecard information, which would also strengthen the value of the system. This is particularly important when it comes to complying with labor laws such as meal-break and overtime provisions. And with the Affordable Care Act, Butte County now has the data to comply with regulations of this bill, particularly around tracking the hours of full-time vs. part-time employees.



## Interfacing data

Efficiency was enhanced by use of interfaces written to feed demographic data and leave accrual information from the HRMS to the timekeeping system and timecard information from the timekeeping system to the HRMS. The demographic interface picks up records for employees whose HRMS data changed during the day, interprets the correct pay rule for those employees, and changes the timekeeping system record to reflect the changes. Employee/supervisor relationships are maintained in the same manner, alleviating the need to enter changes to both systems. The employee is only responsible for entering time worked and time off in the timekeeping system. The system calculates pay hours and feeds them back into the HRMS for pay calculation.

Several layers of checks and audits were initiated, first by the individual supervisors for their groups, then by department-level payroll representatives, and then by county payroll representatives. These additional eyes ensured that the time information transferred to the HRMS was correct. By doing it right the first time, the county eliminated almost all of the retroactive adjustments necessitated under the manual method.

Timecard integrity was also vital. The system needed a communication portal that would enable an employee to know whether a supervisor had changed the employee's timecard after the supervisor had approved it. It would need a mechanism to deny changes once the pay was transferred to the HRMS for payment. The systems would need to be kept in sync with each other.

Last, it was expected that one countywide time and attendance system would eliminate redundant system entry and track time spent on projects and tasks that could be used as a basis for billing and internal service tracking. It was determined that all time and attendance information would flow from this centralized database for data security reasons and to prevent any end runs around the pay rules, inadvertent or otherwise.

... one countywide time and attendance system would **eliminate redundant system entry and track time spent on projects and tasks** that could be used as a basis for billing and internal service tracking.



## A closer look at pay rules

The initial rollout for the time and attendance system was no easy task. Organizations that choose to automate must deal with the ominous yet important exercise of reviewing pay rules. This is a good opportunity to update outdated policies. At Butte County, pay rules for each pay situation had to be developed, requiring an exhaustive analysis of the nine bargaining unit MOUs. In addition, an investigation was conducted of undocumented processes that were occurring throughout some of the 23 county departments. Proper pay practices had to be decided through the human resources department, along with the auditor-controller and administration, when there were gray areas between MOU wording and actual practice.

Once those issues were decided, a structured rollout by department was implemented over multiple months. The initial benefit to the county once the rollout was complete was the ability to transfer time after the end of the pay period, releasing departments from requiring projected time to meet pay calculation deadlines imposed by direct deposit requirements. Additionally, eliminating time projections eradicated the need to process hundreds of time and attendance corrections after time was reported. Butte County's goal of doing it right the first time was met.

Butte County was also looking for a robust audit trail for outside audit purposes and to assure the different employee organizations that employees would be able to see if any changes were made to their time records. The county recognized that given the payroll dollars expended each year, even a 1% annual savings would be significant. In fact, the county realized a much larger savings.



The county recognized that given the payroll dollars expended each year, even a 1% annual savings would be significant. In fact, the county realized a much larger savings.

As the system rollout accelerated, it became apparent that the electronic time and attendance system was **capturing data much more accurately than the manual method ever had.**

As the system rollout accelerated, it became apparent that the electronic time and attendance system was capturing data much more accurately than the manual method ever had. Part of the rollout included running a parallel payroll in a test system so the manual and electronic systems could be compared. During reconciliation of the two systems, all differences were investigated. For one large department, 29% of leave time was accurately captured in the electronic system but not reported in the manual system until after pay was calculated and manual corrections were submitted for processing. If this situation had not been corrected, it could have led to overstated leave balances and unfunded liability of compensated leave accruals that would be due to the employee at separation.

Supervisors can review timecards throughout the pay period to determine accuracy and intervene with the employee when necessary. They do not need to wait until the end of the pay period to see an employee's timecard. Supervisors can review each timecard individually or review their group of employees within lists that display various amounts of information. They can approve timecards for the entire group rather than as needed for individual approvals. Additionally, they can review lists for hours worked, leaves taken, leave accruals available, and other pertinent time information. Supervisors can view an attendance calendar for each employee, with a graphical display indicating absences. Some departments use this documentation when discussing an employee's performance review. Display lists also are configurable, and the associated flexibility enabled the county to quickly respond to departmental needs and overcome early objections.





As memorandums of understanding were renegotiated, Butte County built pay rules reflecting proposed changes into the time and attendance system far in advance of the effective date of any changes. The rules were then completely tested and vetted by the human resources department prior to implementation. Management reviewed the outcome of any proposed changes before they were agreed upon and implemented. Once approved, the pay rule assigned to the affected bargaining unit employees was changed in a timely manner, eliminating the need for retroactive adjustments, which the manual timecard method nearly always required.

The use of predefined pay rules within the time and attendance system also eliminated errors created when an individual payroll representative made an independent determination of an employee's proper pay. In the investigation phase during the system rollout, many unsanctioned pay practices were sunsetted. These undocumented practices were corrected once the pay decisions were automated, and proper pay was ensured. Automating the pay rules also resulted in accurate time reporting when attrition of payroll representatives occurred. New staff no longer need to become instant experts in the nuances of pay practices across all of the MOUs. Employees are paid correctly because the automated system is correct, and the new employee learning curve is less impactful.

Today Butte County employees are represented by 13 bargaining units, making the timekeeping system even more vital in processing payroll accurately. Pay rules determine regular hours, overtime hours, bonuses, lunch period bonuses, shift differentials, and holiday pay eligibility. Employees simply enter their time worked in one of three methods as determined by each department. Hourly-based employees can enter time using a time-in, time-out stamp via a PC or timeclock or enter the duration of time worked for the day or by project. Salaried employees can enter their time worked by project, or the system can pre-populate their time based on their schedule. This flexibility recognizes the varied nature of work in the local government environment. Clearly, what worked for one department did not work for all departments.

Pay rules determine  
**regular hours, overtime  
hours, bonuses, lunch period  
bonuses, shift differentials,  
and holiday pay eligibility.**

## Tracking labor to grants and projects

Capturing time and attendance data correctly was the genesis of other benefits to the county. In addition to correctly paying employees, the automated system allows for accurate tracking of time and pay data for billing to grant agencies and for tracking time spent on various projects. In some instances the county was able to easily calculate in-kind pay expenses associated with matching grants. As acceptance of the system and positive audit experiences became the norm, additional time tracking for projects was implemented in various departments, easing administrative burden and increasing accuracy. The proven reliability of the system has fostered acceptance of the system by department administrative staff over time and has eliminated the need for redundant systems for tracking grant expenses. The robust audit trail has shown to be acceptable to outside auditors.

Eventually departments that were originally reluctant to give up their methods began to seek solutions for time tracking from the time and attendance system in order to eliminate the onerous task of redundant collection and reconciliation among multiple systems. This was especially important when attrition created absences for these critical functions. In one department alone, a quarterly task that took three employees to complete was successfully automated through data collected in the time and attendance system. Emphasis on accuracy in time tracking ensured that the data collected was correct for state-required time study reports, which are pivotal for revenues.

In 2008, Butte County experienced three wildfire emergencies, all within the same month. Each event required activation of the county's Emergency Operations Center and received Federal Emergency Management Agency (FEMA) funding due to the nature and extent of the incidents. With FEMA funding came FEMA reporting and the resulting audit some years later. Because the county was fully utilizing the time and attendance system, it simply made a tracking code available to emergency workers with easy instructions on how to input their time. The county was able to have accurate and reliable personnel cost estimates for each daily briefing and to keep its governing board apprised. Because the data was collected, the County Information Systems staff was able to create facsimile FEMA forms using data from the time and attendance system and allows hourly rate with benefits from the HRMS. FEMA billing stood up to the FEMA audit without exception.

In years past, the county was required to return part of the FEMA funds to FEMA years after the event due to audit exceptions, which put an unexpected strain on funds. Although avoiding this scenario was not foreseen when the time and attendance system was purchased, eliminating this problem has become an important, acknowledged benefit. The time and attendance system also can play an integral role during catastrophic events that could affect the payroll system. A disaster recovery plan was established that will allow the county to meet payroll deadlines with a high degree of confidence in accuracy.



## Controlling absences

Additional components have since been purchased that expand the basic functionality of the time and attendance system. The human resources department can now oversee the Family and Medical Leave Act and California leave requirements for employees. Cases are opened by departments when employees cross the time-off threshold, and time is tracked for each case, alleviating missteps with compliance. The system was configured to mirror the existing paper process, making training simple and effective. Employees are now ensured the correct benefits under the law, cases are followed throughout the statutory time frame for each leave type, and documentation regarding doctor notes and other pertinent information is kept within the system. Letters to an employee are auto-generated through the system, eliminating the need for elaborate tickler files and dependence on individual employee action. Should new legislation create additional employee leave rights and responsibilities, the leave tracking module can be configured to track and capture information relative to the new leave type. Only the designated system administrator needs to be a subject matter expert on the new law, ensuring that the county stays in compliance.

The system was configured to mirror the existing paper process, **making training simple and effective.**



The county rolled out an automated time-off request option through the time and attendance software available to all departments. This option launches a workflow process that alerts supervisors when an employee requests time off, checks the employee's leave balances to determine that they are sufficient to validate the request, and if the request is approved, commits the time to the employee's timecard automatically. This functionality relieves employees of having to remember to input their time off in the timecard and allows supervisors to view all time-off requests already approved in their employees' schedules to be sure there is adequate staff on hand to meet customer demand. The workflow alerts the supervisor's manager or designee when a request has not been acted on within 24 hours. The employee will always get a response and know that a request is either approved or denied within a reasonable time period. The automated time-off request option is completely configurable by the entity so it can be set up to departmental specifications.

Automated scheduling can also be accommodated within a separate software solution within the time and attendance system. Rules can be created to help the manager choose the best-fit employee to fill a vacancy within the schedule. These rules can define which employees are eligible to be considered for a specific vacancy by certification, overtime rules, or other criteria. Because the solution is configurable to the entity's needs, complicated overtime equalization or seniority rules can be accommodated. It also ensures that only employees who meet certification requirements can be considered to fill the vacancy. Public safety departments such as sheriff's offices have particularly complex scheduling needs. Shift assignments and bidding are daunting tasks when done with spreadsheets. Automation of these processes builds equity and fairness that are required when abiding by collective bargaining agreements. Butte County has not yet committed to this option.

This option launches a workflow process that alerts supervisors when an employee requests time off, checks the employee's leave balances to determine that they are sufficient to validate the request, and if the request is approved, **commits the time to the employee's timecard automatically.**

# The future of Butte County

With these added components, Butte County has benefited from using the automated time and attendance system beyond initial expectations. There is little doubt that the county would not have been able to parlay these successes had the time and attendance system not been deployed. The future holds untold possibility for the organization because this first step was taken. As the historical data in the system continues to grow, so will the ability to bring in an analytics solution to help spot trends and look for other potential areas of savings.



# What to expect

Rolling out an electronic time and attendance system is a big job that pays big benefits. Your organization will be stronger because you will understand the official interpretation of your pay rules, but you will also uncover pay practices that were occurring without sanction. Payroll institutional knowledge is captured and maintained even through employee attrition. Your employees and managers will have a transparent view of what occurred within the timecard at any time. Once time is captured electronically, data can be used for myriad reporting purposes, far beyond the scope of what was originally envisioned. But more important, it builds trust between the county and its employees (including those in unions) as methods are implemented to pay workers in an accurate and timely manner.

Butte County is a leader in advancing technology and hopes other cities and counties can learn from its experience.

Consider the following when looking at your own organization's needs:

1. **Why automate** time and attendance?
2. **What type of reporting** can you do with collected data?
3. **What do you gain** from an automated time and attendance system?
4. **How do employees benefit** from a time and attendance system?
5. **How do taxpayers benefit** from a time and attendance system?
6. **How is the organization stronger** with a time and attendance system?
7. **How important is it** to work with unions when researching a time and attendance system?

*Special thanks to Kim Morris for her contribution to this chapter, and also for her service to Butte County. Kim was successful deploying and managing the workforce management system for the county. She is the former auditor-accountant supervisor for the Auditor's Office, handling accounting and payroll before joining the IS department as accounting system analyst deploying UKG™ (Ultimate Kronos Group) solutions.*

Rolling out an electronic time and attendance system is a big job that pays big benefits.



## About UKG

At UKG (Ultimate Kronos Group), our purpose is people™. Built from a merger that created one of the largest cloud companies in the world, UKG believes organizations succeed when they focus on their people. As a leading global provider of HCM, payroll, HR service delivery, and workforce management solutions, UKG delivers award-winning Pro, Dimensions, and Ready solutions to help tens of thousands of organizations across geographies and in every industry drive better business outcomes, improve HR effectiveness, streamline the payroll process, and help make work a better, more connected experience for everyone. UKG has more than 12,000 employees around the globe and is known for an inclusive workplace culture. The company has earned numerous awards for culture, products, and services, including consecutive years on Fortune's *100 Best Companies to Work For* list. To learn more, visit [ukg.com](https://www.ukg.com).



Connect with us online [@UKG.com](https://www.ukg.com)