

**Office of the State Controller  
Idaho  
Idaho Paperless Online Personnel/Payroll Systems**

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**1. Provide a brief description of the project, including project objectives.**

In an age of multi-million dollar off-the-shelf software packages which promise the moon and deliver a mountain of trouble, OPPS (Online personnel/payroll system) was developed to combine the state's existing mainframe system with the functionality of the internet. OPPS is not the true acronym for our application, but will be used for this application due to NASC instructions. The state kept the useful functions of the old state mainframe system and added only those upgrades we needed while converting to a paperless input system for the state's 24,000 plus employees. OPPS utilizes the internet to electronically produce, route, track and archive personnel, payroll and position documents. OPPS is a Lotus Notes application composed of several databases which users access by using the internet.

Our main objectives for developing the online process was to decrease the amount of time required for the processing of transactions, create a paperless process and increase the accuracy and reliability of employee data. Confidential data and authorized access were some of our concerns and the application handled these by using several layers of security. At the database level security is achieved through the use of Access Control Lists. Programmatic security is used for checking to see if the user is authorized to perform a specific act or execute a command.

**2. What improvement(s), new functionality, or business application did the project address?**

The web based application does not require any client software on the workstations of the agencies using the system. As long as the agency has internet access they can access the state's personnel and payroll forms online. With the use of internet technologies we can deploy updates and new features to the application without having to revise the software on the desktop of each user.

The application uses drop down menus for data entry and has edits built into the system. The benefit of having the edits built into the front-end of the system is that once the system accepts the form the initiator is assured the form will not error out because of improper coding. This saves mainframe process time because of the diminished need to re-run certain programs which can cause batch failure.

In addition to the accuracy and speed efficiencies, online processing also greatly reduces the paper flow as well as the need to keep copies of personnel forms. All forms processed through OPPS are saved in an electronic archive with search capabilities. This will eliminate the use of microfilm and microfiche as our primary record storage devices.

**3. Describe the schedule of the project's design, development, and implementation.**

In the fall of 1999, six state agencies were converted to the system using the pilot program, which included name/address, tax withholding, and workers comp classification changes. As of today approximately 96% of the state's 24,250 employees are on electronic transmission. The remaining agencies are scheduled to be using OPPS in the next 4 months.

The current version of the application includes most personnel change forms and deduction changes. The next phase is to incorporate employee inquiry and self-service, allowing the employees to access their personnel/payroll files online as well as offering such services as an online W2s and online pay stubs for those on direct deposit. The self-service would include also name/address changes and the employee initiating and routing time sheets to their manager.

**4. What did the project accomplish? Who are the current and potential beneficiaries? Were other public sector entities, like component units or local governmental entities, or private sector entities able to participate and, if so, how did this add value to the development and outcome of the project?**

Prior to OPSS, the state received paper forms from all across the state. Each agency filled out forms and submitted them to several different control agencies for their approval. These control agencies then forwarded the paperwork to the State Controller's Office that then had to keypunch each of the paper forms for processing in the payroll system. With OPSS the agencies are able to produce, route, track and archive personnel/payroll forms online. The controlling agencies are included in the routing process and after all the authorized signatures have been acquired the form is electronically transmitted to the State Controller's Office.

The beneficiaries are the State Controller's Office, state agencies and in the future state employees. With OPSS our office and the agencies have already experienced personnel time savings. The State Controller will have a cost savings in purchasing and printing forms and the elimination of the microfilm process. Agencies will also have a cost savings in purchasing forms. In the future the state employees will have self-inquiry and self-service access via the internet.

**5. What were the levels of personnel on the project team and how did participation on the team enhance the skills of those personnel?**

A platform was decided upon and a consulting firm was hired. The consultants were considered to be experts in the field of internet applications using Lotus Notes. They reviewed the requirements and assisted key personnel within the State Controller's Office in determining a work plan. At the same time key information technology and functional application employees were sent to special schooling to learn the development and application aspects of this product.

All members of the team gained an appreciation for each other. Skill levels overlapped from the technical to the functional side. A training specialist, who was incorporated at an early stage of the development was able to begin the training of internal production technicians as well as outside agencies almost immediately.

The greatest benefit of in-house development is eliminating the need to customize a canned software program. The ability to modify and alter OPSS is right at our fingertips. With our in-house knowledge base an additional statewide online system was developed for travel reimbursement.

**6. List the funding source(s) (indicating those that would be innovative), costs incurred, benefits derived, and return on investment (factoring in hard and soft dollar savings).**

We are estimating our OPSS application's total development cost will be \$1,650,000. In an age of software implementation costs going through the roof, we feel having the front-end application has saved our state millions. The state's legislature has and will appropriate the funding for the project on an annual basis. When fully implemented, it is estimated that the state will have a savings of an estimated \$430,000 per year in personnel, paper and processing costs.

Total estimated application costs:

Personnel /Payroll Forms (not including time)	\$1,100,000
Employee Self-Service Time & Attendance	150,000
Employee Inquiry and Self-Service (not incl time)	330,000
Servers	<u>70,000</u>
	\$1,650,000

Estimated savings *per form*:

State Controller's personnel savings	\$2.62
Agencies' personnel savings	.75
Form imaging, printing and purchasing savings	\$ .40

Estimated count of forms received annually, before online system = 115,000

Annual personnel savings	\$387,500
Annual form processing savings	46,000

**7. What measurements have been established to monitor the continued success and benefits of the project?**

Within the Division of Statewide Payroll workload for processing state employees' annual compensation increases was cut dramatically. No additional personnel were hired to assist in this process, and overtime was drastically reduced.

For agencies using the product, positive customer response has been overwhelming. Customer satisfaction surveys are the current method of monitoring the success of the project. Once the system is fully implemented, other measurements will include the number of errors reduced and a decrease in overall processing and form costs.

- 8. How replicable in other areas of the public sector or other states to do you consider this project to be? In discussing replicability, please address the following questions. What obstacles or problems might other states encounter in trying to implement this or a similar project? Specifically, how was this project communicated statewide? Were there cultural business barriers to overcome? If yes, please elaborate. Was training involved from the central project team? Were consultants involved in the project? If yes, what was their role?**

OPPS was designed and customized in-house for the state's respective needs. The main purpose was to have an online input function for our legacy payroll system. The concept of the project will be very beneficial, if entities are looking for an input function into a mainframe system. Because this project has been designed to fit our states need's, other states or public entities would have to add their own requirements and system edits.

**What obstacles or problems might other states encounter in trying to implement this or a similar project?**

For states that have purchased newer human resource/payroll software packages, this application will not be necessary because these packages already have the input process built in.

**How was this project communicated statewide?**

This project was announced and demonstrated statewide to human resource/payroll personnel through an annual statewide payroll conference. A communication package was developed as well. This package included a letter to all agency directors inviting them to sign up for demonstration and implementation dates. Also, in the package was a press release to statewide media outlets, a letter to each agency human resource office and a web site address. The web site was designed to send and gather information from each agency concerning their training and implementation process.

**Were there cultural business barriers to overcome?**

The greatest cultural business barrier to overcome was not having a paper copy of each form that was created. Even in this electronic age many people still cannot let go of their paper. Also, having our user's confidence in OPPS' security regarding the authorized access and electronic signature functions.

**Was training involved from the central project team?**

Each agency that has been converted to OPPS has had individual training. A training environment was setup on a separate server. When they came to training, they used their agency data and felt as if they were in production mode.

**Were consultants involved in the project?**

Consultants were only used in the beginning. Their role was building the foundation for the pilot project. This included the web design, software programming and database management.