



LOS ANGELES FIRE DEPARTMENT

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INTERIM FIRE CHIEF

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BOARD OF FIRE COMMISSIONERS
FILE NO. 25-054

TO: Board of Fire Commissioners

FROM:  Ronnie R. Villanueva, Interim Fire Chief

SUBJECT: STATUS REPORT ON THE WORKDAY PAYROLL SYSTEM AND
RELATED ISSUES

FINAL ACTION:	☐ Approved	☐ Approved w/Corrections	☐ Withdrawn
	☐ Denied	☐ Received & Filed	☐ Other

SUMMARY

On June 16, 2024, the City of Los Angeles completed its transition to Workday for payroll and personnel functions. While this system has improved consistency citywide, it has posed challenges for the Los Angeles Fire Department (LAFD) due to the complex scheduling and payroll processes for sworn operations. Some of the more prominent characteristics of sworn timekeeping, and which have made it difficult to transition from legacy systems, include Fair Labor Standards Act (FLSA) overtime, bi-weekly transfers / shift differentials, special duty pay, sick leave policies, and injury compensation.

Throughout planning and implementation, the Department collaborated closely with Workday staff, Information and Technology Agency, City Controller, Council Committee on Personnel and Hiring, Mayor's Office, Personnel Department and others through regular workgroups and meetings. This included "Tiger Team" meetings to address immediate concerns raised by the United Firefighters of Los Angeles City (UFLAC) and several ancillary issues identified through continued implementation of the new system.

The various items identified to date are included in Attachment A with a description of items resolved and those under continued investigation. The linear design of Workday has required considerable adjustments for LAFD's payroll and personnel teams and our stakeholder partners. The burden of manually correcting payroll errors places unnecessary strain on administrative staff. Department staff must spend significant time addressing complaints, making adjustments, and ensuring compliance, leading to inefficiencies, backlogs and staff burnout. This is particularly concerning in the attempt to provide accurate reporting, meet payroll deadlines, respond to litigation demands, and other obligations.

While some issues are resolvable through continued Workday enhancements, others necessitate a revamp of the legacy Network Staffing System (NSS) which handles sworn scheduling functions. With this in mind, the Department has been pursuing a replacement for the NSS with a third-party system that would better integrate with Workday. Beyond scheduling, the Department anticipates that a replacement system could introduce several important enhancements, including:

- Streamlined sworn transfers and bonus initiation
- Reduced payroll-related errors
- Improved sick and vacation accruals
- Enhanced FLSA calculations
- Added features not currently supported by NSS

With support from the Personnel and Hiring Committee and the City Controller, the City approved \$1.5 million in the FY 25-26 Adopted Budget for this initiative. At present, the Department is engaged in a formal discovery process with at least one vendor to assess capabilities and distinguish functions to be sourced out for specialized tasks from those to remain in Workday. The goal is for a solution that integrates with Workday and provides significant improvements that could enhance the Department's scheduling, hiring, and reporting processes. Implementation is projected to take approximately nine to twelve months upon completion of a procurement process with a qualified vendor.

RECOMMENDATIONS

That the Board receive and file.

FISCAL IMPACT

There is no General Fund impact inasmuch as this report is for informational purposes only.

Attachment

RESOLVED ISSUES**1. MOU23 (Firefighters and Captains) Overtime Retroactive Payments**

The retroactive payments for the Cost of Living Adjustments (COLA) and the increase to the EMT bonus, dating back to June 30, 2024, were applied to base salaries only. Due to the dynamic nature of sworn overtime, adjustments for overtime were not included in the retroactive payments. Through subsequent, largely manual efforts, retroactive payments totaling \$5,636,828 were processed for over 3,300 members for compensation changes taking effect between June 30, 2024 through February 22, 2025. Disbursements for compensation changes occurring after February 22, 2025 are on hold due to current efforts to automate overtime calculations with a Workday modification. However, the vast majority of outstanding retro payments been fulfilled with disbursements made to date.

2. Pension Contributions

Some members had excess pension contributions deducted from their paychecks due to incorrect pay rate and COLA adjustments. Corrective action was taken by the Controller's Office and the Los Angeles Fire and Police Pensions (LFPPA) agency to resolve. There are no pending payments or issues on this matter.

3. Voluntary Pension Health Contribution Error

A voluntary pension health contribution was inadvertently deducted twice from 1,423 members' pay following MOU 23 implementation (approximate deduction of \$1,500 for a single pay period). Refunds for the duplicate deductions were processed by the Los Angeles Fire and Police Pensions agency between March 19, 2025 through May 14, 2025. There are no pending payments or issues on this matter.

4. Medical Subsidy Increase

Under MOU23, members are entitled to a 5% increase in medical subsidy. Unfortunately, this increase was not applied and retros were not issued to members. Through subsequent reconciliation, a LAFRA medical refund of \$188,264 was issued to 1,789 members as of June 11, 2025. There are no pending payments or issues on this matter.

5. Uniform Allowance

A lump sum uniform allowance was not applied to all members during the Workday transition but has since been resolved. There are no pending payments or issues on this matter.

6. Bonuses - Rescue Ambulance Incentive ("NF" Payroll Code)

Retroactive pay occurred on May 28, 2025 for 1,840 members with a total disbursement of \$2,449,315. There are no pending payments or issues on this matter.

ONGOING ISSUES**1. Overtime Retro Payments - MOU 22 (Fire Chief Officers)**

Overtime retros from the new MOU are on hold due to the pending Workday upgrade to automate overtime calculations. Efforts to develop a reliable configuration continue to generate errors during testing. Absent an automated solution, Payroll staff must rely on multiple Workday reports and downloads to calculate retros manually which is extremely time consuming.

2. Overtime Retro Payments - MOU 23 (Firefighters and Fire Captains)

Overtime retros for compensation changes taking effect after February 22, 2025 are on hold due to a pending Workday upgrade as described above. Absent an automated solution, payments will be manually calculated as described above.

3. Sick Time not Cascading in Pay

Errors in sick time configurations have led to overpayment to members who have exhausted their 100% sick time allocation. These errors result in approximately \$70,000 in overpayments every pay period. Payroll staff and ITA are performing testing of potential Workday solutions on a bi-weekly basis. This error is creating significant workload due to the need for manual corrections in addition to delaying retirement payouts. A plan is needed to address the backlog of manual error corrections and delayed retirement payouts.

4. Absence Deduction Issues

There is no automatic process to deduct member absence balances after they have been paid out. This necessitates manual adjustments by HRD staff for up to 200-250 members annually. Untimely adjustments could lead to overpayments and future recovery efforts.

5. Fractional SK, VC Balances

Fire employees see fractional sick (SK) or vacation (VC) balances (e.g., 0.01724) in Workday. This has caused problems, preventing employees from utilizing their SK balances due to cascading time. A resolution, wherein Workday does not either remove benefits or cause other issues, is still being discussed.

6. Members are able to use Unearned Compensated Time Off (CTO)

The LAFD time integration does not validate against existing Workday time balances, allowing employees to use CTO 1.0 balances they do not possess. Untimely adjustments or corrections of these balances will lead to overpayments and future recovery efforts.

7. Payslips Do Not Show Accurate Absence Balances

Workday-generated payslips currently display incorrect absence balances, requiring employees, HR and Payroll to rely on Workday core data for accurate figures. This "disconnect" between the payslip display and data content continues to cause confusion for members.

8. Automatically Populating the SWH & DWH Fields

The department has experienced significant issues due to inaccurate Workday data, with scheduled and default weekly hours consistently displaying 60 hours. This requires constant manual updates to accurately reflect assigned work schedules (40 for Special duty and 56 for Platoon duty).

9. Lack of an IT Solution for Mass Transfers, Promotions, Onboarding

HRD staff manually process approximately 50-70 transfers and promotions each pay period, in addition to other Qualification F18s to add/remove bonuses, and other processes. However, some pay periods have required them to process over 150 transfers. Given inaccuracies in LAFD's supervisory organizations in Workday, and the constant movement of resources, identifying correct Position IDs (PIDs) and Supervisory Organization IDs ("Sup Org" IDs) has been a very time-consuming and labor-intensive process. The lack of an IT solution prevents HRD staff from allocating limited resources to other urgent issues such as the pay discrepancies backlog.

10. Supervisory Organization Chart Cleanup

Despite considerable time and resources allocated since 2023, supervisory organizations ("sup org") in Workday were inaccurate prior to the Phase II go-live, and still require more staff time. Accurate sup orgs are critical for proper routing and approval of absence/overtime requests, time approvals, identification of Subject Matter Experts for exams, and including correct organization charts for budget requests. Delays in obtaining correct data are frequent, and a complete, accurate departmental organization chart has not been submitted to the CAO since fiscal year 2022.

11. Additional Steps in Workday to Complete the Same Processes

Compared to PaySR (the former HR and Payroll system utilized by the City for over 15 years), Workday requires more navigations and clicks to complete the same business processes, consuming more staff time. Examples include two additional business processes after retiring a member, manual collection and upload of F-18s and other supportive documents for transfers, promotions, and compensation, and additional follow-up for transfers to/from DWP due to DWP not fully utilizing Workday.

12. Changed Processes or New Workday Tasks for HR Staff

HRD staff now have new responsibilities that require more steps, such as assigning roles for PIDs with effective dates, reviewing termination payouts, processing absence payouts (change job), time off balance transfers for data changes, assigning roles for absence return on members retired, on leave, and terminated, and reviewing/approving probationary evaluations. Additionally, HRD staff must now adjust various time off balance (eg, VC, SK, FH, PL, CTO) in Workday.

13. Fire Chief's Annual Vacation Accrual

Payroll previously provided HRD staff with a write-up to add vacation days and "Department Hold" in PaySR. Workday lacks this feature, requiring personnel staff to manually adjust the Fire Chief's vacation accrual monthly to stop accruals.

14. Intermittent Employees – Compensated Time Off (CTO) Hours

Intermittent employees are not receiving their lump sum CTO hours upon reaching 500 hours or at six months. While they accrue biweekly at six months, they do not receive hours for their first six months of work. This requires HRD staff to run reports for each employee and manually add hours.

15. Automatic Step Progression

When an employee is on FML leave, they do not receive their next step automatically. HR staff must manually add it and make corrections to the employee's history.

16. Driver's License/Social Security Number (SSN)

Employees are inadvertently deleting their SSN under the "Change my Government IDs" edit function when attempting to correct only their Driver's License. This has caused SSNs to be deleted in Workday, requiring HRD staff to run reports and make corrections. HRD staff now must ensure "Edit Licenses" shows "Licenses" instead of "Government ID," and may need to guide employees/members step-by-step to select the correct option.