

SERVING STUDENTS, EMPLOYEES BETTER WITH A TECHNOLOGY-BASED HR SYSTEM

2005 COMPUTERWORLD HONORS CASE STUDY

EDUCATION

THE DENVER PUBLIC SCHOOLS NEW TECHNOLOGY-BASED HR PROCESSES TRIM ADMINISTRATIVE COSTS AND AUTOMATE COMPLEX PAYROLL AND BENEFITS ADMINISTRATION, SAVING MONEY, PROTECTING THE CLASSROOM FROM COST REDUCTIONS, AND FACILITATING PAY-FOR-PERFORMANCE TO PROMOTE HIGH-QUALITY TEACHING AND IMPROVE TEACHER RETENTION. [2005307]

SUMMARY

As school revenues declined, Denver Public Schools adopted technology-based HR processes to trim administrative costs and automate complex payroll and benefits administration. The district protected the classroom from cost reductions while streamlining the way its HR department operates, and is now using this IT foundation to pursue a pay-for-performance initiative that will promote high-quality teaching and improve teacher retention.

APPLICATION

Denver Public Schools, Colorado's second largest public school district, has more than 14,000 teachers and employees serving 72,000 students in 148 schools – including 83 elementary schools, six K-8 schools, 20 middle schools, 14 high schools and 17 charter schools. Like most schools across the nation, Denver Public Schools operates in a financially constrained environment. In recent years, the district's revenues declined due to flat student enrollment and an increase in the number of charters schools. So district administrators sought to limit the impact of budget reductions on the classroom. Yet, Denver Public Schools still needed to pay its teachers and staff correctly and on time, as well as provide accurate data for state reporting requirements.

As a result, the district sought a technology-based human resources system that would enhance service to employees and other key stakeholders while adapting to the district's changing educational and business requirements. Goals for the new HR system included:

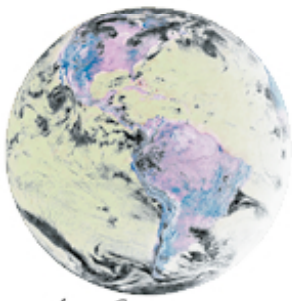
- Reduce administrative costs to balance the district's budget while protect its classrooms from budget reductions.
- Increase data accuracy for state-generated school "report cards."
- Replace labor intensive, paper-based systems.
- Support improved processes/procedures for recruitment, retention, mentoring, evaluation and compensation of teachers, principals and other district employees.
- Align process improvement initiatives with the provisions of No Child Left Behind legislation.

To achieve these goals, the district implemented Lawson Software's Web-based Human Resources applications to streamline complex payroll and benefits administration. This enabled the district to improve operational efficiencies and ultimately protect the classroom from cost reductions without increasing headcount. And, this system now is providing the IT foundation from which Denver Public Schools can pursue dramatic changes in how teachers are paid – in its district and across the nation – via an innovative pay-for-performance initiative.

BENEFITS

The integrated, Web-based HR system, implemented in 1999, provided Denver Public Schools with critical functionality its legacy system lacked as well as the ability to streamline core HR operations. The system has simplified reporting, improved access to more-detailed HR information and accelerated payroll processes, including shortening the payroll cycle for new teachers by three weeks.

In addition to allowing Denver Public Schools to lower administrative costs and automate complex HR processes, the HR system also has helped the district monitor and track teacher qualifications, such as licensure, certification, endorsements, college courses and transcripts, in accordance with the No Child Left Behind federal mandates. In addition, online access to this information gives teachers and principals the ability to quickly make staffing decisions.



A Search for New Horizons



Robert Carrigan,
Chairman of the Chairmen's Committee

Ron Milton,
Vice-Chairman of the Chairmen's
Committee

Dan Morrow,
Chief Historian

To further advance the district's priorities and enhance HR service delivery, Denver Public Schools rolled out a Manager Self-Service application in 2003 and an Employee Self-Service application in 2004. Administered through the Lawson HR/Payroll application, Manager Self-Service provides managers with Web-based access to HR, payroll and benefits data on current employees and direct reports.

"With the self-service application, managers no longer have to contact HR about current payroll and benefits information for their direct reports," said Robin Kane, executive director, Human Resources, Denver Public Schools. "Instead, managers have real-time access to information they need quickly and easily."

The Web-based Employee Self-Service application gives employees a user-friendly, convenient way to view their payroll and benefits information, update their address and phone numbers and verify the accuracy of that information. It also enables employees to perform benefits enrollment online.

The transition from Denver Public Schools' paper-based benefits enrollment process to online open enrollment eliminated an overwhelming amount of data entry for benefits staff by automating the process and ensuring better data accuracy.

Since implementing a technology-based HR system, Denver Public Schools also has realized several tangible and intangible benefits, including:

- Enabled HR staff to generate reports in less than five minutes.
- Reduced staff time spent on data entry and error correction.
- Reduced cost of printing benefits enrollment materials.
- Increased data accuracy and data integrity.
- More technology-savvy employees are driving more innovative teaching techniques.
- More time available for district employees to focus on tasks supporting student achievement.
- Better inter-departmental collaboration and communication.
- Reduced volume of requests to the HR department to view personnel files.
- Reduced volume of paper forms submitted and increased usage of the district's HR/Benefits/Payroll Web sites.

IMPORTANCE

Denver Public Schools replaced its homegrown HR system with a Web-based system that not only automates the core functions of the district's HR department, including payroll and benefits administration, but also adapts and grows with the district's changing educational and business requirements. This implementation was part of Denver Public Schools' long-term strategic initiative to replace labor intensive, paper-based HR systems so it can serve students and employees more effectively today and in the future.

By automating manual tasks and eliminating duplicate data entry in "shadow" systems, the Web-based HR system has helped the district's HR team increase its efficiency. This has allowed the team to focus on more strategic activities, such as negotiating benefits contracts and recruiting for hard-to-fill positions.

An integrated, technology-based system also is essential for accurately managing the intricacies of a school district environment. Denver Public Schools has a broad mix of employees working fractional years, in multiple positions, and with different district benefit contributions and federal and state reporting requirements. In addition, district HR managers now have the ability to track employee eligibility and premiums, and can automatically generate reports to meet district state and federal mandates.

With this IT foundation in place, the district is now working to drive dramatic change in how teachers are paid nationwide. Working with 20 other states, Denver Public Schools is currently trying to secure state and federal backing for a pay-for-performance initiative. This initiative would better align teacher compensation with school district business and student achievement goals, including provisions of the No Child Left Behind Act, a federal mandate to ensure Highly Qualified teachers in core content classes by the end of the 2005-2006 school year.

While districts typically manage a majority of the data required for No Child Left Behind reporting with student information systems, Denver Public Schools has used its Web-based HR system to help track teacher qualifications in accordance with this legislation. With licensure, certification, endorsements, college courses and transcripts tracked in the system, teachers and principals have Web-based access to this information to enable them to quickly make staffing decisions.

ORIGINALITY

Denver Public Schools considers its use of IT as a catalyst for business process change innovative for two reasons:

1. The HR system implementation has enabled the district to serve students and teachers better via more efficient administration and service delivery; and
2. The technology-based HR system has become the IT foundation from which Denver Public Schools will support a new pay-for-performance initiative for teachers, which the district is championing nationwide.

This initiative seeks to better align teacher compensation with school district instructional goals, using IT as the means for tracking, measuring and administering performance-based pay. Denver Public Schools is planning to develop a new performance management application that would integrate with its Web-based HR system, including compensation, performance management and goal management modules. Denver Public Schools also is working on introducing a groundbreaking professional compensation system that would make performance-based pay reality for its teachers and other staff. Once live, this system, called ProComp, will offer teachers and other school employees incentive-based pay similar to that found in other industries.

SUCCESS

Denver Public Schools achieved each of its project goals for the HR implementation based on the district's comprehensive planning, successful pilot projects and effective change management strategies. To prepare for the technical side of the implementation, Denver Public Schools conducted an in-depth evaluation of its existing hardware and software. While it had recently purchased new workstations and servers, and had an efficient district-wide network, it needed to make several modifications to its IT environment to support the system migration. For example, the district implemented an identity management system for enhanced security and added new accounts for thousands of employees without Internet access.

The district successfully managed the often difficult change management aspects of a large-scale IT project by first evaluating its internal culture and then adopting several methods to communicate the coming business process changes effectively with all audiences. This enabled the district to gain buy-in and involvement from all stakeholder groups early in the project. The stakeholder groups remained committed throughout the process due to the district's top-down planning, bottom-up input, and consistent and frequent communications.

Denver Public Schools also launched pilot projects in several schools. Project managers then applied the lessons learned from those pilots to the district-wide implementation. For example, the district learned that employees found individualized instruction more valuable than formal system training. These insights ultimately guided the broad employee training, which included online certification for Manager Self-Service, quick-reference guides, self-service computer kiosks for employees without computer access, technology learning labs staffed at school and departments sites, and information on the district Web site. HR and Technology staff also received special training to help them respond to employee questions.

By aligning administrative processes with district goals, Denver Public Schools increased access to employee personnel data, improved data accuracy and reduced the time teachers spend on administrative tasks. The integrated system allowed the district to streamline HR operations, resulting in accelerated payroll processes, simplified reporting and improved access to more-detailed information. For example, in the old system teachers would receive their first check on Sept. 30. With the new system, the payroll cycle was significantly shortened and the district now has the capability to pay new teachers the first week in September.

On average, Denver Public Schools hires 30 principals and principal assistants, 300 to 500 teachers and 1,000 other staff each year to serve its 72,000 students. To manage this annual surge of activity more efficiently, Denver Public Schools rolled out Manager Self-Service application in phase two of its HR system implementation, which it completed in July 2003. Administered through the system's HR/Payroll application, Manager Self-Service provides managers with Web-based access to HR, payroll and benefits data on current employees.

By giving managers the ability to track and maintain information about their direct reports, Denver Public Schools is increasing data accuracy and saving time. Fewer licensure and benefits inquiries come into the HR department, freeing time to focus on more strategic activities. The successful application of IT enabled Denver Public Schools to achieve its business goals and ultimately pursue its mission of improving student achievement.

DIFFICULTY

Managing large-scale business software implementations is especially challenging for public sector organizations because of the high level of public scrutiny involved in addition to the usual risks associated with such a project. Denver Public Schools also had to deal with several other challenges during its HR system implementation, including:

- Complying with federal No Child Left Behind legislation while coping with reductions in Colorado's K-12 state-allocated budget.
- Managing nine negotiated union contracts plus non-union employee groups – each with different salary schedules and work years, pay frequency, district benefits contributions, time-off policies, and multiple jobs/job codes – while complying with federal and state reporting requirements.
- Managing hundreds of new hires mid-project, including principals, principal assistants, teachers and other staff members.