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ENVIRONMENTAL DEFENSE FUND

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Written Testimony of Environmental Defense Fund to the New York
City Council, Committee on Civil Service And Labor

Regarding Int. No. 702 – In relation to electronic pay stubs for city employees

Prepared by Isabelle B. Silverman, Attorney at Environmental Defense Fund¹,
and submitted for Public Hearing scheduled for April 28, 2008

EDF is in support of Int. 702

Thank you for the opportunity to submit testimony today. Environmental Defense Fund strongly supports efforts to reduce paper consumption, such as Int. No. 702. The average American uses nearly 700 pounds of paper a year: twice as much as in 1960, and still growing. All this paper affects the environment, because making it uses energy, consumes natural resources, and creates air and water pollution. Also, throwing away paper creates one-third of municipal solid waste.

Suggested Modification

We don't have to stop using paper altogether to help the environment, but using less is important and the paper we do use should be "greener." We are suggesting that Int. 702 also includes that if the city employee requests a printed copy, that paper shall be made out of 100% recycled paper. Paper made out of recycled paper is easier on the planet because trees do not need to be cut down, and recycled paper manufacturing creates less water as well as less air pollution.

For questions or further information, please contact Isabelle Silverman, Attorney at Environmental Defense Fund, at 212-616-1337 or isilverman@edf.org.

¹ Environmental Defense Fund (EDF) is a national non-profit environmental organization headquartered in New York City, with 400,000 members around the country and 40,000 members and activists in New York. The Living Cities program at Environmental Defense Fund (EDF) is dedicated to practical solutions that secure clean air, water and lands in urban areas like New York.

Department of Information, Technology & Telecommunications
Deputy Commissioner Annette Heintz
Testimony before the Committee on Civil Service & Labor
on Introductory Number 702
April 28, 2008

Good Afternoon Chair Addabbo and members of the Civil Service and Labor Committee. My name is Annette Heintz and I am Deputy Commissioner of Special Projects for the Department of Information, Technology & Telecommunications. I am joined by Neil Matthew Deputy Executive Director of Payroll Operations at the Office of Payroll Administration (OPA) and Maria DiPaola, Associate Commissioner, Division of Citywide Personnel Services of the Department of Citywide Administrative Services (DCAS). It is our pleasure to be here before you today to discuss Intro. No. 702, which seeks to authorize employers in the City to furnish employees electronic "information statements" – commonly referred to as W-2 Forms – as they relate to withheld City income taxes and electronic pay stubs.

As part of the New York City Automated Personnel System (NYCAPS) implementation, the City has begun to roll-out Employee Self-Service (ESS) functionality. Currently available to over 70,000 employees in 46 agencies, ESS enables employees to access certain personnel and payment information electronically. Specifically, the application, which is administered centrally by the City's Financial Information Services Agency (FISA) in collaboration with the OPA, DCAS and the Office of Labor Relations (OLR), provides employees with access to three years of pay statement data from the Payroll Management System (PMS), including all pay details, deduction details, and W-2 forms for current and prior years. Employees can log in via Cityshare using their 7-digit employee ID and a password and click on Payroll and Compensation Home where they can view and/or

print both their electronic W-2 and paystub. Although the actual production of paychecks is a central function, individual agencies are responsible for informing employees of the service and distributing instructional pamphlets to new employees.

The City plans on expanding the service, rolling out to an additional 30,000 employees in June and using additional technology to make the application available to employees at home, via the Internet. NYCAPS is planned to also rollout to the Department of Education pedagogical populations in mid-2009, although these employees currently have access to pay statement information via the DOE Intranet. The City is also exploring technical solutions to address additional security requirements for the uniformed agencies. Finally, while City University of New York (CUNY) community colleges are paid through the City Treasury and would therefore be subject to the legislation, CUNY is developing its own system to incorporate personnel and payroll management for both senior and community colleges together. We understand that CUNY has not yet determined a timetable for full implementation.

While the Administration supports the Council's efforts to see the City transition to a paperless payroll system and have already made major strides in the area of electronic paystubs, the City still faces technical and procedural challenges in the administration of the City's payroll that need to be analyzed before we can commit to any specific date for full implementation. Deputy Director Neil Matthew will speak specifically about these challenges.

Thank you for the opportunity to testify and we are available to answer any questions you may have.

Office of Payroll Administration
Neil Matthew, Deputy Executive Director for Payroll Operations,
Office of Payroll Administration
Testimony before the Committee on Civil Service and Labor
Intro No. 702 – A Local Law
To amend the Administrative Code of the
City of New York in relation to
Electronic pay stubs for City employees
April 28, 2008

Good afternoon Chair Addabbo and members of the Civil Service and Labor Committee. My name is Neil Matthew and I am the Deputy Executive Director for Payroll Operations at the Office of Payroll Administration (“OPA”). OPA is overseen by a two member, unsalaried Board of Directors appointed by the Mayor, one representing the Mayor and one recommended by and representing the Comptroller. OPA distributes the City’s payroll and ensures the integrity, accuracy and operational effectiveness of City payroll systems. In addition, OPA ensures that W2’s for City employees are correct, distributed timely and in compliance with all rules and regulations of taxing authorities.

Summary Position

OPA supports the goals of Intro No. 702 to make employee pay stubs available electronically and to limit the use of paper in the payroll system as appropriate. However, OPA has several procedural concerns about the timetable for implementation of Intro 702.

OPA Concerns Regarding Intro No. 702

City payroll data is contained in the Payroll Management System (“PMS”) and both employee paychecks and pay stubs are automatically generated based on the information contained in PMS. For those employees enrolled in Direct Deposit, a printed pay stub is generated. For those employees who are not enrolled in Direct Deposit, both a paper check and printed pay stub are generated on combined, pre-printed check and pay statement forms. Intro 702 provides that employees may request a printed copy of their pay stub in addition to or in lieu of an electronic stub. The re-programming required to generate printed pay stubs only for those employees who request them is substantial. Separate re-programming would also be required for those employees who receive printed checks. In addition, there may be a need for new pre-printed check stock and separate print runs for employees who elect to receive checks and electronic pay

statements. Some of these employees could choose to continue to receive printed pay stubs with their printed checks while others could choose to receive their pay stubs electronically. The programming required to print all pay stubs or none is far less complicated than the re-programming that would be required to print pay stubs only for those employees who request them. A re-programming effort of this scope will require an extended timeframe for implementation.

The implementation of a process for managing employee requests for printed pay stubs will also require a coordinated and substantial effort. Records, electronic or paper, will need to be maintained for those employees who have requested a printed pay stub. An employee may also change his or her election of receiving a printed pay stub or an electronic one multiple times thereby requiring updates to these records. Appropriate time and planning will be required in developing an efficient process for handling these requests which span all City agencies.

As already elaborated in the testimony of Deputy Commissioner Annette Heintz of DoITT, OPA, in collaboration with FISA, DCAS and OLR, administers NYCAPS. Accordingly, we share the concerns articulated by Ms. Heintz concerning the procedural impediments to the implementation of Intro 702 on the timetable provided therein.

Conclusion

OPA is a strong supporter of initiatives designed to reduce the use of paper in the City's payroll system and has been committed to pursuing this agenda on multiple fronts. In particular, OPA's focus on promoting the enrollment of City employees in Direct Deposit has led to a 73.35% participation rate to date, with an ultimate goal of 100% enrollment. We look forward to working with the Council and this Committee in achieving the objectives of Intro No. 702. However, for the reasons stated in this testimony, OPA believes that the proposed timetable for full implementation of the provisions of Intro 702 cannot be achieved.

Thank you for the opportunity to testify and I am available to answer any questions you may have.