



TENNESSEE STATE EMPLOYEES ASSOCIATION

February 3, 2009

Deputy Governor John Morgan
1st Floor, State Capitol
Nashville, TN 37243

Dear Deputy Governor Morgan:

I am writing to bring to your attention a severe problem in state government that needs the Administration's immediate attention. After more than three years in the design and testing stages, the new Employee Resource Planning System, (ERP) or Edison, as it is more often called, was implemented October 1, 2008. Since that time, we continue to field every imaginable frustration through e-mail and telephone from employees all across the state. We were virtually kept "in the dark" as this system was developed, as were state employees. The system was to be remarkable in its efficiencies and improvements, take much less time to process, and allow corrections in pay and benefit issues with little or no delay. According to the problems employees continue to bring to our staff daily, this is not the case.

We acknowledge that any system implementation of this cost and magnitude goes through a period of transition and adjustment. Problems were anticipated and patience warranted. Three months later, however, problems continue and new problems arise. This is only a small sample of the issues employees continue to face each pay period since last October:

- Employees are not paid on regular paydays for the work they have already performed.
- A majority of employees live from paycheck to paycheck. They are unable to pay their bills when they are due because their paycheck is either late or incorrect for any number of reasons. Many incur late fees, returned check fees and other charges as well. They are suffering unwarranted financial hardship through no fault of their own.
- Employees' insurance and other benefits have been interrupted or suspended because of problems with Edison. Premiums are deducted every month as usual; or for no apparent reason their insurance premium deductions cease. In either case, employees will have no active coverage the following month. This interrupts the healthcare for the employee and all dependents. No one can explain why but it happens month after month. Employees on Division of Claims have also experienced lapses in coverage.
- Not only have employees faced a multitude of pay and benefit adversities since October 1 of last year, but the changes in calculation of their overtime rate of pay and their longevity pay significantly reduced their take home pay. Employees were only notified of these major changes affecting their pay by a statement in their Edison Welcome Packet provided a week or two before implementation. After more than 30 years of knowing how their pay is calculated and expectations of the pay they would receive, employees deserved no less than a detailed and factual account of why these changes occurred.

Failure to do so has incited a level of distrust in state government on behalf of state employees that was completely avoidable.

- Retirement system updates on employees' service records prior to Edison were updated within the following month. Currently retirement records with TCRS as only current as of October 31, 2008, the first month Edison was implemented.
- Employees' leave balances, accrual rates, employment history, and a variety of other very important data is not correct on the Edison system.
- Edison was touted to our staff, to HR agency staff and to employees as one that would improve a multitude of labor intensive processes and be able to correct errors in paychecks much more quickly than before. *This is far from actuality.*

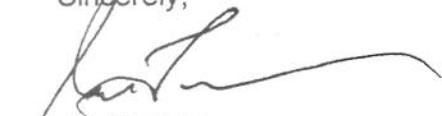
In the former SEIS system, there was a regular payroll run, followed by a supplemental or special run to resolve errors and omissions. Then the state also provided warrants or hard-copy checks between paydays for pay problems that could not be resolved in time for the supplemental run. **After Edison implementation we could not understand why serious pay issues were not being corrected. After discussions with many individuals we were informed that the warrant process no longer exists. In fact we learned that no provision was made to replace this vital method of pay!**

Employees on Sick Leave Bank (SLB) whose pay periods usually do not coincide with the regular pay cycle, as well as employees whose time was keyed incorrectly, omitted by error or some other bizarre problem affects their pay are forced to wait until the following payday to receive the pay they earned weeks before! Employees should never be expected to suffer this kind of stress. They work so they can support themselves and their families and deserve to be paid in full on payday for services rendered.

Staff is insufficient in most work units because of the VBP and hiring freeze on vacant positions. Further budget cuts are threatened. There was no pay increase, compression or upgrades in 2008 and no funds available this year. By a last minute decision in December 2008 to reduce the deficit, again on the backs of state employees, pharmacy copays skyrocketed for employees in 2009. Employees are hurting. To levy further anguish by not paying employees on payday for all duties performed, force them to suffer costly penalties because of system errors, suspend their health benefits for no known reason and then tell them "this is the way it is" is appalling.

We ask that these issues be discussed at length and addressed swiftly. I welcome the opportunity and am available to discuss these issues with you further.

Sincerely,



Jim Tucker
Executive Director

JT/gt