Katy ISD Boosts ACA and Other Compliance with Kronos Automated Workforce Management Solution

Kronos for Education | CASE STUDY

Katy Independent School District (ISD), situated in southeast Texas, is one of the country's fastest-growing school districts. Enrollment has grown to more than 66,500 students, who attend classes at 58 schools, including seven four-year high schools. With approximately 11,000 employees — including teachers, paraprofessionals, administrators, support staff, and substitute teachers — Katy ISD has a mission focused on providing unparalleled learning experiences designed to prepare and inspire each student to live an honorable, fulfilling life.

**CHALLENGES**

- Payroll staff spent days every pay period keying in data from 8,000 forms on extra-duty, premium, and overtime pay and employee absences
- Ensuring that paraprofessionals were accurately paid for regular and extra-duty time was challenging with a paper-based system
- Compiling employee hours data in preparation for meeting Affordable Care Act requirements was tedious and time-consuming

**SOLUTION**

- An automated Kronos workforce management solution that increases productivity, controls labor costs, and helps maintain compliance with labor laws and Affordable Care Act requirements

**BENEFITS**

- Automated tracking of employee absences and premium, overtime, and most extra-duty pay has nearly eliminated paper-based time tracking, saving significant paper and payroll staff time
- Automated time stamping of paraprofessionals’ regular and extra-duty time helps ensure they are paid correctly while improving compliance
- Employee time spent on grant-funded programs is accurately tracked for easy reporting
- The Kronos Full-Time/Part-Time Analysis Report reduces analysis time for Affordable Care Act compliance from two days to just two hours

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Donna Melton,
ERP Coordinator,
Katy ISD
Katy Independent School District (ISD) payroll staff manually keyed employees’ timecard information into the ERP system before the district moved to a Kronos® automated timekeeping solution for auxiliary employees in transportation, maintenance, food service, and the warehouse. A fast-growing suburban school district, Katy ISD also had payroll employees spending days and days every pay period inputting data on absences and premium and overtime pay for paraprofessionals and extra-duty pay for exempt employees.

“It was overwhelming,” says Donna Melton, then payroll systems coordinator and now ERP coordinator. Since then, Katy ISD has upgraded to the Kronos Workforce Central® suite and now all employees — including paraprofessionals, substitutes, and full-time teachers — use the automated workforce management solution. The district has experienced significant time and paper savings and mitigated a number of compliance issues. With the recent addition of the Kronos Full-Time/Part-Time Analysis Report, Katy ISD also is prepared for compliance with the Employer Shared Responsibility provisions of the Affordable Care Act (ACA).

Automated process produces time, paper, and labor savings
When absences were tracked on paper, five-part forms were filled out and distributed before four payroll staff members manually keyed in data from 8,000 forms every two weeks to post employee absences and figure substitute teacher pay before payroll processing.

“Since going to our automated Kronos solution, we’ve saved lots of time and paper,” says Melton.

Auxiliary hourly employees still punch in and out at Kronos time clocks, while non-exempt employees such as paraprofessionals clock in and out at PCs. Exempt employees use exception-based time reporting to record their absences and extra-duty pay. Absences for exempt and nonexempt employees are tracked in Aesop, a substitute placement and absence management solution integrated with the district’s Kronos solution, which also interfaces with the ERP system for payroll. “It’s a really smooth system,” notes Melton.

Before, if employees took time off and no one noticed, this time was not accounted for. Now, Katy ISD is more confident that employees are paid only for time worked.

Accurate pay averts potential compliance issues
The school district is also confident that employees, particularly paraprofessionals, are paid accurately. Other districts had faced lawsuits for not paying paraprofessionals for extra time worked. “This is one of the reasons we went with paraprofessionals using timestamps to track their time,” shares Melton.

Paraprofessionals and maintenance employees have a quarter-hour rounding rule that did affect overtime budgets with more accurate timekeeping. Although this resulted in additional overtime costs, Katy ISD has mitigated compliance issues.

Solution easily tracks grant use
With some district programs funded by grants, Katy ISD uses its Kronos solution to connect grant budget and pay codes to the timecards of employees paid by grants. “Reporting on grants is easy, and we can get the data quickly,” Melton explains.

FT/PT Analysis Report supports ACA compliance
In meeting ACA reporting requirements, Katy ISD was particularly concerned about capturing all substitutes’ hours. The risk management department tried manually extracting data but found it labor-intensive. To streamline the process, the district added the Kronos Full-Time/Part-Time Analysis Report.

“It used to take our risk manager a couple of days to analyze the data, and now with the analysis report it takes only a couple of hours,” says Melton. “The ACA report is the keystone of our compliance strategy. It does a good job of picking up all extra-duty hours and the hours of all employees. When the report is run on different look-back periods, it pulls exactly what we need.”

Planning for the future
As Katy ISD looks to gain additional efficiencies, it will be installing additional Kronos InTouch terminals to collect time data at all campuses. “It is so nice to remote in to them if there are issues,” shares Melton. The terminals’ self-service features allow employees to view their timecards to check regular, extra-duty, and vacation time without asking HR for this information.

Another planned change is no longer tracking extra-duty time on timesheets but moving to time stamping. A Kronos manager at each campus now keys in this extra time. Teachers, paraprofessionals, and coaches will be able to use a computer to enter their extra-duty time and select the correct pay code for their work, streamlining the tracking process.

The efficiencies that Katy ISD has gained using its Kronos solution have enabled the school district to increase productivity and also help ensure its compliance with ACA and FLSA regulations.