

2009 Non-Mandated Expenditures Department Response

DEPARTMENT: Human Resources
 DEPARTMENT HEAD / ELECTED OFFICIAL: Gary Berger
 OCA TITLE: Compensation and Benefits 270082

Hamilton County departments and agencies have the opportunity to respond and provide insight to the Office of Budget and Strategic Initiatives (BSI) initial assessment as to non-mandated services. This response form should be used for each specific BSI assessment; not a general response for entire department. Take as much space as necessary for each question.

The Compensation and Benefits Division of the Human Resources department has responsibility for:

- (a) Classification and Compensation related activities including: maintaining the classification and compensation plans, maintaining classification specifications, maintaining position descriptions, assuring compliance with the Fair Labor Standards Act, conducting position audits), and
- (b) Employee Benefit programs including: medical, dental, life, employee assistance program, flexible spending accounts, transportation reimbursement, tuition reimbursement, leave programs, COBRA administration, adoption assistance, etc.)

Compensation and Benefits Division Position Budget:

FTE Count	Position Title	Indirect Cost Plan Reimbursement Level – JFS (approximate)
1.0	Sr. HR Manager for Compensation and Benefits	30%
1.0	Sr. HR Analyst	25%
1.0	Program Compliance Administrator	80%
0.56	Classification and Compensation Specialist	25%
1.0	Human Resources Officer 2	25%
0.60	Human Resources Officer 2 (Benefits/HRD)	13%
.50	Human Resources Officer 1	10%
1.0	Benefits Coordinator	30%
1.0	Personnel Aide 2	100%
1.0	Personnel Aide 2	100%

1. *Are there elements of the BSI non-mandated services that you believe are mandated? If so, provide the specific Ohio Revised Code (ORC) citation, Code of Federal Regulation (CFR) and/or relevant case law information. Please be especially diligent if there is a specific service or staffing level prescribed by law.*

Yes, the mandated responsibilities/activities of this division are described below:

- A) Mandated activities related to Classification include: Chapter 124 of the ORC, Chapter 3 of the Hamilton County Administrative Regulations and PPM 2.7 collectively require us to maintain the Classification Plan. The current classification plan covers a majority of Hamilton County positions, in 38 county agencies, thereby successfully supporting the BOCC budget goal of providing more centralized/consolidated services. In addition to maintaining the classification plan, per 124 ORC

2009 Non-Mandated Expenditures Department Response

we must also conduct position audits and represent the county before the State Personnel Board of Review in the event of an appeal. Appropriate and timely maintenance of the classification plan is also required per ORC 124, Chapter 41 of the Hamilton County Administrative Regulations and PPM 2.11 Reductions in Force, as classification assignment is an integral part of the job abolishment/layoff process.

- B) Mandated activities related to Compensation include: Proper maintenance of the Hamilton County compensation plan is supported by the Fair Labor Standards Act and PPM 3.0, 3.1, 3.2, 3.3, 3.6, 3.7, 3.8, and 3.12, in that the classification and compensation staff ensure compliance with the FLSA by making determinations as to the exemption status of all positions under the BOCC. Compensation also responds to departmental requests for In-Range Pay Adjustments as per PPM 3.1, assuring pay inequities are not created. The compensation staff is responsible for providing necessary information to management regarding market trends to assure proper compensation systems are in place. It is important to note that the classification system is an important part of the civil service structure and without having a County Personnel Department, the ability to be flexible with classification assignments would be very limited, as the State of Ohio's response time to these types of requests could be six months or more.
- C) Mandated activities related to Health Benefit Administration Include: Because specific insurance plans and leave programs (medical, dental, life, employee assistance programs, flexible spending accounts, transportation reimbursement, tuition reimbursement, medical leave program, vacation leave programs, sick leave, COBRA administration, adoption assistance) are offered by Hamilton County, we are required to assure these plans and programs remain compliant with a variety of different rules and regulations, including: 124 ORC, USERRA, CFR 125, COBRA (Public Health Security Act), Social Security, CFR 457, CFR 403B, CFR 127, CFR 132, CFR 137, Mental Health Parity Act, Newborns and Mothers Health Protection Act of 1996, Medicare Part D (Medicare Prescription Drug, Improvement, and modernization Act of 2003), HIPAA, and the Americans with Disabilities Act. Although we recognize that offering health insurance is not a mandated service, when health insurance *is* offered there are a variety of legal requirements that must be adhered to. In addition to the legal mandates regarding the types of insurance plans there are also specific rules regarding the purchasing of said plans. For example, ORC 307.86F requires competitive bidding for "the purchase of any form of insurance policy or contract ...or any form of health care plan..." For further details regarding the rules and regulations that must be adhered to in regards to the various employee benefit programs, please see the attached. Various personnel policies also apply to the programs and services offered in health benefits, including: 4.0, 4.1, 4.4, 4.9, 5.0, 5.2, 5.3, 5.5, 5.7, 5.8, 5.9, 5.10, and 5.11. Staff in this area are responsible for the overall administration, maintenance and compliance associated with these programs, including: quantifying and preparing county-wide estimate for cost-savings and future initiatives, recommending and preparing plan design and policy alternatives to maximize cost-effectiveness, planning and developing applicable communications and enrollment information, coordinating with employees and departmental representatives regarding individual employee issues and/or overall program issues, remaining current on legislation and recommending and implementing necessary changes, tracking usage and preparing applicable reports, developing bid specifications and proposals, processing enrollment paperwork, plan communications, plan staff trainings on applicable topics, reviews certifications for sick and vacation payouts at retirement, tracks employee involvement in some programs, etc. The Benefits Division is also responsible for gathering the required documentation for all County Employees who use County vehicles for

2009 Non-Mandated Expenditures Department Response

personal use and calculating and reporting the appropriate taxation amount to the County Auditor. This reporting is required as per IRS regulations regarding Fringe Benefit Valuation, Publication 15-B.

- 2. Who are the recipients of the service or activity for the non-mandated service? How many recipients? Please note any internal customers, other county departments, jurisdictions, businesses, etc. If the service is geographic specific (i.e., a satellite probation office), please identify the neighborhood, township or municipality.*

Employee Benefits Administration:

Health Benefits and other Insurance services are provided to all County employees and his/her dependents: Approximately 12,000. Several Townships and Municipalities have opted in to using our health care insurance, including: City of North College Hill, Columbia Township, Deer Park Silverton Fire District, Symmes Township, Village of Lockland, Village of North Bend. All Leave Programs (medical, military, etc.) are administered for all BOCC departments in the HR Department, and the HR department provides consultative services to the HR representative form other elected officials. The HR Department also provides COBRA Administration to all former employees in the BOCC departments and those employees' spouses, children, former spouses who are no longer eligible for coverage under the medical plan. HR maintains the Tuition Reimbursement Program for all program participants. In 2009, support was only necessary for JFS due to funding reductions. The division is also responsible for maintaining quarterly sick leave reports for all BOCC departments.

Classification and Compensation:

All County Agencies representing more than 5,500 employees, with the exception of: Board of Elections (all unclassified), Mental Health & Recovery Services Board, and Probate Court, participate in the Hamilton County Classification Plan, established under ORC 124 and Chapter 7 of the Administrative Regulations.

The BOCC Compensation Plan covers more than 2,600 employees in the following departments: All departments under the BOCC, Board of Zoning Appeals, Children's Trust Fund, Clerk of Courts, Coroner, Emergency Management, Family and Children First Council, Prosecutor, Public Defender, Recorder, Regional Planning, Rural Zoning, Soil and Water.

- 3. Are there county revenues associated with the non-mandated services? If so, please provide the methodology for any lost revenues. Please consider state or federal reimbursements, grants, fees, etc. Please note if the service or activity is included in the county's indirect cost plan.*

Hamilton County charges the maximum permissible additional 2% fee for terminated employees to continue their medical insurance using their rights under COBRA. This revenue is collected by the Auditor. Offering COBRA coverage is mandated, when medical insurance is offered. And, beginning in 2009, Hamilton County will begin seeing additional revenue for employees who choose to cover his/her spouse on the County's medical plan. This revenue is estimated to be \$700,000.

- 4. If the county did not provide the non-mandated service, is there the potential for increased expenditures in another jurisdiction within Hamilton County? If so, please list the specific municipality and/or township.*

Non-mandated services provided by this division are:

2009 Non-Mandated Expenditures Department Response

- Project Gain administration – however this is supported by a BOCC 2009 budget goal
- Fresh Ideas program administration – however this is supported by a BOCC budget goal
- STAR Program administration (employee service pin)
- Employee of the Year program
- Communications Forum – however this provides payroll officers and department representatives with appropriate and timely information regarding health benefits and other human resources relations activities/changes/mandates.
- Sick leave reporting – however this provides management a useful tool for evaluating attendance trends.
- Flu Shot Program administration– although this may help to curtail costs associated with medical insurance and reduce absences due to illness.
- Mobile Mammography administration – although this proves to be a useful means for early detection of breast cancer, thereby helping to ultimately reduce medical insurance costs. Last year 3 employees were diagnosed with breast cancer based on this program.
- Bill paying and budgeting responsibilities – although these services are necessary for overall operations.

Employee Benefits: Hamilton County extends our medical insurance plans to the local townships for participation. Without this participation, the townships would have less buying power and likely incur higher expenses to offer their employees with medical insurance.

Classification and Compensation: We currently do not provide classification and compensation services to other jurisdictions within Hamilton County. However, our services are provided to nearly all County agencies. And those county agencies could experience increased costs if they were unable to access the services that are supplied by the Classification and Compensation staff.

5. *Does the non-mandated service include Board of County Commissioner policy via resolution or motion?*

Please see attached list of BOCC Policy mandates and directives for HR.

6. *Are there contracts or agreements that preclude the elimination of a non-mandated service? If so, please provide the specific language as to termination and/or amendment terms.*

Yes.

Mandated Service:

“Service Agreement Between The Hamilton County Personnel Department and the Hamilton County Department of Job and Family Services”

a. Classification and Compensation: “The (County Personnel Department) shall develop and maintain competitive classifications and compensation plan(s) ...perform analysis related to reclassification and job audit requests, research, revise and/or create classification specifications and position descriptions; conduct market research; complete market surveys; conduct in-range pay adjustment analysis; determine FLSA status of positions, and provide assistance in interpretation of Administrative Regulations, FLSA, ORC, and other relevant regulations.”

b. Benefits: “The (County Personnel Department) shall provide benefit services including but not limited to administration of legally mandated programs such as COBRA, FMLA, and

2009 Non-Mandated Expenditures Department Response

ADA...administer health and welfare plans including medical, dental, flexible spending accounts, life insurance, long-term disability, employee assistance plan, deferred compensation plans, and sick and vacation payments at retirement....administer development and recognition programs including but not limited to tuition reimbursement, Service Time Achievement Recognition, Gainsharing and Fresh Ideas...administer work-life benefits...administer all employee leave programs...provide effective communications for employees regarding all employee benefit programs...respond to employee questions regarding benefits within one business day."

c. Term: "The term of this agreement shall commence 12/31/2007 and shall expire December 31, 2009. This agreement may be renewed for two additional one-year periods, upon the prior written agreement of the parties.

d. Termination: "This agreement may be terminated by either party upon notice, in writing, delivered upon the other party prior to the effective date of termination. Should HCPD wish to terminate this Contract, HCPD must deliver the notice of termination thirty (30) days prior to the effective date of termination.

7. *What are the equipment/non-personnel expenditure considerations with discontinuing a non-mandated service? (i.e., surplus equipment).*

Minimal. Related items might be office equipment and computers and peripherals available for auction.

8. *Do any of the non-mandated services include employees represented by a bargaining unit? If so, please note the union and provide information as to reduction-in-force and job abolishment considerations.*

No.

9. *For positions within non-mandated services, are there are special circumstances that preclude a traditional job abolishment process? Separation costs will be addressed centrally including leave balance payouts, unemployment compensation and severance (based on current Commission policy).*

No.

10. *In addition to positions associated with non-mandated services, the Budget Office included a review of management layers, support staff, and currently vacant positions. Please comment on the impact of eliminating these positions.*

This review of management layers, support staff and currently vacant positions was not provided for the Human Resource Department by the Budget Office, therefore a response to the analysis cannot be provided.

11. *What is the performance impact of not providing the non-mandated service? For example, wait times, waiting lists, case loads, operating hours and other consequences of not providing the service.*

Please see additional information in response to item #4.

2009 Non-Mandated Expenditures Department Response

Classification and Compensation:

If we do not offer these services through a County Personnel Department, then the services must be obtained from the State of Ohio Department of Administrative Services. Prior to the formation of the County Personnel Department we experienced significant wait times in establishing new classifications. The law requires that prior approval be obtained in order to use a classification, and this could be (and previously was) a six month wait. By not providing classification and compensation services centrally in the Human Resources Department we would have reversed any efforts to centralize services in this area.

Employee Benefits:

If we did not offer employee benefits, we would not be able to effectively recruit employees, as we would not be viewed as providing a Total Rewards Package.

Without adequate staff to support employee benefit programs we run the risk of failing to comply with mandates because of inadequate time to remain current on changes in applicable legislation. Additionally, processing of enrollment paperwork is time sensitive, and the level of customer service we provide to employees would be greatly impacted.

12. *Are there any alternatives that result in savings to the general fund?*

No.

13. *Are there more efficient ways to deliver a mandated service that may allow for the savings to offset the cost of a non-mandated service?*

In order to help achieve the 2009 budget goal of centralizing human resources function, various human resources services could be streamlined if the role of the "payroll officer" in other departments was reduced. This would require additional staffing levels in the HR department to manage and process applicable functions, but would create a more central service for HR function.

14. *Is there an opportunity to transfer any non-mandated expenditures to another funding source (i.e., restricted fund or grant)?*

HR Department already has a significant amount of the funding routed back to the general fund through the indirect cost plan. We quantify our activities that are performed centrally and redirect costs to the non-general fund departments.

In 2004, approximately 14% of HR's overall expenses were being redistributed to the general fund through Indirect Cost Plan from JFS alone.

15. *Does your department have any fees that could be raised to offset the cost of a mandated service?*

No.

Other Considerations and Comments: