

The Ohio State University
Board of Trustees

April 7, 2017

THURSDAY, APRIL 6, 2017
TALENT AND COMPENSATION COMMITTEE MEETING

W. G. Jurgensen
Janet B. Reid
Michael J. Gasser
Erin P. Hoeflinger
Hiroyuki Fujita
Halie M. Vilagi
Corbett A. Price
Alex Shumate (*ex officio*)

Location: Longaberger Alumni House
Mount Leadership Room

Time: 8:00-9:45am

Executive Session

8:00-8:55am

ITEMS FOR DISCUSSION

1. *Family Medical Leave Act Update - Ms. Mincey* 8:55-9:10am
2. *Fair Labor Standards Act Update - Ms. McGoldrick* 9:10-9:15am

ITEMS FOR ACTION

3. Personnel Actions - Mr. Jurgensen 9:15-9:20am
4. The Ohio State University Faculty and Staff Neighborhood Homeownership Incentive Program - Ms. Shumate 9:20-9:30am

Family Medical Leave Act (FMLA)
Risk Management Strategy and Administration Centralization Synopsis

March 2017

Family Medical Leave Act - Background

The Family and Medical Leave Act of 1993 (FMLA) guarantees up to 12 workweeks of unpaid leave to qualifying employees for specified family and medical leave reasons and, pursuant to amendments to the law, up to 26 workweeks of leave to care for a seriously ill or injured covered service member.

FMLA, enforced by the United States Department of Labor, confers certain rights to employees, which include:

- job protection (unpaid);
- as applicable, continuation of health insurance, and continuation of employer paid portion of premiums;
- guaranteed job reinstatement;
- protection from retaliation.

Eligible employees may take up to 12 weeks of leave for FMLA-qualifying reasons, which include:

- serious health condition of self, spouse, parent, child;
- new child (birth, adoption, foster);
- deployment of the employee's parent, spouse or child to covered active duty as a member of the regular Armed Forces or reserves.

Eligible employees may also take up to 26 weeks of leave for a serious injury or illness of a covered service member who is the employee's parent, spouse or child.

Administering FMLA

The FMLA places the administration of leave entitlement on employers.

Within the act's predetermined timeframes, the employer must:

- evaluate an employee's eligibility, and calculate entitlement for leave;
- determine qualification for leave;
- confirm in writing: eligibility, rights and responsibilities, and designation.

Several provisions, including: medical certification and recertification, fitness-for-duty evaluations, and advance notice of foreseeable leave, initially designed to ease the burden on employers, require individual evaluation.

History of FMLA Administration at Ohio State

Prior to 2013, over 96 academic unit staff, and the supervising managers of 540 Health System organizational units handled the processing of FMLA related leaves. Decentralized administration fostered inconsistent practices that created an increased risk of non-compliance and litigation.¹ It also hindered the university's ability to integrate and strategically manage other related events (i.e.: workers'



compensation, short and long-term disability, paid-parental leave, etc.), creating greater potential for gaps that can increase risk, financial exposure, and result in employees' extended absences.

In August 2013, Ohio State's senior leadership supported the Office of Human Resources' (OHR) proposed phased approach to mitigate continued risk through centralized FML strategic management and administration. The effort began with academic units in October 2013; transitioning primary administrative responsibilities to a team of four central OHR staff.² The OSU Health System began migrating to the new model in October 2015; administered centrally by an expanded team of seven total full time staff. FML centralization was successfully operationalized in September 2016.

The fully centralized operation is overseen by OHR's department of Integrated Absence Management and Vocational Services; combining the claim management of workers' compensation and disability, with the return-to-work/remain-at-work case management services under OSU's transitional work policy.

Benefits of Centralized FML Administration and a More Integrated Approach to Absence Management

OHR's Integrated Absence Management and Vocational Services (IAMVS) team maintains and improves the productivity and quality of life of Ohio State employees with occupational and non-occupational injuries and illnesses through effective disability case management and risk management. Ohio State leads other public and private entities in offering transitional work as a benefit to employees.

Inclusion of FML management as part of IAMVS' operation significantly reduces the lag time that can occur between an employee's need for leave or reported absence and our ability to provide services. Because FML entitlement can (and should) be evoked after three days of absence, or in some scenarios as soon as practicable, the ability to counsel employees and assess their need greatly increases. A more integrated absence management approach allows the IAMVS staff to proactively assist employees when they need it most - seamlessly working with employees through their absence and return to work. The integrated approach better ensures fair and consistent application of policy and practice related to paid/unpaid leave, workplace accommodation under the ADA, disability separation and reinstatement governed by state law, and disability retirement.

Ohio State's centralized approach and commitment to offer integrated services align with best practices identified by the Disability Management Employer Coalition (DMEC); that is:

- Leave and absence policies should be as uniform and applied as consistently as possible across the organization.
- Ensuring that staff is qualified, trained and experienced.
- Constant improvement and monitoring of current practices.

FML By-the-Numbers and Ensuring Constant Process Improvement

In 2016:

- the number of Ohio State employees eligible to evoke FMLA entitlement was estimated at 65%, or just over 29,600
- nearly 21% - just over 6,100 eligible employees - requested FML for one or more qualifying reasons
- OHR's leave administrators processed and managed over 7,380 FML occurrences (claims); of those, just over 3,600 derived from the Health System
- the need to care for one's self, made up almost 57% of claims, followed by:
 - care of a family member - 27%
 - birth/adoption - 16%
 - qualifying military exigency - 0.03%
- employees' need for irregular intermittent leave account for 49% of claims, with 46% for continuous leave of three consecutive days or more

Conclusion

Going forward, effective FMLA, (other) leave, and return-to-work strategic management still comes down to people, processes, and technology. Through our centralization effort, we have successfully aligned the people that administer these programs and now have the ability to hone strategy and processes that are consistent and reflective of the university's values. We will also continue the work to align with other institutional initiatives - inclusive of design and implementation of a new HR systems platform - all aimed to support risk management, compliance and efficiency gains.

¹ The Administrative Office of the US Courts reported a 26.3% jump in Family Medical Leave Act (FMLA) lawsuits in 2014. By the numbers: in 2012, there were 291 FMLA lawsuits, in 2013, there were 877 FMLA lawsuits, and in 2014, there were 1108 FMLA lawsuits. - March 2015

² Centralized FML administration model requires individual units proactively communicate with their dedicated OHR leave administrator, monitor employee call-offs related to FML, and code/input time keeping.

Overtime Analysis

- The following chart represents only individuals who transitioned to non-exempt status based upon recent FLSA guidelines
- Implementation occurred on 10/30/2016
- Total overtime spent since the transition is \$446,964

Overtime expense from FLSA implementation				
Entity	FLSA Transitioned Staff Employees		Overtime Expense	
	As of 10/30/16	As of 2/4/17	10/31/16 - 2/24/16	12/25/16 - 2/4/17
Campus	1,754	1,527	\$176,543	\$126,838
Wexner Medical Center	278	267	\$118,411	\$25,170
TOTAL	2,032	1794	\$294,954	\$152,008

- The chart below represents all university employees who earned overtime (2016 column all non-exempt employees including those who transitioned to a non-exempt status on 10/30/2016)
- The number of staff who earned overtime varies from pay period to pay period, depending on activities happening within university units (e.g. start of school, inclement weather, special events etc.)

2015 through 2017 overtime expense comparison		
Entity	2015 11/01 through 12/26	2016 10/31 through 12/24
Campus	\$1,034,044	\$1,343,662
Wexner Medical Center	\$5,767,977	\$5,962,270
TOTAL	\$6,802,021	\$7,305,932



- This chart below represents the overtime spend for 2,032 staff who transitioned to non-exempt on 10/30/16
- The data is listed by VP and College unit and includes the number of transitioned staff in each area as of 10/31, the transitioned staff as of 2/4/17, and the overall spend on their overtime
- The transitioned staff as of 2/4/17 tracks the 2,032 staff who remain non-exempt university employees. These employees may change jobs and departments, but remain non-exempt.
- The difference in numbers reflects individuals who have left the university or who have transitioned to an exempt job.
- This chart does not reflect overall overtime spend for these units; only transitioned staff

VP / College	Staff Transitioned		Overtime Paid to Transitioned Staff		
	On 10/30/16	As of 2/4/17	10/30/16 - 12/24/16	12/25/16 - 2/4/17	Total
Arts and Sciences	220	188	\$16,493	\$9,721	\$26,214
Athletics	35	31	\$5,963	\$6,941	\$12,904
College of Education & Human Ecology	44	38	\$1,545	\$952	\$2,497
College of FAES	217	195	\$23,569	\$16,226	\$39,795
College of Dentistry	24	22	\$2,131	\$731	\$2,862
College of Engineering	25	20	\$995	\$816	\$1,811
College of Law	10	8	\$650	\$876	\$1,526
College of Medicine	258	222	\$34,001	\$21,528	\$55,529
College of Nursing	21	20	\$309	\$86	\$395
College of Optometry	11	8	\$0	\$0	\$0
College of Pharmacy	19	13	\$396	\$2,363	\$2,759
College of Public Health	10	9	\$551	\$242	\$793
College of Social Work	3	3	\$0	\$0	\$0
College of Veterinary Med	23	16	\$2,232	\$60	\$2,292
Fisher College of Business	36	27	\$5,197	\$3,183	\$8,380
John Glenn College Public Affairs	7	5	\$738	\$81	\$819
Lima Campus	18	15	\$1,600	\$139	\$1,739
Mansfield Campus	15	15	\$27	\$199	\$226
Marion Campus	9	8	\$219	\$0	\$219
Newark Campus	22	22	\$1,603	\$135	\$1,738
Office of Administration & Planning	24	21	\$129	\$1,049	\$1,178
Office of Business and Finance	45	39	\$47	\$121	\$168
Office of Health Sciences	214	195	\$20,899	\$12,315	\$33,214
Office of Student Life	130	108	\$34,312	\$22,296	\$56,608
Office of Academic Affairs	287	255	\$13,058	\$19,868	\$32,926
Office of Human Resources	12	10	\$129	\$71	\$200
Senior VP-Executive Officer	14	12	\$9,752	\$6,839	\$16,591
University Advancement	1	2	\$0	\$0	\$0
Wexner Medical Center	278	267	\$118,411	\$25,170	\$143,581
Total	2,032	1,794	\$294,956	\$152,008	\$446,964

- The chart below represents the total overtime spend for each unit.
- 2015 and 2016 reflect the entire calendar year.
- 2017 reflects year to date.

Unit	Calendar 2015 Overtime Spend		Calendar 2016 Overtime Spend		Calendar 2017 Overtime Spend (Thru 2/4/17)	
	Total Spend	Avg Spend (per Pay Period)	Total Spend	Avg Spend (per Pay Period)	Total Spend	Avg Spend (per Pay Period)
College of Arts & Sciences	\$91,333	\$3,513	\$91,873	\$3,534	\$14,520	\$4,840
College of Education and Human Ecology	\$37,290	\$1,434	\$43,593	\$1,677	\$9,398	\$3,133
College of FAES	\$252,293	\$9,704	\$338,157	\$13,006	\$40,797	\$13,599
College of Dentistry	\$148,553	\$5,714	\$202,789	\$7,800	\$18,232	\$6,077
College of Engineering	\$72,274	\$2,780	\$89,373	\$3,437	\$14,347	\$4,782
Fisher College of Business	\$469	\$18	\$6,010	\$231	\$3,490	\$1,163
Glenn College of Public Affairs	\$0	\$0	\$874	\$34	\$82	\$27
College of Law	\$2,057	\$79	\$5,755	\$221	\$1,819	\$606
College of Medicine	\$409,806	\$15,762	\$493,081	\$18,965	\$70,457	\$23,486
College of Nursing	\$664	\$26	\$1,992	\$77	\$1,089	\$363
College of Optometry	\$2,985	\$115	\$4,051	\$156	\$196	\$65
College of Pharmacy	\$13,668	\$526	\$4,101	\$158	\$2,593	\$864
College of Public Health	\$714	\$27	\$1,040	\$40	\$761	\$254
College of Social Work	\$200	\$8	\$27	\$1	\$460	\$153
College of Veterinary Medicine	\$317,715	\$12,220	\$355,878	\$13,688	\$54,788	\$18,263
Lima Campus	\$21,647	\$833	\$11,537	\$444	\$622	\$207
Mansfield Campus	\$24,924	\$959	\$21,989	\$846	\$4,150	\$1,383
Marion Campus	\$9,663	\$372	\$13,041	\$502	\$722	\$257
Newark Campus	\$50,088	\$1,926	\$49,764	\$1,914	\$5,778	\$1,926
Office of Academic Affairs	\$306,888	\$11,803	\$319,726	\$12,297	\$75,129	\$25,043
Office of Administration and Planning	\$2,734,214	\$105,162	\$2,742,507	\$105,481	\$258,790	\$86,263
Office of Business & Finance	\$55,762	\$2,145	\$19,652	\$756	\$1,215	\$405
Board of Trustees	\$0	\$0	\$349	\$13	\$77	\$26
Office of Health Sciences	\$157,166	\$6,045	\$150,568	\$5,791	\$28,902	\$9,634
Health Sciences FGP	\$3,710	\$143	\$5,592	\$215	\$0	\$0
Office of Human Resources	\$39,322	\$1,512	\$51,751	\$1,990	\$5,299	\$1,766
Office of Legal Affairs	\$2,438	\$94	\$948	\$36	\$0	\$0
Office of the President	\$820	\$32	\$1,763	\$68	\$0	\$0
Office of Student Life	\$355,932	\$13,690	\$573,544	\$22,059	\$91,007	\$30,336
Office of University Advancement	\$19,983	\$769	\$16,492	\$634	\$2,000	\$667
Athletics	\$493,545	\$18,983	\$519,674	\$19,987	\$39,796	\$13,265
Senior VP - Executive Officer	\$91,817	\$3,531	\$156,677	\$6,026	\$22,354	\$7,451
WMC: Ambulatory Services	\$432,602	\$16,639	\$477,359	\$18,360	\$71,051	\$23,684
WMC: Harding	\$899,195	\$34,584	\$902,374	\$34,707	\$179,606	\$59,869
WMC: Health Plan	\$12,874	\$495	\$8,524	\$328	\$1,183	\$394
WMC: Hospital East	\$3,615,072	\$139,041	\$3,491,447	\$134,286	\$760,361	\$253,454
WMC: James Cancer	\$8,470,229	\$325,778	\$8,412,011	\$323,539	\$1,580,065	\$526,688
WMC: Ross Heart	\$3,468,169	\$133,391	\$3,626,329	\$139,474	\$657,971	\$219,324
WMC: Shared Services	\$1,098,061	\$42,233	\$1,229,170	\$47,276	\$191,035	\$63,678
WMC: Specialty Care	\$1,627,947	\$62,613	\$1,655,127	\$63,659	\$220,298	\$73,433
WMC: University Hospital	\$15,907,887	\$611,842	\$16,477,403	\$633,746	\$3,344,911	\$1,114,970
Year to Date Total	\$41,249,976		\$42,573,912		\$7,775,351	

PERSONNEL ACTIONS

BE IT RESOLVED, That the Board of Trustees hereby approves the personnel actions as recorded in the personnel budget records of the university since the January 27, 2017, meeting of the board, including the following appointments:

Appointments

Name: *CATHANN A. KRESS
Title: Vice President
Office: Agricultural Administration
Title: Dean
College: Food, Agricultural, and Environmental Sciences
Term: July 1, 2017 through June 30, 2022

Reappointments

Name: BERNADETTE M. MELNYK
Title: Vice President for Health Promotion and Chief Wellness Officer
Office: Academic Affairs
Start Date: February 1, 2017
Title: Dean
College: Nursing
Term: January 1, 2017 through December 31, 2022

*New Hire

The Ohio State University
Board of Trustees

April 7, 2017

**THE OHIO STATE UNIVERSITY FACULTY AND STAFF
NEIGHBORHOOD HOMEOWNERSHIP INCENTIVE PROGRAM**

Whereas The Ohio State University has engaged in an extensive public planning process with the City of Columbus, CMHA, neighborhood leaders, property owners and other stakeholders to identify programs and projects to improve the quality of life of all those who live and work in the community surrounding University Hospital East; and

Whereas the planning process resulted in a comprehensive planning document, titled "Blueprint for Community Investment," which was delivered to the community in July 2013; and

Whereas this revitalization plan documents the decline in homeownership including housing utilized as rental at approximately 74% and homeownership at 26% emphasizing the need to raise the level of homeownership as a prerequisite to sustaining long-term improvements in the area; and

Whereas this revitalization plan points to the employer-based homeownership programs around the nation, and locally with Ohio State via Campus Partners, which have proven effective public policy tools to encourage urban neighborhood revitalization, and the plan recommends that the university implement such a program modeled after Campus Partners on the Near East Side; and

Whereas this Board of Trustees in support of this revitalization plan asked that an employer-based homeownership program be developed and brought back to this board for adoption; and

Whereas Partners Achieving Community Transformation (PACT) and Wexner Medical Center have worked with the University Office of Human Resources to replicate an employer-based homeownership program based on the best experiences with the Campus Partners managed program and other such programs around the country and tailored to the specific conditions of the Near East Side community surrounding University Hospital East; and

Whereas the homeownership program targets its funds to the identified neighborhoods within the PACT planning area which are closest to University Hospital East, while also encouraging homeownership throughout the Near East Side; and

Whereas the efforts of the university to develop a homeownership program for its employees are being complemented by the investments of its partners the City of Columbus and Columbus Metropolitan Housing Authority; and

Whereas this expansion of the university's Faculty and Staff Neighborhood Homeownership Incentive Program to the Near East Side community surrounding University Hospital East has been reviewed and recommended by representatives of the PACT Board, Campus Partners staff, neighborhood residents; and the appropriate university offices and committees:

NOW THEREFORE

BE IT RESOLVED, That the Board of Trustees hereby approves The Ohio State University Faculty and Staff Neighborhood Homeownership Incentive Program to encourage homeownership by faculty and staff in the PACT planning area; and

The Ohio State University
Board of Trustees

April 7, 2017

**THE OHIO STATE UNIVERSITY FACULTY AND STAFF
NEIGHBORHOOD HOMEOWNERSHIP INCENTIVE PROGRAM (cont'd)**

BE IT FURTHER RESOLVED, That the university administration is hereby authorized to proceed with implementation of the Faculty and Staff Neighborhood Homeownership Incentive Program in furtherance of the PACT partnership to revitalize the Near East Side, including to raise the level of homeownership in the planning area and that this program will be funded with \$500,000 of the Jobs Growth Tax Incentive funds paid by the City of Columbus to The Ohio State University in connection with that certain Jobs Growth Tax Incentive Agreement, entered into on August 24, 2011, as may have been or will be amended; and

BE IT FURTHER RESOLVED, That PACT will report annually to the Talent and Compensation Committee of this board on the expenditure of these funds, the progress of implementation of the homeownership program, and the benefits achieved.

BACKGROUND

Executive Summary



Partners Achieving Community Transformation (“PACT”) is a nonprofit organization founded by The Ohio State University, Columbus Metropolitan Housing Authority, and the City of Columbus to plan and implement transformative change on the Near East Side of Columbus, Ohio. PACT’s mission is to permanently disrupt the cycle of generational poverty and economic instability for residents through the implementation of quality, sustainable and holistic initiatives. PACT serves as the convener of interested and investment partners to realize the goals of its comprehensive plan - the Blueprint for Community Investment (“Blueprint”). PACT will convene partners for the strategic implementation of these physical and programmatic improvements. The organization will also serve as a catalyst for continuing and expanding redevelopment efforts, leveraging investments into this important historic area of the city.

The foundation of the Blueprint is community-driven principles for a healthy community and areas for critical community improvements. The ongoing input of stakeholders has shaped the creation of the Blueprint and will continue to guide the focus of investments within the 800 acre-community. Through a holistic approach outlined in the Blueprint, PACT will leverage partnerships to target areas of impact including initiatives related to access to personalized healthcare, quality education and safe, affordable housing. As convener, PACT will continue to aid in the identification and implementation of catalytic projects that are of the highest quality and sustainable. Initial phases of implementation include the development of education initiative as education is a critical component of sustainable community transformation. Significant long-term investments of human capital and resources have been allocated to the redevelopment of core curriculum for the transformation of the PACT geography into a Pre-K through adult education destination. Other projects include planned investments in the physical redevelopment of major corridors; retaining and attracting commercial opportunities; the development of mixed-income housing; and attracting substantial third party investment or new partners.

BACKGROUND

The Ohio State University Faculty and Staff Neighborhood Homeownership Incentive Program - Near East Side

Application Process (Modeled after Campus Partners)

1. Send program summary and application to prospective applicant.
2. PACT receives application including purchase contract.
3. PACT reviews the application for completeness and confirms that the property falls within the geographic incentive area.
4. PACT forwards the application to Human Resources to verify applicant's eligibility for the incentive. Human Resources provides documentation of eligibility to PACT.
5. PACT send the applicant the promissory note to sign and be returned.
6. PACT will initiate an eRequest to issue the check, via Wexner Medical Center.
7. Wexner Medical Center will create a payment voucher and submit to Accounts Payable to issue the check. Taxes required to be paid on the benefit will be taken from the total.
8. PACT will provide the check to the title company in time for the applicant's closing date.
9. Restrictive covenant is filed with Franklin County on the property by the title company at closing.

Ohio State HR Web Content

OSU Faculty and Staff Homeownership Incentive

The OSU Faculty & Staff University District Home Ownership Incentive Program is a down payment assistance program that consists of a zero interest forgivable loan to be applied towards the down payment, closing costs and/or reduction in principal amount on a home purchased within either of the two incentive areas.

Employees must reside at the residence and remain employed with Ohio State during the five-year repayment period. The down payment assistance is considered income to the employee and therefore the recipient is responsible for any related income tax liability.

Incentive Areas:

- Near East Side Incentive Area - link to page on PACT website with the details
- University District Incentive Area - link to the Campus Partners website with details

