



# OBM

Ohio Office of Budget and Management  
Ted Strickland, Governor  
J. Pari Sabety, Director

# OhioDAS

Ohio Department of Administrative Services  
Ted Strickland, Governor  
Hugh Quill, Director

May 7, 2010

Memorandum To: Chief Fiscal Officers

From: David A. Ellis, Asst. Director, Office of Budget and Management  
Rick Hickman, Asst. Director, Department of Administrative Services

Subject: FY 2010 Cost Savings Day Reimbursements

Overall usage statistics show that most state employees have used a substantial portion of their cost savings days (CSDs). The Office of Budget and Management (OBM), the Department of Administrative Services (DAS), and agencies have made steady progress implementing this individualized payroll savings program.

OBM's January 29, 2010 memo to fiscal officers outlined the cost savings day process as it relates to the GRF fund balance and drawing down federal funds. In addition, DAS's March 26, 2010 memo to human resources and labor relations administrators addressed fiscal year-end and "equalization" issues for employees.

To review, agency fiscal and human resources officers must ensure that all employees use all their CSDs. This is critical to helping balance the GRF in this biennium by lapsing and transferring non-GRF savings to the GRF and by lapsing GRF savings. In order to capture the payroll savings achieved, the OBM director may develop plans with agencies that ensure that they meet the agency target at the fund level rather than on an ALI-by-ALI basis. However, funds must lapse their target savings levels.

This memorandum addresses the limited cases where employees (addressed in the DAS memo) or funds must nonetheless be reimbursed because employees did not use all ten CSDs in fiscal year 2010 as required.

### **DAS Has Determined What Employees Must Be Paid Back for Unused CSDs**

Pursuant to both the applicable collective bargaining agreements and the Ohio Administrative Code (chapter 123:1-34-11, Mandatory cost savings program), in most cases, only employees who are prevented by their appointing authorities from taking CSDs shall have the appropriate corrections made to their paychecks.

However, certain groups of employees will not be reimbursed under any circumstances, regardless of whether their employers prevented them from taking CSDs. This includes the following:

- Employees in bargaining units 3, 4, and 5, who will not be reimbursed pursuant to the fourth provision of the letter of agreement amending the original contract between the State of Ohio and the Ohio Civil Service Employees Association.
- Employees in bargaining unit 10, who will not be reimbursed pursuant to article 21.11 of the contract between the State of Ohio and the Ohio Education Association.

- Employees who are exempt from overtime compensation and who are (a) in pay range fifteen or above on the E-1 pay scale, (b) annually paid \$63,814 or above on the E-2 pay scale, (c) annually paid \$63,814 or above through their appointing authority's ability to set compensation, or (d) working in the governor's office.

In sum, the vast majority of employees will not be reimbursed for unused CSDs. Employees eligible for reimbursement and agencies will have to provide documentation that the agency prevented CSD usage in order for employees to be reimbursed. DAS will approve all such reimbursements. Absent sufficient documentation, leftover CSD hours will be assumed to be forfeited. As a result, employees and agencies should keep relevant records in writing. See DAS's memo for additional information.

### **OBM Has Determined What Non-GRF Funds Will Be Paid Back for Unused CSDs**

OBM has identified the non-GRF funds from which payroll savings will *not* be transferred to the GRF to help balance the budget. (All payroll savings for GRF ALIs will be captured via lapsed appropriations.) This set of funds includes four categories:

- Constitutionally protected funds.
- Federal funds.
- State funds with federal restrictions.
- Funds with other special circumstances as determined by OBM.

The first three categories have use restrictions imposed upon the state by federal law or the state Constitution. The fourth category does not have such restrictions imposed upon the state. Rather, OBM has determined that they do have other circumstances not governed directly by federal law or the state Constitution that warrant their addition to the excluded funds list. Examples include private grant and gift funds.

Despite their exclusion from GRF transfer of payroll savings ultimately achieved, employees paid by these funds still have a portion of each paycheck deducted for deposit to the cost savings fund (Fund 8140). Like all other employees, they too are paid from Fund 8140 (instead of the agencies' funds as usual) for CSDs taken off. However, if these employees do not use all their CSDs, then cash from the excluded funds will remain in Fund 8140 from the deposited deductions instead of being used for the programs for which they are intended.

Consequently, for the same reasons these funds are on the transfer exclusion list, they will be reimbursed for employees' unused CSDs, *if* the employees themselves do not have to be reimbursed. Agencies will receive guidance on identifying and calculating repayment amounts to these funds later in the year.

### **Agencies Must Use FY 2011 Appropriations to Pay CSD Reimbursements**

For employees who must be reimbursed pursuant to the prevented CSD usage criterion discussed above, **payroll mechanics require these payments to come from agencies' fiscal year 2011 appropriations**. Subsequently, Fund 8140 will reimburse non-GRF funds in the categories noted above. This will be an intrastate transfer voucher (ISTV) expense for Fund 8140 and will not refund the appropriation the agency expended for the reimbursement.

### **Reporting Tools Available to Agency Fiscal Staff**

As noted in OBM's January 29, 2010 memo regarding CSDs and federal funds, DAS's Human Resources Division (HRD) has developed Cognos reports to review employees' CSD usage. DAS HRD has repeatedly made your human resources divisions aware of these reports and also provided them to agency human resources officers at HCM user group meetings. It is imperative that agency fiscal and human resources officers confer to ensure that all employees use all their CSDs this fiscal year so that all anticipated savings are achieved.

Specifically, three Cognos reports created by DAS HRD show CSD statistics for each employee. These reports are at Public Folders > OAKS HCM Operational Reporting Warehouse (ORW):

- *PYCG014-CSDLV-Used* shows for each employee the CSD hours used on the individual days the employee took them.
- *PYCG014-CSDLV-Used-Aggregate* shows a sum total of CSD hours each employee has used. Agencies can use this report in particular to monitor employees' use of CSDs as the fiscal year progresses and make sure all hours are taken off.
- *PYCG016 CSD Balance* shows unused CSD hours remaining by employee.

Each report has one or more prompts. To get a complete report for the agency from the start of the fiscal year, agencies can leave the Emplid prompt blank, enter the agency's three-letter code (all caps) in the DeptID prompt, and specify a date range from July 1, 2009 through the current date. For more tailored reporting, agencies can enter specific employee IDs, ten-digit department IDs, and/or narrower date ranges. If you have questions about the DAS HRD Cognos reports, please contact the Office of Policy Development at (614) 752-5393 or [DASHRD.HRPolicy@das.state.oh.us](mailto:DASHRD.HRPolicy@das.state.oh.us).

In addition, DAS's Office of Collective Bargaining provided your agency labor relations administrators with updated CSD information and reports broken down by bargaining unit at the January 28, 2010 meeting of the Labor Relations Advisory Council.

#### **Questions**

Any CSD questions regarding funds can be directed to Todd Clark at (614) 644-8795 or [todd.clark@obm.state.oh.us](mailto:todd.clark@obm.state.oh.us). Any questions regarding employee reimbursements or the DAS HRD Cognos reports can be directed to Kathleen Madden at (614) 466-6935 or [kathleen.madden@das.state.oh.us](mailto:kathleen.madden@das.state.oh.us).

Cc: OBM Analysts  
Kathleen Madden, DAS HRD Policy Administrator