

LSC Greenbook

Analysis of the Enacted Budget

**Department of Administrative
Services**

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August 2011

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ATTACHMENT:

Budget Spreadsheet By Line Item

Department of Administrative Services

- The budget appropriates \$352.8 million in FY 2012 and \$381.9 million in FY 2013
- Public health care pooling program for local governments, school districts, and universities
- Expansion of permissible construction delivery methods
- Creation of a statewide public notifications web site for state and local governments

OVERVIEW

Agency Overview

The Department of Administrative Services (DAS) is responsible for providing state agencies with services pertaining to information technology systems, personnel, the procurement of goods and services, real estate, collective bargaining, and equal opportunity. Approximately two-thirds of the agency's operating budget comes from fees that state agencies pay for these services. The remaining third comes from the General Revenue Fund (GRF).

DAS consists of four primary divisions, as well as the Office of Collective Bargaining and the Office of Information Technology (OIT). The General Services Division provides services pertaining to procurement, real estate and architecture, printing, mail, fleet management, and records management. The Human Resources Division handles matters related to personnel administration, including benefits and payroll, for state agencies. The Equal Opportunity Division ensures that underrepresented populations are fairly considered in the economic and employment opportunities of the state. The Administrative Support Division provides general administrative, communication, and management services to DAS as a whole. The Office of Collective Bargaining provides for the central administration and negotiation of labor contracts for all state agencies that employ members of a bargaining unit. The Office of Information Technology oversees the state's information technology infrastructure. DAS currently employs 839 people.

Appropriation Overview

The operating budget provides DAS with total funding of \$352.8 million in FY 2012, 16.0% greater than FY 2011 expenditures of \$304.1 million. FY 2013 funding is \$381.9 million, an 8.3% increase over the amount appropriated for FY 2012. Table 1 shows these appropriations by fund group.

Table 1. Appropriations by Fund Group, FY 2011-FY 2013

Fund Group	FY 2011	FY 2012	% change, FY 2011-FY 2012	FY 2013	% change, FY 2012-FY 2013
General Revenue	\$93,613,446	\$118,192,516	26.3%	\$148,320,243	25.5%
General Services	\$208,345,178	\$232,306,081	11.5%	\$232,501,225	0.1%
Federal Special Revenue	\$2,060,926	\$270,756	-86.9%	\$106,347	-60.7%
State Special Revenue	\$0	\$2,000,000	n/a	\$1,000,000	-50.0%
Total	\$304,019,551	\$352,769,353	16.0%	\$381,927,815	8.3%

*FY 2011 figures represent actual expenditures.

Initiatives for the FY 2012-FY 2013 Biennium

Construction Delivery Methods

The budget bill expands the construction delivery methods that public authorities, excluding the Ohio Turnpike Commission, may use for public improvements to include construction manager-at-risk, design-build, and general contractor contract models. Public entities were previously restricted to the multiple-prime method in which each major portion of a project is bid separately. Additionally, the threshold at which public improvements are required to be competitively bid is raised from \$50,000 to \$250,000; however, construction manager-at-risk and design-build contracts would be exempt from these requirements altogether.

Public Employees Health Care Program

H.B. 153 provides GRF funding of \$400,000 in FY 2012 and in FY 2013 for the Public Employees Health Care Program. These funds will be used to develop a health insurance pooling program for local governments, state institutions of higher education, and school districts. This program will also replace the School Employees Health Care Board (SEHCB), which set policies for school district health care plans regarding best practices, cost containment, and general health.

Statewide Public Notice Web Site

The FY 2012-FY 2013 budget includes provisions requiring the creation of a comprehensive web site for state and local public notifications. Any public notices required by law or rule are to be published on the web site for a period that is no less than the period that they would have been published in print. This web site is expected to cost approximately \$300,000 and would be paid from GRF appropriation item 100418, Web Site and Business Gateway. DAS is planning on using existing in-house staff and resources to develop the web site. According to state records, state agencies paid \$4.1 million in FY 2010 and \$3.5 million in FY 2011 for these public notices.

New Board Licensing System

The enacted budget provides \$3 million over the biennium to replace eLicensing, the system used by the professional licensing boards and commissions to store license information, with a more versatile, stable, and secure licensing system. The need to replace eLicensing became apparent in June 2010, when eLicensing was unable to process the substantial volume of activity generated by license renewals of the Ohio Board of Nursing. Overall, eLicensing currently contains 1.6 million records. Annual maintenance costs are approximately \$290,000. To replace the system, DAS plans to buy and modify an off-the-shelf program, as opposed to developing a system in-house, to suit the needs of the licensing boards and commissions. Installation is expected to be completed by the end of FY 2013.

ANALYSIS OF ENACTED BUDGET

Introduction

This section provides an analysis of the enacted funding for each appropriation item in DAS's budget. In this analysis, DAS's line items are grouped into six major categories. For each category, a table is provided listing the enacted appropriation for each fiscal year of the biennium. Following the table, a narrative describes how the appropriation is used and any enacted changes affecting the appropriation. The six categories used in this analysis are as follows:

1. Information Technology;
2. General Services;
3. Administration, Human Resources, and Collective Bargaining;
4. State Support Services;
5. Equal Opportunity; and
6. State Building Debt and Operating Payments.

To aid the reader in finding each item in the analysis, the following table shows the category in which each appropriation has been placed, listing the line items in order within their respective fund groups and funds. This is the same order the line items appear in the budget bill.

Also included is a separate section that provides an analysis of appropriations from the eight state funds responsible for paying various state employee benefits. While these are not appropriated under DAS, the agency is responsible for overseeing state employee benefits. For budget purposes, these benefit programs are appropriated under the heading of the Employee Benefits Funds (PAY).

Categorization of DAS Appropriation Line Items for Analysis of Enacted Budget		
Fund	ALI and Name	Category
General Revenue Fund		
GRF	100403 Public Employees Health Care Program	4: State Support Services
GRF	100415 OAKS Rental Payments	6: State Building Debt and Operating Payments
GRF	100416 STARS Lease Rental Payments	6: State Building Debt and Operating Payments
GRF	100418 Web Sites and Business Gateway	1: Information Technology
GRF	100419 IT Security Infrastructure	1: Information Technology
GRF	100439 Equal Opportunity Certification Payments	5: Equal Opportunity
GRF	100447 OBA – Building Rent Payments	6: State Building Debt and Operating Payments
GRF	100448 OBA – Building Operating Payments	6: State Building Debt and Operating Payments
GRF	100449 DAS – Building Operating Payments	6: State Building Debt and Operating Payments
GRF	100451 Minority Affairs	5: Equal Opportunity
GRF	102321 Construction Compliance	5: Equal Opportunity
GRF	130321 State Agency Support Services	2: General Services
General Services Fund Group		
1120	100616 DAS Administration	3: Administration, Human Resources, and Collective Bargaining
1150	100632 Central Services Agency	4: State Support Services
1170	100644 General Services Division – Operation	2: General Services
1220	100637 Fleet Management	2: General Services
1250	100622 Human Resources Division – Operating	3: Administration, Human Resources, and Collective Bargaining
1250	100657 Benefits Communication	3: Administration, Human Resources, and Collective Bargaining
1280	100620 Collective Bargaining	3: Administration, Human Resources, and Collective Bargaining
1300	100606 Risk Management Reserve	2: General Services
1310	100639 State Architect's Office	2: General Services
1320	100631 DAS Building Management	2: General Services
1330	100607 IT Service Delivery	1: Information Technology
1880	100649 Equal Opportunity Division – Operating	5: Equal Opportunity
2100	100612 State Printing	2: General Services
2290	100630 IT Governance	1: Information Technology
2290	100640 Leveraged Enterprise Purchases	2: General Services
4270	100602 Investment Recovery	2: General Services
4N60	100617 Major IT Purchases	1: Information Technology
4P30	100603 DAS Information Services	1: Information Technology
5C20	100605 MARCS Administration	1: Information Technology
5C30	100608 Skilled Trades	2: General Services
5EBO	100635 OAKS Support Organization	1: Information Technology
5EBO	100656 OAKS Updates and Improvements	1: Information Technology
5HU0	100655 Construction Reform Demo Compliance	5: Equal Opportunity
5L70	100610 Professional Development	3: Administration, Human Resources, and Collective Bargaining

Categorization of DAS Appropriation Line Items for Analysis of Enacted Budget		
Fund	ALI and Name	Category
5V60 100619	Employee Educational Development	3: Administration, Human Resources, and Collective Bargaining
5X30 100634	Centralized Gateway Enhancement	1: Information Technology
Federal Special Revenue Fund Group		
3AJ0 100654	ARRA Broadband Mapping Grant	1: Information Technology
State Special Revenue Fund Group		
5JQ0 100658	Professions Licensing System	4: State Support Services

Employee Benefits Funds Administered by DAS		
Fund	ALI and Name	Category
Accrued Leave Liability Fund Group		
8060 95666	Accrued Leave Fund	7: Employee Benefits Funds
8070 995667	Disability Fund	7: Employee Benefits Funds
Agency Fund Group		
1240 995673	Payroll Deductions	7: Employee Benefits Funds
8080 995668	State Employee Health Benefit Fund	7: Employee Benefits Funds
8090 995669	Dependent Care Spending Account	7: Employee Benefits Funds
8100 995670	Life Insurance Investment Fund	7: Employee Benefits Funds
8110 995671	Parental Leave Benefit Fund	7: Employee Benefits Funds
8130 995672	Health Care Spending Account	7: Employee Benefits Funds

Category 1: Information Technology

Line items in the Information Technology category fund DAS's oversight of the state's information technology infrastructure and policies. This includes a support structure for managing technology acquisition, policy, planning, and project management that is utilized by the state's agencies, boards, and commissions. Altogether, the 11 line items in this category account for over 37.0% of the budget for DAS in FY 2012 and nearly 34.0% in FY 2013. The vast majority of this funding is supported by user charges, although there is a small GRF component and some federal grant funding.

Appropriations for Information Technology				
Fund	ALI and Name		FY 2012	FY 2013
General Revenue Fund				
GRF	100418	Web Sites and Business Gateway	\$2,895,063	\$2,795,176
GRF	100419	IT Security Infrastructure	\$742,535	\$742,648
General Revenue Fund Subtotal			\$3,637,598	\$3,537,824
General Services Fund Group				
1330	100607	IT Services Delivery	\$58,088,940	\$58,103,005
2290	100630	IT Governance	\$14,000,000	\$14,000,000
4N60	100617	Major IT Purchases	\$1,950,000	\$4,950,000
4P30	100603	DAS Information Services	\$5,047,565	\$4,979,392
5C20	100605	MARCS Administration	\$14,075,705	\$14,077,467
5EB0	100635	OAKS Support Organization	\$19,000,539	\$19,003,108
5EB0	100656	OAKS Updates and Developments	\$12,265,952	\$8,743,462
5X30	100634	Centralized Gateway Enhancement	\$2,052,308	\$2,052,308
General Services Fund Group Subtotal			\$126,481,009	\$125,908,742
Federal Special Revenue Fund Group				
3AJ0	100654	ARRA Broadband Mapping Grant	\$270,756	\$106,347
Federal Special Revenue Fund Group Subtotal			\$270,756	\$106,347
Total Funding: Information Technology			\$130,389,363	\$129,552,913

Web Sites and Business Gateway (100418)

The enacted budget funds this GRF line item at \$2.9 million in FY 2012, a 24.2% decrease from FY 2011 expenditures of \$3.8 million. Funding for FY 2013 is \$2.8 million, 3.5% less than the FY 2012 amount. This line item provides organizational management and support for the state's official web portal, Ohio.gov. The line item also provides funding for the Ohio Business Gateway, which allows public and private entities to complete various transactions, such as tax and other payments, electronically. The Ohio Business Gateway is discussed in greater detail below under line item 100634,

Centralized Gateway Enhancement. Overall, funding in this line item helps to ensure consistency in the content and offerings of agency web sites, as well as the development of agency-specific offerings. This line item will also be used to support the statewide public notification web site, newly enacted in the budget. The public notice web site is expected to cost \$300,000.

IT Security Infrastructure (100419)

The enacted budget provides funding for this line item at \$742,535 in FY 2012 and \$742,648 in FY 2013, a 7.4% increase over FY 2011 spending of \$691,537 in this area. The line item funds personnel and miscellaneous costs associated with the security of the state's internal network infrastructure, state employee access to the Internet, and the state's internal e-mail system. This line item funding is split between Unified Network Services (UNS) and Enterprise Shared Services (ESS), with approximately 30% going to UNS and 70% going to ESS. The UNS and ESS programs are discussed in greater detail immediately below under line item 100607, IT Service Delivery.

IT Service Delivery (100607)

The enacted budget provides funding of \$58.1 million in each fiscal year for this line item, a 4.9% increase over FY 2011 spending \$55.4 million. It is the largest appropriation item in this category, making up approximately 45% of total information technology appropriations, and is supported by billings charged to state agencies for services provided. This line item provides substantial funding for many of the state's IT-related functions as described below, including the state's telephone and data networks, as well as maintenance of various other mainframe and open platform operating systems.

Enterprise Computing

This program offers mainframe, Windows, UNIX, data storage, and database services to state agencies. Enterprise Computing supports the OAKS infrastructure, public assistance, child support, unemployment, job matching, Medicaid, and other state services. For example, the Mainframe Systems Services unit provides computing power and data storage for state agencies such as the Rehabilitation Services Commission and Department of Developmental Disabilities. Users are charged fees to cover personnel, hardware, and other general operating costs in this area.

Unified Network Services

UNS includes two major components: Network Administration (NA) and the Multi-Agency Radio Communications System (MARCS). NA provides the essential services and infrastructure that connects state agencies to each other and to citizens accessing state services via the Internet, including state e-mail, telephone, and network security services. This program provides high-quality voice, video, and data services at

a lower cost than similar products provided by independent providers. The appropriation will enable NA to maintain 35,000 telephone and other voice services, as well as 1,500 video-conferencing sites. Readers can find a more detailed explanation of MARCS under line item 100605, MARCS Administration.

Enterprise Shared Services

ESS provides IT services relating to electronic commerce, electronic filing, ePayment, business intelligence, application integration, data exchange, and geographic information systems. This program focuses on the efficient use of technologies in support of multi-agency initiatives. Included under ESS is the Location Based Response System (LBRS) and the closely related Ohio Statewide Imagery Program (OSIP). Both state and local government entities use these systems to obtain accurate road information for use in emergency response, road and bridge inventory, disease reporting, and crash location determination. As such, funding for these geographic imaging systems is derived from a combination of capital, state, local, and federal entities.

IT Services Program Management

The IT Services Program Management (SPM) activity entails the leadership, financial support, and oversight functions for the various programs under the Office of Information Technology (OIT). OIT provides 70 various services to state customers, all of which are fee based. SPM manages all of OIT's contracts, accounts payable and receivable, asset management, and cost accounting related to billings.

IT Governance (100630)

The enacted budget provides funding for this line item of \$14 million in FY 2012 and in FY 2013, a 9.8% increase when compared to FY 2011 spending of \$12.8 million. This line item funds DAS's statutory and federal rule responsibilities and regulatory oversight with regard to the state's IT investments. This line item also provides privacy measures and protects sensitive data used by various state agencies. DAS estimates that funding through this program has helped reduce state agency IT expenditures by approximately \$56 million over the three previous years by implementing spending controls and best practices.

MARCS Administration (100605)

The enacted budget provides funding for this appropriation item of \$14.1 million in each fiscal year, 5.8% greater than FY 2011 spending of \$13.3 million in this area. The line item funds the statewide mobile voice and data communications system, known as MARCS, used by public safety and emergency responders at local, state, and federal levels of government. A recent report by the MARCS task force noted that the current system will reach official product end of life by June 2013. DAS indicates that enacted

appropriations are sufficient to maintain MARCS services to customers and to conduct regular maintenance, but that additional capital funds would be required to conduct any sort of major revamping of the system once the end-of-life cycle is reached.

MARCS provides a statewide communications system between emergency first responders at all levels of government. It is used on a daily basis by state agencies such as the Ohio State Highway Patrol and has been used for specific emergency events such as flooding and tornadoes. MARCS provides service to over 1,292 public safety and public service customers in all 88 counties across Ohio, as well as several entities in border states. This customer base consists of over 47,280 mobile radios, 1,885 in-car computers, and 75 computer-aided dispatch stations. Users are charged various subscription fees for particular services: \$240 per year for mobile radio, \$480 per year for a control station, \$4,200 per year for a mobile data terminal, and \$21,000 per year, per unit for computer-aided dispatch. Total MARCS revenues for FY 2011 were approximately \$13.3 million.

Major IT Purchases (100617)

The enacted budget provides funding of approximately \$2.0 million for this line item in FY 2012, an 80.1% decrease when compared to FY 2011 spending of \$9.8 million in this area. Funding for FY 2013 is increased substantially to nearly \$5.0 million. This line item is used to make major purchases of IT equipment and systems for the state.

As part of the user fees charged for IT services, DAS factors in IT equipment and system depreciation. Amounts charged for this purpose are set aside specifically to upgrade and replace outdated equipment. This funding method allows DAS to make infrequent, large-scale technology purchases without forcing large hikes in computer services user rates in any single fiscal year. Receipts are deposited into the Equipment Purchase Fund (Fund 4N60).

The appropriations will be used to make IT hardware purchases to maintain those systems and services that relate to Enterprise Computing, as discussed above under appropriation 100607, IT Services Delivery. Specifically, a total of approximately \$3.6 million across the biennium will be used to pay for virtualization upgrades. A further \$2.1 million across the biennium will be used to conduct e-mail consolidation across state agencies. Currently, the majority of e-mail systems are individually managed by each state agency. Consolidation will reduce redundant hardware, software licensing, and support staff.

The budget authorizes the following transfers from the Major IT Purchases Fund (Fund 4N60): (1) up to \$2.8 million in each fiscal year to the State Architect's Fund (Fund 1310) to support the Ohio Accounting and Knowledge System (OAKS) Capital Improvements Module; and (2) up to \$310,276 in FY 2012 and up to \$305,921 in FY 2013

to the Director's Office Fund (Fund 1120) to support the Accountability and Results Initiative.

DAS Information Services (100603)

The enacted budget provides funding for this line item at \$5.1 million in FY 2012, a 24.7% increase when compared to FY 2011 spending of \$4.1 million. Enacted funding for FY 2013 is \$5.0 million, a 1.35% decrease when compared to the FY 2012 appropriations. This line item funds DAS's IT Services Department, whose services include application system development, application support, program installation support, operating system support, and so forth for DAS staff, as well as the state's licensing boards and commissions. The goal is for IT Services to respond and complete requests for services within two hours.

OAKS Support Organization (100635) and OAKS Updates and Developments (100656)

The enacted budget provides line item 100635, OAKS Support Organization, with funding of \$19.0 million in FY 2012 and in FY 2013, a decrease of less than 1% when compared to FY 2011 spending of \$19.1 million. This appropriation item provides for the application, data management, and other IT functions related to supporting the management of the state's finances, human resources, and other assets through OAKS. DAS began rolling out OAKS in December of calendar year (CY) 2006; the last of the originally intended modules was released in July of CY 2008.

The enacted budget provides funding for a new line item related to OAKS operations. Line item 100656, OAKS Updates and Developments, will be used to purchase updates and new functionality for OAKS, including improvements to software managing accounts receivables, asset management, financial systems, budget and planning, and human capital management. Specifically, the budget provides funding of \$12.3 million for these purposes in FY 2012, and an additional \$8.7 million in FY 2013.

Until FY 2011, OAKS operating costs were recovered from each agency by using a percentage of two existing payroll check-offs – a portion of the DAS Human Resources fee went to funding the human resources functions of OAKS and a portion of the accounting and budgeting payroll rate funded the OAKS Financials module. Now, there is a separate OAKS enterprise payroll charge paid by state agencies, the proceeds of which are deposited directly into the OAKS Support Organization Fund (Fund 5EB0). Charges are calculated as a percentage of each employee's gross payroll with each agency paying a different percentage depending upon OAKS utilization. This new method provides a cost allocation that is more consistent with actual agency burdens on OAKS.

In addition to revising the methods by which accounting and budgeting and OAKS costs are recovered, the Office of Budget and Management (OBM) and DAS have also developed a new method of financing the cost of OAKS capital improvements. As opposed to issuing additional debt for improvements, OBM will include existing OAKS GRF debt service costs in its annual Statewide Cost Allocation Plan (SWCAP) billings to non-GRF state agencies and funds. According to federal rules, while OAKS was in development, debt service costs could not be included in the SWCAP. Because OAKS is now fully operational, annual GRF debt service costs for the certificates of participation issued to finance its development can now be included in the annual SWCAP calculation. This will essentially recoup OAKS GRF debt-service costs from non-GRF agencies and funds. These amounts will then be deposited into Fund 5EB0 and used to pay for OAKS updates and improvements through the new line item 100656, OAKS Updates and Developments.

Centralized Gateway Enhancement (100634)

The budget flat funds this line item at \$2.1 million in both fiscal years, a level that is approximately 64% greater than FY 2011 spending of \$1.25 million for these purposes. This line item pays the costs of enhancing and expanding the Ohio Business Gateway, state portal, and Shared Hosting Environment. The substantial difference in FY 2012-FY 2013 appropriations and FY 2011 expenditures is due to FY 2011 spending that was postponed until the next biennium.

Ohio Business Gateway

The Ohio Business Gateway (OBG) is a cooperative effort among six state agencies and over 500 municipalities that allows private entities to file and pay various taxes and fees through one centralized, online access point. OBG first came online in CY 2002. During that first year, it collected approximately \$8.0 million in taxes owed the state. Since that time, demand for this service has grown steadily. DAS estimates that by FY 2013 over three million transactions will be completed and approximately \$6.5 billion in revenue will be collected through the web site.

The budget creates the Centralized Gateway Enhancements Fund (Fund 5X30) in the state treasury and requires related appropriation item 100634, Centralized Gateway Enhancements, to be used to pay the costs of expanding, enhancing, and operating the infrastructure of OBG, state portal, and Shared Hosting Environment. The bill also requires the Director of Administrative Services to submit spending plans to the Director of Budget and Management to justify operating transfers to the fund from the GRF and requires the Director of Budget and Management to transfer the approved amounts to the fund, with the total amount transferred not to exceed the amount of the annual appropriation.

ARRA Broadband Mapping Grant (100654)

The enacted budget provides this line item with funding of \$270,756 in FY 2012, a 64.3% decrease compared to FY 2011 spending of \$758,691. FY 2013 funding is reduced a further 60.7% to \$106,347. The reduction in appropriations is attributable to reductions in the federal grant that funds this line item. Specifically, the federal grant is used to collect and validate data on broadband access throughout Ohio on behalf of the U.S. Department of Commerce for the development of a national broadband map. The appropriations will also support data collection for the state's Location Based Response System. Data collection will be conducted by 24 regional technology teams and the 140 broadband providers throughout the state.

Category 2: General Services

Line items in this category provide back-office support to state agencies in the areas of procurement, building maintenance, and fleet management. Funding in this category is largely derived from service charges collected from state agencies, although there is a small GRF component. Appropriations in this category make up 21.5% of DAS's total appropriations in FY 2012 and 20.2% in FY 2013.

Appropriation Amounts for General Services				
Fund		ALI and Name	FY 2012	FY 2013
General Revenue Fund				
GRF	130321	State Agency Support Services	\$2,779,457	\$2,780,032
General Revenue Fund Subtotal			\$2,779,457	\$2,780,032
General Services Fund Group				
1170	100644	General Services Division – Operation	\$13,000,000	\$13,000,000
1220	100637	Fleet Management	\$3,978,827	\$4,204,066
1300	100606	Risk Management Reserve	\$10,349,494	\$12,149,884
1310	100639	State Architect's Office	\$9,812,132	\$9,813,342
1320	100631	DAS Building Management	\$11,000,000	\$11,000,000
2100	100612	State Printing	\$17,597,054	\$16,659,526
2290	100640	Leveraged Enterprise Purchases	\$3,000,000	\$3,000,000
4270	100602	Investment Recovery	\$4,100,000	\$4,100,000
5C30	100608	Skilled Trades	\$404,297	\$404,397
General Services Fund Group Subtotal			\$73,241,804	\$74,331,215
Total Funding: General Services			\$76,021,261	\$77,111,247

State Agency Support Services (130321)

Enacted funding for this GRF line item is \$2.8 million in FY 2012 and FY 2013, a 11.3% decrease compared to FY 2011 spending of \$3.1 million. This line item provides GRF funding to several General Services Division programs including state mail services, records management, real estate land services, and the Governor's Residence. In general, this line item is used to provide these services to state agencies without charging a fee in cases where doing so would either be too complicated or not cost effective.

General Services Division – Operating (100644)

The enacted budget funds line item 100644, General Services Division – Operating, at \$13 million in FY 2012 and in FY 2013, an 8.0% increase over FY 2011 expenditures of \$12.0 million. This line item is the major source of support for most of the major programs and administrative functions within the General Services Division.

The line item is supported by charges to state and local agencies for procurement and DAS property management services. These receipts are deposited into the General Service Division Operating Fund (Fund 1170).

The Office of Procurement Services (OPS) provides supplies, services, and technology needs for many state and local agencies through large-scale contracts. OPS's responsibilities include establishing contracts and enforcing all procurement guidelines placed in statute. OPS provides procurement services to over 180 state agencies and 1,900 local governments, political subdivisions, and institutions of higher education. During FY 2010, total purchases made by state agencies through OPS were in excess of \$2 billion. State institutions of higher education and local governments purchased an additional \$170 million. DAS estimates that savings from procurement contracts overseen by OPS are roughly 6% to 10%.

OPS is supported by fees charged to users and deposited into Fund 1170. For term contracts, state agencies are charged a user fee of 0.5% of the voucher amount; for state term schedule purchases, a revenue share fee of 0.75% of all purchases made via the contract is charged to the supplier.

Fleet Management (100637)

The enacted budget provides funding for this line item at \$4.0 million in FY 2012, a 30.2% increase over FY 2011 expenditures of \$3.1 million. Funding for FY 2013 is \$4.2 million, a 5.7% increase over the FY 2012 amount. This appropriation funds DAS's Office of Fleet Management (OFM), which is responsible for the acquisition, maintenance, management, analysis, and disposal of the state's 12,000 vehicle fleet.

Risk Management Reserve (100606)

The enacted budget provides funding for this line item at \$10.3 million in FY 2012, an approximate 129% increase over FY 2011 spending of \$4.5 million. Enacted funding for FY 2013 is \$12.1 million, a further 17.4% increase over the FY 2012 amount. This line item funds the Office of Risk Management (ORM), which is responsible for administering self-insured and privately insured property and liability programs. This includes administering a statewide property insurance policy that covers over \$5 billion worth of property as well as a self-insurance program that covers over 16,000 state motor vehicles.

The substantial increase in appropriation is to enable ORM to operate a self-insured general liability insurance program for the state. Previously, general liability claims were either litigated or settled out of court, the costs of which are not allowed to be charged against federal funds. This meant that, in certain situations, risk and liability costs could not be adequately allocated across all resources for state agencies. In contrast, insurance premiums *can* be charged against federal funds. Under the new liability program, state agencies will be able to appropriately allocate liability risk

across all resources and will also not see any spikes in costs related to liability claims. Finally, DAS expects the program to reduce costs related to the litigation of claims, as it expects the majority of claims to be settled.

State Architect's Office (100639)

The enacted budget funds this line item at \$9.8 million in FY 2012 and in FY 2013, a 42.8% increase compared to FY 2011 spending of \$6.9 million in this area. This line item funds the State Architect's Office (SAO), which provides capital project management, contract management, and competitive selection services to state agencies. SAO also includes an Interior Design Services unit, which provides space-planning services, and an Energy Services unit which helps state agencies reduce their energy consumption and costs. One reason for the increased appropriations is the enactment of construction reforms in H.B. 153. These changes will most likely increase demand for SAO services as agencies seek to employ the alternative construction delivery methods allowed under H.B. 153.

The budget authorizes the Director of Budget and Management, at the request of the Director of Administrative Services, to transfer up to \$2.0 million from the Building Management Fund (Fund 1320) to the State Architect's Fund (Fund 1310). It also authorizes the Director of Budget and Management, upon the request of the Director of DAS, to transfer cash to reimburse Fund 1320, with applicable interest, should sufficient amounts be available in Fund 1310. These amounts will be used to support SAO operations, should funds in the State Architect's Fund be insufficient.

DAS Building Management (100631)

The enacted budget provides funding for this line item at \$11 million in FY 2012 and in FY 2013, a decrease of 26.8% when compared to FY 2011 spending of about \$15.0 million. This line item is used to operate and maintain various state buildings managed by DAS's Facilities Management Section (FMS). The Section oversees over 1.5 million square feet of state-owned facilities. It provides safety, security, custodial, preventative maintenance, HVAC operations, and repair services in the five state-owned buildings maintained by DAS.

State Printing (100612)

The enacted budget funds this line item at \$17.6 million in FY 2012, approximately a 3.5% decrease when compared to FY 2011 expenditures of \$18.2 million for these purposes. FY 2013 appropriations of \$16.7 million are a further 5.3% decrease over FY 2012 amounts. The line item supports the Printing and Document Management Services (DPMS) Program, which provides documentation design, creation, duplication, distribution, and archival services to state agencies. It also provides procurement services to state agencies for large printing projects, a fulfillment operation for folding documents and stuffing envelopes, and general mail services.

During the FY 2010-FY 2011 biennium, DPMS was able to consolidate printing and copying services that had been done in-house at state agencies. To date, all executive agency printing operations have been consolidated under DPMS. Under the consolidated program, DPMS manages six print production facilities and one large mainframe printing center. This operation printed 147.8 million impressions in FY 2010 and approximately 5 million OAKS warrants. In total, DPMS produces \$25 million to \$30 million worth of commercial printing services annually to state agencies. DAS estimates that DPMS services rates are between 30%-50% lower than commercial rates and that they are roughly 40% lower than rates at the previous individual agency printing centers.

Leveraged Enterprise Services (100640)

The enacted budget funds line item 100640, Leveraged Enterprise Services, at \$3.0 million in FY 2012 and in FY 2013, a 119% increase compared to FY 2011 expenditures of \$1.4 million for these activities. This appropriation enables DAS to make bulk purchases of technology hardware and software for state agencies under the Leveraged Enterprise Purchasing Program implemented during the FY 2010-FY 2011 biennium. Purchases made through the program thus far have been primarily software. The estimated savings realized under this initiative range from between 20%-30%, depending upon the product. There is no cost to state agencies for use of the program. The amounts collected from state agencies to purchase the products are deposited into the Leverage Enterprise Purchase Program Fund (Fund 2290).

Investment Recovery (100602)

The enacted budget funds this line item at \$4.1 million in FY 2012 and in FY 2013, almost 161.0% greater than FY 2011 spending of \$1.6 million. Overall, the funding supports the State and Federal Surplus Section (FSS) and the Asset Management Services (AMS). These sections provide state surplus, federal surplus, and general asset management services to state agencies. The majority of this appropriation is used to return the proceeds of the sale of surplus property to the agencies that originally purchased the items. The remainder is used to fund payroll for approximately seven employees. In FY 2010, FSS generated \$2.5 million in revenue for the state's investment recovery fund. Approximately 70% of this amount (\$1.75 million) was returned to state agencies. DAS has seen a drop in activity in this program, as budget restraints are requiring state agencies to make use of assets for longer periods.

The bill allows for cash balances in the Investment Recovery Fund (Fund 4270) to be used to support the operating expenses of the Federal Surplus Operating Program created in sections 125.84 to 125.90 of the Revised Code. It also allows for the Investment Recovery Fund (Fund 4270) to be used to support the operating expenses of

the Asset Management Services Program, including, but not limited to, the cost of establishing and maintaining procedures for inventory records for state property.

Skilled Trades (100608)

The enacted budget funds this line item at roughly \$404,000 in FY 2012 and in FY 2013, an increase of 271% when compared to FY 2011 spending of \$108,979 in this line item. This appropriation funds the Skilled Trades Unit (STU), which performs construction services to state entities requiring minor modification or renovation services within state-owned buildings. The unit also provides quick-responses in DAS-managed facilities for those agencies that require emergency repairs. STU services include office wall reconfiguration; electrical, plumbing, and HVAC services; window and door installation; painting; and other miscellaneous work.

Category 3: Administration, Human Resources, and Collective Bargaining

This line item category includes appropriations for the various statewide human resources functions DAS handles on behalf of state agencies. It also includes funding for the Office of Collective Bargaining. In addition, this grouping includes line item funding for overall DAS administration, although this is not strictly speaking a statewide human resources function. Appropriations in this category make up 8.7% of DAS's total appropriations in FY 2012 and 7.9% in FY 2013.

Appropriations for Administration, Human Resources, and Collective Bargaining				
Fund	ALI and Name		FY 2012	FY 2013
General Services Fund Group				
1120	100616	DAS Administration	\$5,974,625	\$5,886,524
1250	100622	Human Resources Division – Operating	\$16,922,295	\$16,717,009
1250	100657	Benefits Communication	\$925,586	\$921,531
1280	100620	Collective Bargaining	\$3,462,529	\$3,464,148
5L70	100610	Professional Development	\$2,496,679	\$2,496,760
5V60	100619	Employee Educational Development	\$800,000	\$850,000
Total Funding: Administration, Human Resources and Collective Bargaining			\$30,581,714	\$30,335,972

Agency Administration

DAS Administration (100616)

The enacted budget funds this line item at approximately \$6.0 million in FY 2012, a 15.6% increase over FY 2011 expenditures of \$5.2 million in this area. Funding for FY 2013 is \$5.9 million, a 1.5% decrease when compared to the FY 2012 amount. This funding supports the provision of legal, financial, human resources, communications, and legislative guidance and oversight to all of DAS's operating divisions and offices. These services are provided through the Office of Employee Services, the Office of Finance, the Office of the Chief Legal Counsel, the Office of Communications and External Relations, and the Director's Office. These services are funded through intra-agency charges billed to the various divisions within DAS. These amounts are then deposited into the Director's Office Fund (Fund 1120).

Human Resources and Collective Bargaining Services

Human Resources Division – Operating (100622)

The enacted budget funds this line item at \$16.9 million in FY 2012, a 4.9% increase over FY 2011 expenditures of \$16.1 million. Funding for FY 2013 is \$16.7 million, a 1.2% decrease over the FY 2012 amount. This line item supports payroll, recruitment, benefits administration, policy development, and other general human resources services to state agencies. This line item is supported by the Human Resources Services Payroll Check-Off charged to state agencies. The FY 2012 charge is \$9.75 per paycheck issued. These proceeds are deposited into the Human Resources Services Fund (Fund 1250).

This line item also supports DAS's Benefits Administration Services Office (BAS). This office also oversees medical and pharmaceutical benefits for 122,000 people (50,000 state employees and 72,000 dependents), as well as dental, vision, and life insurance benefits for roughly 15,000 exempt employees. Bargaining unit employees receive dental, vision, and life insurance benefits through the Employee Benefits Trust. Annually, \$150,000 of this appropriation is dedicated to analyzing the administration and management of the state's self-insured health care program. Such analyses enable BAS to minimize the impact of inflating health care costs.

Benefits Communication (100657)

The enacted budget funds this line item at \$925,586 in FY 2012 and \$921,531 in FY 2013. This is a new line item that will be used to pay expenses related to communicating available benefits to state employees. Such expenses and certain methods of communication are often stipulated in collective bargaining contracts. These amounts were previously paid out of line item 100622, Human Resources Division – Operating. Thus, the new line item does not actually provide new funding for a new activity, but rather splits out the existing costs incurred for benefits communication services.

Collective Bargaining (100620)

The enacted budget funds this line item at \$3.45 million in each fiscal year, a 21.8% increase from FY 2011 expenditures of \$2.8 million in this area. This line item supports operations of the Office of Collective Bargaining (OCB). The Office's chief responsibility is to represent the position of the administration in negotiations with the state's employee unions and to oversee labor relations with these labor organizations in general. There are 14 bargaining units and a total of approximately 40,000 employees covered by bargaining agreements. OCB provides legal representation and counsel in the resolution of approximately 2,500 employee grievances per year and of approximately 100 unfair labor practice charges brought against the state annually. All

of these activities are funded by payroll charges assessed to state agencies. The rate is \$2.00 per employee.

Professional Development (100610)

The enacted budget funds this line item at \$2.5 million in FY 2012 and in FY 2013, a 26.8% increase over FY 2011 expenditures of \$2.0 million. The line item funds the Exempt Professional Development (EPD) Program through which exempt employees are provided tuition reimbursement and reimbursement for the costs associated with other professional development and training. Currently, full-time employees are eligible to receive up to \$3,000 per fiscal year for tuition reimbursement and \$1,500 for professional development workshops. This program is funded by a payroll check-off of \$0.07 per hour worked for employees of participating agencies. The proceeds are deposited into the Exempt Professional Development Fund (Fund 5L70).

Employee Educational Development (100619)

The enacted budget funds this line item at \$800,000 in FY 2012, an approximate 9.5% decrease from FY 2011 expenditures of \$883,652 for these purposes. Funding for FY 2013 is \$850,000, a 6.25% decrease when compared to the FY 2012 amount. This line item supports the Employee Educational Development (EED) Program for nonexempt employees affiliated with five state unions: the Health Care and Social Service Union District 1199, State Council of Professional Educators, Ohio State Troopers Association Unit 1 and Unit 15, and Fraternal Order of Police. EED is a job-related tuition reimbursement program funded through payroll charges applied to certain state agencies with employees in the bargaining units mentioned above. These amounts are deposited into the Employee Educational Development Fund (Fund 5V60).

Category 4: State Support Services

Appropriations in this category relate to funding for various centralized administrative services that DAS provides to state agencies. New in this category is a GRF appropriation for the Public Employees Health Care Program. There is also new State Special Revenue funding to replace the aging eLicensing system used by the state's professional licensing boards and commissions.

Appropriations for State Support Services				
Fund	ALI and Name		FY 2012	FY 2013
General Revenue Fund				
GRF	100403	Public Employees Health Care Program	\$400,000	\$400,000
General Revenue Fund Subtotal			\$400,000	\$400,000
General Services Fund Group				
1150	100632	Central Service Agency	\$911,995	\$912,305
General Services Fund Group Subtotal			\$911,995	\$912,305
State Special Revenue Fund Group				
5JQ0	100658	Professions Licensing System	\$2,000,000	\$1,000,000
Federal Special Revenue Fund Group Subtotal			\$2,000,000	\$1,000,000
Total Funding: State Support Services			\$3,311,995	\$2,312,305

Public Employees Health Care Program (100403)

The enacted budget provides funding for this GRF line item at \$400,000 in FY 2012 and in FY 2013. This is a new appropriation and will be used to develop a health insurance pooling program for local governments, higher education, and school districts. As mentioned in the overview of this Greenbook, this program succeeds the School Employees Health Care Board (SEHCB), which set policies for school district health care plans regarding best practices, cost containment, and general health, by expanding the scope of these activities to all state and local government units.

Central Service Agency (100632)

The enacted budget funds this line item at \$911,995 in FY 2012, a 2.5% increase compared to FY 2011 expenditures of \$889,918. Funding for FY 2013 is \$912,305. The Central Service Agency (CSA) provides accounting, budgeting, personnel, and payroll services for smaller state agencies, primarily boards and commissions. This allows these smaller agencies to conduct business in a more cost-effective manner. CSA's operating revenues, consisting of billings collected from the state agencies, boards, and commissions using CSA services, amounted to \$934,810 in FY 2010. Those amounts were deposited into the Central Service Agency Fund (Fund 1150). CSA saw a substantial increase in demand for its services in FY 2010, as budget constraints

required many of the smaller state agencies and licensing boards and commissions to reduce staff.

Professions Licensing System (100658)

This new line item is intended to provide funding to replace the eLicensing system used by the state's boards and commissions to store various professional licensing records. The enacted budget provides funding of \$2.0 million in FY 2012 and \$1.0 million in FY 2013 for developing and deploying this replacement system.

The overall need to replace eLicensing became apparent in June of 2010, when the system was unable to process the substantial volume of license renewals for those regulated by the Ohio Board of Nursing. The eLicensing system currently contains 1.6 million records and costs roughly \$290,000 annually to maintain. DAS plans to buy and modify an off-the-shelf replacement program, as opposed to developing a system in-house. In particular, many boards and commissions have suggested that the system include functionality such as fingerprint storage and automated fraudulent activity notifications.

The budget includes language allowing the transfer of up to \$3.0 million in cash from the Occupational Licensing and Regulatory Fund (Fund 4K90), which is the primary operating fund for the majority of the licensing boards and commissions, the State Medical Board Operating Fund (Fund 5C60), or the Casino Control Commission – Operating Fund (Fund 5450) to pay for the purchase and implementation of the system. Once operational, the boards will pay for their share of the licensing system's cost according to a rate schedule prepared by CSA.

Category 5: Equal Opportunity

This category of appropriations includes funding for the five line items that support programs housed in the Equal Opportunity Division (EOD).

Appropriations for Equal Opportunity				
Fund	ALI and Name		FY 2012	FY 2013
General Revenue Fund				
GRF	100439	Equal Opportunity Certification Programs	\$625,000	\$625,000
GRF	100451	Minority Affairs	\$24,016	\$24,016
GRF	102321	Construction Compliance	\$920,000	\$920,000
General Revenue Fund Subtotal			\$1,569,016	\$1,569,016
General Services Fund Group				
5HU0	100655	Construction Reform Demo Compliance	\$150,000	\$150,000
1880	100649	Equal Opportunity Division-Operating	\$939,559	\$863,013
General Services Fund Group Subtotal			\$1,089,559	\$1,013,013
Total Funding: Equal Opportunity			\$2,658,575	\$2,582,029

Equal Opportunity Certification Programs (100439)

The enacted budget provides this GRF line item with funding of \$625,000 in each fiscal year, a 2.1% increase when compared to FY 2011 expenditures of \$612,412 in this area. This appropriation facilitates access to state government contracts and business services for underrepresented Ohio businesses. One of its functions is to provide certification to businesses participating in DAS's Minority Business Enterprise (MBE) Program, which assists minority businesses in obtaining state government contracts, and the Encouraging Diversity, Growth and Equity (EDGE) Program, which is a business program for small, socially, and economically disadvantaged programs. Of the purchases that DAS is required to make via competitive selection, the goal is to have 15% of those purchases set aside for bidding only from certified MBE businesses. For the EDGE Program, the goal is to make 5% of purchases from qualifying vendors.

Minority Affairs (100451)

The enacted budget provides funding for this GRF line item at \$24,016 in both fiscal years. This is a 43.4% decrease from FY 2011 expenditures of \$42,458. The line item supports liaison services, funding, budget preparation, and clerical support to the Ohio Dr. Martin Luther King, Jr. Holiday Commission. The Commission previously had three major programming initiatives: (1) sponsoring the Ohio Dr. Martin Luther King, Jr. Commemorative Celebration, (2) publishing a yearly calendar to educate and enlighten Ohioans about equality-related topics and the legacy of Dr. King, and (3) sponsoring a statewide oratorical contest for Ohio youth that promotes awareness of

the importance of providing opportunities for equal employment and economic development.

Construction Compliance (102321) and Construction Reform Demo Compliance (100655)

The enacted budget funds GRF line item 102321, Construction Compliance, at just over \$920,000 in both fiscal years, a 12.8% decrease when compared to FY 2011 spending of \$1.1 million in this area. The enacted budget funds line item 100655, Construction Reform Demo Compliance, at \$150,000 in both fiscal years, an increase of just over 1.0% over anticipated FY 2011 spending.

Funding in these line items supports the Construction Compliance Unit (CCU), which ensures that contractors on state or state-assisted construction projects comply with equal employment opportunity laws and regulations. This is accomplished through site visits and desk audits. One of the program's major responsibilities is issuing certificates of compliance that indicate that the contractor has not violated any affirmative action program requirements during the last five years. There is no charge to issue these certificates.

CCU is also responsible for ensuring that equal opportunity requirements and goals for the alternative construction delivery methods pilot program currently underway at The Ohio State University, Central State University, and The University of Toledo. Each of these participants pays an assessment to CCU, which is disbursed through line item 100655, to cover the costs of overseeing this pilot construction program.

Equal Opportunity Division – Operating (100649)

The enacted budget funds this line item at \$939,559 in FY 2012, a 16.8% decrease when compared to FY 2011 expenditures of \$1.1 million in this area. Funding for FY 2013 is \$863,013, a further 8.2% decrease from the FY 2012 amount. This provides funding for the Affirmative Action/Equal Employment Opportunity Unit (AA/EEO) and general program management for all of the equal opportunity programs. AA/EEO administers and coordinates the state employee discrimination complaint procedure. In FY 2010, AA/EEO processed and resolved 193 allegations of discrimination. Additionally, during FY 2010, this unit provided training for more than 1,400 EEO officers and agency staff and made two construction site visits. This non-GRF line item is funded by a payroll check-off of \$0.34 per paycheck produced by all state agencies. These sums are deposited into the State Equal Employment Opportunity Fund (Fund 1880).

Category 6: State Building Debt and Operating Payments

Appropriations in this category are for lease rental payments paid to the Ohio Building Authority (OBA) and debt service payments for construction projects financed through bond proceeds in the Administrative Building Fund (Fund 7026). Also included are payments for two major statewide computer systems, OAKS and STARS. It also includes funding for building operating costs. Total funding for this category represents 31.1% of DAS's funding in FY 2012 and 36.7% in FY 2013.

Appropriations for State Building Debt and Operating Payments				
Fund	ALI and Name		FY 2012	FY 2013
General Revenue Fund				
GRF	100415	OAKS Rental Payments	\$23,024,500	\$23,006,300
GRF	100416	STARS Lease Rental Payments	\$4,970,700	\$4,971,300
GRF	100447	OBA – Building Rent Payments	\$53,260,000	\$83,504,200
GRF	100448	OBA – Building Operating Payments	\$21,000,000	\$21,000,000
GRF	100449	DAS – Building Operating Payments	\$7,551,245	\$7,551,571
Total Funding: State Building Debt and Operating Payments			\$109,806,445	\$140,033,371

OAKS Rental Payments (100415)

The enacted budget funds this line item at \$23.0 million in FY 2012 and in FY 2013, a 6.2% increase over estimated FY 2011 payments of \$21.7 million. This line item is used to make debt service payments for the acquisition, development, installation, and implementation of OAKS. Debt service is secured against the assets (hardware, software, etc.) of OAKS itself. These amounts are calculated by the Office of Budget and Management.

STARS Lease Rental Payments (100416)

The enacted budget provides funding of approximately \$5.0 million in FY 2012 and in FY 2013, roughly the same as was spent in FY 2011. This line item funds debt service payments related to the acquisition, development, installation, and implementation of STARS. The Department of Taxation uses this system to store and process data and transactions related to tax collection. The security guaranteeing these payments is the hardware, software, and other IT infrastructure of STARS itself. The amount of the debt service payments is calculated by the Office of Budget and Management.

OBA – Building Rent Payments (100447)

The enacted budget funds this line item at \$53.3 million in FY 2012, a 63.2% increase from FY 2011 spending of \$32.6 million. Funding for FY 2013 is \$83.5 million, a 56.8% increase over FY 2012 appropriations. The line item is used to make rental payments to OBA for those state agencies that are GRF-funded. This line item also

contains debt service for Administrative Building Fund (Fund 026) capital projects. Non-GRF state agency tenants of the state office towers reimburse the GRF for the agency's pro-rata share of building debt service. The large difference in appropriations between each fiscal year, as well as expenditures in FY 2011, is attributable to debt payments being restructured twice over this period.

OBA – Building Operating Payments (100448)

The enacted budget provides funding for this line item at \$21.0 million in FY 2012 and FY 2013, a 9.4% increase when compared with FY 2011 spending of \$19.2 million. DAS is responsible for making quarterly building operating and maintenance payments to OBA for the state office buildings owned and maintained by OBA. This line item covers operating expenses for the following state-owned office buildings that are maintained by OBA: the James A. Rhodes State Office Tower in Columbus, the Frank J. Lausche State Office Tower in Cleveland, the Michael V. DiSalle Government Center in Toledo, the Oliver R. Ocasek Government Center in Akron, and the Vern Riffe Center for Government and the Arts in Columbus.

H.B. 153 transfers the building and facility operations and management functions of OBA under Chapter 152 of the Revised Code to DAS. Consequently, the bill allows the OBA employees related to such functions to be transferred to DAS. The bill also requires the Director of Budget and Management, upon the request of the Director of DAS, to make the budget changes necessary to accommodate the transfer and reorganization of programs under this provision.

DAS – Building Operating Payments (100449)

The enacted budget funds this line item at \$7.6 million in each fiscal year, a 147% increase over FY 2011 spending of \$3.1 million. The appropriation is used to pay the rent expenses of veterans' groups and the operating expenses of state facilities maintained by DAS which are not billed to tenants. These expenses include the cost of vacant space and space undergoing renovation, the rent expenses of tenants who are relocated due to building renovations, and the rent expenses of GRF agencies occupying space in DAS-owned buildings. This line item also pays the costs of building appraisals or studies that are required for property under consideration for sale, purchase, or renovation by the state. The substantial increase in funding for this line item in FY 2012 is due to rental payments to the State of Ohio Computer Center for GRF-funded agencies that will now be paid from this line item.

Employee Benefits Funds (PAY)

The following table displays the enacted appropriations for the eight state funds responsible for paying various state employee benefits. The Employee Benefits Funds (PAY), although administered by DAS, are set apart in their own section because they consist of pass-through funds and transfers not actually appropriated for DAS's use.

Appropriations for Employee Benefits Funds				
Fund	ALI and Name		FY 2012	FY 2013
Accrued Leave Liability				
8060	995666	Accrued Leave	\$72,053,178	\$71,828,986
8070	995667	Disability Fund	\$27,616,583	\$26,593,747
Accrued Leave Fund Subtotal			\$99,669,761	\$98,422,733
Agency Fund				
1240	995673	Payroll Deductions	\$855,456,678	\$840,248,559
8080	995668	State Employee Health Benefit	\$590,265,468	\$649,292,014
8090	995669	Dependent Care Spending Account	\$2,881,273	\$2,967,711
8100	995670	Life Insurance Investment	\$2,080,634	\$2,143,053
8110	995671	Parental Leave Benefit	\$3,484,737	\$3,355,673
8130	995672	Health Care Spending Account	\$8,588,262	\$9,447,088
8140	995674	Cost Savings Days	\$50,000,000	\$0
Agency Fund Group Subtotal			\$1,512,757,052	\$1,507,454,098
Total Funding: Employee Benefits Fund			\$1,612,426,813	\$1,605,875,831

Accrued Leave (995666)

The enacted budget provides this line item with funding of \$72.1 million in FY 2012 and \$71.8 million in FY 2013. The FY 2012 amount is 4.3% higher than FY 2011 spending of \$69.1 million. This line item provides for the payment of accrued employee vacation, sick, and personal leave, either when an employee elects to convert these balances in December of each year or at termination from state service. The amount collected to cover these costs is calculated at 2.40% of gross pay per employee. Annual disbursements from the fund have remained relatively stable over the last five years, ranging from a high of \$74.9 million in FY 2009 to \$55.8 million in FY 2011. Payments from this line item during the FY 2010-FY 2011 biennium were lower than previous years due to the suspension of annual sick leave cash conversion for the majority of state employees under payroll reduction strategies undertaken during that budget period.

Disability Fund (995667)

This line item provides disability and income protection to eligible state employees. Benefits are initially paid at 67% of an individual's base rate of pay for a maximum period of 12 months. This benefit is funded by a charge calculated at 0.95% of gross pay. Claim activity has been decreasing steadily over the past three years, from a total of 3,341 approved claims in FY 2008 to 3,069 in FY 2010. This decrease in claims was due, in part, to declines in state employment. Total claims paid out in FY 2010 were \$24.0 million. The enacted budget funds this line item at \$27.6 million in FY 2012, a 4.3% increase over FY 2011 spending of \$26.5 million, and \$26.6 million in FY 2013, a 3.7% decrease over FY 2012 levels.

Payroll Deductions (995673)

The enacted budget funds this line item at \$855.5 million in FY 2012, a 16.0% increase over FY 2011 spending of \$737.4 million, and \$840.2 million in FY 2013, a 1.8% decrease over the FY 2012 amount. This appropriation is used to collect and redistribute certain local government taxes, retirement contributions, wage garnishments (such as child support), and other miscellaneous obligations incurred by state employees that are deducted from paychecks. These sums are collected and deposited into the Payroll Deductions Fund (Fund 1240).

State Employee Health Benefit (995668)

The enacted budget funds this line item at \$590.3 million in FY 2012, an 8.8% increase over FY 2011 spending of \$542.7 million, and \$649.3 million in FY 2013, a 10% increase over the FY 2012 amount. This line item funds the medical claims costs of the state's self-insured health, dental, vision, and prescription programs for state employees. During the FY 2010-FY 2011 biennium, claims were administered by five different service providers. In the FY 2012-FY 2013 biennium, claim administration will be limited to two providers: Medical Mutual of Ohio and United Health Care. DAS expects that this consolidation will save roughly \$23 million annually. In total, this program provides health benefits for approximately 122,000 people (50,000 state employees and 72,000 dependents), as well as dental, vision, and life insurance benefits for roughly 15,000 exempt employees.

Dependent Care Spending Account (995669)

The enacted budget funds this line item at \$2.9 million in FY 2012, an 8.4% increase when compared to FY 2011 expenditures of approximately \$2.7 million, and \$3.0 million in FY 2013, a 3.0% increase over the FY 2012 amount. This line item is used to provide funding for the Dependent Care Spending Account (DCSA) Program, which is a voluntary payroll deduction program that allows state employees to set aside up to \$5,000 of pre-tax income annually to reimburse themselves for dependent care

expenses. Revenues to the fund consist of pre-tax payroll deductions. Approximately 700 state employees participate in this program annually.

Life Insurance Investment (995670)

The enacted budget funds this line item at \$2.1 million in FY 2012, a 16.5% increase when compared to FY 2011 spending of \$1.8 million in this area. The funding increases by 3% to \$2.14 million in FY 2013. This line item is used to pay the costs of the group life insurance and accidental death and dismemberment insurance provided to exempt employees after one year of continuous service. Employees are covered for the amount of their gross salary rounded up to the next \$1,000. Approximately 16,000 employees are enrolled in the plan.

Parental Leave Benefit (995671)

The enacted budget provides funding for this line item at \$3.5 million in FY 2012, a 1.3% increase over FY 2011 spending of \$3.4 million, and \$3.4 million in FY 2013, a 3.7% decrease over the FY 2012 amount. These amounts are used to pay salary benefits to state employees that take paternity or maternity leave. All eligible employees receive 70% of their regular rate of pay after serving a waiting period of 14 calendar days. Additionally, insurance premiums and retirement contributions may also be paid on the employee's behalf when on parental leave. Approximately 1,500 state employees use this benefit annually.

Health Care Spending Account (995672)

The enacted budget funds this line item at \$8.6 million in FY 2012, a 17.3% increase when compared to FY 2011 spending of \$7.3 million for this purpose, and \$9.4 million in FY 2013, a 10% increase over the FY 2012 amount. This appropriation is used to reimburse state employees that participate in the Health Care Spending Account Program for medical expenses. Pre-tax deductions are taken from employees salaries to fund these reimbursements. Approximately 4,250 participated in this program during FY 2010.

Cost Savings Days (995674)

The enacted budget funds this line item at \$50 million in FY 2012, a 51.9% decrease over FY 2011 spending of \$103.9 million in FY 2011. Because this payroll cost reduction program ceased at the close of the FY 2010-FY 2011 biennium, H.B. 153 provides no funding for this line item in FY 2013. The FY 2012 appropriation will be used to make outstanding payments to state employees and any necessary transfers to the GRF that extend into FY 2012 as a result of differing start dates for certain agencies that participated in the Cost Savings Day (CSD) Program. Funding for the program came from a deduction equal to 3.078 hours of gross pay per employee paycheck. This equates to 10 work days per year. These amounts were then deposited into the Cost

Savings Day Fund (Fund 8140) and used to pay employee salaries when they took their ten mandatory cost savings days. The result was that employees "paid" themselves for these days. The payroll savings that state agencies accrued through this method (equivalent to 80 hours for a full-time employee) were either lapsed, in the case of the GRF, or where legally permitted, transferred from other funds to the GRF.

During FY 2010, the CSD Program resulted in payroll savings of approximately \$98.7 million. Of this amount, \$37.4 million (37.9%) was realized in the GRF and \$61.3 million (62.1%) was realized in non-GRF funds. Of the amounts saved in non-GRF funds, \$15.8 million was transferred to the GRF. The remaining \$45.5 million, however, could not be transferred to the GRF because of restrictions related to the use of funds associated with federal grants, gas taxes, the Ohio Lottery, and the Bureau of Workers' Compensation.

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FY 2012 - FY 2013 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			FY 2010	FY 2011	Appropriations FY 2012	FY 2011 to FY 2012 % Change	Appropriations FY 2013	FY 2012 to FY 2013 % Change
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Report For Main Operating Appropriations Bill

Version: Enacted

DAS Department of Administrative Services

GRF	100403	Public Employees Health Care Program	\$ 3,927	\$0	\$ 400,000	N/A	\$ 400,000	0.00%
GRF	100406	County/University Human Resources	\$ 271	\$0	\$ 0	N/A	\$ 0	N/A
GRF	100410	Veterans' Records Conversion	\$ 6,164	\$0	\$ 0	N/A	\$ 0	N/A
GRF	100415	OAKS Rental Payments	\$ 18,042,033	\$ 21,690,770	\$ 23,024,500	6.15%	\$ 23,006,300	-0.08%
GRF	100416	STARS Lease Rental Payments	\$ 4,959,684	\$ 4,972,411	\$ 4,970,700	-0.03%	\$ 4,971,300	0.01%
GRF	100418	Web Site and Business Gateway	\$ 3,184,626	\$ 3,821,309	\$ 2,895,063	-24.24%	\$ 2,795,176	-3.45%
GRF	100419	IT Security Infrastructure	\$ 876,622	\$ 691,537	\$ 742,535	7.37%	\$ 742,648	0.02%
GRF	100421	OAKS Project Implementation	\$ 15,511	\$0	\$ 0	N/A	\$ 0	N/A
GRF	100423	EEO Project Tracking Software	\$0	\$ 27,184	\$ 0	-100.00%	\$ 0	N/A
GRF	100433	State of Ohio Computer Center	\$ 5,531,636	\$ 2,687,022	\$ 0	-100.00%	\$ 0	N/A
GRF	100439	Equal Opportunity Certification Programs	\$ 654,905	\$ 612,412	\$ 625,000	2.06%	\$ 625,000	0.00%
GRF	100447	OBA-Building Rent Payments	\$ 40,860,542	\$ 32,636,639	\$ 53,260,000	63.19%	\$ 83,504,200	56.79%
GRF	100448	OBA-Building Operating Payments	\$ 19,445,155	\$ 19,187,901	\$ 21,000,000	9.44%	\$ 21,000,000	0.00%
GRF	100449	DAS-Building Operating Payments	\$ 2,911,509	\$ 3,053,753	\$ 7,551,245	147.28%	\$ 7,551,571	0.00%
GRF	100451	Minority Affairs	\$ 34,696	\$ 42,458	\$ 24,016	-43.44%	\$ 24,016	0.00%
GRF	102321	Construction Compliance	\$ 1,054,547	\$ 1,054,923	\$ 920,000	-12.79%	\$ 920,000	0.00%
GRF	130321	State Agency Support Services	\$ 3,532,413	\$ 3,135,128	\$ 2,779,457	-11.34%	\$ 2,780,032	0.02%
General Revenue Fund Total			\$ 101,114,240	\$ 93,613,446	\$ 118,192,516	26.26%	\$ 148,320,243	25.49%
1120	100616	DAS Administration	\$ 4,659,409	\$ 5,170,355	\$ 5,974,625	15.56%	\$ 5,886,524	-1.47%
1150	100632	Central Service Agency	\$ 804,745	\$ 889,918	\$ 911,995	2.48%	\$ 912,305	0.03%
1170	100644	General Services Division - Operating	\$ 11,963,147	\$ 12,037,542	\$ 13,000,000	8.00%	\$ 13,000,000	0.00%
1220	100637	Fleet Management	\$ 1,896,036	\$ 3,054,896	\$ 3,978,827	30.24%	\$ 4,204,066	5.66%
1250	100622	Human Resources Division - Operating	\$ 21,024,780	\$ 16,139,879	\$ 16,922,295	4.85%	\$ 16,717,009	-1.21%
1250	100657	Benefits Communication	\$0	\$0	\$ 925,586	N/A	\$ 921,531	-0.44%
1280	100620	Collective Bargaining	\$ 2,766,844	\$ 2,843,198	\$ 3,462,529	21.78%	\$ 3,464,148	0.05%
1300	100606	Risk Management Reserve	\$ 4,028,959	\$ 4,520,621	\$ 10,349,494	128.94%	\$ 12,149,884	17.40%
1310	100639	State Architect's Office	\$ 6,768,539	\$ 6,869,741	\$ 9,812,132	42.83%	\$ 9,813,342	0.01%
1320	100631	DAS Building Management	\$ 9,860,121	\$ 15,026,996	\$ 11,000,000	-26.80%	\$ 11,000,000	0.00%

FY 2012 - FY 2013 Final Appropriation Amounts

All Fund Groups

Line Item Detail by Agency			Appropriations		FY 2011 to FY 2012	Appropriations		FY 2012 to FY 2013
			FY 2010	FY 2011	FY 2012	% Change	FY 2013	% Change
DAS Department of Administrative Services								
1330	100607	IT Services Delivery	\$ 53,150,997	\$ 55,397,143	\$ 58,088,940	4.86%	\$ 58,103,005	0.02%
1880	100649	Equal Opportunity Division - Operating	\$ 919,139	\$ 1,128,980	\$ 939,559	-16.78%	\$ 863,013	-8.15%
2010	100653	General Services Resale Merchandise	\$ 14,649	\$ 0	\$ 0	N/A	\$ 0	N/A
2100	100612	State Printing	\$ 21,429,451	\$ 18,228,666	\$ 17,597,054	-3.46%	\$ 16,659,526	-5.33%
2290	100630	IT Governance	\$ 10,360,578	\$ 12,755,666	\$ 14,000,000	9.76%	\$ 14,000,000	0.00%
2290	100640	Leveraged Enterprise Purchases	\$ 2,300,509	\$ 1,370,493	\$ 3,000,000	118.90%	\$ 3,000,000	0.00%
4270	100602	Investment Recovery	\$ 2,634,871	\$ 1,573,816	\$ 4,100,000	160.51%	\$ 4,100,000	0.00%
4N60	100617	Major IT Purchases	\$ 1,986,474	\$ 9,794,770	\$ 1,950,000	-80.09%	\$ 4,950,000	153.85%
4P30	100603	DAS Information Services	\$ 3,754,775	\$ 4,047,805	\$ 5,047,565	24.70%	\$ 4,979,392	-1.35%
5C20	100605	MARCS Administration	\$ 13,184,750	\$ 13,303,344	\$ 14,075,705	5.81%	\$ 14,077,467	0.01%
5C30	100608	Skilled Trades	\$ 210,814	\$ 108,979	\$ 404,297	270.99%	\$ 404,375	0.02%
5D70	100621	Workforce Development	\$ 0	\$ 721,198	\$ 0	-100.00%	\$ 0	N/A
5EB0	100635	OAKS Support Organization	\$ 21,796,162	\$ 19,116,962	\$ 19,000,539	-0.61%	\$ 19,003,108	0.01%
5EB0	100656	OAKS Updates and Developments	\$ 0	\$ 0	\$ 12,265,952	N/A	\$ 8,743,462	-28.72%
5HU0	100655	Construction Reform Demo Compliance	\$ 0	\$ 143,542	\$ 150,000	4.50%	\$ 150,000	0.00%
5L70	100610	Professional Development	\$ 1,801,794	\$ 1,968,846	\$ 2,496,679	26.81%	\$ 2,496,760	0.00%
5V60	100619	Employee Educational Development	\$ 723,054	\$ 883,652	\$ 800,000	-9.47%	\$ 850,000	6.25%
5X30	100634	Centralized Gateway Enhancement	\$ 903,518	\$ 1,248,170	\$ 2,052,308	64.43%	\$ 2,052,308	0.00%
General Services Fund Group Total			\$ 198,944,114	\$ 208,345,178	\$ 232,306,081	11.50%	\$ 232,501,225	0.08%
3AJ0	100654	ARRA Broadband Mapping Grant	\$ 392,963	\$ 758,691	\$ 270,756	-64.31%	\$ 106,347	-60.72%
3AL0	100625	MARCS Grants	\$ 5,002,209	\$ 1,260,512	\$ 0	-100.00%	\$ 0	N/A
3H60	100609	Federal Grants OGRIP	\$ 62,484	\$ 41,723	\$ 0	-100.00%	\$ 0	N/A
Federal Special Revenue Fund Group Total			\$ 5,457,656	\$ 2,060,926	\$ 270,756	-86.86%	\$ 106,347	-60.72%
5CW0	100636	Governor's Residence Education Center	\$ 3,500	\$ 0	\$ 0	N/A	\$ 0	N/A
5JQ0	100658	Professions Licensing System	\$ 0	\$ 0	\$ 2,000,000	N/A	\$ 1,000,000	-50.00%
State Special Revenue Fund Group Total			\$ 3,500	\$ 0	\$ 2,000,000	N/A	\$ 1,000,000	-50.00%
Department of Administrative Services Total			\$ 305,519,510	\$ 304,019,551	\$ 352,769,353	16.04%	\$ 381,927,815	8.27%