

# **LSC Greenbook**

**Analysis of the Enacted Budget**

## **Department of Administrative Services**

**(Including Employee Benefits Funds)**

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# TABLE OF CONTENTS

<b>OVERVIEW</b> .....	<b>1</b>
Agency Overview.....	1
Appropriation Overview .....	1
<b>Initiatives for the FY 2014-FY 2015 Biennium</b> .....	<b>2</b>
Information Technology Optimization.....	2
Public Employees Health Care Program .....	2
MARCS Upgrade .....	3
Statewide 9-1-1 Services.....	3
Transfer of Employee Assistance Program from the Department of Health to DAS .....	3
State Facility Utilization Task Force.....	4
Recommendation on Uniform Standards for Public Records on the Internet .....	4
<b>ANALYSIS OF ENACTED BUDGET</b> .....	<b>5</b>
<b>Introduction</b> .....	<b>5</b>
<b>Category 1: Information Technology</b> .....	<b>8</b>
Ohio Business Gateway (100459).....	8
State IT Services (100456).....	9
IT Service Delivery (100607).....	9
Major IT Purchases (100617).....	9
IT Development (100661).....	9
OAKS Support Organization (100635) and OAKS Updates and Developments (100656) .....	10
IT Governance (100630).....	10
MARCS Administration (100605).....	11
DAS Information Services (100603).....	11
ARRA Broadband Mapping Grant (100654).....	11
911 Program (100663) .....	12
<b>Category 2: General Services</b> .....	<b>13</b>
State Agency Support Services (130321).....	13
State Printing (100612).....	13
DAS Building Management (100631).....	14
General Services Division – Operating (100644) .....	14
Leveraged Enterprise Services (100640) .....	14
Risk Management Reserve (100606).....	15
Fleet Management (100637).....	15
Investment Recovery (100602) .....	15
Minor Construction Project Management (100608) .....	16

<b>Category 3: Administration, Human Resources, and Collective Bargaining.....</b>	<b>17</b>
DAS Administration (100616) .....	17
Human Resources Division – Operating (100622) .....	17
Benefits Communication (100657) .....	18
Collective Bargaining (100620).....	18
Professional Development (100610) .....	18
Employee Educational Development (100619).....	19
<b>Category 4: State Support Services .....</b>	<b>20</b>
Public Employees Health Care Program (100403) .....	20
Lean Ohio (100452) .....	20
Central Service Agency (100632) .....	21
Professionals Licensing System (100658).....	21
<b>Category 5: Equal Opportunity .....</b>	<b>22</b>
Equal Opportunity Services (100457).....	22
Equal Opportunity Division – Operating (100649).....	22
Construction Reform Demonstration Compliance (100655).....	23
<b>Category 6: State Building Debt and Operating Payments.....</b>	<b>24</b>
MARCS Lease Rental Payments (100414).....	24
OAKS Lease Rental Payments (100415).....	25
STARS Lease Rental Payments (100416).....	25
Administrative Building Lease Rental Payments (100447).....	25
Office Building Operating Payments (100448) .....	25
DAS – Building Operating Payments (100449).....	25
Building Improvement (100659) .....	26
Building Operation (100660) .....	26
Theater Equipment Maintenance (100662).....	26
<b>Employee Benefits Funds (PAY) .....</b>	<b>27</b>
Accrued Leave (995666) .....	27
Disability Fund (995667) .....	28
Payroll Deductions (995673).....	28
State Employee Health Benefit Fund (995668).....	28
Dependent Care Spending Account (995669) .....	29
Life Insurance Investment (995670).....	29
Parental Leave Benefit (995671) .....	29
Health Care Spending Account (995672).....	29

**ATTACHMENT:**

Budget Spreadsheet By Line Item

# Department of Administrative Services

- Funding of \$496.8 million in FY 2014 and \$487.2 million in FY 2015
- Approximately one-third of the appropriations are supported by the GRF
- Debt service on buildings and IT systems comprise approximately one-fourth of the appropriated amounts

## 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, 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 under-represented 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. Finally, the Office of Information Technology oversees the state's information technology infrastructure. Overall, DAS staffing across all areas has decreased from a total of 862 employees in March of 2010 to an employee count of 771 in June 2013, a 10.6% decrease over this period.

### Appropriation Overview

The budget provides funding of \$496.8 million in FY 2014, an 18.5% increase compared to FY 2013 spending of \$419.2 million. The budget for FY 2015 is \$487.2 million, 1.9% below the amount appropriated for FY 2014. Table 1 shows these appropriations by fund group. Note that much of DAS's appropriations under the GRF are for debt service on state office buildings and major IT systems. Appropriations

under the General Services Fund Group, which account for the largest share of funding under the DAS budget, are supported by a variety of user fees and service charges collected from other state agencies for centralized services provided by DAS.

<b>Table 1. Appropriations by Fund Group, FY 2014-FY 2015</b>					
<b>Fund Group</b>	<b>FY 2013*</b>	<b>FY 2014</b>	<b>% change, FY 2013-FY 2014</b>	<b>FY 2015</b>	<b>% change, FY 2014-FY 2015</b>
General Revenue	\$138,142,721	\$158,052,951	14.4%	\$163,247,551	3.3%
General Services	\$278,499,325	\$333,614,857	19.8%	\$320,854,742	-3.8%
Federal Special Revenue	\$2,390,047	\$1,723,009	-27.9%	\$1,723,009	0.0%
State Special Revenue	\$131,759	\$3,399,257	2,479.9%	\$1,360,891	-60.0%
<b>TOTAL</b>	<b>\$419,163,851</b>	<b>\$496,790,074</b>	<b>18.5%</b>	<b>\$487,186,193</b>	<b>-1.9%</b>

\*FY 2013 figures represent actual expenditures.

## **Initiatives for the FY 2014-FY 2015 Biennium**

### **Information Technology Optimization**

In FY 2012, DAS's Office of Information Technology (OIT) began to implement a strategy intended to reduce costs and increase efficiency concerning the state's IT resources. In general, the plan seeks to consolidate the state's disparate IT resources and IT governance in order to provide centralized, enterprise IT infrastructure and applications. To this end, in FY 2013 DAS sought and received Controlling Board approval to create the IT Development Fund (Fund 5LJ0) which established a dedicated funding source for IT optimization. The fund receives revenues from an IT development rate assessed against state agencies' IT spending, the basis of which is the percentage of the state's total IT spending agencies undertook in the previous fiscal year. The budget for Fund 5LJ0 in the FY 2014-FY 2015 biennium totals \$26.4 million, or \$13.2 million in each fiscal year. In addition to Fund 5LJ0, other funds provide support to DAS's IT optimization effort. Included among these are the Leveraged Enterprise Purchases Fund (Fund 2290), which allows DAS to leverage the state's purchasing ability to receive more favorable pricing on IT purchases. Fund 2290 appropriations total \$32.9 million over the FY 2014-FY 2015 biennium.

### **Public Employees Health Care Program**

The budget provides GRF funding of \$309,600 in both FY 2014 and FY 2015 for the Public Employees Health Care Program. These funds will be used to develop a health insurance clearinghouse program for local governments, state institutions of higher education, and school districts. The program adopts evidence-based best practices that public school districts and political subdivisions must follow in selection and implementation of health care plans. H.B. 153 of the 129th General Assembly required DAS, prior to adopting best practices for health care plans, to contract with an independent consultant to provide an analysis related to employee health care plans

provided by existing political subdivision, public school district, and state institution of higher education plans. The budget includes statutory changes eliminating the requirement to hire an independent consultant to conduct the analysis, and instead allows DAS to develop best practices internally or with the advice of a Public Health Care Advisory Committee which the Director of Administrative Services is permitted to convene. DAS estimates that eliminating the consultant requirement will save approximately \$200,000.

### **MARCS Upgrade**

The budget provides \$10.2 million over the biennium to fund debt service payments for an upgrade to the Multi-Agency Radio Communication System (MARCS), a statewide data and voice communication system for public safety and emergency management agencies. In May 2012, the Controlling Board approved a request by DAS to enter into a \$90.0 million contract to make MARCS compliant with P25 standards. These standards are a set of interoperability requirements that apply to mobile radio devices used by public safety agencies in North America. The upgrade will also enable MARCS to accommodate additional users. Approximately 48,000 voice and mobile data units currently connect to the system. The MARCS upgrade is being financed through the issuance of Certificates of Participation (COPs), a method the state has used to acquire and install other large-scale IT systems such as the Ohio Administrative Knowledge System (OAKS). Debt service payments for the MARCS upgrade are paid from GRF appropriation item 100414, MARCS Lease Rental Payments.

### **Statewide 9-1-1 Services**

H.B. 59 transfers the administration of 9-1-1 services from the Department of Public Safety (DPS) to the Statewide Emergency Services Internet Protocol Network Steering Committee under the auspices of DAS. To provide a source of operating revenue for DAS's additional responsibilities under this provision, the budget provides an appropriation of \$290,000 in each fiscal year of the FY 2014-FY 2015 biennium under Fund 5NM0 appropriation item 100663, 911 Program. The appropriation will be supported by 2% of the total charges collected from 9-1-1 service providers as part of maintaining statewide 9-1-1 services. In addition to handing DAS responsibility for the coordination of statewide 9-1-1 service development, H.B. 59 also revises many of the responsibilities of 9-1-1 providers and political subdivisions that operate 9-1-1 systems in preparation for the transition to a "next generation" 9-1-1 system.

### **Transfer of Employee Assistance Program from the Department of Health to DAS**

H.B. 59 transfers the Employee Assistance Program (EAP) from the Department of Health to DAS, effective July 1, 2013, and eliminates the separate payroll charge assessed per pay period to all state agencies to cover the cost of administering the program. Henceforth, the program will be overseen by the Human Resources Division

within DAS and funded via the existing state agency payroll charges that are deposited into Fund 1250, the Human Resources Division – Operating Fund. As part of this program transfer, some number of current Department of Health employees assigned to the EAP will be transferred to DAS at their same classifications with retention of their statutory rights concerning layoffs.

### **State Facility Utilization Task Force**

H.B. 59 establishes the State Facility Utilization and Consolidation Task Force charged with (1) creating an inventory of state-owned real property and assets related to the real property, (2) studying the current utilization of the real property and related assets, (3) determining which real properties and related assets are not being productively used, (4) determining which real properties and related assets that are not being used productively could be productively used, and (5) determining which real properties and related assets that are not being productively used that could be productively used if consolidated. The Task Force is required to report its findings to the Governor, the Speaker of the House of Representatives, and the President of the Senate within one year. DAS is required to provide administrative support to the Task Force.

### **Recommendation on Uniform Standards for Public Records on the Internet**

The budget also contains a provision requiring the Director of DAS to deliver a report to the Governor and General Assembly leaders that proposes uniform standards for public offices that post public records on the Internet. The report is due no later than December 31, 2013.

## **ANALYSIS OF ENACTED BUDGET**

### **Introduction**

This section provides an analysis of the 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 appropriation in each fiscal year of the biennium. Following the table, a narrative describes how the appropriation is used. 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 the eight state funds responsible for paying various state employee benefits. These are referred to as the Employee Benefits Funds (PAY).



Categorization of DAS Appropriation Line Items for Analysis of H.B. 59				
Fund		ALI and Name		Category
<b>General Revenue Fund Group</b>				
GRF	100403	Public Employees Health Care Program		4: State Support Services
GRF	100414	MARCS Lease Rental Payments		6: State Building Debt and Operating Payments
GRF	100415	OAKS Lease Rental Payments		6: State Building Debt and Operating Payments
GRF	100416	STARS Lease Rental Payments		6: State Building Debt and Operating Payments
GRF	100447	Administrative Building Lease Payments		6: State Building Debt and Operating Payments
GRF	100448	Office Building Operating Payments		6: State Building Debt and Operating Payments
GRF	100449	DAS Building Operating Payments		6: State Building Debt and Operating Payments
GRF	100452	Lean Ohio		4: State Support Services
GRF	100456	State IT Services		1: Information Technology
GRF	100457	Equal Opportunity Services		5: Equal Opportunity
GRF	100459	Ohio Business Gateway		1: Information Technology
GRF	130321	State Agency Support Services		2: General Services
<b>General Services Fund Group</b>				
1120	100616	DAS Administration		3: Administration, Human Resources, and Collective Bargaining
1150	100632	Central Service Agency		4: State Support Services
1170	100644	General Services Division – Operating		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	Office of Collective Bargaining		3: Administration, Human Resources, and Collective Bargaining
1300	100606	Risk Management Reserve		2: General Services
1320	100631	DAS Building Management		2: General Services
1330	100607	IT Services 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	Minor Construction Project Management		2: General Services
5EB0	100635	OAKS Support Organization		1: Information Technology
5EB0	100656	OAKS Updates and Developments		1: Information Technology
5HU0	100655	Construction Reform Demonstration Compliance		5: Equal Opportunity
5KZ0	100659	Building Improvement		6: State Building Debt and Operating Payments
5L70	100610	Professional Development		3: Administration, Human Resources, and Collective Bargaining

<b>Categorization of DAS Appropriation Line Items for Analysis of H.B. 59</b>			
<b>Fund</b>		<b>ALI and Name</b>	<b>Category</b>
5LA0	100660	Building Operation	6: State Building Debt and Operating Payments
5LJ0	100661	IT Development	1: Information Technology
5V60	100619	Employee Educational Development	3: Administration, Human Resources, and Collective Bargaining
<b>Federal Special Revenue Fund Group</b>			
3AJ0	100654	ARRA Broadband Mapping Grant	1: Information Technology
<b>State Special Revenue Fund Group</b>			
5JQ0	100658	Professions Licensing System	4: State Support Services
5MV0	100662	Theatre Equipment Maintenance	6: State Building Debt and Operating Payments
5MN0	100663	911 Program	1: Information Technology

<b>Employee Benefits Funds Administered by DAS</b>			
<b>Fund</b>		<b>ALI and Name</b>	<b>Category</b>
<b>Accrued Leave Liability Fund Group</b>			
8060	995666	Accrued Leave Fund	Employee Benefits Funds
8070	995667	Disability Fund	Employee Benefits Funds
<b>Agency Fund Group</b>			
1240	995673	Payroll Deductions	Employee Benefits Funds
8080	995668	State Employee Health Benefit Fund	Employee Benefits Funds
8090	995669	Dependent Care Spending Account	Employee Benefits Funds
8100	995670	Life Insurance Investment Fund	Employee Benefits Funds
8110	995671	Parental Leave Benefit Fund	Employee Benefits Funds
8130	995672	Health Care Spending Account	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. The vast majority of this funding is supported by user charges, although there is a small GRF component and some federal grant funding.

<b>Appropriations for Information Technology</b>				
<b>Fund</b>	<b>ALI and Name</b>		<b>FY 2014</b>	<b>FY 2015</b>
<b>General Revenue Fund</b>				
GRF	100456	State IT Services	\$1,739,038	\$1,739,038
GRF	100459	Ohio Business Gateway	\$4,049,094	\$4,049,094
<b>General Revenue Fund Subtotal</b>			<b>\$5,788,132</b>	<b>\$5,788,132</b>
<b>General Services Fund Group</b>				
1330	100607	IT Services Delivery	\$57,521,975	\$57,521,975
2290	100630	IT Governance	\$16,446,474	\$16,446,474
4N60	100617	Major IT Purchases	\$56,888,635	\$56,888,635
4P30	100603	DAS Information Services	\$6,400,070	\$6,400,070
5C20	100605	MARCS Administration	\$14,292,596	\$14,512,028
5EB0	100635	OAKS Support Organization	\$25,813,077	\$19,813,077
5EB0	100656	OAKS Updates and Developments	\$9,886,923	\$2,636,923
5LJ0	100661	IT Development	\$13,200,000	\$13,200,000
<b>General Services Fund Group Subtotal</b>			<b>\$200,449,750</b>	<b>\$187,419,182</b>
<b>Federal Special Revenue Fund Group</b>				
3AJ0	100654	ARRA Broadband Mapping Grant	\$1,723,009	\$1,723,009
<b>Federal Special Revenue Fund Group Subtotal</b>			<b>\$1,723,009</b>	<b>\$1,723,009</b>
<b>State Special Revenue Fund Group</b>				
5NM0	100663	911 Program	\$290,000	\$290,000
<b>State Special Revenue Fund Group Subtotal</b>			<b>\$290,000</b>	<b>\$290,000</b>
<b>Total Funding: Information Technology</b>			<b>\$208,250,891</b>	<b>\$195,220,323</b>

### Ohio Business Gateway (100459)

The budgeted amount for this GRF line item is \$4.0 million in both FY 2014 and FY 2015. This line item will provide about two-thirds of the funding for DAS's Digital Government Program. The Digital Government Program supports the coordination of online services across all state agencies to facilitate effective and consistent online service offerings and development of enterprise strategies for online services available to the public. Additionally, the Digital Government Program provides programmatic

management for the Ohio Business Gateway, the State Portal, and the Shared Hosting Service. For more information about these three services please see the LSC Redbook Analysis of the Executive Budget Proposal.

### **State IT Services (100456)**

The appropriation for this GRF line item is \$1.7 million in both FY 2014 and FY 2015, a 58.3% increase over the FY 2013 expenditures of \$1.1 million 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 public web site applications.

### **IT Service Delivery (100607)**

The budgeted amount for this line item is \$57.5 million in each fiscal year, a 1.1% increase over FY 2013 spending in this line item. It is the largest appropriation item in this category, making up approximately 28.5% 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, including the state's telephone and data networks, as well as maintenance of various other mainframe and open platform operating systems. Please see the LSC Redbook Analysis of the Executive Budget Proposal for more information about specific programs supported by this line item.

### **Major IT Purchases (100617)**

The funding for appropriation item 100617, Major IT Purchases is \$56.9 million in both FY 2014 and FY 2015, an 84.8% increase over FY 2013 actual spending of \$30.8 million. This line item is used to make major purchases of IT equipment and systems for the state. In the FY 2014-FY 2015 biennium, this line item will predominantly be used to support the Office of Health Transformation (OHT) project to develop and implement a new eligibility and enrollment system for Medicaid and other federal entitlement programs. The new system will be used by agencies at both the state and county levels. Approximately 90% of the funding for this project will be provided through a federal grant to the Ohio Department of Job and Family Services.

### **IT Development (100661)**

The funding for appropriation item 100661, IT Development is \$13.2 million in each year of the FY 2014-FY 2015 biennium. This line item funds the OIT Enterprise Information Technology Program. More specifically, funding for this item supports OIT's IT optimization strategy to reduce overall state IT costs by reducing IT infrastructure complexity, e-mail consolidation, storage virtualization, mainframe consolidation, server virtualization, and network services consolidation. Funding for this line item is provided by charges assessed to state agencies based on the agencies' IT

spending from the most recently closed fiscal year. These assessments are collected on a quarterly basis.

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

Together these two line items support the OAKS IT Application Support Program. For FY 2014 the appropriation for line item 100635, OAKS Support Organization is \$25.8 million, a 25.5% increase over FY 2013 expenditures of \$20.6 million. The funding for FY 2015 is \$19.8 million, a decrease of 23.2% below the FY 2014 appropriation. 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 the Ohio Accounting and Knowledge System (OAKS).

The appropriation for line item 100656, OAKS Updates and Developments is \$9.8 million in FY 2014, a decrease of 5.5% compared to FY 2013 spending of \$10.5 million. For FY 2015, the appropriation is \$2.6 million, 73.3% less than the FY 2014 budgeted amount. This line item is used to purchase updates and new functionality for OAKS, including improvements to software managing accounts receivables, asset management, financial systems, budget planning, and human capital management.

### **IT Governance (100630)**

Funding for this line item is \$16.4 million in FY 2014 and FY 2015, a 3.2% decrease when compared to FY 2013 spending of \$16.9 million. This appropriation provides funding for approximately 50 individuals spread across various programs. This line item funds certain statutory and federal rule responsibilities and regulatory oversight with regard to the state's IT investments. DAS estimates that funding through this program has helped reduce state agency IT expenditures by approximately \$30 million over two years by implementing spending controls and best practices. Initiatives funded by this line item include:

- The IT Enterprise Contract Development Office, which is responsible for negotiating contracts for IT hardware and software on behalf of all state agencies and participating political subdivisions;
- The IT Project Success Center, which provides project managers with insight into best practices for large projects;
- Enterprise Research and Advisory and Educational Development Resources, which provide shared technical learning and reference resources, on-site briefings, conferences, and consulting that address the latest technologies;
- Enterprise IT Architecture and Policy administers DAS's statutory authority to promulgate the state's IT-related rules, policies, and standards;

- The State IT Investment Management Office, which administers the state's IT investment planning and carries out statutory IT obligations by reviewing and approving agency investments to ensure that these investments are in line with agency priorities and best practices;
- Leveraged Enterprise Purchases which takes advantage of savings opportunities through aggregated IT purchases; and
- The Information Security and Privacy Office which focuses on reduction of IT security and privacy risks across state government.

### **MARCS Administration (100605)**

The funding for this appropriation item is \$14.3 million in FY 2014, 3.8% greater than FY 2013 spending of \$13.7 million for this line item. In FY 2015, \$14.5 million is provided, 1.5% more than the FY 2014 appropriation. The line item funds the statewide mobile voice and data communications system, known as the Multi-Agency Radio Communication System (MARCS), used by public safety and emergency responders at local, state, and federal levels of government.

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 currently provides service to over 1,200 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 47,500 mobile radios, more than 1,800 mobile data units, and 75 computer-aided dispatch stations. Users are charged various subscription fees for particular services: \$20 per month for mobile radio, \$350 per month for mobile data, and \$1,750 per month for computer-aided dispatch.

### **DAS Information Services (100603)**

Funding for this line item is \$6.4 million in both FY 2014 and FY 2015, a 3.0% increase when compared to FY 2013 expenditures of \$6.2 million. 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 and the Governor's Office.

### **ARRA Broadband Mapping Grant (100654)**

The budget provides this line item with funding of \$1,723,009 in both FY 2014 and FY 2015, 11.3% more than expenditures of \$1.5 million in FY 2013 for this line item. This line item supports spending on a federal grant 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. These amounts also support data collection for the state's Location Based Response System. Federal funding is available through December 2014.

**911 Program (100663)**

H.B. 59 contains new appropriations of \$290,000 in each fiscal year to pay the operating expenses of the Statewide Emergency Services Internet Protocol Network Steering Committee (ESINET) responsible for coordinating the upgrading of the state's emergency call center system. The Steering Committee will be under the administrative umbrella of DAS. This line item is supported by 2% of wireless 9-1-1 charge remittances that 9-1-1 providers are required to submit to the state for oversight of the 9-1-1 system. In addition to handing DAS responsibility for the coordination of statewide 9-1-1 service development, H.B. 59 also revises many of the responsibilities of 9-1-1 providers and political subdivisions that operate 9-1-1 systems in preparation for the transition to a "next generation" 9-1-1 system. For additional information about the various changes affecting statewide 9-1-1 services, please see the LSC Comparison Document entry DASCD49 "Statewide Emergency Services Internet Protocol Network Steering Committee."

## Category 2: General Services

Line items in this category provide general services to state agencies such as procurement, building maintenance, and fleet management.

<b>Appropriations for General Services</b>				
<b>Fund</b>		<b>ALI and Name</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>General Revenue Fund</b>				
GRF	130321	State Agency Support Services	\$2,477,008	\$2,477,008
<b>General Revenue Fund Subtotal</b>			<b>\$2,477,008</b>	<b>\$2,477,008</b>
<b>General Services Fund Group</b>				
1170	100644	General Services Division – Operating	\$12,993,870	\$12,993,870
1220	100637	Fleet Management	\$4,200,000	\$4,200,000
1300	100606	Risk Management Reserve	\$6,635,784	\$6,635,784
1320	100631	DAS Building Management	\$19,343,170	\$19,343,170
2100	100612	State Printing	\$20,459,526	\$20,459,526
2290	100640	Leveraged Enterprise Purchases	\$7,065,639	\$7,065,639
4270	100602	Investment Recovery	\$1,618,062	\$1,638,515
5C30	100608	Minor Construction Project Management	\$1,004,375	\$1,004,375
<b>General Services Fund Group Subtotal</b>			<b>\$73,320,426</b>	<b>\$73,340,879</b>
<b>Total Funding: General Services</b>			<b>\$75,797,434</b>	<b>\$75,817,887</b>

### State Agency Support Services (130321)

Funding for this GRF line item is \$2.5 million in FY 2014 and FY 2015, a 3.7% decrease compared to FY 2013 expenditures of \$2.6 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, as doing so would either be too complicated or not cost effective.

### State Printing (100612)

The budgeted amount for this line item is \$20.5 million in FY 2014 and FY 2015, 4.9% more than FY 2013 expenditures of \$19.5 million. 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. This line item is funded by fees charged for services provided. The current state printing fees are: (1) black and white, mainframe, and color printing,



\$0.03 per impression, (2) mail fulfillment services, \$0.048 per envelope, and (3) commercial printing, 6.75% of the project value.

### **DAS Building Management (100631)**

The funding for this line item is \$19.3 million in FY 2014 and FY 2015, an increase of 7.2% when compared to FY 2013 spending of \$18.1 million. This line item is used to operate and maintain various state buildings managed by DAS's Facilities Management Section (FMS), including the James A. Rhodes State Office Tower and Vern Riffe Center for Government and the Arts in Columbus, the Oliver R. Ocasek Government Office Building in Akron, the Michael V. DiSalle Government Center in Toledo, and the Frank J. Lausche State Office Building in Cleveland. In all, FMS currently provides safety, security, custodial, preventative maintenance, HVAC operations, and repair services for ten state-owned buildings. The source of funding for these services is rent paid by tenants of DAS buildings.

### **General Services Division – Operating (100644)**

The budget for line item 100644, General Services Division – Operating, is \$13.0 million in both FY 2014 and FY 2015, a 20.4% increase compared to FY 2013 expenditures of \$10.8 million. This line item provides funding for DAS's Procurement Services Program and overall program management within the General Services Division, and for the commercial leasing activities of DAS's Real Estate and Planning Program. The line item is funded by charges to state and local agencies for procurement services and general DAS property management that are deposited into the General Services Division – Operating Fund (Fund 1170).

### **Leveraged Enterprise Services (100640)**

The funding line item 100640, Leveraged Enterprise Services, is \$7.1 million in FY 2014 and FY 2015, 21.0% more than FY 2013 spending in this area. 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. By engaging in collective procurement, state agencies have been able to realize substantial savings and other benefits when making IT hardware and software purchases. Under the program, OPS works closely with OIT to make purchases: OIT is responsible for outlining IT procurement specifications and ensuring that the provisions of the contract are satisfied, whereas OPS is responsible for negotiating the contracts with vendors. This appropriation is funded by pass-through payments for purchases. 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).

**Risk Management Reserve (100606)**

The appropriation for this line item is \$6.6 million in both FY 2014 and FY 2015, 1.1% more than FY 2013 expenditures for this function. 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 appropriation is supported by fees assessed to state agencies receiving property, casualty, or other indemnity coverage through the Office of Risk Management.

**Fleet Management (100637)**

The appropriation for this line item for FY 2014 and FY 2015 is \$4.2 million, 20.7% more than FY 2013 spending of \$3.5 million. This appropriation funds DAS's Office of Fleet Management, which is responsible for the acquisition, maintenance, management, analysis, and disposal of the state's 12,000-vehicle fleet. The funding for these services is provided through charges to state agencies for the use of vehicles and DAS fleet services. Fleet Management administers a fleet management information system and a fleet card. The fleet management information system, known as FleetOhio, is used to track all vehicle data for the state fleet and provides agencies and Fleet Management the ability to analyze operating costs. The fleet card allows users to make fuel and maintenance purchases and then automatically uploads this data into the management information system, automating much of the process involved in assessing the fleet's cost-per-mile data.

H.B. 59 makes modifications to certain requirements concerning the use of alternative fuel by state fleet vehicles. More specifically, the bill eliminates certain reporting requirements that apply to state institutions of higher education, eliminates the position of State Alternative Fuel Officer within DAS, and eliminates the credit banking and selling program that is a component of the state's alternative fuel vehicle fleet acquisition strategy. Additionally, H.B. 59 transfers control of the Biodiesel Revolving Fund from DAS to the Development Services Agency (DSA).

H.B. 59 also reestablishes the Vehicle Management Commission (abolished by S.B. 171 of the 129th General Assembly) to periodically review the implementation of the fleet management program, and authorizes the Commission to recommend to the Department and the General Assembly modifications to Department procedures and functions and other statutory changes needed to improve state fleet operations.

**Investment Recovery (100602)**

The appropriation for this line item is \$1.6 million in both FY 2014 and FY 2015, 20.4% more than the FY 2013 expenditures of \$1.3 million. Overall, the funding supports the State and Federal Surplus Section (FSS) and Asset Management Services

(AMS) Section. These sections provide state surplus, federal surplus, and general asset management services to state agencies. H.B. 59 allows the operating expenses of the Federal Surplus Property Program and the State Surplus Property Program to be paid from the Investment Recover Fund (Fund 4270). The bill also requires the Director of Administrative Services to transfer proceeds from the sale of surplus property from Fund 4270 to non-GRF funds as appropriate.

#### **Minor Construction Project Management (100608)**

The budget for this line item is \$1.0 million in FY 2014 and FY 2015. This appropriation funds construction services to state entities requiring minor modification or renovation services within state-owned buildings. It also supports quick responses in DAS-managed facilities for those agencies that require emergency repairs. Minor Construction Project Management services include office wall reconfiguration; electrical, plumbing, and HVAC services; window and door installation; painting; and other miscellaneous work. This line item was formerly referred to as Skilled Trades. H.B. 59 also changes the name of the Skilled Trades Fund (Fund 5C30) to the Minor Construction Project Management Fund. The purpose of these changes is to allow DAS to provide these services to any state agency instead of just state agencies that occupy space in a facility not owned by DAS. Practically speaking, this gives DAS statutory authority to provide these services in buildings once overseen by the former Ohio Building Authority.

### 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. Finally, this grouping includes line item funding for overall DAS administration, although this is not strictly speaking a statewide human resources function.

Appropriations for Administration, Human Resources, and Collective Bargaining				
Fund	ALI and Name		FY 2014	FY 2015
<b>General Services Fund Group</b>				
1120	100616	DAS Administration	\$6,127,659	\$6,147,659
1250	100622	Human Resources Division – Operating	\$17,749,839	\$17,749,839
1250	100657	Benefits Communication	\$712,316	\$712,316
1280	100620	Office of Collective Bargaining	\$3,329,507	\$3,329,507
5L70	100610	Professional Development	\$2,100,000	\$2,100,000
5V60	100619	Employee Educational Development	\$800,000	\$800,000
<b>Total Funding: Administration, Human Resources, and Collective Bargaining</b>			<b>\$30,839,321</b>	<b>\$30,839,321</b>

#### DAS Administration (100616)

The funding for this line item is \$6.13 million in FY 2014, a 29.0% increase over FY 2013 expenditures of \$4.8 million. Funding for FY 2015 is \$6.15 million, a 0.3% increase when compared to the FY 2014 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 Legal Services, the Office of Communications and External Relations, and the Office of the Director. These services are funded through intra-agency charges billed to the various divisions within DAS that are deposited into the Director's Office Fund (Fund 1120).

#### Human Resources Division – Operating (100622)

The budget funds this line item at \$17.7 million in both FY 2014 and FY 2015, a 21.3% increase over FY 2013 spending of \$14.6 million. 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 charge for FY 2014 is \$12.50 per pay check issued per pay period. These proceeds are deposited into the Human Resources Services Fund (Fund 1250).

H.B. 59 transfers the management of the state's Employee Assistance Program from the Department of Health to DAS. The program provides support and referral services for state employees who are experiencing personal problems that are currently or may affect job performance. This program also provides training, critical incident stress debriefing services, and intervention services for organizations in transition due to a reorganization or downsizing. Actual expenditures for the program were just under \$855,000 in FY 2013.

#### **Benefits Communication (100657)**

The appropriation for this line item is \$712,316 in FY 2014 and FY 2015, an increase of 7.1% over FY 2013 spending of \$665,405. This line item is 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. This line item is funded by an assessment of \$1 per month, per employee enrolled in a health care plan.

#### **Collective Bargaining (100620)**

The budgeted amount for this line item is \$3.3 million in each fiscal year, a 16.9% increase over FY 2013 expenditures of \$2.8 million. 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. The line item is funded by payroll charges assessed to state agencies. The charges are computed on the head count of employees in all agencies except those in the judicial and legislative branches, the State Employment Relations Board, the Attorney General, the Auditor of State, the Treasurer of State, the Lieutenant Governor, and the Governor. The rate is \$2.30 per employee. The major factors that determine OCB's cost are the length and adversarial nature of bargaining agreement negotiations. All current collective bargaining contracts are set to expire by FY 2015.

#### **Professional Development (100610)**

The appropriation for this line item is \$2.1 million in FY 2014 and FY 2015, a 9.8% decrease compared to FY 2013 expenditures of \$2.3 million. The line item funds the Exempt Employee Educational 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 \$0.10 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 budget for this line item is \$800,000 in FY 2014 and FY 2015, 12.7% less than FY 2013 spending of \$916,393 in this area. 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.

## Category 4: State Support Services

Appropriations in this category relate to funding for various centralized administrative services that DAS provides to state agencies.

<b>Appropriations for State Support Services</b>				
<b>Fund</b>		<b>ALI and Name</b>	<b>FY 2014</b>	<b>FY 2015</b>
<b>General Revenue Fund</b>				
GRF	100403	Public Employees Health Care Program	\$309,600	\$309,600
GRF	100452	Lean Ohio	\$1,059,624	\$1,059,624
<b>General Revenue Fund Subtotal</b>			<b>\$1,369,224</b>	<b>\$1,369,224</b>
<b>General Services Fund Group</b>				
1150	100632	Central Service Agency	\$911,580	\$927,699
<b>General Services Fund Group Subtotal</b>			<b>\$911,580</b>	<b>\$927,699</b>
<b>State Special Revenue Fund Group</b>				
5JQ0	100658	Professionals Licensing System	\$3,028,366	\$990,000
<b>State Special Revenue Fund Group Subtotal</b>			<b>\$3,028,366</b>	<b>\$990,000</b>
<b>Total Funding: State Support Services</b>			<b>\$5,309,170</b>	<b>\$3,286,923</b>

### Public Employees Health Care Program (100403)

The appropriation for this GRF line item is \$309,600 in FY 2014 and FY 2015. This appropriation supports DAS's Public Employees Health Care Program which adopts and releases best practices that public school districts and political subdivisions must follow in the selection and implementation of health care plans. Under H.B. 153 of the 129th General Assembly, the main operating appropriations bill for the FY 2012-FY 2013 biennium budget, DAS was required to contract with a consultant to conduct a comprehensive report to assist the development of best practices. Statutory changes in H.B. 59 allow DAS to develop best practices for health care plans directly. DAS estimates that eliminating the consultant's report will save in excess of \$200,000.

### Lean Ohio (100452)

Funding for GRF appropriation item 100452, Lean Ohio is \$1.1 million in each fiscal year, an increase of 94.6% compared to FY 2013 spending of \$544,389. This line item, formerly titled Efficiency and Results, funds DAS's Lean Ohio Program intended to improve the business climate of the state, reduce the cost of doing business in Ohio, and improve the quality of government services. To accomplish this, Lean Ohio conducts Kaizen events wherein the program works with state agencies to implement Lean Six Sigma principals intended to reduce time, costs, and errors occurring in agency processes.

**Central Service Agency (100632)**

The appropriation for this line item is \$911,580 in FY 2014, or 0.7% more than FY 2013 spending of \$905,319 in this area. Funding for FY 2015 is set at \$927,699, an increase of 1.8% over the FY 2014 amount. The Central Service Agency (CSA) provides accounting, budgeting, personnel, and payroll services for smaller state agencies, primarily boards and commissions. This consolidation of services allows these smaller agencies to conduct their business in a more cost-effective manner. CSA's operating revenues consist of billings collected from the state agencies, boards, and commissions using CSA services. These billings are deposited into the Central Service Agency Fund (Fund 1150).

**Professionals Licensing System (100658)**

This line item is used to provide funding to replace the eLicensing system used by the state's boards and commissions to store various professional licensing records. The budget provides for funding of just over \$3.0 million in FY 2014 and \$990,000 in FY 2015 for developing and deploying this replacement system. The budget includes language allowing the transfer of a total up to \$990,000 in cash from the Occupational Licensing and Regulatory Fund (Fund 4K90), the State Medical Board Operating Fund (Fund 5C60), and the Casino Control Commission – Operating Fund (Fund 5HS0) to the Professions Licensing System Fund (Fund 5JQ0) to pay for the purchase and implementation of the system during the biennium. The budget also allows for any cash balances that were not expended in FY 2014 to be reappropriated in FY 2015. 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 four line items that support programs housed in the Equal Opportunity Division (EOD).

Appropriations for Equal Opportunity				
Fund		ALI and Name	FY 2014	FY 2015
<b>General Revenue Fund</b>				
GRF	100457	Equal Opportunity Services	\$1,910,516	\$1,910,516
<b>General Revenue Fund Subtotal</b>			<b>\$1,910,516</b>	<b>\$1,910,516</b>
<b>General Services Fund Group</b>				
1880	100649	Equal Opportunity Division – Operating	\$863,013	\$863,013
5HU0	100655	Construction Reform Demonstration Compliance	\$150,000	\$150,000
<b>General Services Fund Group Subtotal</b>			<b>\$1,013,013</b>	<b>\$1,013,013</b>
<b>Total Funding: Equal Opportunity</b>			<b>\$2,923,529</b>	<b>\$2,923,529</b>

### Equal Opportunity Services (100457)

The budget provides this GRF line item with funding of \$1.9 million in each fiscal year, a 41.6% increase when compared to FY 2013 spending of \$1.3 million in this area. This appropriation facilitates access to state government contracts and business services for under-represented Ohio businesses. One of the Equal Opportunity Division's 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 firms. 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.

### Equal Opportunity Division – Operating (100649)

Appropriations for this line item are \$863,013 in FY 2014 and FY 2015, a 31.5% increase when compared to the FY 2013 expenditures of \$656,501. 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. This line item is funded by a payroll check-off of \$0.41 per paycheck produced by all state agencies.

**Construction Reform Demonstration Compliance (100655)**

The budgeted amount for line item 100655, Construction Reform Demonstration Compliance, is \$150,000 in both fiscal years, an increase of 6.5% over FY 2013 expenditures of \$140,908. This line item funds the Construction Compliance Unit's (CCU) efforts to ensure that equal opportunity requirements and goals for the alternative construction delivery methods pilot program pursuant to H.B. 318 of the 128th General Assembly. That bill required the Board of Regents to designate a construction project at three state institutions of higher education as a Construction Reform Project using alternative construction delivery methods. H.B. 318 required that funding be made available for EDGE purposes on these projects through December 31, 2014 or until all of the projects are complete.

## Category 6: State Building Debt and Operating Payments

Appropriations in this category are for debt lease rental of state office buildings owned or managed by DAS, and for debt service payments for construction projects financed through bonds proceeds in the Administrative Building Fund (Fund 7026). Also included are payments for two major statewide computer systems, OAKS and STARS, and the statewide public safety communications system, MARCS. It also includes funding for building operating costs. Total funding for this category represents 35.0% of DAS's funding in FY 2014 and 36.8% in FY 2015.

Appropriations for State Building Debt and Operating Payments				
Fund	ALI and Name		FY 2014	FY 2015
<b>General Revenue Fund</b>				
GRF	100414	MARCS Lease Rental Payments	\$5,133,700	\$5,135,800
GRF	100415	OAKS Lease Rental Payments	\$22,998,500	\$22,982,500
GRF	100416	STARS Lease Rental Payments	\$4,976,500	\$4,973,200
GRF	100447	Administrative Building Lease Payments	\$85,847,800	\$91,059,600
GRF	100448	Office Building Operating Payments	\$20,000,000	\$20,000,000
GRF	100449	DAS Building Operating Payments	\$7,551,571	\$7,551,571
<b>General Revenue Fund Subtotal</b>			<b>\$146,508,071</b>	<b>\$151,702,671</b>
<b>General Services Fund Group</b>				
5KZO	100659	Building Improvement	\$500,000	\$500,000
5LA0	100660	Building Operation	\$26,600,767	\$26,814,648
<b>General Services Fund Group Subtotal</b>			<b>\$27,100,767</b>	<b>\$27,314,648</b>
<b>State Special Revenue Fund Group</b>				
5MV0	100662	Theatre Equipment Maintenance	\$80,891	\$80,891
<b>State Special Revenue Fund Group Subtotal</b>			<b>\$80,891</b>	<b>\$80,891</b>
<b>Total Funding: State Building Debt and Operating Payments</b>			<b>\$173,689,729</b>	<b>\$179,098,210</b>

### MARCS Lease Rental Payments (100414)

The funding for this line item is \$5.1 million in each fiscal year. In FY 2012, DAS entered into a \$90.0 million contract to upgrade MARCS to be compliant with new interoperability standards that apply to mobile radio devices used by public safety agencies and first responders in North America. This line item is used to make debt service payments for the acquisition, development, installation, and implementation of the MARCS upgrade discussed in the **Overview**. The MARCS upgrade is being financed through the issuance of Certificates of Participation (COPs), a method the state has used to acquire and install other large-scale IT systems such as the Ohio Administrative Knowledge System (OAKS).

**OAKS Lease Rental Payments (100415)**

The budgeted amount for this line item is \$23.0 million in FY 2014 and FY 2015, roughly equivalent to the FY 2013 expenditures for these payments. This line item is used to make debt service payments under COPs issued 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 appropriations of \$5.0 million in FY 2014 and FY 2015 are roughly equivalent to FY 2013 expenditures under this line item. This line item is used to pay for the 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.

**Administrative Building Lease Rental Payments (100447)**

The appropriation for this line item is \$85.8 million in FY 2014, a 6.1% increase from FY 2013 expenditures of \$80.9 million. Funding for FY 2015 is \$91.1 million, a 6.1% increase over the amount appropriated for FY 2014. This line item is used to make debt service payments for Administrative Building Fund (Fund 7026) capital projects. Non-GRF state agency tenants of the state office towers in Columbus, Akron, Toledo, and Cleveland reimburse the GRF for their pro-rata share of building debt service.

**Office Building Operating Payments (100448)**

The appropriation for this line item is \$20.0 million in each fiscal year, which is 49.0% more when compared to FY 2013 spending of \$13.4 million in this area. This line item is used to pay the expenses of vacant space, space undergoing renovation, the rent expenses of agencies funded by the GRF, and the rent expenses for agencies that have been relocated due to renovations in 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. 59 requires that the portion of this line item that is not used for the aforementioned purposes be processed via intrastate transfer voucher and placed in the Building Improvements Fund (Fund 5KZ0).

**DAS – Building Operating Payments (100449)**

The funding for this line item is \$7.6 million in each fiscal year, 7.7% more when compared to FY 2013 expenditures of \$7.0 million. The appropriation is used to pay the

rent expenses of veterans' groups and the costs of building appraisals or studies that are required for property under consideration for sale, purchase, or renovation by the state.

### **Building Improvement (100659)**

The appropriation for Building Improvement Fund (Fund 5KZ0) appropriation item 100659, Building Improvement, is \$500,000 in each fiscal year. This line item will be used to fund remodeling, renovations, and other improvements at the James A. Rhodes State Office Tower, Columbus; Frank J. Lausche State Office Tower, Cleveland; Michael V. DiSalle Government Center, Toledo; Oliver R. Ocasek Government Center, Akron; and the Vern Riffe Center for Government and the Arts, Columbus. The funding source for these improvements is transfers from the Building Operating Fund (Fund 5LA0). Uncodified law in H.B. 59 requires that DAS conduct or contract for regular assessments of these buildings and maintain a cash balance in Fund 5KZ0 equal to the cost of the repairs and improvements that are recommended to occur within the next five years, except that a cash transfer may be made to the Building Operating Fund (Fund 5LA0) discussed immediately below for the costs of operating and maintaining the buildings that are not charged to tenants.

### **Building Operation (100660)**

The funding for Fund 5LA0 appropriation item 100660, Building Operation, is \$26.6 million in FY 2014, an increase of almost 26.0% when compared to FY 2013 spending of \$21.1 million in this area. The FY 2015 appropriation is \$26.8 million, an increase over the FY 2014 appropriation of less than 1.0%. This line item is used to cover the cost of operating and managing space occupied by state agencies and local governments in the five state office towers that were formerly managed by the Ohio Building Authority before that agency's responsibilities were assumed by DAS. H.B. 59 requires the Director of Budget and Management to transfer the portion of building operations charges attributed to depreciation from Fund 5LA0 to the Building Improvement Fund (Fund 5KZ0) or to the GRF as applicable.

### **Theater Equipment Maintenance (100662)**

The budget for this line item is \$80,091 in each fiscal year. This line item, created by H.B. 59, provides funding for needed repairs and equipment at the theaters in the Vern Riffe Center for Government and the Arts. The funding source for this appropriation is a Columbus Association for the Performing Arts (CAPA) ticket surcharge collected as part of that organization's management contract for the Riffe Theatres. These receipts would be deposited into the new Theater Equipment Maintenance Fund (Fund 5MV0). The Riffe Theatres were formerly overseen by the Ohio Cultural Facilities Commission (AFC) that was abolished under H.B. 59.

## Employee Benefits Funds (PAY)

The following table displays the appropriations for the eight state funds responsible for paying various state employee benefits. These benefit programs are funded through a combination of deductions from employee paychecks or from state agency payroll charges. 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.

Readers should note that a statutory change in H.B. 59 permits, rather than requires as under current law, DAS to contract with insurance companies for the purchase of a long-term care insurance policy for state employees to elect to participate in. The program has been entirely funded by participating employees until this point. The reason this change was made is that no insurer has offered to provide this form of coverage for the FY 2014-FY 2015 biennium.

<b>Appropriations for Employee Benefits Funds</b>				
<b>Fund</b>	<b>ALI and Name</b>		<b>FY 2014</b>	<b>FY 2015</b>
<b>Accrued Leave Disability</b>				
8060	995666	Accrued Leave	\$73,494,242	\$74,964,127
8070	995667	Disability Fund	\$26,593,747	\$27,345,147
<b>Accrued Leave Disability Fund Subtotal</b>			<b>\$100,087,989</b>	<b>\$102,309,274</b>
<b>Agency Fund</b>				
1240	995673	Payroll Deductions	\$775,712,468	\$814,498,091
8080	995668	State Employee Health Benefit Fund	\$689,654,314	\$758,608,963
8090	995669	Dependent Care Spending Account	\$2,967,711	\$3,116,097
8100	995670	Life Insurance Investment Fund	\$2,143,053	\$2,143,053
8110	995671	Parental Leave Benefit Fund	\$3,668,471	\$3,741,840
8130	995672	Health Care Spending Account	\$8,033,020	\$8,434,671
<b>Agency Fund Group Subtotal</b>			<b>\$1,482,179,037</b>	<b>\$1,590,542,715</b>
<b>Total Funding: Employee Benefits Fund</b>			<b>\$1,582,267,026</b>	<b>\$1,692,851,989</b>

### Accrued Leave (995666)

The budget provides this line item with funding of \$73.5 million in FY 2014 and \$75.0 million in FY 2015. The FY 2014 amount is 8.5% less than FY 2013 spending of \$80.3 million. This line item provides for the payment of accrued employee vacation, sick, and personal leave at termination from state service or annual leave conversion. Since the actual amount of leave cashed out or converted can fluctuate, H.B. 59 provides authority for additional appropriations needed to make these payments. Additionally, H.B. 59 requires the Director of Budget and Management, to transfer up to \$5.2 million cash from the Cost Savings Fund (Fund 8140) to the Accrued Leave Fund (Fund 8060) in

order to support accrued leave payouts to state employees who are participating in an annual leave conversion or who are separating from state service.

### **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 lifetime maximum of 12 months. Previously, disability benefits were paid at 70% of the employee's base rate of pay for the first three months and then 50% for the remaining nine. In FY 2012, 3,947 employees received benefits under this program. The appropriation for this line item is \$26.6 million in FY 2014, 21.3% more than the \$21.9 million spent in FY 2013 for this purpose. In FY 2015 the appropriation is \$27.3 million, a 2.8% increase over the FY 2014 appropriation.

### **Payroll Deductions (995673)**

The appropriation for this line item is \$775.7 million in FY 2014, a 8.8% increase over FY 2013 spending of \$712.7 million, and \$814.5 million in FY 2015, a 5.0% increase over the FY 2014 appropriation. The Payroll Deduction Fund (Fund 1240) is used to collect and redistribute certain local government taxes, retirement contributions, wage garnishments (such as child support), and other miscellaneous obligations. Revenues to the fund consist of payroll deductions taken from employee pay for these purposes.

### **State Employee Health Benefit Fund (995668)**

Funding for this line item is \$689.7 million in FY 2014, a 17.8% increase over FY 2013 expenditures of \$585.3 million in this area. The FY 2015 appropriation is \$758.6 million, a 10% increase over the FY 2014 appropriation. This line item funds the medical claims costs of the state's self-insured health, dental, vision, and prescription programs for state employees. In total, this program provides health benefits for approximately 116,000 people (46,000 state employees and 70,000 dependents), as well as dental, vision, and life benefits for roughly 15,000 exempt employees. Until the FY 2012-FY 2013 biennium, claims were handled by five different service providers. In an effort to reduce claims administration costs, claims administration was consolidated between two providers beginning in the FY 2012-FY 2013 biennium: Medical Mutual of Ohio and United Health Care. DAS estimates that this consolidation saved roughly \$20 million during the FY 2012-FY 2013 biennium. Another part of the state's employee health care cost savings strategy is the Take Charge, Live Well! Population Health Management Program (PHM). The PHM delivers savings by providing incentives for state employees and their dependents to improve their overall health through specific wellness programs.

**Dependent Care Spending Account (995669)**

The budgeted amount for this line item is just under \$3.0 million in FY 2014, or approximately 17.8% more when compared to the FY 2013 expenditures of \$2.5 million for the Dependent Care Spending Account (DCSA) Program. The FY 2015 appropriation is \$3.1 million, a 5% increase over the FY 2014 amount. The program is a voluntary payroll deduction plan that allows state employees to set aside up to \$5,000 of pre-tax income annually via payroll deductions for dependent care expenses. Approximately 690 state employees participate in this program.

**Life Insurance Investment (995670)**

The appropriation for this line item is \$2.1 million in both FY 2014 and FY 2015, a 14.7% increase when compared to FY 2013 spending of \$1.8 million under this program. 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 13,400 employees are enrolled in the plan. A statutory change in H.B. 59 permits, rather than requires as under current law, DAS to contract with insurance companies for the purchase of a long-term care insurance policy for state employees to elect to participate in.

**Parental Leave Benefit (995671)**

The funding provided for this line item is \$3.7 million in each fiscal year, a 6.7% increase over FY 2013 spending of \$3.4 million in paid benefits to state employees that take paternity or maternity leave. Under the Parental Leave Benefit Program, 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. The program is funded by a rate of 0.124% of gross state agency payroll.

**Health Care Spending Account (995672)**

The budget appropriates \$8.0 million in FY 2014 for the Health Care Spending Account Program, 3.1% less than FY 2013 spending of \$8.3 million for this purpose. The FY 2015 appropriation is \$8.4 million, a 5.0% increase over the amount appropriated for FY 2014. 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.



# FY 2014 - FY 2015 Final Appropriation Amounts

# All Fund Groups

## Line Item Detail by Agency

			FY 2012	FY 2013	Appropriation FY 2014	FY 2013 to FY 2014 % Change	Appropriation FY 2015	FY 2014 to FY 2015 % Change
<b>Report For Main Operating Appropriations Bill</b>			<b>Version: Enacted</b>					
<b>DAS Department of Administrative Services</b>								
GRF	100403	Public Employees Health Care Program	\$ 102,933	\$ 106,837	\$ 309,600	189.79%	\$ 309,600	0.00%
GRF	100414	MARCS Lease Rental Payments	\$ 0	\$ 0	\$ 5,133,700	N/A	\$ 5,135,800	0.04%
GRF	100415	OAKS Lease Rental Payments	\$ 22,996,244	\$ 23,006,124	\$ 22,998,500	-0.03%	\$ 22,982,500	-0.07%
GRF	100416	STARS Lease Rental Payments	\$ 4,957,583	\$ 4,971,241	\$ 4,976,500	0.11%	\$ 4,973,200	-0.07%
GRF	100418	Web Site and Business Gateway	\$ 1,828,062	\$ 2,597,773	\$ 0	N/A	\$ 0	N/A
GRF	100419	IT Security Infrastructure	\$ 797,448	\$ 336,696	\$ 0	N/A	\$ 0	N/A
GRF	100423	EEO Project Tracking Software	\$ 28,111	\$ 0	\$ 0	N/A	\$ 0	N/A
GRF	100439	Equal Opportunity Certification Programs	\$ 559,781	\$ 46,192	\$ 0	N/A	\$ 0	N/A
GRF	100447	Administrative Building Lease Rental Payments	\$ 50,661,902	\$ 80,942,123	\$ 85,847,800	6.06%	\$ 91,059,600	6.07%
GRF	100448	Office Building Operating Payments	\$ 16,754,534	\$ 13,421,251	\$ 20,000,000	49.02%	\$ 20,000,000	0.00%
GRF	100449	DAS-Building Operating Payments	\$ 5,864,749	\$ 7,011,996	\$ 7,551,571	7.70%	\$ 7,551,571	0.00%
GRF	100451	Minority Affairs	\$ 16,894	\$ 931	\$ 0	N/A	\$ 0	N/A
GRF	100452	Lean Ohio	\$ 0	\$ 544,389	\$ 1,059,624	94.64%	\$ 1,059,624	0.00%
GRF	100456	State IT Services	\$ 0	\$ 1,098,652	\$ 1,739,038	58.29%	\$ 1,739,038	0.00%
GRF	100457	Equal Opportunity Services	\$ 0	\$ 1,348,956	\$ 1,910,516	41.63%	\$ 1,910,516	0.00%
GRF	100458	State Construction Management Services	\$ 0	\$ 77,793	\$ 0	-100.00%	\$ 0	N/A
GRF	100459	Ohio Business Gateway	\$ 0	\$ 0	\$ 4,049,094	N/A	\$ 4,049,094	0.00%
GRF	102321	Construction Compliance	\$ 787,447	\$ 60,598	\$ 0	N/A	\$ 0	N/A
GRF	130321	State Agency Support Services	\$ 3,493,004	\$ 2,571,168	\$ 2,477,008	-3.66%	\$ 2,477,008	0.00%
<b>General Revenue Fund Total</b>			<b>\$ 108,848,690</b>	<b>\$ 138,142,721</b>	<b>\$ 158,052,951</b>	<b>14.41%</b>	<b>\$ 163,247,551</b>	<b>3.29%</b>
1120	100616	DAS Administration	\$ 4,439,620	\$ 4,750,136	\$ 6,127,659	29.00%	\$ 6,147,659	0.33%
1150	100632	Central Service Agency	\$ 832,616	\$ 905,319	\$ 911,580	0.69%	\$ 927,699	1.77%
1170	100644	General Services Division - Operating	\$ 10,806,868	\$ 10,795,936	\$ 12,993,870	20.36%	\$ 12,993,870	0.00%
1220	100637	Fleet Management	\$ 3,510,883	\$ 3,478,600	\$ 4,200,000	20.74%	\$ 4,200,000	0.00%
1250	100622	Human Resources Division - Operating	\$ 13,542,881	\$ 14,637,938	\$ 17,749,839	21.26%	\$ 17,749,839	0.00%

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# FY 2014 - FY 2015 Final Appropriation Amounts

# All Fund Groups

## Line Item Detail by Agency

					Appropriation	FY 2013 to FY 2014	Appropriation	FY 2014 to FY 2015
			FY 2012	FY 2013	FY 2014	% Change	FY 2015	% Change
<b>DAS Department of Administrative Services</b>								
1250	100657	Benefits Communication	\$ 364,781	\$ 665,405	\$ 712,316	7.05%	\$ 712,316	0.00%
1280	100620	Office of Collective Bargaining	\$ 2,940,554	\$ 2,848,714	\$ 3,329,507	16.88%	\$ 3,329,507	0.00%
1300	100606	Risk Management Reserve	\$ 3,944,033	\$ 6,565,350	\$ 6,635,784	1.07%	\$ 6,635,784	0.00%
1310	100639	State Architect's Office	\$ 5,987,804	\$ 917,130	\$ 0	-100.00%	\$ 0	N/A
1320	100631	DAS Building Management	\$ 16,780,678	\$ 18,051,439	\$ 19,343,170	7.16%	\$ 19,343,170	0.00%
1330	100607	IT Services Delivery	\$ 53,911,250	\$ 56,880,138	\$ 57,521,975	1.13%	\$ 57,521,975	0.00%
1880	100649	Equal Opportunity Division - Operating	\$ 857,946	\$ 656,501	\$ 863,013	31.46%	\$ 863,013	0.00%
2100	100612	State Printing	\$ 18,027,462	\$ 19,502,223	\$ 20,459,526	4.91%	\$ 20,459,526	0.00%
2290	100630	IT Governance	\$ 13,184,870	\$ 16,993,592	\$ 16,446,474	-3.22%	\$ 16,446,474	0.00%
2290	100640	Leveraged Enterprise Purchases	\$ 1,292,917	\$ 5,838,535	\$ 7,065,639	21.02%	\$ 7,065,639	0.00%
4270	100602	Investment Recovery	\$ 1,399,363	\$ 1,344,383	\$ 1,618,062	20.36%	\$ 1,638,515	1.26%
4N60	100617	Major IT Purchases	\$ 2,794,436	\$ 30,778,781	\$ 56,888,635	84.83%	\$ 56,888,635	0.00%
4P30	100603	DAS Information Services	\$ 4,088,791	\$ 6,216,056	\$ 6,400,070	2.96%	\$ 6,400,070	0.00%
5C20	100605	MARCS Administration	\$ 14,847,538	\$ 13,770,976	\$ 14,292,596	3.79%	\$ 14,512,028	1.54%
5C30	100608	Minor Construction Project Management	\$ 116,044	\$ 28,203	\$ 1,004,375	3,461.19%	\$ 1,004,375	0.00%
5D70	100621	Workforce Development	\$ 2,550	\$ 0	\$ 0	N/A	\$ 0	N/A
5EB0	100635	OAKS Support Organization	\$ 18,960,507	\$ 20,565,533	\$ 25,813,077	25.52%	\$ 19,813,077	-23.24%
5EB0	100656	OAKS Updates and Developments	\$ 6,586,367	\$ 10,466,997	\$ 9,886,923	-5.54%	\$ 2,636,923	-73.33%
5GR0	100641	Pew Government Performance Project Grant	\$ 50,000	\$ 0	\$ 0	N/A	\$ 0	N/A
5HU0	100655	Construction Reform Demo Compliance	\$ 130,528	\$ 140,908	\$ 150,000	6.45%	\$ 150,000	0.00%
5KZ0	100659	Building Improvement	\$ 0	\$ 0	\$ 500,000	N/A	\$ 500,000	0.00%
5L70	100610	Professional Development	\$ 1,885,935	\$ 2,327,977	\$ 2,100,000	-9.79%	\$ 2,100,000	0.00%
5LA0	100660	Building Operation	\$ 7,309,806	\$ 21,118,331	\$ 26,600,767	25.96%	\$ 26,814,648	0.80%
5LJ0	100661	IT Development	\$ 0	\$ 4,361,850	\$ 13,200,000	202.62%	\$ 13,200,000	0.00%
5V60	100619	Employee Educational Development	\$ 728,908	\$ 916,393	\$ 800,000	-12.70%	\$ 800,000	0.00%
5X30	100634	Centralized Gateway Enhancement	\$ 2,476,700	\$ 2,975,980	\$ 0	-100.00%	\$ 0	N/A

# FY 2014 - FY 2015 Final Appropriation Amounts

# All Fund Groups

## Line Item Detail by Agency

			FY 2012	FY 2013	Appropriation FY 2014	FY 2013 to FY 2014 % Change	Appropriation FY 2015	FY 2014 to FY 2015 % Change
<b>DAS Department of Administrative Services</b>								
<b>General Services Fund Group Total</b>			<b>\$ 211,802,634</b>	<b>\$ 278,499,325</b>	<b>\$ 333,614,857</b>	<b>19.79%</b>	<b>\$ 320,854,742</b>	<b>-3.82%</b>
3AJ0	100623	Information Technology Grants	\$ 97,900	\$0	\$0	N/A	\$0	N/A
3AJ0	100654	ARRA Broadband Mapping Grant	\$ 1,142,029	\$ 1,548,535	\$ 1,723,009	11.27%	\$ 1,723,009	0.00%
3AL0	100625	MARCS Grants	\$ 3,536,146	\$ 841,473	\$ 0	-100.00%	\$ 0	N/A
3H60	100609	Federal Grants OGRIP	\$ 5,949	\$ 38	\$0	N/A	\$0	N/A
<b>Federal Special Revenue Fund Group Total</b>			<b>\$ 4,782,024</b>	<b>\$ 2,390,047</b>	<b>\$ 1,723,009</b>	<b>-27.91%</b>	<b>\$ 1,723,009</b>	<b>0.00%</b>
5JQ0	100658	Professionals Licensing System	\$ 84,143	\$ 131,759	\$ 3,028,366	2,198.42%	\$ 990,000	-67.31%
5MV0	100662	Theatre Equipment Maintenance	\$0	\$0	\$ 80,891	N/A	\$ 80,891	0.00%
5NM0	100663	911 Program	\$0	\$0	\$ 290,000	N/A	\$ 290,000	0.00%
<b>State Special Revenue Fund Group Total</b>			<b>\$ 84,143</b>	<b>\$ 131,759</b>	<b>\$ 3,399,257</b>	<b>2,479.91%</b>	<b>\$ 1,360,891</b>	<b>-59.97%</b>
<b>Department of Administrative Services Total</b>			<b>\$ 325,517,492</b>	<b>\$ 419,163,851</b>	<b>\$ 496,790,074</b>	<b>18.52%</b>	<b>\$ 487,186,193</b>	<b>-1.93%</b>