



Phil Mullin

*Bill Analysis*  
*Legislative Service Commission*

**H.B. 135**  
127th General Assembly  
(As Introduced)

Rep. DeWine

---

**BILL SUMMARY**

- Divides general purchasing authority, formerly vested wholly in the Department of Administrative Services, so that the Office of Information Technology has general purchasing authority with regard to information technology while the Department retains general purchasing authority for everything else.
- Transfers the Office of Information Technology (OIT) from the Department of Administrative Services to the Office of Budget and Management on July 1, 2008. The OIT remains in DAS through FY 2008 to allow for the administrative reorganization entailed by the transfer.
- Substitutes, for the position of Chief Information Officer appointed by and subject to removal at the pleasure of the Governor, the position of State Chief Information Officer appointed by and subject to removal at the pleasure of the Director of Budget and Management.
- Specifies that the State Chief Information Officer is to supervise the OIT, and that, beginning July 1, 2007, the Officer is to be subject to the direction of, and is to report to, the Director of Budget and Management.
- Requires the OIT, rather than DAS, to maintain the Ohio Business Gateway.
- Codifies the multi-agency radio communications system (MARCS) and requires the OIT to maintain and promote the system. Creates a MARCS Steering Committee.

- Creates the IT Governance Fund to support the activities of the OIT, its funding to be derived from those activities.

---

## CONTENT AND OPERATION

### *Transfer of the Office of Information Technology from the Department of Administrative Services to the Office of Budget and Management*

Current law establishes the Office of Information Technology within the Department of Administrative Services. The Office is supervised by a Chief Information Officer. The Officer is appointed by and subject to removal at the pleasure of the Governor. The Officer advises the Governor regarding the superintendence and implementation of statewide information technology policy, and leads, oversees, and directs state agency activities relating to information technology development and use. (R.C. 125.18.)

The bill removes the Office of Information Technology from the Department of Administrative Services and transfers it to the Office of Budget and Management. Under the bill, the State Chief Information Officer is appointed by the Director of Budget and Management, and is subject to removal at the director's pleasure. The Officer reports to the director, and is an assistant director of the Office of Budget and Management. The Officer supervises the Office of Information Technology, subject to the authority of the Director of Budget and Management. The Officer possesses all authority given to the Office of Information Technology, subject to the approval of the Director of Budget and Management. (R.C. 126.17(A).)

### *Authorities and responsibilities of the State Chief Information Officer within the Office of Budget and Management*

The State Chief Information Officer continues to be responsible for leading, overseeing, and directing state agency activities relating to information technology development and use. In this regard, the Officer specifically continues to be responsible for:

(1) Coordinating and superintending statewide efforts to promote the common use and development of technology by state agencies;

(2) Establishing policies and standards for the acquisition and use of information technology by state agencies, including, but not limited to, hardware, software, technology services, and security, with which state agencies are required to comply;

(3) Establishing criteria and review processes to identify state agency information technology projects that require alignment or oversight.

The Office of Information Technology continues to be required to establish policies and standards to govern and direct state agency participation in statewide technology programs and initiatives. As appropriate, the State Chief Information Officer continues to be required to provide the Director of Budget and Management with notice and advice regarding the appropriate allocation of resources for state agency information technology projects that require alignment or oversight. And the Officer continues to be authorized to prescribe the form and manner by which state agencies must provide, and can require state agencies to provide, information to fulfill the State Chief Information Officer's alignment and oversight role. (R.C. 126.17(C).)

The State Chief Information Officer's authority over agency information technology development and use is limited to entities that come within the scope of the definition of "state agency." "State agency" continues to be broadly defined for this purpose as every organized body, office, or agency established by state law for the exercise of any function of state government. Excluded from the definition, however, are state-supported institutions of higher education; the offices of the Auditor of State, Treasurer of State, Secretary of State, and Attorney General; the five state employee retirement systems; the General Assembly and any legislative agency; and the courts and any judicial agency. (R.C. 126.17(G).)

### **Information Technology purchasing Authority granted to the State Chief Information Officer**

Under current law, the Department of Administrative Services possesses general power to purchase supplies and services for use of state agencies, except for the Adjutant General, the Capital Square Review and Advisory Board, the Department of Rehabilitation and Correction, the General Assembly, the Bureau of Workers' Compensation, and institutions administered by boards of trustees (R.C. 125.02). The bill, however, divides this purchasing authority between the Department of Administrative Services and the Office of Information Technology: the Office of Information Technology has general purchasing authority for information technology services and supplies, and the Department of Administrative Services has general purchasing authority over supplies and services unrelated to information technology. (R.C. 125.01(H), 125.011, and 126.17(D).)<sup>1</sup> For purposes of this division of authority, "information technology" means technologies and services that are used for information processing,

---

<sup>1</sup> This division of purchasing authority is present under current law, but the bill makes it more explicit.

including, but not limited to, software, computing hardware, communications technologies, and related services (R.C. 125.01(B)). The Department of Administrative Services and the Office of Information Technology are to consult with each other to promote consistency when they adopt rules to govern their respective purchasing activities (R.C. 125.011).

The Office's general purchasing authority for information technology services and supplies extends to "state agencies" (as defined above) (R.C. 126.17(G)) and is subject to the same limitations as is the Department's purchasing authority (as also described above) (R.C. 125.01 and 125.02).

In addition to its purchasing authority, the Office of Information Technology continues to be authorized to make contracts for, to operate, and to superintend technology supplies and services for state agencies (R.C. 126.17(E)), and continues to be authorized to establish cooperative agreements with local government agencies, with federal agencies, and with state agencies that are not under the authority of the Governor for the provision of technology services and the development of technology projects (R.C. 126.17(F)).

The bill creates the IT [Information Technology] Governance Fund in the state treasury. The fund is to be a source of money that will enable the Office of Information Technology to carry out its responsibilities. It consists of revenues generated from payroll charges, billed services, administrative assessments, and other revenues that have been designated to support the Office in the discharge of its responsibilities. (R.C. 126.17(H).)

#### **Accountability of the State Chief Information Officer**

The bill requires the Officer annually to submit a report to the Governor addressing the statewide superintendence of information technology and the implementation of statewide information technology policy (R.C. 126.17(B)). Beginning July 1, 2008, the Office of Information Technology is required, annually on or before December 31, to report to the finance committees in the House of Representatives and Senate indicating the effectiveness during the prior fiscal year of electronic procurement of information technology supplies and services (R.C. 125.073(B)).

#### **Universal Business Reply Form and Maintenance of the Ohio Business Gateway**

Current law requires the Department of Administrative Services to create a business reply form that private businesses use to provide required information to state agencies (R.C. 125.30). The bill requires instead that the Office of Information Technology create the business reply form. The business reply form is to be capable of containing information that a private business is required to

provide to state agencies on a regular basis. The Office of Information Technology is to adopt rules under the Administrative Procedure Act specifying the information the form is to contain. In doing this, the Office is authorized to consider the recommendations of interested parties from the small business community who have direct knowledge of and familiarity with current state reporting requirements that apply to, and the associated forms that are filed by, small businesses.

State agencies are required to use the business reply form to obtain information from private businesses. The Office, in turn, is required to establish procedures by which state agencies can share information that is collected through the business reply form. The procedures are to provide that information that has been designated confidential by a state agency is not to be made available to other state agencies having access to the business reply form. (R.C. 126.18(A) and (B).) The bill authorizes the Office of Information Technology to report to the Director of Budget and Management and to the finance and government committees of the House of Representatives and Senate regarding state agency compliance with the use of business reply forms, and to recommend a 5% reduction in the future appropriations of agencies that do not use the business reply form without good cause (R.C. 126.18(C)).

The bill also requires the Office of Information Technology to maintain the Ohio Business Gateway. The Ohio Business Gateway is an on-line network system that allows private businesses to electronically file reports (such as business tax returns and wage and hour reports) with state agencies. (R.C. 718.051.)

### **Maintenance of the Multi-Agency Radio Communications System**

The Office of Information Technology also is responsible for maintaining the Multi-Agency Radio Communications System (MARCS). The purpose of MARCS is to provide statewide voice and data communications through a computer and communications network. Its primary use is to supply a communications backbone for statewide public safety uses in a single system that is shared by several state agencies. MARCS is to provide mobile voice, data, vehicle location services, and computer-aided dispatching. And the Office of Information Technology is to promote MARCS as a statewide interoperable communications system for public safety agencies at all levels of government. Subject to the approval of the MARCS Steering Committee (see below), the Office may make MARCS available to agencies for secondary uses not related to public safety. (R.C. 126.19(A).) The Committee is authorized to permit these secondary uses only if they do not interfere with the system's primary public safety use (R.C. 126.19(B)). (R.C. 126.19 (A) and (B).)

The bill also establishes in permanent law the MARCS Steering Committee. The Committee is to be chaired by the State Chief Information Officer (or the Officer's designee), and consists of the following members: the Directors of Public Safety, Health, Natural Resources, Transportation, Rehabilitation and Correction, and Youth Services and a designee not from a state agency who is appointed by the Officer. The Committee is to provide assistance to the Office of Information Technology in effectively and efficiently implementing MARCS, and in developing policies for ongoing management of the system. Upon dates prescribed by the State Chief Information Officer, the Committee is to report to the Officer on the progress of MARCS implementation and the development of policies related to the system. (R.C. 126.19(B) and Sections 201.10 and 201.11.)

### **Miscellaneous successions**

The Office of Information Technology succeeds to the responsibilities of the Department of Administrative Services under the Ohio Uniform Electronic Transactions Act (R.C. 1306.20 and 1306.21). The Office of Information Technology also succeeds to the Department's responsibility for administering and enforcing the Personal Information Systems Act insofar as it applies to state agencies (R.C. 1347.06).

The bill removes the Director of Budget and Management from the Ohio Business Gateway Steering Committee. The State Chief Information Officer, however, continues to be a member of the committee. (R.C. 5703.57.)

The bill amends two uncodified sections of law from Am. Sub. H.B. 699 of the 126th General Assembly to provide that (1) the Office of Information Technology may acquire the Ohio Administrative Knowledge System (OAKS) and (2) the Office has authority and supervision over certain contracts relating to the Medicaid Administrative Study Council (Sections 201.01, 201.02, 201.05, and 201.06).

### **Transition rules for transfer of Office of Information Technology**

The bill prescribes transition rules to implement its transfer of the Office of Information Technology and the State Chief Information Officer from the Department of Administrative Services to the Office of Budget and Management. During the transition, the State Chief Information Officer is to continue to perform the duties, powers, and obligations of the Officer's office and of the Office of Information Technology that are provided for by law. In doing so, beginning July 1, 2007, the State Chief Information Officer is required to report to the Director of Budget and Management, instead of to the Director of Administrative Services. However, operations of the Office of Information Technology remain

with the Department of Administrative Services until July 1, 2008, to allow time for the administrative reorganization occasioned by the transfer.

To this end during the transitional year, the Director of Budget and Management is to take various actions with respect to budget changes that are made necessary by the transfer, including administrative reorganization, program transfers, consolidation of funds, creation of new funds, transfers of cash balances from old to new funds, and canceling encumbrances against old funds and re-establishing them against new funds.<sup>2</sup> The Director also is authorized to transfer unencumbered or unallocated fiscal year 2007 appropriation balances to the appropriate appropriation items in fiscal years 2008 and 2009, to be used for the same purposes as in fiscal year 2007.

Nevertheless, beginning on July 1, 2007, the transfer has two consequences:

(1) Whenever the Department of Administrative Services, the Office of Information Technology, or the State Chief Information Officer is referred to in any law, contract, or other document in relation to statewide information technology, the reference is to be understood as referring to the Office of Information Technology in the Office of Budget and Management.

(2) An action or proceeding pending in a court or an administrative proceeding pending before an administrative agency that relates to the Office of Information Technology in the Department of Administrative Services is not affected by the transfer and is to be prosecuted or defended in the name of the Director of Budget and Management or the Office of Budget and Management. (In all these actions and proceedings, the Director or Office, upon application to the court or agency, is to be substituted as a party.)

All funding, assets, and records of the Office of Information Technology are to be transferred from the Department of Administrative Services to the Office of Budget and Management on July 1, 2008. All rules, orders, policies, directives,

---

<sup>2</sup> At the request of the Director of Budget and Management, the State Chief Information Officer is to certify to the Director an estimate of the cash balance that is to be transferred from an old to a new fund. The Director then may transfer the estimated amount as needed to make payments. Not more than 30 days after certifying the estimated amount, the Officer is to certify to the Director the final amount of the cash balance to be transferred. The Director thereupon is to transfer the difference between the amounts previously transferred and the final amount. As needed, encumbrances against the old fund are to be cancelled and re-established against the new fund, for the same purpose and to the same vendor as under the predecessor old fund. Corresponding adjustments in appropriation accounts are to be made.

and determinations of the State Chief Information Officer and the Office of Information Technology thereupon continue in effect as rules, orders, policies, directives, and determinations of the Officer and Office in the Office of Budget and Management, until they are modified or rescinded by the Officer, Office, or the Director of Budget and Management.<sup>3</sup>

Employees of the Office of Information Technology are to be transferred to the Office of Budget and Management. The State Chief Information Officer and the Directors of Administrative Services and of Budget and Management are to identify employees of the Department of Administrative Services who provide administrative support to the Office of Information Technology; these employees also are to be transferred to the Office of Budget and Management. Both these transfers are to occur on the first day of the first pay period for fiscal year 2009, subject, however, to the lay-off procedures of the Civil Service Act. (Section 301.01.)

---

## HISTORY

ACTION	DATE
Introduced	03-27-07

h0135-i-127.doc/kl

---

<sup>3</sup> If necessary to ensure the integrity of the Administrative Code rule numbering system, and upon the request of the State Chief Information Officer or the Director of Budget and Management, the Director of the Legislative Service Commission is to renumber the rules of the Office of Information Technology to reflect its transfer to the Office of Budget and Management.