
DEPARTMENT OF ADMINISTRATIVE SERVICES

Public employee health care plans

- Ratifies and further amends the section of law that governs the quality of certain public employee health care plans.
- Requires that all health care benefits provided to persons employed by certain public employers must be provided by health care plans that contain best practices established by the Department of Administrative Services (DAS) or the former School Employees Health Care Board.
- Requires all policies or contracts for certain health care benefits that are issued or renewed after the expiration of any applicable collective bargaining agreement to contain all best practices established at the time of renewal.
- Allows a political subdivision, upon consulting with DAS, to adopt a delivery system of benefits that is not in accordance with the DAS's adopted best practices if it is considered by DAS to be most financially advantageous to the political subdivision.
- Requires DAS to assist in the design of health care plans for public employers separate from the health care plans for state agencies.
- Permits the Director of DAS to convene a Public Health Care Advisory Committee.
- Requires a joint self-insurance program to pay the run-off expenses of a participating political subdivision that terminates its participation in the program, under certain circumstances.
- Requires the run-off payment to be limited to an actuarially determined cap or 60 days, whichever is reached first, unless the program and terminating political subdivision specifically agree to maintain enrollment for a specified period.

Alternative fuel

- Eliminates the following: the annual fleet reporting requirement made by higher education institutions to DAS, the Credit Banking and Selling Program of DAS, and the position of State Alternative Fuel Officer within DAS.
- Transfers control of the State Biodiesel Revolving Fund from DAS to the Development Services Agency.



- Eliminates quarterly and annual reporting on alternative fuel usage by state agencies.

Public exigency power

- Eliminates the power of the Director of DAS to declare a public exigency, a power formerly shared with the Executive Director of the Facilities Construction Commission (FCC).
- Eliminates the ability of the Director to ask FCC, in order to respond to a public exigency, to enter into public contracts without competitive bidding or selection.
- Transfers, from the Director to the Executive Director of FCC, the power to take and use lands, materials, and other property necessary for the maintenance, protection, or repair of the public works during a public exigency.

Transfer of Employee Assistance Program

- Transfers the Employee Assistance Program 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 whose employees are paid by warrant of the Office of Budget and Management to cover the cost of administering the program.
- Requires OBM, at the request of DAS, to make budget changes necessitated by the transfer, including administrative reorganization or program transfers.
- Requires the transfer of employees of the Employee Assistance Program to DAS at their same classifications with retention of their statutory rights concerning layoffs.

Vehicle Management Commission

- Recreates and modifies the Vehicle Management Commission within DAS that was abolished by S.B. 171 of the 129th General Assembly, the Sunset Review Act, effective June 30, 2011.
- Requires the Vehicle Management Commission to periodically review the implementation of the fleet management program by DAS under continuing law, and authorizes it to recommend to DAS and the General Assembly modifications to DAS procedures and functions and other statutory changes.

Other provisions

- Increases, from pay range 44 to pay range 47, the maximum compensation that each state department may pay to up to five of its unclassified employees who are involved in policy development and implementation.
- Specifies that the positions, offices, and employments for which the Director of DAS must establish job classification plans are those in the service of the state.
- Extends, until July 1, 2015, the Director's temporary authority to implement certain provisions of the civil service law regarding classification plans and appointment incentive programs without adopting rules.
- Clarifies that the Director's authority to approve a policy to grant compensatory time or pay applies only with respect to "employees in the service of the state."
- Renames the Payroll Withholding Fund within the state treasury as the Payroll Deduction Fund.
- Provides that the Life Insurance Investment Fund is to include money from state agencies and removes the requirement that the Fund include amounts from the renamed Payroll Deduction Fund.
- Prohibits the Controlling Board from authorizing transfers of cash balances in excess of needs from the Building Improvement Fund to the GRF or to another fund to which the money would have been credited in the absence of the Building Improvement Fund.
- Codifies the Building Improvement Fund, and provides that the fund consists of payments made by intrastate transfer voucher from the appropriation for office building operating payments, and requires money in the fund to be used for major maintenance or improvements in certain state office buildings.
- Creates the Building Operation Fund within the state treasury and allows DAS to deposit money collected for operating expenses of facilities owned or maintained by DAS into the new fund or into the Building Management Fund as provided in continuing law.
- Replaces the phrase "skilled trade services" used under former law with the phrase "minor construction project management."
- Allows the Director to provide, and collect reimbursements for the cost of providing, the newly renamed minor construction project management services to any state



agency instead of just state agencies that occupy space in a facility not owned by the Department.

- Renames the Skilled Trades Fund in the state treasury as the Minor Construction Project Management Fund, and provides that money collected for minor construction project management services be deposited into the renamed fund.
- Authorizes an appointing authority, in cases where no vacancy exists, and with the written consent of an exempt employee, to assign the duties of a higher classification to the exempt employee for a period of time not to exceed two years.
- Eliminates the requirement that the state make available a long-term care insurance policy that state officials and employees may elect to participate in.
- Requires the Director 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.
- Establishes the Local Government Efficiency Program to be administered by the Local Government Innovation Council.

9-1-1 service law changes

Transfer to Statewide Steering Committee

- 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 (Steering Committee).
- Transfers to the Steering Committee and its members the same immunity from liability in civil actions arising from any act or omission in connection with the development or operation of a 9-1-1 system enjoyed by the Ohio 9-1-1 Council and the Wireless 9-1-1 Advisory Board in former law.
- Repeals the duty imposed on countywide 9-1-1 planning committees to report, by February 15, 2013, certain information to the Steering Committee, including:
 - Geographic location and population of the 9-1-1 service area;
 - 9-1-1 call statistics;
 - Expenditures of 9-1-1 disbursements; and

--9-1-1 network and equipment information, and repeals the penalty for failure to report.

- Requires any governmental entity or political subdivision operating a public safety answering point (PSAP) to report that same information, as well as any other information needed for the next generation 9-1-1 transition, to the Steering Committee.
- Requires a "9-1-1 service provider" to report to the Steering Committee the number of access lines in Ohio maintained by the provider, the provider's aggregate costs and cost recovery associated with provision of 9-1-1 services, and any other information needed for the next generation 9-1-1 transition.
- Imposes a time limit of 45 days for 9-1-1 service providers and political subdivisions or governmental entities operating a PSAP to make their respective reports after a Steering Committee request for such information.
- Grants the Steering Committee and the 9-1-1 Program Office Administrator, until January 1, 2014, certain duties related to the remittance, disbursement, audit, and assessment of wireless 9-1-1 charges received from wireless 9-1-1 service providers and resellers.

Changes to wireless 9-1-1 funds

- Beginning January 1, 2014:
 - Reduces, from 98% to 97%, the amount of wireless 9-1-1 charge remittances to be deposited in the Wireless 9-1-1 Government Assistance Fund;
 - Replaces the Wireless 9-1-1 Public Safety Administrative Fund with the 9-1-1 Program Fund to defray the Steering Committee's administration of 9-1-1 services;
 - Specifies that 2% of wireless 9-1-1 charges be deposited in the 9-1-1 Program Fund; and
 - Makes the Wireless 9-1-1 Government Assistance Fund and the Next Generation 9-1-1 Fund state treasury funds rather than custodial funds, and removes provisions governing the Treasurer's administration of those funds.

9-1-1 entity changes

- Replaces the 9-1-1 Service Program housed in the Public Utilities Commission and the position of Ohio 9-1-1 Coordinator (set to be repealed as of January 1, 2014) with



the 9-1-1 Program Office led by an administrator who is appointed by the Director and reports to the State Chief Information Officer.

- Repeals the law that creates and governs the Ohio 9-1-1 Council and the Wireless 9-1-1 Advisory Board.

County 9-1-1 planning committee changes

- Repeals the provision that a 9-1-1 planning committee be disbanded and the option that it be replaced if it fails to adopt a final plan on or before the deadline of nine months after the resolution convening the 9-1-1 planning committee.
- Changes the method of amending a final plan for a countywide 9-1-1 system.

Public employee health care plans

(R.C. 9.833, 9.90, 9.901, and 1545.071)

The act in relation to the ambiguous status of R.C. 9.901

The principal section of law discussed under this heading, R.C. 9.901, addresses the quality of public employee health care plans. Before the act, the status of the section was ambiguous. In the previous biennial budget act, H.B. 153 of the 129th General Assembly, the section was amended extensively. More or less at the same time, in another act, S.B. 171 of the 129th General Assembly, the section was repealed.

Because of these conflicting legislative actions, the act has the effect of ratifying, that is, confirming, the existence of R.C. 9.901 and of amending it further. In other words, language that is not affected by the amendments confirms the result of H.B. 153. Some of the amendments confirm the S.B. 171 repeal. Some amendments change language that results from H.B. 153. And some of the amendments revive, that is, restore to the law, language that was repealed by S.B. 171. These amendatory intents are explained below.

Public employee health care plans to contain best practices

Under the act, all health care benefits provided to persons employed by public employers must be provided by health care plans that contain best practices established by the Department of Administrative Services (DAS) or the former School Employees Health Care Board. For purposes of this best practice requirement, a "public employer" is a political subdivision, a public school district, or a state institution of higher education.



The act expands the best practice requirement to apply to state institutions of higher education. Prior law did not specifically require employees of state institutions of higher education to be provided health care under health care plans that contain the best practices. Prior law specified only that employees of political subdivisions and public school districts were to be provided health care under health care plans that contain the best practices.

The act also expands to political subdivisions and state institutions of higher education the requirement that policies or contracts for health care benefits that are issued or renewed after the expiration of any collective bargaining agreement must contain the best practices. Prior law specified only that policies or contracts for health care benefits provided to public school district employees that were issued or renewed after the expiration of a collective bargaining agreement had to contain the best practices.

The act also specifies that a political subdivision, upon consulting with the Department, can adopt a delivery system of health care benefits that is not in accordance with the best practices if the system is considered by DAS to be most financially advantageous to the political subdivision. Former law contained a similar provision, but did not indicate that the consideration of financial advantage is to be made by DAS.

Duties of the Department

The act requires DAS to do the following:

- (1) Identify strategies to manage health care costs;
- (2) Study the potential benefits of state or regional consortiums of public employers' health care plans;
- (3) Publish information regarding health care plans offered by public employers and existing consortiums;
- (4) Assist in the design of health care plans for public employers separate from the health care plans for state agencies;
- (5) Adopt and release a set of standards that are considered the best practices for health care plans offered to public employees;
- (6) Require that plans administered by health plan sponsors make readily available to the public all cost and design elements of the plan;

(7) Promote cooperation among all organizations affected by this phase of the act in identifying the elements for its successful implementation;

(8) Promote cost containment measures aligned with patient, plan, and provider management strategies in developing and managing health care plans; and

(9) Prepare and disseminate to the public, an annual report on the status of health care plan sponsors' effectiveness in complying with best practices and in making progress toward reducing the rate of increase in insurance premiums and out-of-pocket expenses and in improving the health status of employees and their families.

Miscellaneous provisions related to public employee health care

The act renames the Political Subdivisions and Public Employees Health Care Fund the Public Employees Health Care Fund.

The act allows the Director of DAS to convene a Public Health Care Advisory Committee and specifies that members of the committee serve without compensation. Under prior law, the Committee was created under DAS, and consisted of 15 members appointed by the President of the Senate, the Speaker of the House of Representatives, and the Governor. The act specifies that five members are to be appointed by the President, five members are to be appointed by the Speaker, and five members are to be appointed by the Governor. The members are to include representatives from state and local government employers, state and local government employees, insurance agents, health insurance companies, and joint purchasing arrangements currently in existence.

Amendments confirming the S.B. 171 repeal

The act confirms the S.B. 171 repeal of provisions that require DAS to design health care plans for use by political subdivisions, public school districts, and state institutions of higher education that are separate from plans for state agencies. In more detail, the act confirms the S.B. 171 repeal of provisions that:

(1) Require, upon completion of the consultant's report (see below) and once the plans have been released in final form by DAS, all health care benefits provided to persons employed by public employers to be provided by health care plans designed by DAS;

(2) Permit DAS, in consultation with the Superintendent of Insurance, to negotiate with and contract with one or more insurance companies for the issuance of the plans;

(3) Require DAS, in consultation with the Superintendent of Insurance, to determine what geographic regions exist in Ohio based on the availability of providers,



networks, costs, and other factors relating to providing health care benefits, and then to determine what health care plans offered by public employers and existing consortiums in the region offer the most cost-effective plan;

(4) Require DAS, in consultation with the Superintendent, to develop a request for proposals and solicit bids for health care plans similar to existing plans;

(5) Prohibit requiring a public employer to offer the health care plans designed by DAS until DAS has contracted with an independent consultant;

(6) Permit public employers offering employee health care benefits through a plan offered by a consortium to continue offering consortium plans if they contain the required best practices;

(7) Require DAS to include disease management and consumer education programs;

(8) Require DAS to contract with an independent consultant to analyze costs related to employee health care benefits provided by existing political subdivision, public school district, and state institution plans, and to submit written recommendations to DAS for the development and implementation of a successful program for the acquisition of employee health care plans by pooling purchasing power; and

(9) Require, not more than 90 days before coverage begins for public employees under health care plans designed by DAS, a public employer's governing body, board, or managing authority to provide detailed information about the health care plans to the employees.

Run-off expenses for joint self-insurance plans of a political subdivision

Continuing law authorizes political subdivisions to provide health care benefits to their officers and employees. They may establish individual or joint self-insurance programs and may agree with other political subdivisions to have their programs jointly administered. Funds must be reserved for the individual or joint self-insurance programs as are necessary, in the exercise of sound and prudent actuarial judgment, to cover potential cost of health care benefits for the officers and employees.

Under the act, a joint self-insurance plan is required to pay the run-off expense of a participating political subdivision that terminates its participation in the program as long as the political subdivision has accumulated funds in the reserves for incurred but not reported claims. The act requires the run-off payment to be limited to an actuarially determined cap or 60 days, whichever is reached first. Under the act, a joint self-

insurance plan is excluded from the requirement of paying the run-off expenses of a terminating political subdivision during the term of a specific, separate agreement with the political subdivision to maintain enrollment for a specified period, not to exceed three years.

Annual fleet reporting by state higher education institutions

(R.C. 125.832)

The act eliminates the requirement that state institutions of higher education submit annual reports to DAS concerning their motor vehicle fleets. Specifically, prior law required each state higher education institution to report annually to DAS (1) the methods it used to track the motor vehicles it acquired and managed, (2) whether or not it used a fuel card program to purchase fuel for, or to pay for the maintenance of, the motor vehicles, and (3) whether or not it made bulk purchases of fuel for the motor vehicles.

Alternative fuel usage; Credit Banking and Selling Program

(R.C. 122.075, 125.832, 125.836, 125.837 (repealed), and 125.838 (repealed))

The act eliminates the following: (1) the Credit Banking and Selling Program of DAS, (2) the position of State Alternative Fuel Resource Officer within DAS, and (3) the requirement of quarterly and annual reporting on alternative fuel usage by state agencies. The act also transfers control of the state Biodiesel Revolving Fund from DAS to the Development Services Agency.

The Credit Banking and Selling Program was established for purposes of the federal "Energy Policy Act of 1992." Under that Act, certain entities, including state governments, are required to acquire certain numbers of alternative fuel vehicles (AFVs). Fleets that acquire AFVs in excess of requirements, or prior to requirements, receive acquisition credits. Fleets can bank these credits for application to later years' requirements, or sell or trade the credits to other fleets.

The State Alternative Fuel Resource Officer, who was within DAS, monitored federal activity for any federal action that affected Ohio in its use of motor vehicles that are capable of using an alternative fuel. The officer also was available to explain to state departments and agencies the laws that applied to the purchase of motor vehicles that are capable of using an alternative fuel and the laws that govern alternative fuels, and any other relevant issues that related to motor vehicles that are capable of using an alternative fuel.



DAS was required to compile on a quarterly basis all data relating to the purchase by each state department and agency of alternative fuels, including the amounts of alternative fuels and conventional fuels purchased, the per-gallon prices paid for each fuel, the locations at which alternative fuels were purchased, and the fuel amounts purchased at each such location. By April 1 of each year, DAS had to issue an annual report containing all this data for the previous calendar year.

Public exigency power

(R.C. 123.10, 123.11, 123.23 (repealed), and 126.14)

The act eliminates the power of the Director of DAS to declare a public exigency. The Director previously shared this power with the Executive Director of the Facilities Construction Commission (FCC). Further, the act eliminates the ability of the Director to ask FCC to enter into public contracts without competitive bidding or selection in order to respond to a public exigency. Finally, the act transfers from the Director to Executive Director of FCC the power to take and use lands, materials, and other property necessary for the maintenance, protection, or repair of the public works during a public exigency.

Transfer of Employee Assistance Program

(R.C. 3701.041 (124.88); Section 207.95)

The act transfers the Employee Assistance Program 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 whose employees are paid by warrant of the Office of Budget and Management (OBM) to cover the costs of administering the programs.

Employees of the Employee Assistance Program must be transferred to DAS, effective July 1, 2013, in their same classifications and with their continuing statutory rights concerning layoffs.

The Director of OBM, at the request of the Director of DAS, must make budget changes made necessary by the transfer, including administrative reorganization or program transfers. Effective July 1, 2013, the Director of OBM must cancel any existing encumbrances against appropriation item 440633, Employee Assistance Program, and reestablish them against appropriation item 100622, Human Resources Division – Operating; the act appropriates the reestablished encumbrance amounts. Any business commenced but not completed under appropriation item 440633, Employee Assistance Program, by July 1, 2013, must be completed under appropriation item 100622, Human Resources Division – Operating. The act provides for the transfer of cash balances to the



Human Resources Services Fund and for the abolition of the Employee Assistance Fund.

Any reference to the Employee Assistance Program in any statute, rule, contract, grant, or other document is deemed to refer to the Department.

Re-creation of the Vehicle Management Commission

(R.C. 125.833)

The act recreates and modifies the Vehicle Management Commission within DAS. This Commission was abolished by S.B. 171 of the 129th General Assembly, the Sunset Review Act, effective June 30, 2011.

The Commission is required to periodically review the implementation of the fleet management program by DAS under continuing law, and is authorized to make recommendations to DAS and the General Assembly for modifications to DAS's procedures and functions and other statutory changes.

The Commission consists of seven members, including an officer or employee of DAS appointed by the Director of DAS, an officer or employee of the Department of Public Safety appointed by the Director of Public Safety, two members of the Senate appointed by the President of the Senate, two members of the House of Representatives appointed by the Speaker, and one member appointed by the Governor. The Governor's appointee must have experience in the vehicle leasing, purchasing, and maintenance industry in Ohio.

Initial appointments must be made by October 1, 2013, and the initial meeting of the Commission must be held on that date and twice annually thereafter each year. After the initial appointments, appointments of legislative members to the Commission must be made within 15 days after the commencement of the first regular session of the General Assembly. The Governor must appoint the Commission's chairperson.

The terms of legislative members must be for the duration of the session of the General Assembly in which they are appointed. Members must continue to serve on the Commission until the appointments are made in the following session of the General Assembly, unless they cease to be members of the General Assembly. The member appointed by the Governor serves at the Governor's pleasure.

A vacancy on the Commission must be filled for the unexpired term in the same manner as the original appointment.



Maximum pay range of state departments' unclassified employees

(R.C. 124.11)

The act increases the maximum pay range of certain unclassified employees of each state department, from pay range 44 (up to \$49.50 per hour or \$102,960 annually) to pay range 47 (up to \$64.45 per hour or \$134,056 annually). Under continuing law, the head of the administrative department or other state agency must set the compensation for up to five unclassified positions that the department or agency head determines is involved in policy development and implementation. Under the act, the maximum compensation for these positions is the maximum compensation specified in pay range 47.¹

The departments to which this compensation change applies are the Departments of Administrative Services, Aging, Agriculture, Commerce, Developmental Disabilities, Education, Health, Insurance, Job and Family Services, Medicaid, Mental Health and Addiction Services, Natural Resources, Public Safety, Rehabilitation and Correction, Taxation, Transportation, Veterans Services, and Youth Services; the Environmental Protection Agency; the Development Services Agency; the Office of Budget and Management; the Ohio Board of Regents; the Department of the Adjutant General; the Bureau of Workers' Compensation; the Industrial Commission; the State Lottery Commission; Opportunities for Ohioans with Disabilities Agency; and the Public Utilities Commission of Ohio.

Job classification plans for state employees

(R.C. 124.14)

Under the act, the Director of DAS must establish job classification plans only for positions, offices, and employments in the service of the state, which includes only positions of trust or employment with the government of the state, and specifically does not include positions with state supported colleges and universities, counties, and general health districts. Under prior law, the Director was required to establish job classification plans for all positions, offices, and employments "the salaries of which are paid in whole or in part by the state."

¹ R.C. 124.152, not in the act.



Job classification plans temporarily not by rule

(Section 701.61)

The act extends, until July 1, 2015, the Director of DAS's temporary authority to implement certain provisions of the civil service law that otherwise would require the adoption of rules, without adopting rules. These provisions regard the establishment of job classification plans, job classification plan changes, experimental classification plans, establishing, modifying, or rescinding classification plans for county agencies, and establishing an appointment incentive program. The authority previously was to have expired on January 1, 2014.

Compensatory time and pay policy approvals

(R.C. 124.18)

The act clarifies that the Director of DAS's authority to approve a policy under which an appointing authority grants compensatory time or pay to employees who do not receive overtime pay applies only with respect to employees in the service of the state. The phrase "state employees" is replaced with the phrase "employees in the service of the state." The phrase "service of the state" is a defined term in continuing civil service law, meaning "offices and positions of trust or employment with the government of the state."²

Payroll Withholding Fund

(R.C. 125.21)

The act renames the Payroll Withholding Fund the Payroll Deduction Fund. The fund is used to consolidate all deductions made for various purposes in any month from the salaries or wages of all officials and employees.

Life Insurance Investment Fund

(R.C. 125.212)

The act removes the requirement that the Life Insurance Investment Fund include amounts from the renamed Payroll Deduction Fund (see above), and adds that the Fund is to include money from state agencies. The fund is used to pay the cost of the state's life insurance benefit program.

² R.C. 124.01, not in the act.



Building Improvement Fund

(R.C. 125.27 and 127.14)

The act prohibits the Controlling Board from authorizing transfers of cash balances in excess of needs from the Building Improvement Fund to the General Revenue Fund or to another fund to which the money would have been credited in the absence of the Building Improvement Fund. The same prohibition exists for numerous other funds.

The act also codifies the Building Improvement Fund, which had been created by the Director of Office of Budget and Management under authority of the previous main operating budget (H.B. 153 of the 129th General Assembly). That law had transferred the building and facility operations of the Ohio Building Authority to DAS.³ In codifying the fund, the act requires that it consist of any payments made by intrastate transfer voucher from the appropriation item for office building operating payments. It also requires that the fund be used for major maintenance or improvements required in certain state office buildings, specifically the James A. Rhodes or Frank J. Lausche State Office Tower, the Toledo Government Center, the Senator Oliver R. Ocasek Government Office Building, and the Vern Riffe Center for Government and the Arts. The act creates the fund in the state treasury and specifies that it retains the interest it earns.

Building Operation Fund

(R.C. 125.28(C))

The act creates the Building Operation Fund within the state treasury and allows DAS to deposit money collected for operating expenses of facilities owned or maintained by DAS into the new fund or into the Building Management Fund as provided in continuing law.

Minor construction project management services

(R.C. 125.28(B) and (C))

The act replaces the phrase "skilled trade services" used under former law with the phrase "minor construction project management services" and allows the Director of DAS to provide, and collect reimbursements for the cost of providing, the renamed minor construction project management services to any state agency instead of just those state agencies that occupy space in a facility not owned by DAS.

³ Section 515.40 of Am. Sub. H.B. 153 (not in the act).



Minor Construction Project Management Fund

(R.C. 125.28(C))

The act renames the Skilled Trades Fund in the state treasury as the Minor Construction Project Management Fund, and provides that money collected for minor construction project management services be deposited into the renamed fund.

Exempt employee consent to certain duties

(Section 701.10)

The act authorizes an appointing authority, in cases where no vacancy exists, and with the written consent of an exempt employee, to assign the duties of a higher classification to the exempt employee for a period of time not to exceed two years. The exempt employee is entitled to compensation at a rate commensurate with the duties of the higher classification. For purposes of this provision, "appointing authority" means an officer, commission, board, or body having the power of appointment to, or removal from, positions in any office, department, commission, board, or institution. An "exempt employee" is an employee who holds a position that is not subject to public employee collective bargaining.

Under continuing law, whenever an employee is assigned to work in a higher level position for a continuous period of more than two weeks but not more than two years because of a vacancy, the employee's pay may be established at a rate that is approximately 4% above the employee's current base rate.

Long-term care insurance for state employees

(R.C. 124.84)

The act eliminates the requirement that the state make available a long-term care insurance policy that state officials and employees may elect to participate in. Specifically, the act eliminates the requirement for DAS to negotiate and contract with one or more insurance companies or health insuring corporations for the purchase of such a policy, and instead provides permissive authority for DAS to do so.

Report – posting public records online

(Section 701.30)

The act requires the Director of DAS, not later than May 31, 2014, to deliver a report to the Governor, the Speaker and Minority Leader of the House of Representatives, and the President and Minority Leader of the Senate that proposes



uniform standards that should apply to a public office that chooses to post public records on an Internet web site maintained by the public office. In developing the standards, the Director must consider, at a minimum, the following factors: any recommended technology and software to use; the projected costs of implementing and maintaining the technology and software; and how a public office is to post a public record on its web site, or on a public web site maintained by the state, so that the public record, or the data contained in the public record, is capable of being searched and downloaded by the public in a uniform manner.

The proposed uniform standards, as articulated in the report, must seek to incorporate, insofar as practical, related practices of the Auditor of State and of other state agencies.

Advisory Committee

The act authorizes the Director, in fulfilling the responsibility of proposing uniform standards, to form, and seek advice from and consult with, an advisory committee. Members of the advisory committee must include, but are not limited to, representatives of state and local governments and individuals having relevant expertise to assist in developing the report.

Information Exchange Efficiency and Productivity Report

The act requires the Director of Development Services, in cooperation with the Local Government Innovation Council, to prepare and issue to the members of the General Assembly, not later than May 31, 2014, a report that recommends various means by which the information exchange may provide local governments with insights regarding efficiency and productivity, and various means by which the information exchange may help local governments improve services to vulnerable populations by providing insights regarding programs that benefit the poor, including general welfare support programs. The report also must include recommendations, developed by the Director and the Council in consultation with the Third Frontier Commission, expressing various means by which data in the information exchange may create opportunities for private sector research institutions to develop value-added products or services that may be commercialized or create jobs, and thereby contribute to the betterment of the state economy.

For purposes of these provisions, "public record" and "public office" have the meanings that generally apply to Ohio Public Records Law.



Local Government Efficiency Program

(Section 701.40)

The act creates the Local Government Efficiency Program to be administered by the Local Government Innovation Council. The Council must adopt rules under the Administrative Procedure Act as are necessary to administer the program, including application procedures and identification of approved training programs. Under the program, the Council may:

(1) Award scholarships to political subdivision employees, and make grants and loans to political subdivisions, and to regional councils of government or other similar cooperative governmental arrangements consisting of political subdivisions, for training in process efficiency programs including, but not limited to, Six Sigma, Kaizen, and Lean;

(2) Award grants or loans to political subdivisions to assist the political subdivisions in implementing the recommendations in the report published by the Director of DAS regarding the posting of public records online (see above); and

(3) Award a grant, not to exceed \$200,000, to DAS for the provision of training in the process efficiency programs described above.

For purposes of this provision, "political subdivision" means a municipal corporation, township, county, school district, or other body corporate and politic responsible for governmental activities in a geographic area smaller than that of the state, which includes, but is not limited to, the following entities: a county hospital commission, a board of hospital commissioners appointed for a municipal hospital, a board of hospital trustees appointed for a municipal hospital, a regional planning commission, a county planning commission, a joint planning council, an interstate regional planning commission, a port authority, a regional council established by political subdivisions, an emergency planning district and a joint emergency planning district, a joint emergency medical services district, a fire and ambulance district, a joint interstate emergency planning district, a county solid waste management district and a joint solid waste management district, a community school, the county or counties served by a community-based correctional facility and program or a district community-based correctional facility and program, a community-based correctional facility and program or a district community-based correctional facility and program, and the facility governing board of a community-based correctional facility and program or of a district community-based correctional facility and program.

9-1-1 service law changes

(R.C. Chapter 128.; Sections 605.40, 605.41, and 815.20; R.C. 167.03, 2913.01, 4742.01, 5502.011, 5705.19, and 5733.55 (conforming changes))

Introduction

The act modifies the changes made to the 9-1-1 service law in 2012 by H.B. 360 and H.B. 472 of the 129th General Assembly, and recodifies the 9-1-1 service law in Chapter 128. of the Revised Code.⁴ The act also transfers all duties assigned to the Department of Public Safety (DPS) and the Public Utilities Commission of Ohio (PUCO), except for the PUCO rate-making duties, to the Statewide Emergency Services Internet Protocol Network Steering Committee (Steering Committee). The Steering Committee consists of four legislators, five gubernatorial appointees representing county, municipal, and township organizations, and the State Chief Information Officer as its nonvoting chairperson. Its duties include (1) advising the state on the dispatch of emergency service providers and implementation, operation, and maintenance of a statewide emergency services Internet protocol network to support state and local government next generation 9-1-1, and (2) providing recommendations for governing and funding the network, transitioning to next generation 9-1-1, and consolidating public safety answering point (PSAP) operations.

The act also modifies some duties and provisions related to the Tax Commissioner's administration, collection, and disbursement of wireless 9-1-1 charges, which generally begin January 1, 2014, under continuing law. These changes are discussed under the **Department of Taxation** heading (see "**Wireless 9-1-1 charges**").

Transfer of 9-1-1 duties to Steering Committee

(R.C. Chapter 128.)

The act expands the duties of the Steering Committee by establishing it as the entity responsible for the administration of the 9-1-1 service law and transferring duties from DPS and PUCO.

Transfers from DPS

A few examples of the duties, rights, and authority transferred from DPS to the Steering Committee include the following:

⁴ Former law, enacted in H.B. 360 of the 129th General Assembly, codified the 9-1-1 service law in R.C. Chapter 5507. The act recodifies this law in Chapter 128. by changing only the chapter number for each section. For example, R.C. 5507.01 is renumbered as R.C. 128.01. Citations for the section of the analysis pertaining to the 9-1-1 law only list the new R.C. section numbers.



- Receive certifications that a political subdivision or a regional council of governments (1) has paid the 9-1-1 system costs for which disbursements from the Wireless 9-1-1 Government Assistance Fund may be used and (2) is providing county wireless enhanced 9-1-1 (R.C. 128.57);
- Monitor compliance with 9-1-1 technical and operational standards for PSAPs that are eligible for reimbursements from the Wireless 9-1-1 Government Assistance Fund (R.C. 128.57);
- Request the Attorney General to begin proceedings against a telephone company that is a wireline service provider to enforce compliance with the 9-1-1 service law (R.C. 128.34); and
- Serve as the agency having jurisdiction over the disclosure or use of certain confidential data from a database that serves a PSAP (1) in times of public emergency or service outage when a wireline telephone company gives access to the database to a public utility or municipal utility handling customer calls and (2) in warning of a public emergency (as determined by the Steering Committee) when a wireline telephone company gives access to the database to a state and local government (R.C. 128.32).

Transfers from PUCO

(R.C. 128.46(D) and 128.55(A))

Continuing law changed in part by the act, schedules certain duties (formerly duties of PUCO) to expire on January 1, 2014, at which time they will become the responsibility of the Tax Commissioner. Under the act, during the period prior to the transfer of these duties, the Steering Committee, rather than the PUCO:

- Must disburse moneys from the Wireless 9-1-1 Government Assistance Fund to each county in the same manner as the 2012 disbursements (see "**Wireless Government Assistance Fund**" discussed below);
- May conduct audits of wireless service providers or resellers to determine if the provider or reseller has failed to bill, collect, or remit the wireless 9-1-1 charge as required or has retained more than the 2% billing and collection fee allowed under the law; and
- May make assessments against the provider or reseller if an audit finds that a provider or reseller failed to bill, collect, or remit the wireless 9-1-1 charge.



Assessment process change. Under temporary assessment authority granted to the Steering Committee and the 9-1-1 Program Office Administrator, the act establishes an assessment process similar to the process in the 9-1-1 service law for the Tax Commissioner (that is scheduled to begin January 1, 2014).

Under this process, an assessment against a wireless provider or reseller is final and payment is due to the Administrator unless a written petition for reassessment is filed with the Steering Committee within 60 days after notification of the assessment. The signed petition may be filed personally or by certified mail and must indicate the objections of the party assessed. Additional written objections may be made if they are received by the Administrator or the Steering Committee before the final assessment determination. If unpaid, the final assessment may be filed with and, upon Steering Committee request, executed by the clerk of the Court of Common Pleas of the county in which the provider or reseller is located, or for those not located in Ohio, the clerk of the Franklin County Court of Common Pleas. Any assessments collected by the Administrator as a result of a judgment must be paid to the state treasurer for deposit in the Wireless 9-1-1 Government Assistance Fund.

Under former law, PUCO had the authority to conduct audits of and make assessments against wireless providers or resellers. Assessments were final unless an assessed party petitioned for a rehearing. Such proceedings were subject to the ongoing PUCO law governing proceedings and hearings.⁵

Other changes regarding Steering Committee

Immunity from liability

(R.C. 128.32(A))

The act extends to the Steering Committee and any member of the Steering Committee immunity from liability for damages in civil lawsuits arising from any act or omission, except willful or wanton misconduct, in connection with the development or operation of a 9-1-1 system. The act repeals the provision granting the same immunity from liability to the Ohio 9-1-1 Council and to the Wireless 9-1-1 Advisory Board, both of which are also repealed by the act (see "**Ohio 9-1-1 Council and Wireless 9-1-1 Advisory Board repeal**" discussed below).

⁵ R.C. Chapter 4903., not in the act.



Reports to Steering Committee

(R.C. 128.02(D))

The act changes the type of information that must be provided, and who must provide it, to the Steering Committee. It also requires the information be provided within 45 days of the Steering Committee's request.

9-1-1 provider report requirement. The act requires a "9-1-1 service provider" to provide the following information to the Steering Committee:

- The aggregate number of access lines that the provider maintains within Ohio;
- The aggregate amount of costs and cost recovery associated with providing 9-1-1 service, including coverage under tariffs and "bill and keep arrangements" within Ohio (under the act, the term "bill and keep arrangements" has the same meaning as in federal rules, which describe the term as arrangements under which a carrier exchanging telecommunications traffic does not charge for specific transport or termination functions or services);⁶
- Any other information requested by the Steering Committee deemed necessary to support the transition to next generation 9-1-1.

Neither the act nor ongoing law define "9-1-1 service provider." However, in the context of the act, the term may possibly refer to any telecommunications carrier that provides 9-1-1 service. Also, the act does not specify for what time period (if any) or how frequently the information listed above must be reported.

PSAP operator reporting requirement. The act requires any political subdivision or governmental entity operating a PSAP to provide certain information to the Steering Committee. The information to be reported includes:

- The geographic location and population of the area for which the planning committee is responsible;
- Statistics detailing the number of 9-1-1 calls received;
- A report of expenditures made from disbursements for 9-1-1;

⁶ 47 C.F.R. 51.713.



- An inventory of and the technical specifications for the current 9-1-1 network and equipment;
- Any other information requested by the Steering Committee that is deemed necessary to support the transition to next generation 9-1-1.

The act does not specify for what time period (if any) or how frequently the information must be reported.

This requirement replaces former law under which each chairperson of a countywide 9-1-1 planning committee (or the chairperson's designee) was required to report information to the Steering Committee by February 15, 2013. The information required under former law was nearly the same as in the act except that former law required a report of expenditures made from disbursements from the Wireless 9-1-1 Government Assistance Fund, rather than requiring a report of disbursements for 9-1-1. Also, former law required reporting "any other information requested by the Steering Committee," rather than the act's more specific requirement to report "any other information requested by the Steering Committee that is deemed necessary to support the transition to next generation 9-1-1."

Failure to report and suspension of disbursements. The act removes the provision that required the Steering Committee to notify the Ohio 9-1-1 Coordinator (see "**9-1-1 service program and Ohio 9-1-1 coordinator repeal**" discussed below) of the failure of a county 9-1-1 planning committee chairperson or designee to submit, by February 15, 2013, a 9-1-1 system informational report to the Steering Committee. The act removes the requirement that the Coordinator suspend disbursements from the Wireless 9-1-1 Government Assistance Fund to the county and that the Coordinator resume disbursements upon notification that the Steering Committee received the required information. Also removed by the act are the provisions that, beginning January 1, 2014, would have required (1) the Steering Committee to provide notice to the Tax Commissioner that the information was received and (2) the Tax Commissioner to resume the reimbursements.

Remittance of wireless 9-1-1 charges

(R.C. 128.46(A) and (C))

The act specifies that, until January 1, 2014, wireless service providers and resellers must remit all wireless 9-1-1 charges to, and are liable to the state for any amount not remitted to, the 9-1-1 Program Office Administrator instead of the Coordinator as was required under former law for this period. (The act repeals the position of Coordinator. See "**9-1-1 Program Office**" discussed below.) The act also transfers the administrative duties regarding the remittance of wireless 9-1-1 charges,



including returning or issuing credit for remittances erroneously submitted by the provider or reseller, from the Coordinator to the Administrator for the period prior to January 1, 2014. Beginning on that date, ongoing law requires that administrative duties for the charges be assumed by the Tax Commissioner.

Changes to wireless 9-1-1 funds

(R.C. 128.53 and 128.54)

The act repeals the Wireless 9-1-1 Public Safety Administrative Fund and replaces it with the 9-1-1 Program Fund. It also modifies the Wireless 9-1-1 Government Assistance Fund and the Wireless 9-1-1 Administrative Fund as follows:

Distribution of Wireless 9-1-1 Charges Under the Act

Fund	Percentage of Wireless 9-1-1 Charge Remittances Prior to January 1, 2014	Entity Authorized to Use Fund	Percentage of Wireless 9-1-1 Charge Remittances Beginning January 1, 2014	Entity Authorized to Use Fund
Wireless 9-1-1 Government Assistance Fund	98%	Steering Committee disburses to counties	97%	Tax Commissioner disburses to counties
Wireless 9-1-1 Administrative Fund	2%	Steering Committee to cover costs	1%	Tax Commissioner to cover costs
Wireless 9-1-1 Public Safety Administrative Fund			1% Repealed	DPS Repealed
9-1-1 Program Fund			2%	Steering Committee to cover costs

Wireless 9-1-1 Government Assistance Fund

(R.C. 128.53(B) and (C), 128.54(A) and (B), and 128.55(A))

Until January 1, 2014, the act specifies that the Wireless 9-1-1 Government Assistance Fund receive 98% of the wireless 9-1-1 service charges. The act replaces the Coordinator with the Steering Committee as the entity (1) upon whose order the Treasurer of State, until 2014, disburses money from the Wireless 9-1-1 Government Assistance Fund (to counties for wireless enhanced 9-1-1 service according to a



proportionate share as determined according to former 9-1-1 law as it existed prior to December 20, 2012 – the effective date of H.B. 360⁷) and (2) to which the Treasurer must, until 2014, annually certify the amount of moneys in the Fund. The act also grants the Steering Committee instead of PUCO the authority to transfer funds to the Next Generation 9-1-1 Fund. The transfer amount determination, unchanged by the act, is equal to the funds remaining after disbursements are made to counties.

The act also provides that, as of January 1, 2014, the Wireless 9-1-1 Government Assistance Fund stops being a custodial fund (in the custody of the state treasury but not a part of the state treasury) and becomes a fund that is part of the state treasury. Also as of January 1, 2014, the act applies the repeal of a provision that required the Treasurer to deposit or invest the moneys in the Fund in accordance with the state's Uniform Depository Act and any other provision of law governing public moneys of the state. The Treasurer is still required, under continuing law, to follow the Uniform Depository Act and the other provisions, with regard to this Fund, until 2014. Also as of January 1, 2014, the Treasurer will no longer credit interest earned on the Fund to the Fund. Instead, the interest must *be credited* to the Fund. Finally, the act repeals a provision that required, beginning January 1, 2014, the Treasurer to annually certify to the Tax Commissioner the amount of money in the Fund.

Wireless 9-1-1 Administrative Fund

(R.C. 128.53(A) and 128.54(A)(1)(b), (2)(b), and (3))

The act provides, that until January 1, 2014, 2% of the remittances from wireless 9-1-1 charges are credited to the Wireless 9-1-1 Administrative Fund. This differs from former law which required the amount credited to the Fund to be an amount determined by the PUCO chairperson that is a "sufficient percentage" not to exceed 2%.

Under the act, the Fund is to be used by the Steering Committee, instead of PUCO. The Fund may be used for nonpayroll costs and payroll costs (at the discretion of the Steering Committee) in carrying out the 9-1-1 service law. Former law specified that the Fund could be used, at PUCO's discretion, for payroll costs incurred in assisting the Coordinator in carrying out the specific provisions of the 9-1-1 service law governing the wireless 9-1-1 charges, remittances, audits, and compliance; the 9-1-1 service program and Coordinator; the Ohio 9-1-1 Council; and the Wireless 9-1-1 Advisory Board. The compensation of the Coordinator and the Coordinator's expenses also were paid from the Fund under prior law.

⁷ Former R.C. 4931.64, not in the act.



Under continuing law, beginning January 1, 2014, 1% of the remittances of the wireless 9-1-1 charges must be paid to the Wireless 9-1-1 Administrative Fund. Also beginning on that date, the Fund is to be used by the Tax Commissioner to defray the costs incurred in carrying out the 9-1-1 service law.

The act repeals a provision that required, beginning January 1, 2014, the Treasurer to credit the interest earned on the Fund to that Fund.

9-1-1 Program Fund

(R.C. 128.54(A)(1)(c), (2)(c), and (4))

The act creates the 9-1-1 Program Fund to replace the Wireless 9-1-1 Public Safety Administrative Fund. Beginning January 1, 2014, 2% of the remittances of the wireless 9-1-1 charges must be credited to this Fund. The Fund is to be used by the Steering Committee to defray the costs incurred in carrying out the 9-1-1 service law. The act also repeals a provision that required, beginning January 1, 2014, the Treasurer to credit the interest earned on the *Wireless 9-1-1 Public Safety Administrative Fund* to that Fund. Although this fund is replaced by the 9-1-1 Program Fund, the act does not enact a similar interest-crediting requirement for the new 9-1-1 Program Fund.

Wireless 9-1-1 Public Safety Administrative Fund repeal

(R.C. 128.54(A)(2)(c))

The act repeals the Wireless 9-1-1 Public Safety Administrative Fund as part of the transfer of duties from DPS to the Steering Committee. Prior law would have required 1% of wireless 9-1-1 charges to be deposited for use by DPS to defray DPS 9-1-1 service costs beginning January 1, 2014.

Next Generation 9-1-1 Fund

(R.C. 128.54(A) and (B))

The act retains the requirement, beginning January 1, 2014, that any excess funds remaining in the administrative funds after paying administrative costs be transferred to the Next Generation 9-1-1 Fund each year.

The act also changes, as of January 1, 2014, the Next Generation 9-1-1 Fund from a custodial fund (in the custody, but not part, of the state treasury) to a fund in the state treasury.

The act repeals a provision that required the Treasurer to deposit or invest the moneys in the Fund in accordance with the state's Uniform Depository Act and any



other provision of law governing public moneys of the state. Also, the act changes to passive voice a provision that required the Treasurer to credit interest earned on the Fund to the Fund, requiring instead that the interest *be credited* to the Fund. Finally, the act repeals a provision that required the Treasurer to annually certify to the Tax Commissioner the amount of money in the Fund.

The act removes language that had expressly created the Fund prior to the act's effective date. Instead, the act contains a provision that expressly creates the Fund "[b]eginning January 1, 2014." But the act does not remove references in continuing law that pertain to the Fund's existence prior to January 1, 2014, implying that the Fund remains in existence despite the absence of creation language for the time prior to 2014.

9-1-1 Program Office

(R.C. 128.40, 128.46, 128.53, and 128.55)

The act replaces the 9-1-1 service program with the 9-1-1 Program Office within the Department of Administrative Services. The Office is headed by an administrator who is appointed by and serves at the pleasure of the Director of Administrative Services. Under the act, the Administrator of the Office reports directly to the State Chief Information Officer, who is the chairperson of the Steering Committee. The Office is responsible for administering the Wireless 9-1-1 Government Assistance Fund until January 1, 2014.

The Administrator is temporarily responsible for receiving (1) remittances of wireless 9-1-1 charges collected by wireless service providers, resellers, and sellers and (2) assessments for failure to bill, collect, or remit the charges. The act does not specify any staffing assistance for the Administrator. Nor does it specify the duties of the Administrator for the period beginning January 1, 2014. (See "**Transfers from PUCO**" and "**Remittance of wireless 9-1-1 charges**" discussed above.)

9-1-1 service program and Ohio 9-1-1 Coordinator repeal

(R.C. 128.40)

The act eliminates the 9-1-1 service program within PUCO headed by the Ohio 9-1-1 Coordinator. Under former law, the Coordinator was appointed by and reported to the PUCO chairperson. The Coordinator administered the Wireless 9-1-1 Government Assistance Fund, carried out duties as assigned by the PUCO chairperson based on recommended duties submitted by the Ohio 9-1-1 Council, and was allowed to be assisted by PUCO employees as assigned by the PUCO chairperson.

Ohio 9-1-1 Council and Wireless 9-1-1 Advisory Board repeal

(R.C. 5507.65 and 5507.66)

The act repeals the Ohio 9-1-1 Council and the Wireless 9-1-1 Advisory Board. Under prior law, the Council was responsible for the following duties:

- Arbitrating or establishing, for 9-1-1 systems in Ohio, technical and operational standards consistent with recognized industry standards and federal law;
- Conducting research and making recommendations or reports regarding any wireline and wireless 9-1-1 issues, any improvements in the provision of service by 9-1-1 systems in Ohio, or any legislation or policies concerning such systems;
- Submitting names of nominees for the position of Coordinator to PUCO and recommending duties for the Coordinator; and
- Conducting and submitting, with recommendations to PUCO, a performance evaluation of the Coordinator.

The Wireless 9-1-1 Advisory Board had no duties under prior law, so its repeal affects no activities.

County 9-1-1 planning committee changes

(R.C. 128.07 and 128.12)

The act repeals the requirement that a county 9-1-1 planning committee cease to exist if it does not adopt a final 9-1-1 plan by the deadline of nine months after the adoption of a resolution to convene the planning committee. It also repeals the option to convene a new planning committee if the first committee ceases to exist for failure to adopt a plan.

The act simplifies procedures for amending a final 9-1-1 plan. It removes the requirement that certain amendments be adopted in the same way as the final plan is adopted, including convening a 9-1-1 planning committee and developing a proposed plan prior to adopting an amended final plan. The types of amendments affected by this change include those proposing to do the following:

- Upgrade any part or all of a system from basic to enhanced wireline 9-1-1;
- Permit a regional council of government to operate a PSAP;



- Change the funding for a PSAP from among the alternatives under the 9-1-1 service law; and
- Provide that the state highway patrol or one or more PSAPs of another 9-1-1 system function as PSAPs for all or part of the territory of the system described in the final plan.

Under the act, these and most other amendments to the final plan may be made by an addendum approved by a majority of the planning committee at a meeting called for considering an addendum by the board of county commissioners.

