

- Zero funding for four GRF appropriation items
- Full implementation of MARCS in FY 2005 using fees as primary source of revenue
- Increased responsibility for managing State's vehicle fleet

Administrative Services, Department of

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ROLE

The Department of Administrative Services (DAS) consists of five major operating divisions: General Services Division, Human Resources Division, Collective Bargaining Division, Equal Opportunity Division, and the Computer Services Division. The Department of Administrative Services is responsible for providing state agencies with centralized services pertaining to personnel, equal opportunity, collective bargaining, real estate, information systems, and the procurement of goods and services. A large portion of the agency's operating budget comes from charges that state agencies pay for computer support, payroll, purchasing and other centralized services. These charges are deposited into and disbursed from the General Services and Intragovernmental Service Fund Groups.

Agency In Brief					
Number of Employees*	Total Appropriations-All Funds		GRF Appropriations		Appropriation Bill(s)
	2004	2005	2004	2005	
886	\$2.4 billion	\$2.4 billion	\$153.8 million	\$163.9 million	Am. Sub. H.B. 95

*Employee head count obtained from the Department of Administrative Services (DAS) payroll reports as of June 28, 2003.

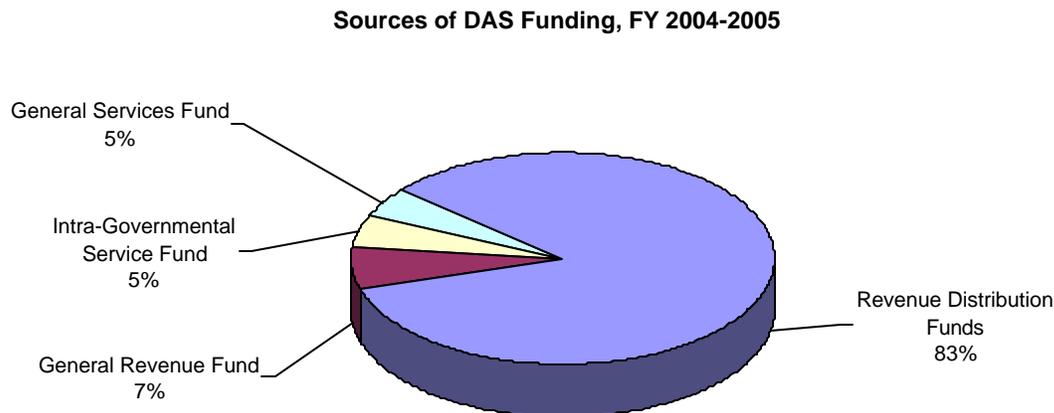
OVERVIEW

The total FY 2004 appropriation is \$2.35 billion, a 2.53% increase over FY 2003 spending of \$2.29 billion. The total FY 2005 appropriation increases by 3.83% over FY 2004 levels to \$2.44 billion. It is important to note that in each fiscal year, pass-through dollars for payroll deductions such as health, vision, and dental insurance for all state employees, retirement contributions, and federal, state and local tax withholdings, account for about 84% of DAS's total appropriation.

The table below displays total recommended appropriations by fund group.

Fund Group	FY 2004	FY 2005	Percent Change
General Revenue Fund (GRF)	\$ 153,772,203	\$ 163,902,389	6.6
General Services Fund (GSF)	\$ 106,499,345	\$ 111,100,805	4.3
Intra-Governmental Service Fund (ISF)	\$ 116,439,532	\$ 112,890,004	(3.1)
Revenue Distribution and Holding Account Redistribution Funds	\$1,975,220,000	\$2,054,220,000	4.0
Total	\$2,351,931,080	\$2,442,113,198	3.8

The chart below displays these fund groups and their respective proportions of total FY 2004-2005 appropriations.



Four programs previously funded by the GRF did not receive appropriations for the FY 2004-2005 biennium. As a result, the Office of Communications, which markets DAS services to other agencies and the public, will have to be trimmed. The Ohio Geographically Referenced Information Program (OGRIP), a statewide Geographic Information System (GIS) initiative coordinated by DAS on behalf of other state and local agencies that use mapping data, also lost GRF funding. In addition, other technology projects under the Strategic Technology Development Programs area are affected. Finally, the Innovation Ohio program, an employee-suggestion award program, which was administered by the Human Resources Division and had been curtailed during FY 2003, has been eliminated altogether for the FY 2004-2005 biennium. As a result of the lack of GRF funding, all of these programs will either be discontinued or be funded through alternative means.

BUDGET ISSUES

MANAGEMENT IMPROVEMENT COMMISSION'S SPACE ALLOCATION STUDY

The FY 2004-2005 biennial budget authorizes the Department of Administrative Services (DAS) to implement the Management Improvement Commission's recommendations concerning facilities planning and space utilization concerning facilities planning and space utilization by state agencies. This includes: a biennial census of agency employees assigned office space by state agency locations; agency categorization of different uses of space; creation of a "master space utilization plan" incorporating space utilization metrics for all space allotted to state agencies; a cost-benefit analysis to determine the effectiveness of state-owned buildings; assessment of alternatives associated with consolidating the commercial leases for buildings located in Columbus, and a comprehensive space utilization and capacity study to determine the feasibility of consolidating existing commercially leased state agency space into a new state-owned facility. According to DAS, Real Estate Services does not have adequate staffing or funding to accomplish the new responsibilities for all State of Ohio properties and commercial lease space. Therefore, DAS plans to address these responsibilities related to only those buildings managed by DAS and OBA and commercial lease space under the leasing authority of the DAS Director (approximately 6 million square foot out of the total 46 million square foot owned by the state).

FLEET MANAGEMENT

The biennial budget contains provisions geared towards streamlining the management of the state's vehicle fleet. Specifically, these provisions grant DAS exclusive authority over the acquisition and management of motor vehicles used by state agencies, and requires DAS to establish and operate a fleet management program and a fleet reporting system for state agencies. The biennial budget prohibits the exclusive assignment of state-owned, leased, or pooled vehicles to state employees, and prohibits the assignment of a vehicle as a form of compensation or for the sole purpose of commuting. In addition, the biennial budget creates a nine-member Vehicle Management Commission and requires state agencies to reimburse DAS for all costs incurred in the assignment of motor vehicles. Altogether, these changes may result in a savings to the state due to the centralization of the fleet management system.

According to DAS, the Office of Fleet Management (OFM) plans to reduce the number of passenger vehicles by 10% by the end of fiscal year 2005. OFM has requested all state agencies that own, lease motor vehicles, or reimburses its employees for their use of a personal motor vehicle used on authorized state business to provide a fleet plan. The fleet plan submission dates start November 30, 2003.

MULTI-AGENCY RADIO COMMUNICATION SYSTEM

The FY 2004-2005 biennial budget authorizes the transfer of up to \$4,887,390 in FY 2004 and \$1 million in FY 2005 from the Automated Title Processing System Fund (Fund 849 in Department of Public Safety) to the Multi-Agency Radio Communication Systems Fund (Fund 5C2) to be used to complete the development of the MARCS system. In addition, the Director of DAS and the MARCS Steering Committee are authorized to develop a fee schedule for the 12 state agencies that use MARCS. All user charges, fees, and interest earnings are to be deposited in Fund 5C2. These fees will allow Fund 5C2 to be the primary source of operating revenue for the MARCS program, reducing the program's draw on the GRF. The goal is for full implementation of MARCS in FY 2005.

According to DAS, 189 land or towers out of 200 have been leased or purchased and 86 of those towers are complete. Several local health departments in addition to 21 counties (24%) are currently using MARCS. DAS has expended \$106 million in capital dollars out of the \$272 million appropriated to construct and implement MARCS.

EMPLOYEE EDUCATIONAL DEVELOPMENT FUND

The FY 2004-2005 biennial budget creates the Employee Educational Development Fund (Fund 5V6), and appropriates just over \$800,000 in each fiscal year to provide educational programs per existing collective bargaining agreements with the following unions: District 199, Health Care and Social Service Union; State Council of Professional Educators; Ohio Education Association; National Education Association; the Fraternal Order of Police Ohio Labor Council, Unit 2; and the Ohio State Troopers Association. DAS will establish charges for recovering the costs of administering the educational programs. Training, professional development, and other programs for OCSEA employees are funded by the Workforce Development Fund (Fund 5D7). Similar offerings for non-union employees are funded by the Professional Development Fund (Fund 5L7).

REAL ESTATE LEASE COMMISSIONS AND FEES

The FY 2004-2005 biennial budget suspends DAS's authority to collect commissions and fees in connection with leases for which negotiations have commenced as of July 1, 2003, or leases for which no information pertaining to the imposition of commissions and fees was given prior to negotiations. This prohibition eliminates fee revenue that would have supplemented GRF appropriations for the Office of Real Estate Services. During the FY 2004-2005 biennium, GRF appropriation item 130-321, State Agency Support Services, will fund the Office of Real Estate Services, but it appears as though the current GRF appropriation cannot sustain the current level of service.

ENTERPRISE ARCHITECTURE/STATEWIDE TECHNOLOGY STANDARDS

The State's Enterprise Architecture and Technology Standards Program office is the State's only statewide technology standards-setting organization. According to DAS, state government uses a wide variety of inconsistent brands, types and versions of technology – over 12 different server platforms, nine different mid-tier operating systems, nine different workstation platforms, six different mainframe operating systems, seven different network operating systems, 12 different types of network protocols, and 10 different email systems. The FY 2004-2005 biennial budget eliminated funding for this office and thus this program will be suspended.

ENCOURAGING DIVERSITY, GROWTH AND EQUITY PROGRAM

A new program called Encouraging Diversity, Growth and Equity (EDGE), in addition to Minority Business Enterprise (MBE) program, was created by the Governor to assist small socially and economically disadvantaged businesses in Ohio. The EDGE initiative was established as a race and gender-neutral program to avoid potential court challenges as recommended under a 2001 study initiated by the General Assembly. The FY 2004-2005 biennial budget fully funds the EDGE program through GRF appropriation item 100-439, Equal Opportunity Certification Program.

VETOED PROVISIONS

Assessments on State Agencies, Boards, and Commissions

Am. Sub. H.B. 95 contained a provision that prohibits the Director of Administrative Services from increasing fees assessed on state agencies, boards, and commissions above the rates as of June 30, 2003, for various specified centralized services provided by DAS. The Governor argued that this rate cap would cause revenues collected for these various centralized services to fluctuate out-of-sync with actual program expenses, and thus vetoed this provision.

Alternative Purchasing Mechanism

Am. Sub. H.B. 95 contains a provision that allows a state agency to purchase services that cost more than \$50,000 or supplies that cost more than \$25,000 (both adjusted by the Consumer Price Index) to solicit at least three bids for the services or supplies and make the purchase directly from the lowest bidder instead of from or through DAS, if it could be proven that the direct purchase could be made more cheaply in this manner. The purchasing agency would be required to comply with the same competitive selection requirements that govern the solicitation of bids and proposals and must provide DAS with written notification of the subject and amount of the purchase. However, this provision was vetoed by the Governor and therefore is not part of the FY 2004-2005 spending plan.

Fleet Management Earmarks

The Governor also vetoed an earmark of \$378,000 in FY 2004 and \$122,000 in FY 2005 within appropriation item 130-321, State Agency Support Services. These earmarked amounts were to be used to administer the centralized fleet management program. Without the earmarks, DAS is permitted greater flexibility to expend the resources necessary to carry out this responsibility. 

FY 2004 - 2005 Final Appropriation Amounts

All Fund Group

Line Item Detail by Agency

FY 2001: FY 2002: FY 2003: FY 2004 % Change FY 2005 % Change
Appropriations: Appropriations: Appropriations: Appropriations: 2003 to 2004: Appropriations: 2004 to 2005:

Report For: Main Operating Appropriations Bill

Version: Enacted

DAS Administrative Services, Department of

GRF	100-402	Unemployment Compensation	\$ 106,523	\$ 111,679	\$144,673	\$ 100,000	-30.88%	\$ 100,000	0.00%
GRF	100-405	Agency Audit Expenses	\$ 578,853	\$ 484,957	\$803,211	\$ 350,000	-56.42%	\$ 350,000	0.00%
GRF	100-406	County/University Human Resources	\$ 859,813	\$ 775,156	\$413,684	\$ 400,000	-3.31%	\$ 400,000	0.00%
GRF	100-409	Departmental Information Services	\$ 572,841	\$ 721,218	\$756,740	\$ 0	-100.00%	\$ 0	N/A
GRF	100-410	Veterans' Records Conversion	---	\$ 435,904	\$8,473	\$ 19,729	132.85%	\$ 47,123	138.85%
GRF	100-414	Ohio Geographically Referenced Infor	\$ 618,954	\$ 895,983	\$400,788	\$ 0	-100.00%	\$ 0	N/A
GRF	100-416	Strategic Technology Development Pro	\$ 4,364,446	\$ 5,155,652	\$2,383,555	\$ 0	-100.00%	\$ 0	N/A
GRF	100-417	MARCS	\$ 3,781,597	\$ 4,357,979	\$2,533,996	\$ 900,000	-64.48%	\$ 900,000	0.00%
GRF	100-418	Digital Government	---	\$ 1,253,426	\$3,363,716	\$ 3,446,645	2.47%	\$ 3,643,649	5.72%
GRF	100-419	Network Security	\$ 3,602,691	\$ 4,809,683	\$2,003,732	\$ 3,000,000	49.72%	\$ 1,000,000	-66.67%
GRF	100-420	Innovation Ohio	\$ 289,951	\$ 114,949	\$9,865	\$ 0	-100.00%	\$ 0	N/A
GRF	100-421	OAKS Project Implementation	\$ 268,195	\$ 520,594	\$577,274	\$ 450,000	-22.05%	\$ 450,000	0.00%
GRF	100-430	Year 2000 Assistance	\$ 102,714	---	\$0	\$ 0	N/A	\$ 0	N/A
GRF	100-433	State of Ohio Computer Center	\$ 4,769,388	\$ 4,512,245	\$4,508,077	\$ 4,936,073	9.49%	\$ 4,991,719	1.13%
GRF	100-439	Equal Opportunity Certification Progra	\$ 656,413	\$ 512,885	\$491,630	\$ 661,531	34.56%	\$ 661,531	0.00%
GRF	100-447	OBA-Building Rent Payments	\$ 78,669,482	\$ 86,817,974	\$95,626,591	\$ 105,675,000	10.51%	\$ 117,027,700	10.74%
GRF	100-448	OBA-Building Operating Payments	\$ 21,974,191	\$ 22,932,224	\$19,759,115	\$ 25,445,550	28.78%	\$ 26,003,250	2.19%
GRF	100-449	DAS-Building Operating Payments	\$ 3,097,263	\$ 4,659,906	\$4,106,167	\$ 4,264,675	3.86%	\$ 4,460,417	4.59%
GRF	100-451	Minority Affairs	\$ 1,010,391	\$ 547,644	\$53,156	\$ 50,000	-5.94%	\$ 50,000	0.00%
GRF	100-734	Major Maintenance-State Bldgs	\$ 54,595	\$ 22,167	\$78,577	\$ 45,000	-42.73%	\$ 45,000	0.00%
GRF	102-321	Construction Compliance	\$ 1,160,590	\$ 1,183,266	\$986,248	\$ 1,250,000	26.74%	\$ 1,250,000	0.00%
GRF	130-321	State Agency Support Services	\$ 3,783,474	\$ 3,714,885	\$3,383,514	\$ 2,778,000	-17.90%	\$ 2,522,000	-9.22%
General Revenue Fund Total			\$ 130,322,364	\$ 144,540,375	\$ 142,392,782	\$ 153,772,203	7.99%	\$ 163,902,389	6.59%
427	100-602	Investment Recovery	\$ 4,055,368	\$ 5,529,010	\$4,840,391	\$ 4,023,473	-16.88%	\$ 3,953,216	-1.75%
4P3	100-603	Departmental MIS Services	\$ 3,250,579	\$ 2,951,037	\$2,486,802	\$ 6,077,535	144.39%	\$ 6,233,638	2.57%
5C2	100-605	MARCS Administration	---	\$ 927,573	\$2,142,196	\$ 6,632,527	209.61%	\$ 9,268,178	39.74%
130	100-606	Risk Management Reserve	\$ 26,544	\$ 154,468	\$187,986	\$ 217,904	15.92%	\$ 223,904	2.75%
5C3	100-608	Skilled Trades	\$ 2,188,069	\$ 1,377,696	\$991,007	\$ 1,840,327	85.70%	\$ 1,905,655	3.55%
5L7	100-610	Professional Development	\$ 119,142	\$ 2,093,092	\$1,675,742	\$ 2,700,000	61.12%	\$ 2,700,000	0.00%

FY 2004 - 2005 Final Appropriation Amounts

All Fund Group

<i>Line Item Detail by Agency</i>			<i>FY 2001:</i>	<i>FY 2002:</i>	<i>FY 2003:</i>	<i>FY 2004 Appropriations:</i>	<i>% Change 2003 to 2004:</i>	<i>FY 2005 Appropriations:</i>	<i>% Change 2004 to 2005:</i>
DAS Administrative Services, Department of									
210	100-612	State Printing	\$ 6,070,072	\$ 6,058,678	\$5,368,457	\$ 6,160,200	14.75%	\$ 6,674,421	8.35%
5A8	100-614	Energy Grants	----	\$ 65,000	\$0	\$ 0	N/A	\$ 0	N/A
5M6	100-615	E-Government Development	\$ 9,106	\$ 2,112,076	\$0	\$ 0	N/A	\$ 0	N/A
112	100-616	Director's Office	\$ 4,634,237	\$ 4,483,567	\$4,363,442	\$ 5,503,547	26.13%	\$ 5,503,547	0.00%
5V6	100-619	Employee Educational Development	----	----	\$0	\$ 809,071	N/A	\$ 811,129	0.25%
128	100-620	Collective Bargaining	\$ 2,585,781	\$ 2,392,826	\$2,426,124	\$ 3,410,952	40.59%	\$ 3,410,952	0.00%
5D7	100-621	Workforce Development	\$ 13,818,140	\$ 12,783,583	\$17,236,196	\$ 12,000,000	-30.38%	\$ 12,000,000	0.00%
125	100-622	Human Resources Division - Operating	\$ 15,607,612	\$ 16,319,493	\$15,995,137	\$ 21,489,800	34.35%	\$ 21,764,800	1.28%
127	100-627	Vehicle Liability Insurance	\$ 1,500,601	\$ 1,471,404	\$1,753,214	\$ 3,363,894	91.87%	\$ 3,344,644	-0.57%
132	100-631	DAS Building Management	\$ 10,510,932	\$ 10,715,747	\$9,893,968	\$ 10,921,019	10.38%	\$ 10,721,430	-1.83%
115	100-632	Central Service Agency	\$ 855,032	\$ 513,527	\$2,027,576	\$ 431,176	-78.73%	\$ 448,574	4.04%
122	100-637	Fleet Management	\$ 1,430,220	\$ 1,336,397	\$1,305,840	\$ 4,169,589	219.30%	\$ 4,352,849	4.40%
131	100-639	State Architect's Office	\$ 5,691,853	\$ 6,920,427	\$5,640,502	\$ 6,510,117	15.42%	\$ 6,473,867	-0.56%
117	100-644	General Services Division - Operating	\$ 5,157,710	\$ 5,893,794	\$5,650,444	\$ 7,622,861	34.91%	\$ 8,653,304	13.52%
188	100-649	Equal Opportunity Division-Operating	\$ 961,744	\$ 867,848	\$773,192	\$ 1,082,353	39.99%	\$ 1,103,697	1.97%
201	100-653	General Services Resale Merchandise	\$ 1,415,986	\$ 1,505,552	\$942,534	\$ 1,533,000	62.65%	\$ 1,553,000	1.30%
General Services Fund Group Total			\$ 79,888,726	\$ 86,472,795	\$ 85,700,750	\$ 106,499,345	24.27%	\$ 111,100,805	4.32%
3H6	100-609	Federal Grants OGRIP	----	\$ 16,801	\$0	\$ 0	N/A	\$ 0	N/A
307	100-633	Federal Special Revenue	\$ 113,983	\$ 1,354	\$0	\$ 0	N/A	\$ 0	N/A
Federal Special Revenue Fund Group Total			\$ 113,983	\$ 18,155	\$ 0	\$ 0	N/A	\$ 0	N/A
133	100-607	Information Technology	\$ 70,693,897	\$ 74,145,324	\$66,504,666	\$ 100,987,526	51.85%	\$ 102,272,838	1.27%
4N6	100-617	Major IT Purchases	\$ 974,121	\$ 2,744,333	\$2,161,817	\$ 15,452,006	614.77%	\$ 10,617,166	-31.29%
Intragovernmental Service Fund Group Total			\$ 71,668,018	\$ 76,889,656	\$ 68,666,483	\$ 116,439,532	69.57%	\$ 112,890,004	-3.05%
113	100-628	Unemployment Compensation Pass Th	\$ 2,260,437	\$ 3,573,261	\$4,436,064	\$ 4,200,000	-5.32%	\$ 4,200,000	0.00%
124	100-629	Payroll Deductions	\$ 1,763,929,486	\$ 1,894,717,358	\$1,992,789,254	\$ 1,971,000,000	-1.09%	\$ 2,050,000,000	4.01%
Agency Fund Group Total			\$ 1,766,189,922	\$ 1,898,290,620	\$ 1,997,225,318	\$ 1,975,200,000	-1.10%	\$ 2,054,200,000	4.00%
R08	100-646	General Services Refunds	\$ 1,385	\$ 6,420	\$3,480	\$ 20,000	474.71%	\$ 20,000	0.00%
Holding Account Redistribution Fund Group Total			\$ 1,385	\$ 6,420	\$ 3,480	\$ 20,000	474.71%	\$ 20,000	0.00%
Administrative Services, Department of Total			\$ 2,048,184,399	\$ 2,206,218,021	\$ 2,293,988,813	\$ 2,351,931,080	2.53%	\$ 2,442,113,198	3.83%