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## ***Detailed Fiscal Analysis***

The bill makes several changes to laws regarding the operations of the Department of Transportation (DOT). Specifically, the bill creates the career professional service, eliminates the requirement that DOT hold back 8% of the value of work finished until an entire contract is completed, allows the director of DOT to award multiple contracts for the purchase of aggregate and other items, eliminates a provision requiring the submission of agreements between DOT and municipal governments for road construction to the Attorney General's Office, and designates a portion of U.S. Route 224 in Summit County the "Cliff Skeen Memorial Highway".

### **Career Professional Service**

The Career Professional Service specifically removes employees from the classified civil service under section 124.34 of the revised code. In addition, the bill excepts employees in the Career Professional Service from the definition of Public Employee under section 4117.01 of the revised code. Finally, the bill establishes the Career Professional Service by creating section 5501.20. The bill defines career professional service to mean "that part of the classified civil service that consists of employees of the Department of Transportation who, regardless of job classification, meet both of the following qualifications:

- (a) They are supervisors, professional employees, confidential employees, or management level employees as defined in section 4117.01 of the Revised Code.
- (b) They exercise authority that is not merely routine or clerical in nature and report only to a higher level unclassified employee or employee in the career professional service."

According to DOT, there are approximately 700 people (10% of the 7,000 person workforce) that would fall into this new classification. The objective is to tie employee reviews directly to the business plan for the department. With this in mind, the bill requires the director to establish a business plan no later than July 1, 1998 and every odd year thereafter, but no more than once in each two year period<sup>1</sup>. After an employee is appointed to a position in the career professional service, the direct supervisor must provide the employee with a written performance action plan that describes the department's expectations for that employee in fulfilling the mission, business objectives, and strategies stated in the department's business plan. The bill requires the director to prepare a report "describing and evaluating" the career professional service program at the end of each fiscal biennium. Copies of the report are required to be forwarded to the Governor, Director of Administrative Services, Speaker of the House, and President of the Senate.

The program is designated as a pilot program in the bill; however, since there is no sunset provision and the program is being created in permanent law, it is unclear what makes this a "pilot

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<sup>1</sup> The requirements in the bill for the creation of rules by July 1, 1998 seem unlikely to be practical given the need to file rules with JCARR. Particularly since the rules can not be filed until after the bill is enacted. There seems to be a further conflict in the language requiring the director to have a plan in place by July 1, 1998 and then every odd year thereafter but not more than one plan in a two year period.

program”. In addition, although there are no direct fiscal effects from this provision, it is unclear whether indirect fiscal effects could result.

### **Attorney General Reviews**

The bill eliminates the requirement that contracts entered into between DOT and municipal governments under section 5521.01 of the ORC be submitted to and approved by the Attorney General. This process currently adds about two weeks to the project approval process. According to the department, since the agreements under this section of code are voluntarily made between municipal governments and DOT, the additional step of review by the Attorney General’s Office is unnecessary.

### **8% Holdback**

The bill eliminates a provision in law that currently requires DOT to holdback 8% of every payment on a contract until the entire contract is completed. According to testimony from the department, every contractor currently puts up a bond to guarantee its work for the state. The department believes that the 8% holdback is unnecessary to ensure the proper completion of work.

### **Multiple Awards**

The bill provides an exception to the requirement that DOT accept the lowest responsive and responsible bidder under section 5513.02 of the ORC by allowing the director to specify in the bidding documents a provision for multiple awards. The bill identifies asphalt, aggregate, and machinery parts as examples of the types of items that the director may choose to bid out under the multiple awards conditions and allows the director to bid other items as necessary. According to the department, the intent is to provide for the acceptance of many different vendors for items like asphalt. This will allow the department to utilize different vendors around the state to provide items, such as asphalt, locally as opposed to the current situation where they have to take the lowest bidder regardless of location. The end result of this provision is to carve out an exception to the low bid requirement in section 5513.02 of the ORC.

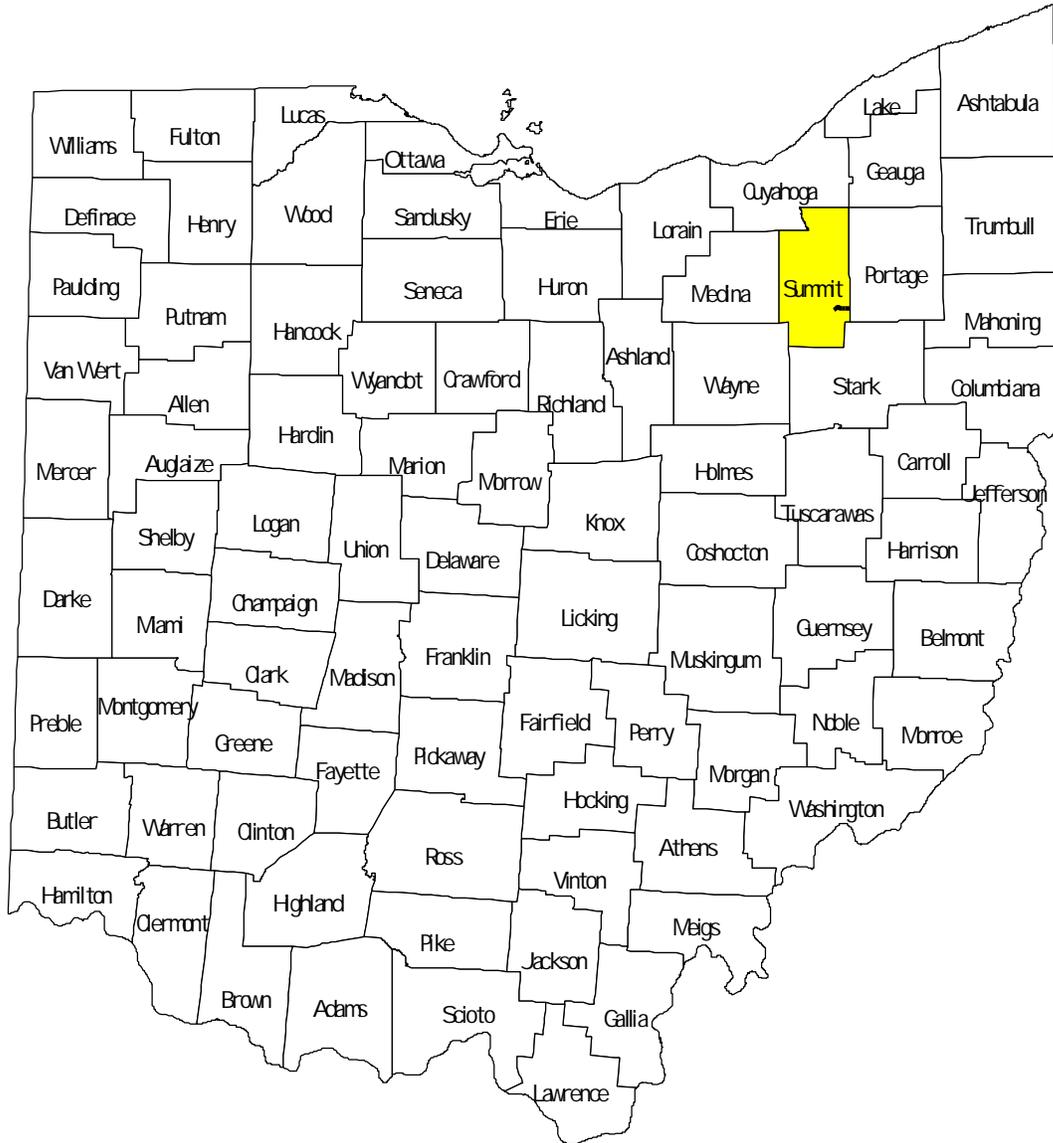
### **Cliff Skeen Memorial Highway**

The bill designates U.S. Route 224, running in a westerly to easterly direction, commencing at the junction with State Route 241 in Summit County, and extending to State Route 91 as the “Cliff Skeen Memorial Highway”. The Director of Transportation would be permitted to erect markers along the highway indicating this designation. Since the placement of markers is permissive, ODOT may or may not incur costs. Initially, it appears that there would be only two signs placed by ODOT. Signs cost about \$200 each, therefore, the total cost is estimated to be \$400.

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# US Route 224 - Cliff Skeen Memorial Highway



 US Route 224  
Cliff Skeen Memorial Highway