DEPARTMENT OF ADMINISTRATIVE SERVICES

Ban certain applications on state networks and devices (PARTIALLY VETOED)

- Prohibits the download, installation, or use of TikTok, WeChat, or other Chinese-owned applications on state computers, networks, and devices.
- Allows use of these applications for law enforcement or security purposes.
- Would have limited the exception for "security purposes" to "information technology security purposes" (VETOED).
- Would have required the State Chief Information Officer to adopt rules to implement the prohibition (VETOED).

DAS and state agency purchasing

 Modifies Department of Administrative Services (DAS) and state agency purchasing selection criteria and makes other changes and clarifications to state procurement law.

Opening of competitive bids

- Requires DAS to open competitive sealed bids and competitive sealed proposals in the standardized system of electronic procurement, rather than publicly opened in the DAS office.
- Removes the requirement that a representative of the Auditor of State be present at and certify the opening of certain bids and proposals.

Competitive sealed proposals

 Clarifies DAS authority to award a contract to multiple offerors whose competitive sealed proposals are determined to be most advantageous to the state.

State agency direct purchasing authority

Clarifies state agency direct purchasing authority.

Electronic procurement system (PARTIALLY VETOED)

- Specifies that a purchase, by DAS or a state agency through the DAS electronic procurement system, constitutes a competitive selection procedure.
- Would have limited the application of the above to, if the contract for the supplies or services being procured was selected for inclusion in the electronic procurement system using one of the competitive selection methods defined in current law (VETOED).
- Removes an outdated provision requiring DAS to implement recommendations regarding electronic procurement from the "2000 Management Improvement Commission Report."

Procuring PPE

 Establishes the Ohio-based personal protective equipment (PPE) manufacturers program and requires a state agency to make certain qualifying purchases from an Ohio-based manufacturer.

State job classification plan

- Codifies an administrative rule of the DAS Director related to qualifications in terms of experience, training, specific coursework, or other criteria, rather than in terms of academic degrees.
- Prohibits an appointing authority from requesting a minimum qualification that differs from the Director's classification specification if it is stated solely in terms of academic degrees.

Increased parental leave benefits

 Increases parental leave benefits for certain state employees by eliminating the 14-day unpaid waiting period and tripling the former paid leave period, resulting in a total of 12 weeks of leave paid at the continuing rate of 70% of the employee's base rate.

Bereavement leave

- Specifies that a permanent employee paid by OBM warrant must begin bereavement leave granted under continuing law not more than five days after the family member's death, or not more than five days before or after the funeral.
- Allows an employee to take bereavement leave on the basis of a miscarriage or the stillbirth of a child by providing appropriate medical documentation (in the case of a miscarriage) or a fetal death certificate (in the case of a stillbirth).
- Specifies that an employee who takes bereavement leave on the basis of a stillbirth is ineligible to take parental leave or benefits based on the same stillbirth.

DAS reports regarding public works

- Repeals a requirement that the DAS Director make an annual report to the Governor related to public works expenses under the Director's supervision.
- Repeals law requiring the Director make other reports, at the Governor's request, regarding the condition and welfare of public works and related drainage, leaseholds, and water powers.

Professions Licensing System Fund

• Eliminates the Professions Licensing System Fund and deposits transaction fees from the electronic issuance of licenses to the Occupational Licensing and Regulatory Fund instead.

MARCS Steering Committee

- Modifies the membership of the Multi-Agency Radio Communications System (MARCS) Steering Committee.
- Repeals the uncodified law that originally created and modified the Committee in the 120th and 121st General Assemblies, clarifying that the most recent uncodified law governs the Committee's membership, name, purpose, and responsibilities.

Ban certain applications on state networks and devices (PARTIALLY VETOED)

(R.C. 125.183)

Covered applications

In January 2023, Governor DeWine issued an executive order that prohibits the download and use of any social media application, channel, and platform that is owned by an entity in China on devices and networks that are owned or leased by the state.⁸ Similarly, the act prohibits the download, installation, and use of covered applications on state agency computers, networks, and devices. A "covered application" is defined as:

- The TikTok application, or any successor application or service developed or provided by ByteDance;
- The WeChat application and service, or any successor application or service developed or provided by Tencent Holdings; or
- Any application or service owned by an entity located in China, including QQ International (QQi), Qzone, Weibo, Xiao, HongShu, Zhihu, Meituan, Toutiao, Alipay, Xiami Music, Tiantian Music, DingTalk Ding, Douban, RenRen, Youku/Tudou, Little Red Book, and Zhihu.

Implementation

The act directs the State Chief Information Officer to require state agencies to remove any covered applications from equipment owned or leased by the state and take necessary measures to prevent the download, installation, and use of covered applications on state computers, networks, and devices. The Governor vetoed a provision that would have required the Officer to adopt administrative rules to effectuate those requirements.

Scope

The act defines "state agency" as every organized body, office, or agency established by the state for the exercise of any function of state government. The General Assembly, any

⁸ "<u>Executive Order 2023-03D</u>," Governor Mike DeWine, which may be accessed on the Governor's website: <u>governor.ohio.gov</u>, under the "Media" tab by clicking "Executive Orders" and then searching for "2023-03D."

legislative agency, and the Capitol Square Review and Advisory Board are included in this definition. The definition excludes any state-supported institution of higher education, the courts, or any judicial agency.

Exceptions

The act makes an exception that allows qualified individuals to download, install, and use a covered application for law enforcement or security purposes. To do so, appropriate measures must be taken to mitigate security risks. The Governor vetoed a qualifier that would have limited the "security purposes" exception to matters involving information technology security.

DAS and state agency purchasing

(R.C. 125.01, 125.09, 125.11, 153.54, 307.87, 307.90, and 3345.10; repealed R.C. 505.103 and 717.21)

The act modifies DAS and state agency purchasing preference selection criteria for awarding a contract. Instead of generally requiring the purchaser to select the lowest responsive and responsible bid, from among the bids that offer products produced or mined in the U.S. or Ohio, the act requires that the purchaser evaluate the bids and offers according to criteria and procedures for determining if a product is mined, excavated, produced, manufactured, raised, or grown in the U.S., is a Buy Ohio product, and if the bid or offer was received from a Buy Ohio supplier or a certified veteran-friendly business. The requirements must be applied where sufficient competition can be generated to ensure compliance with them will be in the state's best interest unless otherwise prohibited. In that regard, continuing law requires bidders and offerors claiming a preference to designate that information in their bid or offer.

The act requires the DAS Director to adopt rules to establish criteria for applying a purchasing preference to bids received from certified veteran-friendly business enterprises. It also codifies administrative rule classifying "Buy Ohio" products, eligible for preference in state purchasing, to include products from a state bordering Ohio.⁹

The act eliminates the following provisions of the state purchasing law:

- A requirement that "insurance" is a type of supply expressly subject to certain state purchasing laws. Under continuing law, DAS generally must purchase any policy of insurance covering offices or employees of a state agency for which the annual premium is more than \$1,000.¹⁰
- A provision that DAS may require each bidder or offeror to provide sufficient information about the energy efficiency or energy usage of the bidder's or offeror's product, supply, or service.
- A requirement, regarding contracts for certain meat and poultry products, that DAS only accept bids from vendors under inspection of the U.S. Department of Agriculture or who

⁹ O.A.C. 123:5-1-01 and 123:5-1-06.

¹⁰ R.C. 125.02(G), not in the act.

are licensed by the Ohio Department of Agriculture. Under current federal law, all meat sold commercially must be inspected for safety.

- A requirement that DAS award certain contracts to qualified nonprofit agencies under the Office of Procurement from Community Rehabilitation Programs. Continuing law requires state agencies to purchase supplies or services that are on the procurement list maintained by that Office.
- A requirement that the DAS Director publish a model act for use by political subdivisions in establishing a system of preferences for purchasing Buy Ohio products, and eliminates the authority for a board of county commissioners, a board of township trustees, or the legislative authority of a municipality to adopt the model system of preferences.

Opening of competitive bids

(R.C. 125.10)

The act requires DAS to open competitive sealed bids and competitive sealed proposals in the standardized system of electronic procurement, rather than publicly opened in the DAS office. Continuing law requires that a sealed copy of each competitive sealed bid or competitive sealed proposal be filed with DAS before the time specified in the notice for opening of the bids or proposals. The act removes the requirement that a representative of the Auditor of State be present at and certify the opening of all such bids and proposals.

Competitive sealed proposals

(R.C. 125.071)

Under continuing law, the DAS Director may make purchases by competitive sealed proposal whenever the Director determines that using competitive sealed bidding is not possible or not advantageous to the state. The act clarifies DAS authority to award a contract to multiple offerors whose proposals are determined to be the most advantageous to the state. Continuing law requires the contract file to contain the basis on which the award is made.

State agency direct purchasing authority

(R.C. 125.01, 125.05, and 127.16)

The act clarifies that a state agency's direct purchasing authority under existing law, which authorizes the agency to make a purchase without competitive selection, requires the agency to use a selection process that complies with all applicable laws, rules, or regulations of DAS.

Electronic procurement system (PARTIALLY VETOED)

(R.C. 125.01, 125.035, 125.05, and 125.073)

The act specifies that a purchase, by DAS or a state agency through the electronic procurement system established by DAS, constitutes a competitive selection procedure. The Governor vetoed a provision that would have additionally required that the contract for the supplies or services being procured had been selected for inclusion in the electronic procurement system using one of the competitive selection methods defined in current law. Under continuing law, competitive selection also includes purchases under the procedures outlined in

procurement law for competitive sealed bidding, competitive sealed proposals, and reverse auctions.

The act specifically authorizes a state agency that has been granted a release and permit from DAS to make the purchase by utilizing the electronic procurement system.

The act also removes an outdated law requiring DAS to implement recommendations concerning electronic procurement from the "2000 Management Improvement Commission Report to the Governor."

Procuring PPE

(R.C. 125.035 and 125.036)

The act requires the DAS Director to establish and maintain an Ohio-based personal protective equipment (PPE) manufacturers program. PPE is equipment worn to minimize exposure to hazards that cause workplace injuries and illnesses. Under the program, the Director must maintain a list of manufacturers qualified to fulfill purchase requests as a first requisite procurement program.

The act requires a state agency to make certain qualifying purchases from an Ohio-based PPE manufacturer if an Ohio-based manufacturer on the Director's list is able to fulfill the purchase request. However, the Director may issue a release and permit for a foreign manufacturer, if purchasing from an Ohio-based manufacturer would result in the state agency paying a price that is 120% or higher than the foreign supplier's price.

Under the act, "Ohio-based personal protective equipment manufacturer" means a manufacturer, at least two-thirds of the beneficial ownership of which is vested in residents of Ohio, and produces PPE in Ohio.

State job classification plan

(R.C. 124.14)

The act codifies an administrative rule governing the state job classification plan established by the DAS Director under continuing law that does the following:

- Requires the Director to include in each classification specification a statement of the essential character of the work of the classification and the essential knowledge, abilities, skills, and qualifications required for a person to fill the position;
- Requires the Director to state qualifications in terms of experience, training, specific coursework, or other terms;
- Prohibits the Director from stating qualifications in terms of academic degrees unless the degrees are required by a specific statute or rule;

 Allows an appointing authority to request that the Director approve position-specific minimum qualifications that differ from those established by the Director.¹¹

Additionally, an appointing authority is prohibited from requesting a minimum qualification that differs from the Director's classification specification if it is stated solely in terms of academic degrees.

Governor DeWine signed Executive Order 2023-10D on May 15, 2023,¹² to require DAS to develop a statewide policy on skills-based hiring that includes ensuring that all state agencies, departments, boards, and commissions are complying with the administrative rule codified by the act. Additionally, the Executive Order requires DAS to review the use of both position-specific minimum qualifications and preferred qualifications in hiring practices and ensure that the qualifications are not stated in terms of academic degrees.

Increased parental leave benefits

(R.C. 124.136)

The act increases parental leave benefits for certain state employees. Former law provided six weeks of parental leave for those employees, including a 14-day unpaid waiting period followed by four consecutive weeks of leave paid at 70% of the employee's base rate of pay. The act eliminates the unpaid waiting period and triples the paid leave period. Thus, the act increases the benefits to a total of 12 weeks of parental leave paid at the 70% rate established in continuing law.

Law unchanged by the act provides that parental leave benefits may be granted to eligible state employees who satisfy either of the following criteria:

- They are the parent of a newly born or stillborn child and are listed as such on the birth certificate or fetal death certificate;
- They are the legal guardian of a newly adopted child who resides in their household, and they have not elected to receive the \$5,000 lump sum for adoption expenses in lieu of the parental leave benefits.

To be eligible for parental leave benefits under continuing law, a state employee must fall into a category described below:

 A full- or part-time employee paid in accordance with the exempt salary schedule (generally, those who are subject to the state job classification plan but are exempt from collective bargaining);¹³

¹¹ O.A.C. 123:1-7-04.

¹² "<u>Executive Order 2023-10D</u>," Governor Mike DeWine, which may be accessed on the Governor's website: <u>governor.ohio.gov</u>, under the "Media" tab by clicking "Executive Orders" and then searching for "2023-10D."

¹³ R.C. 124.152, not in the act.

- Unclassified employees of the Office of the Secretary of State, Auditor of State, Treasurer of State, or Attorney General who are exempt from collective bargaining;
- Legislative employees and employees of the Legislative Service Commission, the Supreme Court, and the Office of the Governor;
- Employees of the Bureau of Workers' Compensation whose compensation is established by the Administrator of Workers' Compensation; and
- Employees who hold a position for which the authority to determine compensation is given by law to an individual entity other than the DAS Director.

Continuing law allows employees to use balances of other forms of paid leave to supplement benefits during the parental leave period, thus enabling them to attain 100% of their base rate. The paid parental leave must be taken within one year of the birth, stillbirth, or placement for adoption of a child.

Bereavement leave

(R.C. 124.387)

Under continuing law, each full-time permanent and part-time permanent employee paid by OBM warrant is entitled to three days of paid bereavement leave due to the death of an immediate family member. The act requires an employee to begin the leave during one of the following time periods:

- Not more than five days after the family member's death;
- Not more than five days before or five days after the funeral.

The act also allows an employee entitled to bereavement leave to use the leave on the basis of a miscarriage or the stillbirth of a child. The employee must produce appropriate medical documentation (in the case of a miscarriage) or a fetal death certificate (in the case of a stillbirth). If an employee who is eligible for parental leave (which includes leave for a stillbirth) takes bereavement leave on the basis of a stillbirth, the employee is ineligible for parental leave based on the same stillbirth.

DAS reports regarding public works

(Repealed R.C. 123.14)

The act repeals a requirement that the DAS Director make an annual report to the Governor "containing a statement of the expenses of the public works under the director's supervision during the preceding year, setting forth an account of moneys expended on each of the public works during the year, and such other information and records as the director deems proper." The report also had to contain "a statement of the moneys received from all sources and an estimate of the appropriations necessary to maintain the public works and keep them in repair," as well as "a list of all persons regularly employed, together with the salary, compensation, or allowance paid each."

This information generally may now be found at <u>checkbook.ohio.gov</u> (see R.C. 113.71, not in the act).

The act repeals other law requiring the DAS Director to make "such other reports as are proper, touching on the general condition and welfare of the public works and the drainage, leaseholds, and water powers incident thereto" when the Director deems it necessary, or when called upon by the Governor.

Professions Licensing System Fund

(R.C. 125.18)

The act eliminates the Professions Licensing System Fund, which received transaction fees from the electronic issuance of a license or registration. Instead, those fees are to be deposited into the existing Occupational Licensing and Regulatory Fund.

MARCS Steering Committee

(Sections 610.10 and 610.20)

The act modifies the membership of the Multi-Agency Radio Communications System (MARCS) Steering Committee. Specifically, it authorizes either the Directors of DAS, DPS, DNR, ODOT, DRC, and OBM, or their designees, to serve as members. Prior law authorized only the Directors' designees to serve, rather than the Directors themselves (with the exception of the State Fire Marshal).

Additionally, the act adds the following members, with the Governor appointing the first four:

1. A representative of the Ohio Chapter of the Association of Public Safety Communications Officials;

2. A representative of the Buckeye State Sheriff's Association;

3. A representative of the Ohio Chiefs of Police Association;

4. A representative of the Ohio Fire Chiefs Association;

5. Two members of the House (one majority party, one minority party), appointed by the Speaker; and

6. Two members of the Senate (one majority party, one minority party), appointed by the Senate President.

Finally, the act repeals the uncodified laws that originally created and modified the Committee in the 120th and 121st General Assemblies (1993-1996).¹⁴ Doing so clarifies that the most recent uncodified law that continues the Committee's existence governs its membership, name (it was once renamed a "Council"), purpose, responsibilities, and use of funding.

¹⁴ Section 21 of H.B. 790 of the 120th General Assembly, as amended by Section 11 of H.B. 670 of the 121st General Assembly.