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## DEPARTMENT OF ADMINISTRATIVE SERVICES

### Exempt employee salary schedules

- Increases pay for exempt state employee paid in accordance with Schedule E-1 by approximately 4.5% in FY 2026 and 3% in FY 2027, raises the maximums in the pay ranges of Schedule E-2 by similar amounts.
- Codifies modifications to exempt state employee pay scales made by the DAS Director pursuant to H.B. 2 of the 135<sup>th</sup> General Assembly.
- Repeals a prohibition against an exempt employee other than a captain or equivalent officer in the State Highway Patrol from being placed in step value 7 in range 17 of statutory pay schedule E-1.

### State employee work location

- Requires each state agency, not later than October 15, 2025, to develop a plan for its state employees to report to the agency's worksite or another location designated by the agency during the time the employees are performing their duties for the agency.
- Beginning January 1, 2026, requires each state agency to require its state employees to report to the agency's worksite or another location in accordance with that plan.
- Beginning January 1, 2026, prohibits any state employee from working from the employee's place of residence unless an exception applies.
- Allows a state agency to adopt a policy allowing an appointing authority or the appointing authority's designee to approve a state employee to work from the employee's residence or other off-site location under certain circumstances.
- Makes state employee work location not an appropriate subject of collective bargaining for future collective bargaining agreements, and has the bill's provisions regarding state employee work location prevail over a conflicting provision in a future collective bargaining agreement.

### DAS personnel

- Eliminates the DAS Director's authority to designate individuals in or out of the service of the state to serve as examiners or assistants under the Director's direction, while retaining the Director's authority to appoint examiners, inspectors, clerks, and other assistants as necessary to carry out the law.
- Eliminates a requirement that the DAS Director, examiners, inspectors, clerks, and assistants must receive reimbursement for necessary traveling and other expenses incurred in the actual discharge of their official duties.

## **DAS services**

- Eliminates the ability of a state-supported college or university or a municipality to use services and facilities furnished by DAS to provide and maintain payroll services and state merit standards.
- Eliminates the DAS Director's ability to enter into an agreement with any county, municipality, or other political subdivision to furnish DAS services and facilities in the administration of a merit program or other functions related to human resources, including providing competitive examinations for positions in the classified service.
- Eliminates the DAS Director's ability to designate the municipal civil service commission of the largest city within a county as the Director's agent to carry out designated provisions of law administered by the Director within that county.
- Eliminates the ability of the DAS Director to incur necessary expenses for stationery, printing, and other supplies incident to DAS business.

## **State employee pay for jury service or court attendance**

- Prohibits requiring a state employee to surrender compensation or reimbursement paid to the employee for serving on a jury or appearing before a court, commission, board, or other legally constituted body when compelled to do so.

## **Paid leave for emergency medical or firefighting service**

- Increases, from 40 to 120 hours, the amount of paid leave a state employee may use each calendar year to provide emergency medical or firefighting services.
- Expands the reasons for which a state employee may use the leave to include attending a training or continuing education program that relates to providing emergency medical or firefighting services.

## **Procurement processes**

- Expands the definition of "Buy Ohio products" in procurement law to include any product that includes semiconductors produced by a company with a significant Ohio economic presence.
- Requires that a state consortium, established by the Chancellor of Higher Education, follow rules adopted by DAS for giving preference to Buy Ohio products, when making a purchase with appropriated funds of any product that includes semiconductors.
- Eliminates the Division of State Printing within DAS, and provides that state printing contracts are subject to DAS procurement law generally.

## **Prohibited applications on state systems**

- Expands the types of social media applications that are prohibited on state agency computers, networks, and devices.

## **Sharing legal documents**

- Requires the Attorney General to share certain privileged and confidential documents with the Office of Risk Management.

## **Public safety answering points**

- Requires all public safety answering points (PSAPs) that answer 9-1-1 calls for service in Ohio to be subject to the PSAP operations rules.

## **Next Generation 9-1-1 access fee**

- Repeals the law that would, beginning October 1, 2025, lower the Next Generation 9-1-1 access fee applied to certain communication services in Ohio from 40¢ to 25¢.
- Raises the Next Generation 9-1-1 access fee from 40¢ to 60¢.
- Revises the allocation of the collected Next Generation 9-1-1 access fee amounts.

## **Entrepreneur in residence pilot program**

- Eliminates the entrepreneur in residence pilot program.

## **State civil service**

- Replaces the requirement that the DAS Director and the State Personnel Board of Review (SPBR) exercise former functions, powers, and duties given to the State Civil Service Commission with a requirement that the DAS Director and SPBR exercise functions, powers, and duties actually given to the Commission on or before January 1, 1959.
- Eliminates the requirement that any reference to the Commission in law or rule be considered to refer to DAS, the DAS Director, or SPBR.

## **Flag display on state buildings and grounds**

- Prohibits a state agency or any entity that manages the grounds or buildings under the control of a state agency (except for the Ohio Statehouse and its grounds) from displaying on the grounds or building any flag except for:
  - The official state flag;
  - The U.S. flag; or
  - The POW/MIA flag.

## **State real property study**

- Requires DAS to conduct a biennial comprehensive study of all real property owned or leased by the state or a state agency and issue a report on the property.

## Exempt employee salary schedules

(R.C. 124.152, Sections 503.15 and 701.30)

The bill codifies modifications to exempt state employee pay schedules made by the DAS Director pursuant to H.B. 2 of the 135<sup>th</sup> General Assembly (enacted in 2024) and includes raises for FY 2026 and FY 2027. An exempt employee generally is an employee subject to the state job classification plan but exempt from collective bargaining.

The bill increases pay for exempt state employees paid in accordance with salary schedule E-1 by approximately 4.5% as of the pay period that includes July 1, 2025, and an additional 3% (approximate) as of the pay period that includes July 1, 2026. For exempt state employees paid in accordance with salary Schedule E-2, the bill increases the maximum pay range amount by similar amounts.

H.B. 2 allowed the DAS Director, in consultation with the OBM Director, to modify exempt state employee pay schedules to the extent necessary to achieve pay parity between exempt state employees and state employees who are paid in accordance with collective bargaining agreements entered into in accordance with Ohio's Public Employee Collective Bargaining Law<sup>2</sup> that were effective on or after March 1, 2024. The modification authorized by H.B. 2 applies only to the period beginning with the pay period that includes July 1, 2024, and ending with the pay period that includes June 30, 2025.<sup>3</sup>

The bill authorizes each state appointing authority to make expenditures from current state operating appropriations to provide for compensation increases pursuant to approved collective bargaining agreements between employee organizations and the state and pursuant to the bill for employees exempt from collective bargaining.

The bill repeals a prohibition against an exempt employee who is not a captain or equivalent officer in the State Highway Patrol from being paid at step value 7 in range 17 of Schedule E-1. Effective July 1, 2025, an exempt employee paid at step 6 of pay range 17 is eligible to move to step 7 of pay range 17, provided the employee did not advance a step within the preceding 12 months. An exempt employee paid at step 6 of pay range 17 who is ineligible under the bill to move up to step 7 of pay range 17 in the pay schedule will be eligible for advancement in accordance with continuing law.<sup>4</sup>

## State employee work location

(R.C. 124.184, 4117.08, and 4117.10)

The bill requires each state agency, not later than October 15, 2025, to develop a plan for its state employees to report to the agency's worksite or another location designated by the agency during the time the employees are performing their duties for the agency. Beginning

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<sup>2</sup> R.C. Chapter 4117.

<sup>3</sup> Section 701.10 of H.B. 2.

<sup>4</sup> See R.C. 124.15, not in the bill.

January 1, 2026, an agency must require its employees to report to the agency's worksite or another location in accordance with that plan.

Under the bill, "state agency" means any organized body, office, or agency established by the laws of the state for the exercise of any function of state government. "State agency" does not include the state retirement systems, a state institution of higher education, or JobsOhio. Additionally, the bill does not interfere with an administrative policy regarding employee work location adopted by the Supreme Court (the Supreme Court is a separate branch of government that is established and vested with judicial power under the Ohio Constitution).<sup>5</sup>

## Exceptions

Beginning January 1, 2026, the bill prohibits state employees from working from their place of residence unless an exception applies. A state agency may allow an employee to work from the employee's residence as a reasonable accommodation under Title I of the federal Americans with Disabilities Act of 1990<sup>6</sup> (ADA) or the Ohio Civil Rights Law.<sup>7</sup> An agency also may adopt a policy that permits an appointing authority or the appointing authority's designee to approve an employee to work from the employee's residence or other off-site location in the following circumstances:

- During an occasional or emergent situation as required to complete a necessary or time-sensitive business function of the agency;
- Rare occasions where a health order or weather emergency requires an individual to remain at the individual's place of residence or to shelter in place;
- Occasions where the agency's worksite is or may be closed on a temporary or ongoing basis, including remodeling an existing building, natural disaster, utility outage, security threat, or other occurrence that has or will result in such a closure;
- Where the appointing authority or the appointing authority's designee determines that an employee is in a computer-related occupation that is exempt from minimum wage and overtime pay under the federal Fair Labor Standards Act,<sup>8</sup> or for an employee not in a computer-related occupation, primarily performs the employee's duties for the agency in the field or another location designated by the agency that is not the employee's place of residence due to the employee's job classification or position;
- Where the appointing authority or the appointing authority's designee grants an employee an accommodation for a temporary medical condition not covered under the ADA or Ohio Civil Rights Law;

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<sup>5</sup> Ohio Constitution, Article IV.

<sup>6</sup> 42 United States Code (U.S.C.) 12111, *et seq.*

<sup>7</sup> R.C. Chapter 4112.

<sup>8</sup> 29 U.S.C. 213 and 29 Code of Federal Regulations (C.F.R.) 541.400.

- Where the appointing authority or the appointing authority's designee determines that an employee's place of residence is 40 or more miles from the agency's worksite;
- Where the appointing authority or the appointing authority's designee determines that the agency does not have adequate space or equipment for an employee at the agency's worksite.

## **Collective bargaining**

The bill makes state employee work location not an appropriate subject for collective bargaining for public employee collective bargaining agreements entered into on or after the provision's effective date. Additionally, the bill's provisions regarding state employee work location prevail over a conflicting provision in a collective bargaining agreement entered into on or after the provision's effective date.

## **DAS personnel**

(R.C. 124.07)

The bill eliminates the DAS Director's authority to designate individuals in or out of the service of the state to serve as examiners or assistants under the Director's direction, while retaining the Director's authority to appoint examiners, inspectors, clerks, and other assistants as necessary to carry out the law. Per the Office of Budget and Management, DAS does not currently employ examiners or assistants. Thus, this provision appears to have no substantive effect.

The bill also eliminates the following current law provisions related to DAS personnel:

- A requirement that an examiner or assistant be paid compensation for each day in the discharge of duties as an examiner or assistant;
- A provision specifying that rendering services in connection with an examination without extra compensation is part of an examiner's or assistant's official duties;
- A requirement that the DAS Director, examiners, inspectors, clerks, and assistants must receive reimbursement for necessary traveling and other expenses incurred in the actual discharge of their official duties.

Under continuing law, if an examiner or assistant is included in the state job classification plan, they would be paid in accordance with the appropriate salary schedule.<sup>9</sup>

## **DAS services**

(R.C. 124.07)

The bill eliminates the ability of a state-supported college or university or a municipality to use services and facilities furnished by DAS to provide and maintain payroll services and state merit standards. The bill also eliminates the DAS Director's ability to do the following:

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<sup>9</sup> R.C. 124.14, not in the bill.

- Enter into an agreement with any county, municipality, or other political subdivision to furnish DAS services and facilities in the administration of a merit program or other functions related to human resources, including providing competitive examinations for positions in the classified service;
- Designate the municipal civil service commission of the largest city within a county as the DAS Director's agent to carry out designated provisions of law administered by the DAS Director within that county; and
- Incur necessary expenses for stationery, printing, and other supplies incident to DAS business.

## **State employee pay for jury service or court attendance**

(R.C. 124.135)

The bill prohibits requiring a state employee to surrender compensation or reimbursement paid to the employee for either of the following:

- Serving on a jury;
- Appearing before a court, commission, board, or other legally constituted body when compelled to appear by the court, commission, board, or other body.

Under continuing law, a state employee is entitled to paid leave when summoned for jury duty or subpoenaed to appear before a court, commission, board, or other legally constituted body authorized by law to compel the attendance of witnesses. Paid leave is not available, however, when the state employee is a party to the action or proceeding or is subpoenaed in relation to secondary employment outside the employee's service of the state.

Currently, a state employee who serves on a jury or attends a court hearing based on a subpoena during normal working hours must remit any compensation or reimbursement above \$15 a day to the Treasurer of State.<sup>10</sup>

## **Paid leave for emergency medical or firefighting service**

(R.C. 124.1310)

The bill increases, from 40 to 120 hours, the amount of paid leave a state employee may use each calendar year to provide emergency medical or firefighting services. It also expands the reasons for which a state employee may use the paid leave to include attending a training or continuing education program that relates to providing emergency medical or firefighting services. Continuing law requires an appointing authority to pay an employee who uses the leave at the employee's regular pay rate.

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<sup>10</sup> O.A.C. 123:1-34-03.

## Procurement law and semiconductors

(R.C. 125.01 and 3333.04)

The bill expands the definition of “Buy Ohio products” in procurement law to include any product that includes semiconductors produced by a company with a significant Ohio economic presence. Under continuing law, significant Ohio economic presence means businesses that: pay required taxes to Ohio or a border state, are registered and licensed to do business in Ohio or as required by a border state, and have ten or more employees based in Ohio or the border state, or 75% or more of their employees based in Ohio or the border state. A border state means any state that is contiguous to Ohio and that does not impose a restriction greater than Ohio imposes on persons located in Ohio selling goods or services to agencies of that state.<sup>11</sup>

The bill requires that a state consortium, established by the Chancellor of Higher Education, follow rules adopted by DAS for giving preference to “Buy Ohio products,” when making a purchase with appropriated funds of any product that includes semiconductors. Otherwise, under continuing law, a consortium must follow the rules of the college or university that serves as its fiscal agent.

## Prohibited applications on state systems

(R.C. 125.183)

The bill expands the types of social media applications (“covered applications”) that are prohibited from being downloaded or used on state agency computers, networks, and devices. Specifically, it adds any application owned or controlled by an entity identified as a foreign adversary as defined in federal regulations to the prohibition. Federal regulations define foreign adversary as any foreign government or foreign nongovernment person determined by the Secretary of Commerce to have engaged in a long-term pattern or serious instances of conduct significantly adverse to the national security of the U.S. or security and safety of U.S. persons.<sup>12</sup>

Current law prohibits all of the following “covered applications” from use on state agency computers, networks, and devices:

- The TikTok application, or any successor application or service developed or provided by ByteDance;
- 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.

Under continuing law, the State Chief Information Officer must do all of the following:

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<sup>11</sup> Ohio Administrative Code (O.A.C.) 123:5-1-01.

<sup>12</sup> 15 C.F.R. 791.2.

- Require state agencies to remove any covered application from all equipment the state agency owns or leases;
- Prohibit the downloading, installation, or use of a covered application by the state agency or any officer, employee, or contractor;
- Prohibit the downloading, installation, or use of a covered application using an internet connection provided by the state agency;
- Require state agencies to take measures to prevent the downloading, installation, or use of a covered application.

A qualified person is permitted to download, install, or use a covered application for law enforcement or security purposes as long as the person takes appropriate measures to mitigate the security risks involved.

## **Sharing legal documents**

(R.C. 9.821)

The bill requires the Attorney General's Office to share with DAS's Office of Risk Management communications and documents made for the purpose of seeking or providing legal advice or counsel in connection with litigation, liability claims, contract disputes, risk management issues, and other matters involving the programs of the Office of Risk Management. The bill establishes that all communications and documents that are shared between the Office of Risk Management, a state agency, and the Attorney General's Office are privileged and confidential.

## **Public safety answering points**

(R.C. 128.021)

The bill requires all public safety answering points (PSAPs) that answer 9-1-1 calls for service in Ohio to be subject to the PSAP operations rules. Current law states that PSAPs that take 9-1-1 calls for service from wireless services are subject to such rules. By repealing "from wireless service" the bill appears to require that all PSAPs must conform to the operations rules. The bill does not, however, change the provisions of continuing law that require PSAPs not originally required to be compliant, to comply with the standards by October 3, 2025.

## **Next Generation 9-1-1 access fee**

(R.C. 128.41 and 128.54; R.C. 128.412, repealed)

The bill does both of the following regarding the Next Generation 9-1-1 access fee applied to communication services in Ohio:

- Repeals the law that would, beginning October 1, 2025, lower the fee from 40¢ to 25¢.
- Raises the fee from 40¢ to 60¢.

Under current law, "communication service" means any wireless service, multiline telephone system, and voice over internet protocol system to which the service or system is

registered to the subscriber's address within Ohio or the subscriber's primary place of using the service or system is in Ohio, and it can initiate a direct connection to 9-1-1.

Existing law allocates the amounts collected from the fee into four funds. The bill revises this allocation as follows: (1) increasing the allocation to the 9-1-1 Government Assistance Fund from 72% to 81.33%; (2) reducing the allocations to the 9-1-1 Administrative Fund from 1% to .67%, to the 9-1-1 Program Fund from 2% to 1.33%, and to the Next Generation 9-1-1 Fund from 25% to 16.67%.

The 9-1-1 Government Assistance Fund is disbursed to county treasurers for disbursement in accordance with the county's allocation formula set forth in its 9-1-1 final plan. The 9-1-1 Administrative Fund and the 9-1-1 Program Fund are used by the Tax Commissioner or the Statewide 9-1-1 Steering Committee, respectively, to defray costs incurred for carrying out the 9-1-1 Emergency Telephone Number System law. The Next Generation 9-1-1 Fund is administered by DAS and used exclusively to pay costs of installing, maintaining, and operating the call routing and core services statewide Next Generation 9-1-1 System.<sup>13</sup>

## **Entrepreneur in residence pilot program**

(R.C. 125.65, repealed; R.C. 102.02 (conforming))

The bill eliminates the entrepreneur in residence pilot program, which was established in DAS's LeanOhio office. The program's mission is to provide for better outreach by state government to small businesses, to strengthen coordination and interaction between state government and small businesses, and to make state government programs and functions simpler, easier to access, more efficient, and more responsive to the needs of small businesses.

## **State printing**

(R.C. 125.041, 125.31, 125.42, and 125.58; Repeal of R.C. 125.36, 125.38, 125.43, 125.49, 125.51, 125.56, and 125.76)

The bill eliminates the Division of State Printing within DAS, and specifically eliminates the statutory assignment of functions, powers, and duties to the Division. Under continuing law, DAS generally has supervision over all public printing. The bill recodifies a current law that appears to exempt, from DAS oversight, printing contracts that require special security paper, of a unique nature, if compliance with certain DAS requirements will result in acquiring a disproportionately inferior product or a price that exceeds by more than 5% the lowest price submitted on a non-Ohio bid.

The bill eliminates the following current law provisions, which apply specifically to state contracts for printing services. Under the bill such contracts would instead be subject to DAS procurement law generally:

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<sup>13</sup> R.C. 128.07 and 128.55, not in the bill.

- A provision that allows DAS, after determining that any or all bids or proposals are not in the interest of the state, to purchase the various printing goods and services required at the lowest price available in the open market.
- A provision allowing DAS to require that a bid or proposal for a term contract for printing goods and services, including a final printed product, be accompanied by a bond, in a sum specified in the invitation to bid.
- A requirement that the printing of all publications approved by DAS must be ordered through it.
- A requirement that each bid or proposal for state printing specify the price at which the offeror will undertake to provide the finished product as specified in the invitation to bid or request for proposals, including the necessary binding covered by such bid or proposal.
- A requirement that, after examining each bid for printing services, DAS award the contract within 30 days.
- A provision that provides that generally all printing and binding for the state is subject to the provisions specific to printing services so far as practicable.

## **State civil service**

(R.C. 124.02)

The bill replaces the requirement that the DAS Director and the State Personnel Board of Review (SPBR) exercise former functions, powers, and duties given to the State Civil Service Commission with a requirement that the DAS Director and SPBR exercise functions, powers, and duties actually given to the Commission on or before January 1, 1959. It also eliminates the requirement that any reference to the Commission in law or rule be considered to refer to DAS, the DAS Director, or SPBR.

## **Flag display on state buildings and grounds**

(R.C. 123.30)

The bill prohibits a state agency or any entity that manages the grounds or buildings under the control of a state agency from displaying on the grounds or building any flag except for:

1. The official state flag;
2. The U.S. flag; or
3. The POW/MIA flag.

However, this prohibition does not apply to the Ohio Statehouse or the grounds of the Ohio Statehouse.

## **State real property study**

(R.C. 123.14)

The bill requires DAS to conduct a comprehensive study and issue a report on all real property owned or leased by the state or a state agency every two years. The report must include

information on the nature of each property, the property's value, cost of maintenance, current and potential usage, square footage, and whether the property is owned, rented, or leased.

The bill defines the term "state agency" to encompass every "body, office, or agency established by the laws of the state for the exercise of any function of state government," including JobsOhio, excluding courts, judicial agencies, state-assisted institutions of higher education, and local agencies.