



**Ohio Department of Administrative Services
Senate Agriculture and Natural Resources Committee
2024-2025 Biennial Budget – House Bill 33**

Chairman Schaffer, Ranking Member Hicks-Hudson, and members of the Senate Agriculture and Natural Resources Committee, I am Kathleen Madden, serving as Director of the Department of Administrative Services since July of 2021, and it is my honor to present our biennial budget request for fiscal years 2024 and 2025.

The DAS budget request prioritizes data-driven investments that support the DeWine-Husted administration's goals of easing access for those doing business with the state, prioritizing an innovative and secure technical environment, creating efficiencies across state agencies, and investing in a secure Ohio. DAS has worked diligently to craft a fiscally conservative request in an inflationary environment while accomplishing our mission to support the efficient operation of state agencies, boards, and commissions.

DAS is the engine of state government, working behind the scenes to streamline services and processes. DAS is comprised of five divisions: Information Technology, General Services, Human Resources, Collective Bargaining, and Administrative Support. Within our General Services division are the offices of Procurement Services, Fleet Management, Real Estate and Planning, Mail and Printing, Properties and Facilities, and Risk Management. Through these divisions, DAS delivers more than 30 budgeted programs that provide centralized business services to all state agencies. These programs include, among others, information technology management, enterprise human resources services, procurement support services, and facility management. Centralization of common business functions is a powerful tool that benefits Ohio taxpayers directly by limiting costly redundancies in state government and allowing agencies to focus their time and budgets on their core missions of serving Ohioans.

Most DAS operations are supported by non-General Revenue Fund (GRF) funds that receive revenue from state agency customers that utilize our services. DAS's charged services include human resources, collective bargaining, procurement services, and operation of IT systems, among many others. The DAS team continually seeks opportunities to realize savings for the state as an enterprise by holding steady or decreasing the cost of our services. Since July of 2021, DAS reduced its overall headcount through attrition by approximately 40 filled positions and identified 105 budgeted vacant positions across the agency to remain unfilled. This resulted in a \$6 million reduction in projected fiscal year 2023 service costs, which enabled us to maintain or reduce rates. Overall, only 20 percent of the DAS budget for fiscal years 2024 and 2025 comes from the GRF. Of that 20 percent, almost 50 percent is for debt service.

Advancing a Secure Ohio for Local Communities

The DeWine-Husted administration has prioritized public safety. We are proud to collaborate with our local partners to enhance the safety and security of Ohioans by lowering the cost of critical, life-saving communication services.

DAS manages the Multi-Agency Radio Communication System (MARCS). MARCS is Ohio's statewide interoperable emergency radio system dedicated to providing Ohio's public safety and first responders with state-of-the-art wireless digital communications. The MARCS network consists of more than 300 towers across the state that leverage fiberoptic and microwave technology to enable state, local, and federal agencies to communicate instantly with one another during public safety events. This communication is critical to saving lives and maximizing effectiveness in both normal operations and emergency situations.

Currently, the MARCS system supports over 140,000 voice units from more than 3,000 public safety and public service agencies statewide. MARCS is a fee-for-service program. In the last several biennia, the legislature has appropriated \$2.5 million per fiscal year to subsidize the rate DAS charges local government customers from \$25 to \$10 per month per radio. The rate has been cited as a barrier to entry for local government first responder agencies. Because we believe no local government should have to worry about the cost of their first responders' communication, this budget request seeks to ease the burden on our government customers by eliminating the monthly service rate. Additionally, we are proposing language expanding the membership of the MARCS Steering Committee to include members from the legislature and other first responder groups. We believe it is important to include input from our customers and our legislative partners in conversations surrounding the MARCS program.

This request also includes an investment to modernize the state's 9-1-1 services by transitioning to Next Generation 9-1-1 (Next Gen 9-1-1). This transition represents a turning point in how Ohioans interact with emergency services. The current 9-1-1 system uses aging copper line technology. Next Gen 9-1-1 leverages modern-day digital, internet-protocol technology. Next Gen 9-1-1 will enable more efficient management of emergencies with the exchange of digital information like texts, pictures, and videos. The technology also minimizes call overload by easing the transfer of calls between jurisdictions and more precisely identifying the location of callers. The transition to Next Gen 9-1-1 is a significant effort, but it's incredibly important to the safety and security of Ohioans, and the state is taking smart, proactive steps to support Ohio communities.

This investment is two-fold: it will support the necessary statewide buildout as well as cover initial upgrade costs for local 9-1-1 centers. The initial buildout of the statewide core services includes hardware, software, and installation services. The core services include call routing for all 9-1-1 traffic, authoritative location information for calls, and integrated text-to-9-1-1 service, among others. This request will support funding initial last mile costs for the connections from local 9-1-1 centers to the core services, as well the cost to our local partners to transition their systems to Next Gen 9-1-1. Ultimately, this investment will make 9-1-1

faster, more effective, more resilient, and better integrated with first responders, improving their ability to save lives, protect property, and ensure their own safety.

Embracing Technology and Innovation

The fiscal years 2024-2025 budget request also strengthens IT investments and the services our Office of Information Technology provides to state agencies with expanded access to enterprise-wide programs.

Specifically, our request supports the success and livelihoods of citizens in need of licensure to do work in Ohio with continued investments in eLicense, the enterprise professional and occupational licensing system. The modernized eLicense system offers robust capabilities for the administration of professional and occupational licenses required to practice many professions in Ohio. Use of the system grew in the last fiscal year and now supports 294 unique license types for 23 agencies, boards, and commissions. The request also includes language to grant DAS appropriation authority directly from the fund, which will eliminate unnecessary chargebacks to boards and commissions for the cost of eLicense by paying for the proportionate share of costs directly.

This request also supports cost savings and other efficiencies with increased appropriation for consolidated IT purchasing across the enterprise by allowing DAS to make IT purchases on behalf of participating agencies. Frequently, consolidated purchasing is leveraged to procure IT solutions such as software licenses on behalf of multiple state agencies, boards, and commissions to achieve cost savings. In the current fiscal year, this appropriation has been used to purchase Salesforce and Microsoft licenses and associated software support, cloud-based initiatives with AWS, Microsoft, and Google, as well as agency-specific functional enhancements for childcare licensing, mainframe computing licenses, and others. When leveraging consolidated IT purchasing, DAS acts as a pass-through entity. State agencies benefit from advantageous pricing when DAS acts as the purchaser.

We are excited to continue our support of the InnovateOhio Platform (IOP), the backend data ecosystem which fuels online access to state data and government services with nationally recognized digital products, self-service data analytics capabilities, and secure data sharing. Under the leadership of Lt. Governor Jon Husted, IOP has greatly eased Ohioans' interactions with multiple state agencies by improving the customer experience and expanding citizen access to state resources and data. Through OH|ID, we have provided over 3.5 million Ohioans including the State workforce with a secure and private digital identity to support their digital journey. They are empowered to control the security surrounding their accounts. Any change to their account is communicated through their verified email address. Agency applications for citizens or state employees can also choose to require Multifactor Authentication (MFA) to further protect against malicious activity from bad actors and protect the sensitive functions of integrated applications through the appropriate use of security controls.

OH|ID, provides agencies with an efficient Single-Sign-On (SSO) self-service tool integrated with over 1,200 applications. As a result, Ohio citizens and businesses can have a unified

experience without the need to keep track of separate credentials as they find themselves navigating between applications hosted by different agencies, perhaps for the first time. They don't need to understand our organizational structure to get the services they need. As of this month, twenty-three (23) cabinet agencies have migrated their public facing websites to IOP, and 28 board and commission websites utilize the platform to ensure a secure, accessible, and consistent experience for our customers.

Over the last biennium, DAS also expanded the DataOhio Portal, the public-facing portal which features datasets from across state agencies. The portal enables data collaboration and sharing to facilitate data-driven decision making and innovative solutions to the complex problems Ohioans face. In fiscal year 2022, views for this public-facing portal increased by 450 percent. To date, there are 313 data sets available from over 100 programs. Notably, the IOP data analytics team has assisted several agencies in identifying fraud, waste, and abuse in service areas, resulting in the recovery of substantial taxpayer dollars. This work helped the state receive a national Government Project Experience Award from the Center for Digital Government. Within various state agencies, boards, and commissions lies a vast resource of data that can drive informed decision making when shared appropriately across state agencies. DAS seeks additional resources to support the important work of IOP and the DataOhio Portal with increases reflected in the OAKS Support Organization line.

In early 2019, the IOP Data Analytics team developed a tool that streamlined OBM data to identify the duplicate payments allowing for them to be recouped, saving taxpayers money. This modern analytics allow state systems to detect subtle duplications that escape human review. Spanning across 40 agencies, boards and commissions, the tool has confirmed 662 duplicate payments from January 2019 through January 2023. Of the \$7,041,577 in duplicate payments found, \$6,883,443 has already been recovered and the remaining amount is in the process of being recovered.

The advanced data analytics tool will continue to be utilized to recover remaining duplicate payments and allow OBM to work with agencies to identify strategies to improve procedures to prevent future duplicate payments.

Building a Secure Technical Environment

Understanding that a secure business environment is a strong business environment, Governor DeWine signed legislation creating the Cyber Ohio Reserve and Cyber Ohio Initiative during the last biennium. With the signing of Executive Order 2022-07D, the DeWine-Husted administration demonstrated its commitment to providing government and businesses with the tools necessary to maintain technology infrastructure and data in a safe and secure manner and fight back against cyberattacks. In the order, Governor DeWine created a uniform and cohesive multi-agency structure to support Ohio's cybersecurity efforts and created the position of Strategic Cybersecurity Advisor to develop that structure. DAS seeks additional resources for statewide cyber protection activities and developing an Ohio-based pool of talent and resources to address the cybersecurity challenges of today and

tomorrow. This budget request funds additional security positions in each year of the biennium to allow for greater focus on continuing to improve Ohio's cyber infrastructure.

To help attract and employ specialized talent in the cyber and IT industries, there is also a request to develop the Ohio Digital Academy (ODA). The ODA would offer reimbursement incentives to recent college graduates or those pursuing continuing education or specialized certifications in certain IT areas. The program will foster relationships with institutions of higher education to create continuing educational opportunities and programming to develop the skills needed to build a pipeline of talent for hard-to-fill IT and cybersecurity positions.

Creating Efficiencies

This budget request also includes a new self-insurance program for agencies to limit their liability related to vehicle damage. Commercial auto insurance premiums and deductibles have continued to rise in recent years and forecasts suggest that trend will continue. This budget request will build a self-insurance program for agencies with past vehicle accidents that will cap the potential liability agencies pay for repairs. Agencies will pay a single premium, established through an actuarial review, to DAS Risk Management, which will handle all processing and payments related to that vehicle claim. This will provide agencies more certainty in their expected costs for vehicle damage and support operational efficiency by allowing DAS to handle all aspects of the claim.

DAS has worked diligently to achieve operational efficiencies by working in partnership with the Office of Budget and Management (OBM) to transition much of the work previously assigned to Central Service Agency (CSA), including payroll and invoice processing. In fiscal year 2022, the share of CSA costs newly allocated to OBM directly saved boards and commissions that use CSA services approximately \$300,000. DAS seeks to codify this cost-saving measure.

Additionally, DAS has achieved significant savings for Ohio taxpayers by maximizing our use of large, state-owned buildings. We have worked diligently with agencies to identify space in state buildings that best serves each agency's unique needs. Throughout calendar years 2021 and 2022, we have eliminated nearly 375,000 square feet of excess commercial lease space, resulting in savings of \$4.9 million.

Furthermore, DAS has reduced its request in our DAS Building Management fund primarily as a result of the successful 2022 sale of the Ocasek Building authorized by the legislature. This sale will result in nearly \$13 million in cost avoidance of capital and operating expenses over the next five years.

Easing Business Access

The DeWine-Husted administration has solidified Ohio's status as a leader and magnet for major economic development projects, including manufacturing and producing Ohio-made products. DAS seeks to build on that status by continuing to invest in OhioBuys, the innovative electronic procurement system used across state government.

The OhioBuys platform supports a competitive marketplace and since its inception in the fiscal years 2020 and 2021 biennium, continues to improve functionality and increase efficiencies while growing both contract access and business participation.

In the most recent biennial budget, DAS received funds to continue implementation of OhioBuys to cabinet agencies, boards, and commissions. The additional support allowed DAS to shift from the development stage to a fully operational platform. The OhioBuys interface has increased transparency in procurement and eased access for businesses by establishing a consistent way for suppliers to do business with the state. The OhioBuys eProcurement system onboarded 14 new agencies during fiscal year 2022 and this budget request will support continued expansion to additional agencies, boards, and commissions, including the Ohio Department of Transportation.

In addition to OhioBuys, DAS seeks statutory changes necessary to effectuate administrative code allowances for the application of multiple preferences in the procurement area. The requested changes would permit multiple preferences to be applied to a single bidder or offeror. The addition of American made, Ohio-based businesses or products, and Veteran Friendly Business preferences will support Ohio-based companies while maintaining a competitive marketplace.

The State of Ohio as a Model Employer

The DeWine-Husted administration is a proven champion for mothers, babies, and children. As part of the Bold Beginnings Initiative, last year we reduced the financial strain for state employees by eliminating all insurance co-pays related to prenatal care, labor, and delivery. We also added 40 hours of foster and kinship caregiver leave for eligible state employees. We are proud to include in this budget request changes that extends paid parental leave for state employees from six weeks to twelve weeks and eliminates the existing two-week waiting period. The additional time will support a strong start for families, reduce financial burdens, and allow state employees precious time to focus on what matters most.

DAS initiatives are aimed at supporting tomorrow's workforce, transitioning to insourced program support, investing in securing data and technology resources, and ensuring a competitive marketplace. Given the wide variety of programs and services offered by DAS, there were many that I could not cover today, but for which I request your support for the Executive Budget provisions. We look forward to continuing to deliver on the DAS promise of supporting the efficient operation of state agencies, boards, and commissions with innovative solutions for the effective operation of Ohio government.

Thank you, Chairman Schaffer and members of the committee. I am happy to answer any questions you may have.