Ohio Department of Administrative Services
House Ways and Means Committee
2026-2027 Biennial Budget – House Bill 96

Chairman Roemer, Ranking Member Troy, and members of the House Ways and Means Committee, I am Kathleen Madden, the Director of the Department of Administrative Services, and it is my honor to present our biennial budget request for FY 2026 and 2027.

DAS has mindfully crafted a fiscally responsible budget, restraining, and limiting growth in an environment where inflation remains persistent and elevated. This request judiciously prioritizes resources toward essential services for Ohioans. More than half of DAS line items are reduced or flat funded in FY 2026. Where appropriation increases are requested, most of those requests are for technology-related projects that previously would have received capital funding.
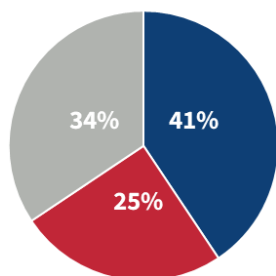
DAS is the engine of state government, working behind the scenes to streamline services and processes. DAS is comprised of seven divisions: Information Technology, Data and Efficiency, General Services, Human Resources, Collective Bargaining, First Responder Communication Initiatives, and Administrative Support. Within our General Services Division are the offices of Procurement Services, Fleet Management, Real Estate and Planning, Mail and Printing, and Properties and Facilities. Through these divisions, DAS delivers more than 30 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. The wide-ranging reach of our services is not often apparent, but they touch every state agency and employee, local governments, and ultimately every community across Ohio.

Most DAS operations are supported by non-General Revenue Fund (GRF) funds that receive revenue from state agency customers that utilize our services. DAS charged services include human resources, collective bargaining, procurement services, and the 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 wherever possible, as evidenced by more than 75% of FY25 rates either being held steady or decreased despite inflationary pressures and increasing costs. Through efficiencies and the ability to keep our headcount down, DAS payroll costs have grown at a 22% slower rate than other non-institutional cabinet agencies since 2020. DAS has 747 full-time permanent employees, the majority of which are in the office every day.

Office of the Director
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The State of Ohio is an Equal Opportunity Employer and Provider of ADA Services.

Exhibit A

Rate Snapshot: FY2022 and FY2025

DAS Rate Changes - FY2022

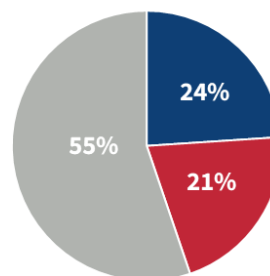|	
34%	41%
25%	

■ % increased ■ % decreased ■ % flat

- 41% of rates increased in FY2022
- Many rates weren't approved until fall of FY2022, with the final rate approved late October

DAS Rate Changes - FY2025

55%	24%
	21%

■ % increased ■ % decreased ■ % flat

- 76% of FY2025 rates are flat with or below FY2024 levels
- In addition to greater price stability, agencies have benefited from more timely rate approvals

Ohio **Department of Administrative Services**

The Executive Budget recommends total DAS appropriations of $940.1 million for FY 2026 and $811.6 million for FY 2027, representing reductions of 3.4 and 13.7 percent, respectively. In addition to scrutinizing requests to increase funding, our budget development process included a review of current accounting and budgeting practices to identify opportunities to increase efficiencies and remove unnecessary double appropriation. One outcome of this review was the determination that the Ohio Benefits system could more efficiently and effectively be managed directly by one of the primary users of the system – The Department of Job and Family Services (JFS). The Governor's Executive Budget transfers appropriations for the Ohio Benefits system to JFS, a common practice after system development, effective FY 2027.

GRF appropriations total $112.2 million for FY 2026 and $130.8 million for FY 2027, representing a reduction of 24.7 percent in FY 2026 followed by an increase of 16.6 percent. In both fiscal years, debt service, which represents 88 percent of total GRF appropriations, is the primary driver of the change.

<u>Continuing Investments for the First Responder Community</u>

The DeWine administration has prioritized public safety. We are proud to collaborate with our local partners to enhance the safety and security of Ohioans by enhancing critical, life-saving communication services.
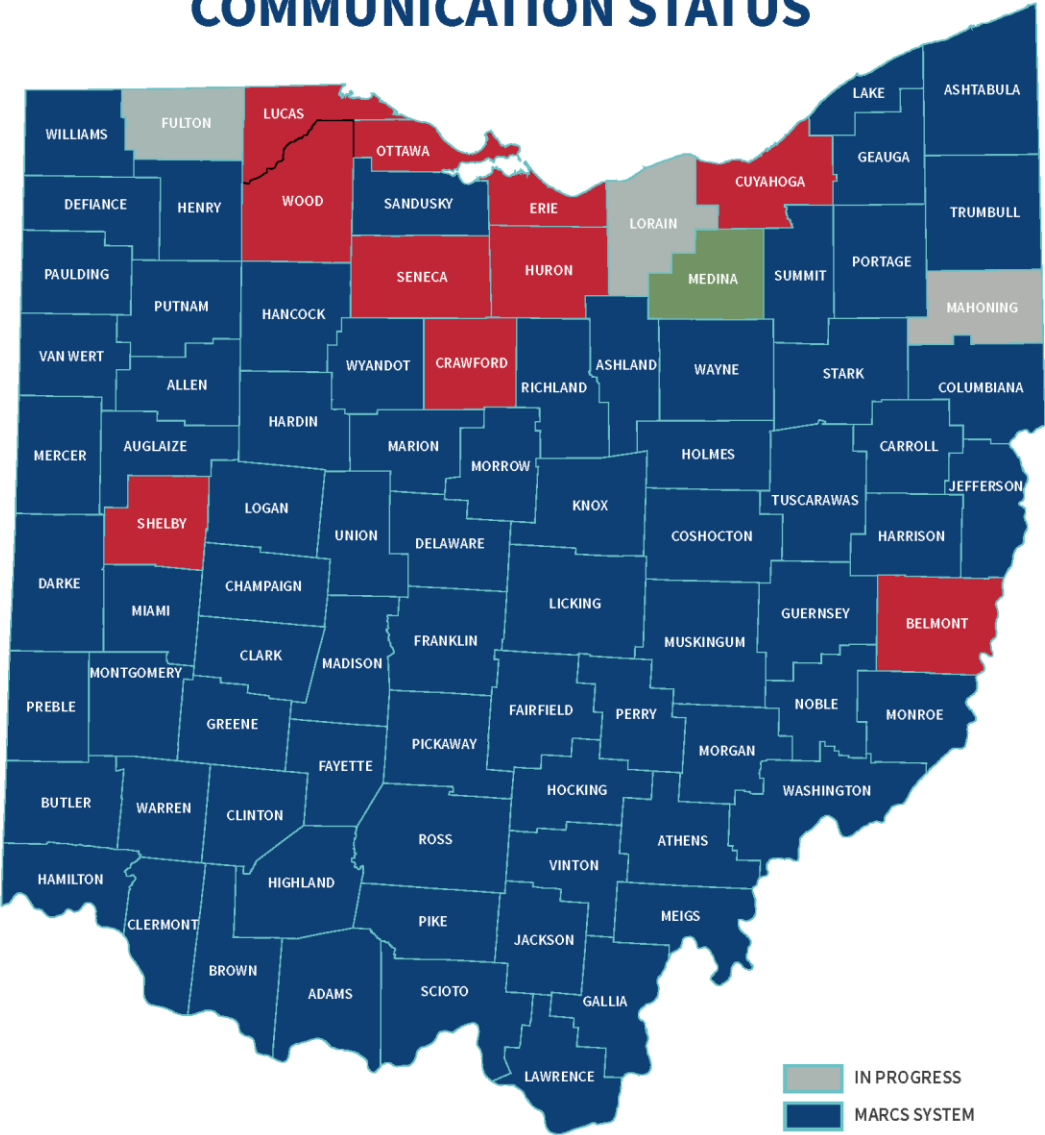
DAS manages the Multi-Agency Radio Communication System (MARCS). MARCS is Ohio's statewide interoperable emergency radio system dedicated to providing Ohio's public safety

community 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 160,000 voice units from more than 3,000 public safety and public service agencies statewide. MARCS is a fee-for-service program. In previous years, the legislature had appropriated $2.5 million per fiscal year to subsidize the rate DAS charges local government customers from $25 to $10 per month per radio. In the current biennium, the legislature increased the appropriation to $10.5 million per fiscal year, enabling DAS to further reduce the rate charged to local government customers to $5 per month per radio. This fee reduction resulted in a 5% growth in the number of local users by the end of fiscal year 2024 over the previous year. To date, the MARCS system supports 20,000 more users than prior to the fee reduction enabled under the last budget. The Executive Budget proposes to maintain GRF support at $10.5 million per fiscal year but requests a GRF cash transfer rather than a direct appropriation. This accounting change would reduce double-appropriation to show the actual size of the MARCS budget.

Exhibit B

OHIO SHERIFF
COMMUNICATION STATUS

Legend:
- IN PROGRESS
- MARCS SYSTEM
- NON-MARCS
- MARCS AND ANOTHER SYSTEM

Department of Administrative Services
Multi-Agency Radio Communication System

Last Updated: 2/25/2025

This budget request also continues to support the Next Generation 9-1-1 (Next Gen 911) system. Next Gen 911 technology provides citizens with advanced communication capabilities when calling for emergency services, such as text messaging. Next Gen 911 technology also supports more efficient emergency management by reducing the number of call transfers between 911 centers with more precise identification of the location of callers using cell phones. In the last budget, the legislature funded the necessary statewide buildout of the core services as well as the initial upgrade costs for local 9-1-1 centers. Today, I am proud to share that the buildout of the statewide core system is complete. Seven of the 10 pilot counties have been migrated to the state system and we are on track to certify the system by this spring. To date, approximately 80% of counties have expressed a commitment to join the Ohio system. Our request also proposes language to maintain the Next Gen 911 access fee at its current level of 40 cents. This is supported by the audit conducted by the Auditor of State at the direction of the General Assembly, which found that the 40-cent fee is sufficient to maintain positive balances through 2032 given projected expenditures.

Exhibit C

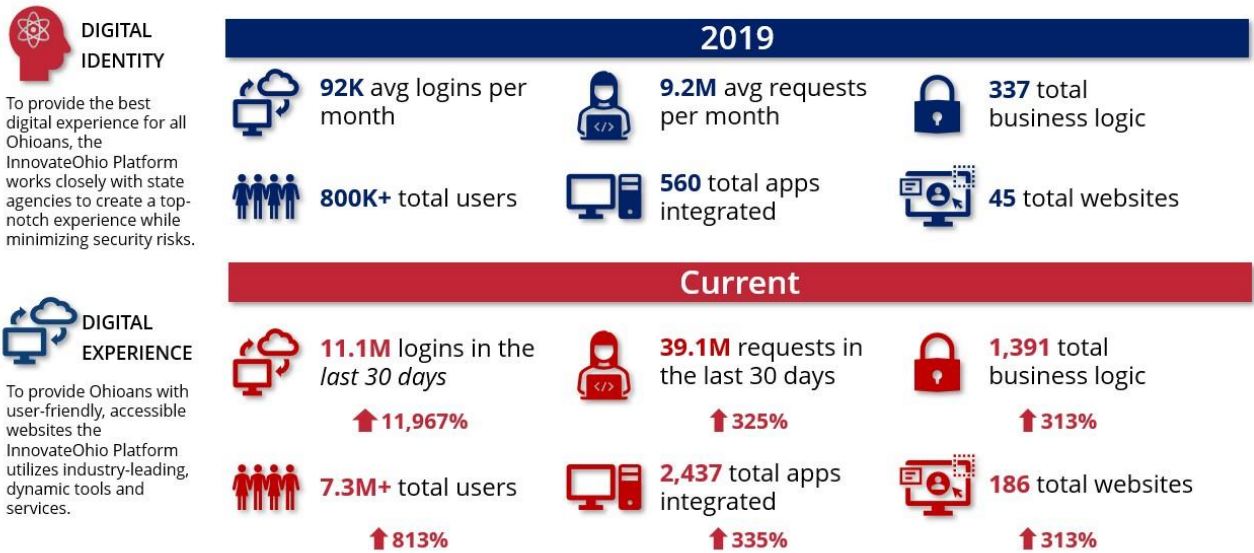Ohio Next Generation 9-1-1 Pilot Counties
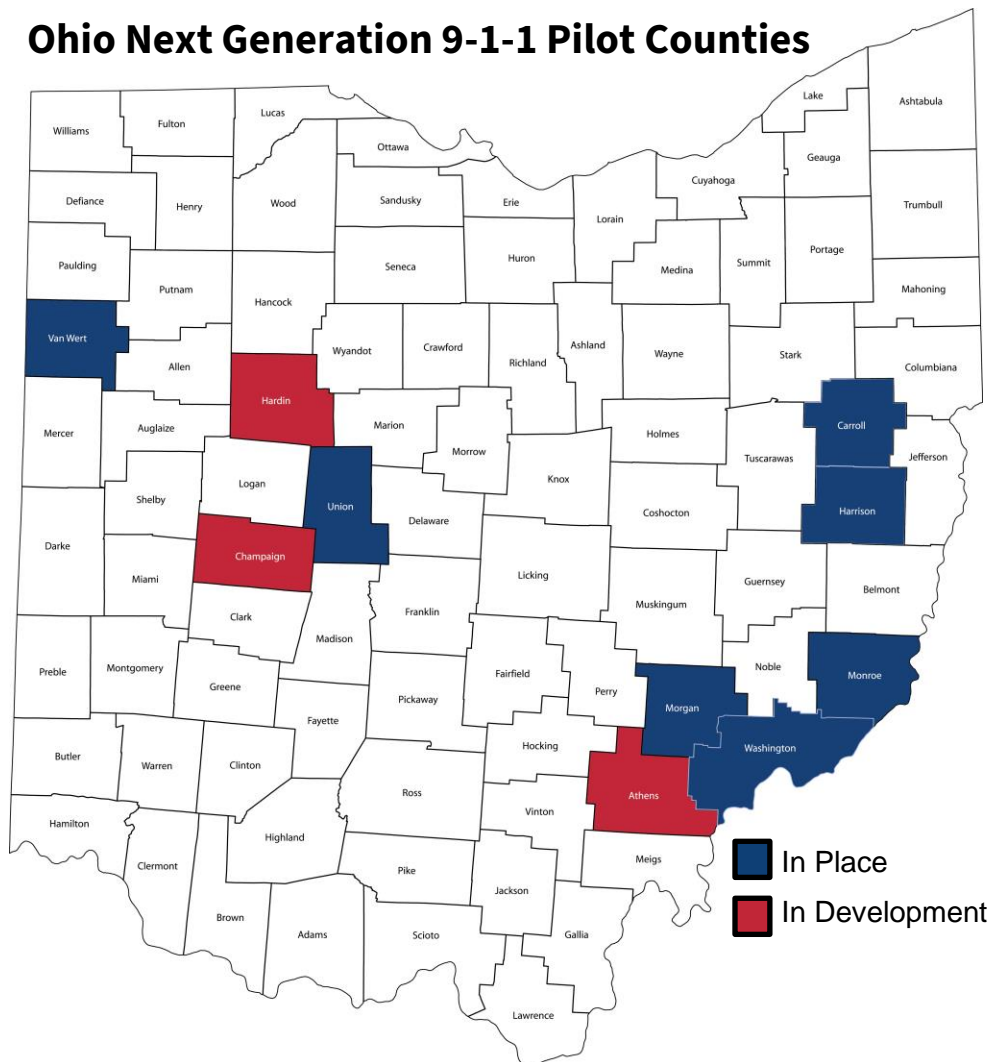
<u>Prioritizing Innovation, Cybersecurity, and Data Analytics</u>

Over the last five years, the InnovateOhio Platform (IOP) Customer Experience team greatly expanded the use of OHID, a tool that allows Ohioans to use consistent log-in information to conveniently interact securely with multiple state agencies services and applications. Ohioans use OHID in their daily lives when filing for unemployment, applying for jobs with the State of Ohio, renewing drivers' licenses and license plates, and filing taxes, to name a few. IOP has evolved into a center of technological excellence for the state. The platform has grown in size, services, and complexity, yielding increased user adoption, standardization, and an enhanced user experience, and has become a nationwide model program among other states. In 2019, IOP averaged 92,000 logins per month and 800,000 users. Today, IOP averages over 11 million logins per month and supports over 7.3 million users. To further enhance service to Ohioans and other state agencies, this budget proposes funding to support a contact center for improved customer service and quick resolution of technical issues.

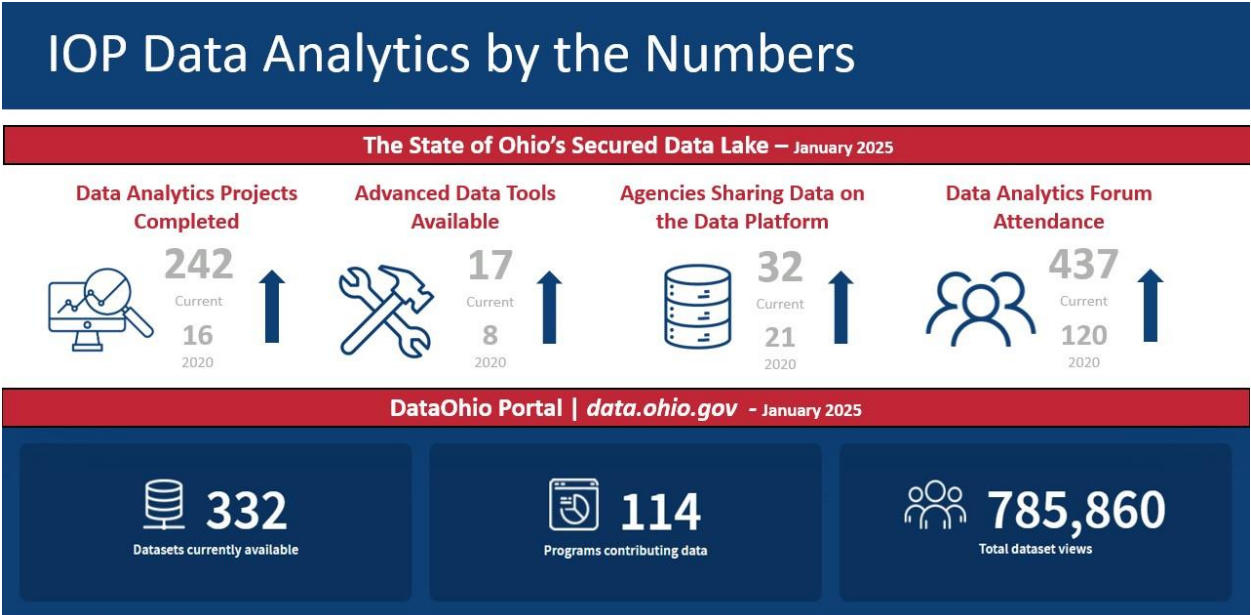**Exhibit D**

IOP Platform Growth

IOP has evolved into a center of technological excellence for the State. The platform has grown in size, services, and complexity yielding increased user adoption, standardization, and an enhanced user experience – a model program among state governments.

DIGITAL IDENTITY

To provide the best digital experience for all Ohioans, the InnovateOhio Platform works closely with state agencies to create a top-notch experience while minimizing security risks.

2019

92K avg logins per month	**9.2M** avg requests per month	**337** total business logic
800K+ total users	**560** total apps integrated	**45** total websites

DIGITAL EXPERIENCE

To provide Ohioans with user-friendly, accessible websites the InnovateOhio Platform utilizes industry-leading, dynamic tools and services.

Current

11.1M logins in the *last 30 days* ⬆11,967%	**39.1M** requests in the last 30 days ⬆325%	**1,391** total business logic ⬆313%
7.3M+ total users ⬆813%	**2,437** total apps integrated ⬆335%	**186** total websites ⬆313%

The DataOhio Portal (DOP) is the state's open data solution, transparently making public data readily available to citizens. The DOP offers over 300 datasets from more than 100 state agency programs, including data on fish stocking, H2Ohio lead service line replacements, and state employee trends. One of DOP's key features is its built-in security, which provides state agencies with the ability to manage secured and protected datasets. Secured datasets are visible, but detailed access requires pre-approval by the designated agency data owner. Protected datasets are only visible when pre-approved users are added to a permissions group by an agency data

owner. The DOP eliminates sharing data via unsecure channels and provides agencies with data governance capabilities. There are over 200 secured and protected datasets currently provisioned on the DOP.

Exhibit E

IOP Data Analytics by the Numbers

The State of Ohio's Secured Data Lake — January 2025

Data Analytics Projects Completed	Advanced Data Tools Available	Agencies Sharing Data on the Data Platform	Data Analytics Forum Attendance
242 Current	17 Current	32 Current	437 Current
16 2020	8 2020	21 2020	120 2020

DataOhio Portal | *data.ohio.gov* - January 2025

332	114	785,860
Datasets currently available	Programs contributing data	Total dataset views

Recognizing the important role data plays in everything we do, the Office of Data and Efficiency was established to compliment Ohio's advanced data technology capabilities, with a balanced focus on people and processes. Thus, in addition to the IOP Data Analytics program, this office includes a formalized approach to enterprise data governance, a newly established Data Analytics Learning Center (DALC), and the LeanOhio program. The DALC was created for state employees to learn, grow, and lead through data. In just nine months of existence, nearly 1,800 state employees have collectively earned more than 4,000 data literacy credentials, and nearly 90 employees have been enrolled in a dedicated data professionals and leadership program.
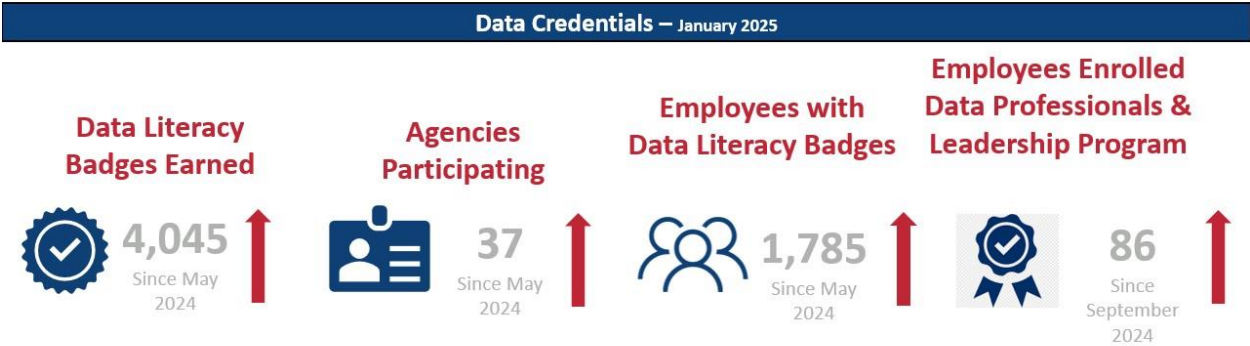
Through our investment in data, Ohio has been recognized nationally for data leadership.

Exhibit F

Data Analytics Learning Center by the Numbers

Learn here. Grow here. Lead here.

The Data Analytics Learning Center, established in May 2024, is the first certification program for State of Ohio employees interested in learning, growing, and leading with data.

Data Credentials – January 2025			
Data Literacy Badges Earned	**Agencies Participating**	**Employees with Data Literacy Badges**	**Employees Enrolled Data Professionals & Leadership Program**
4,045 Since May 2024	37 Since May 2024	1,785 Since May 2024	86 Since September 2024

LeanOhio has continued to support state agencies in identifying and implementing better, simpler, faster, and less costly processes and services. Since 2011, 529 total projects have been completed, which has resulted in a 67 percent reduction in processing times and 62 percent reduction in process steps. Examples of recent LeanOhio-led projects include the Nursing Board eliminating its backlog of 8,500 applications and reducing nursing license application processing times from four months to two days.

Additionally, the Office of Information Security and Privacy has strengthened the cybersecurity posture of state agencies. DAS recognizes the always-changing landscape of cyber threats and attacks and is committed to providing a cohesive multi-agency structure for Ohio's cybersecurity efforts.

Recognizing the importance of investing in a cybersecurity workforce, DAS created the Ohio Digital Academy (ODA) through which we are growing a skilled workforce for today and tomorrow. ODA has created an IT workforce pipeline by training and employing entrants to the industry and setting them on a path for a successful career in high demand fields. Analysts complete a four-week bootcamp during their initial month of hire and commit to three years of public service. There are currently 30 analysts in the program working for six different agencies. Interest in this program continues to increase with our January 2025 cohort receiving over three times the number of applications as the January 2024 cohort. Most recently, we received 3,217 applications for 15 available positions. This budget request continues to fund ODA to generate high-tech workforce capacity and meet Ohio's advanced technology and cybersecurity needs.

<u>OhioBuys Expands Business Opportunities, Lowers Costs</u>

OhioBuys, the State of Ohio online procurement system managed by DAS, is improving efficiency in state government procurement, lowering costs to state agencies, boards, and commissions, and expanding opportunities to Ohio businesses. The system supports nearly all of state government, most using the solution for more than 95% of their purchases. To date, there are 62,130 Ohio companies registered in OhioBuys.

Since July 2021, the number of bid responses has increased significantly. State agencies previously received an average of less than two responses from suppliers for each solicitation; they now receive an average of 4.3 responses, an increase of 126%. The rise in bid responses led to an estimated $11.5 million in savings resulting from increased competition.

Exhibit G

		Average Proposals	Awarded
Supplier Responses to Solicitations	Pre-Ohio Buys	1.9	N/A
	FY 23	4.3	3,708
	FY 24	4.3	4,949

System users are also benefiting from the decreased time it takes to secure necessary goods and services. Before OhioBuys, they waited an average of 25.9 days from the time they sought a purchase until they had a purchase order created. Thanks to OhioBuys' automated workflows, the average time it took an agency in FY 2024 from request to purchase order was 4.9 days. That reduction amounts to 1.3 million days of processing time saved across state government.

Exhibit H

		Total Orders	Average Cycle Time
Requisition to PO Cycle Time	Pre-Ohio Buys	N/A	25.9 Days
	FY 23	48,181	6.1 Days
	FY 24	62,528	4.9 Days

DAS initiatives are aimed at supporting tomorrow's workforce, 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 appropriations. 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 Roemer and members of the committee. I am happy to answer any questions you may have.