

I_134_1579

134th General Assembly
Regular Session
2021-2022

Sub. H. B. No. 230

A BILL

To amend sections 107.03, 125.18, and 126.506 and
to enact sections 103.28, 126.41, and 126.42 of
the Revised Code regarding the state's
information technology systems and shared
services.

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That sections 107.03, 125.18, and 126.506 be
amended and sections 103.28, 126.41, and 126.42 of the Revised
Code be enacted to read as follows:

Sec. 103.28. (A) As used in this section:

(1) "Department" has the same meaning as in section 121.01
of the Revised Code, except that it also includes the bureau of
workers' compensation, department of education, department of
higher education, department of taxation, and public utilities
commission of Ohio.

(2) "Statewide elected official" means the governor,
lieutenant governor, secretary of state, auditor of state,
attorney general, and treasurer of state.



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(B) (1) Not later than October 1, 2022, and not later than 18
the first day of October of every even-numbered year thereafter, 19
the administrative head of each department and each statewide 20
elected official shall submit to the director of budget and 21
management a report that includes information regarding each 22
department's and official's total expenditures on information 23
technology systems and services with respect to the previous 24
biennium. 25

(2) The administrative department heads and statewide 26
elected officials shall include in the report described under 27
division (B) (1) of this section expenditures for the following 28
types of information technology systems and services: 29

(a) Internet service; 30

(b) Information technology hardware, software, security, 31
and services; 32

(c) Contracts with respect to any services related to 33
maintaining and repairing information technology systems; 34

(d) Projects undertaken with respect to information 35
technology; 36

(e) The salaries, wages, and benefits paid to employees 37
whose duties primarily include performing information technology 38
services. 39

(C) The director of budget and management shall compile 40
the information the director receives under division (B) (1) of 41
this section. Not later than November 1, 2022, and not later 42
than the first day of November of every even-numbered year 43
thereafter, the director shall submit the information to the 44
director of the legislative service commission. 45

(D) (1) On receiving the information compiled under 46
division (C) of this section, the director of the legislative 47
service commission shall use the information to create a state 48
information technology biennial expenditure report. The director 49
shall make the report as brief as practicable and include both 50
of the following in the report: 51

(a) The name of each department and each statewide elected 52
official's office; 53

(b) Each department's and office's total expenditures in 54
the previous biennium with respect to information technology 55
systems and services. 56

(2) Not later than February 1, 2023, and not later than 57
the first day of February of each odd-numbered year thereafter, 58
the director shall submit the report to the general assembly in 59
accordance with section 101.68 of the Revised Code. 60

Sec. 107.03. (A) As used in this section, "transportation 61
budget" means the biennial budget that primarily includes the 62
following: 63

(1) Motor fuel excise tax-related appropriations for the 64
department of transportation, public works commission, and 65
development services agency; 66

(2) Other appropriations that pertain to transportation 67
and infrastructure related to transportation. 68

(B) The governor shall submit a transportation budget to 69
the general assembly not later than four weeks after the general 70
assembly's organization. 71

(C) The governor shall submit to the general assembly, not 72
later than four weeks after its organization, a state budget 73

containing a complete financial plan for the ensuing fiscal 74
biennium, excluding items of revenue and expenditure described 75
in section 126.022 of the Revised Code. However, in years of a 76
new governor's inauguration, this budget shall be submitted not 77
later than the fifteenth day of March. 78

(D) In years of a new governor's inauguration, only the 79
new governor shall submit a budget to the general assembly. In 80
addition to other things required by law, each of the governor's 81
budgets shall contain: 82

(1) A general budget summary by function and agency 83
setting forth the proposed total expenses from each and all 84
funds and the anticipated resources for meeting such expenses; 85
such resources to include any available balances in the several 86
funds at the beginning of the biennium and a classification by 87
totals of all revenue receipts estimated to accrue during the 88
biennium under existing law and proposed legislation. 89

(2) A detailed statement showing the amounts recommended 90
to be appropriated from each fund for each fiscal year of the 91
biennium for current expenses, including, but not limited to, 92
information technology systems and services, personal services, 93
supplies and materials, equipment, subsidies and revenue 94
distribution, merchandise for resale, transfers, and nonexpense 95
disbursements, obligations, interest on debt, and retirement of 96
debt, and for the biennium for capital outlay, to the respective 97
departments, offices, institutions, as defined in section 121.01 98
of the Revised Code, and all other public purposes; and, in 99
comparative form, the actual expenses by source of funds during 100
each fiscal year of the previous two bienniums for each such 101
purpose. No alterations shall be made in the requests for the 102
legislative and judicial branches of the state filed with the 103

director of budget and management under section 126.02 of the Revised Code. If any amount of federal money is recommended to be appropriated or has been expended for a purpose for which state money also is recommended to be appropriated or has been expended, the amounts of federal money and state money involved shall be separately identified.

(3) A detailed estimate of the revenue receipts in each fund from each source under existing laws during each year of the biennium; and, in comparative form, actual revenue receipts in each fund from each source for each year of the two previous bienniums;

(4) The estimated cash balance in each fund at the beginning of the biennium covered by the budget; the estimated liabilities outstanding against each such balance; and the estimated net balance remaining and available for new appropriations;

(5) A detailed estimate of the additional revenue receipts in each fund from each source under proposed legislation, if enacted, during each year of the biennium;

(6) A description of each tax expenditure; a detailed estimate of the amount of revenues not available to the general revenue fund under existing laws during each fiscal year of the biennium covered by the budget due to the operation of each tax expenditure; and, in comparative form, the amount of revenue not available to the general revenue fund during each fiscal year of the immediately preceding biennium due to the operation of each tax expenditure. The report prepared by the department of taxation pursuant to section 5703.48 of the Revised Code shall be submitted to the general assembly as an appendix to the governor's budget. As used in this division, "tax expenditure"

has the same meaning as in section 5703.48 of the Revised Code. 134

(7) The most recent report prepared by the tax expenditure 135
review committee under division (F) of section 5703.95 of the 136
Revised Code, which shall be submitted to the general assembly 137
as an appendix to the governor's budget. 138

Sec. 125.18. (A) There is hereby established the office of 139
information technology within the department of administrative 140
services. The office shall be under the supervision of a state 141
chief information officer to be appointed by the director of 142
administrative services and subject to removal at the pleasure 143
of the director. The chief information officer is an assistant 144
director of administrative services. 145

(B) Under the direction of the director of administrative 146
services, the state chief information officer shall lead, 147
oversee, and direct state agency activities related to 148
information technology development and use. In that regard, the 149
state chief information officer shall do all of the following: 150

(1) Coordinate and superintend statewide efforts to 151
promote common use and development of technology by state 152
agencies. The office of information technology shall establish 153
policies and standards that govern and direct state agency 154
participation in statewide programs and initiatives. 155

(2) Establish policies and standards for the acquisition 156
and use of common information technology by state agencies, 157
including, but not limited to, hardware, software, technology 158
services, and security, and the extension of the service life of 159
information technology systems, with which state agencies shall 160
comply; 161

(3) Establish criteria and review processes to identify 162

state agency information technology projects or purchases that 163
require alignment or oversight. As appropriate, the department 164
of administrative services shall provide the governor and the 165
director of budget and management with notice and advice 166
regarding the appropriate allocation of resources for those 167
projects. The state chief information officer may require state 168
agencies to provide, and may prescribe the form and manner by 169
which they must provide, information to fulfill the state chief 170
information officer's alignment and oversight role; 171

(4) Establish policies and procedures for the security of 172
personal information that is maintained and destroyed by state 173
agencies; 174

(5) Employ a chief information security officer who is 175
responsible for the implementation of the policies and 176
procedures described in division (B) (4) of this section and for 177
coordinating the implementation of those policies and procedures 178
in all of the state agencies; 179

(6) Employ a chief privacy officer who is responsible for 180
advising state agencies when establishing policies and 181
procedures for the security of personal information and 182
developing education and training programs regarding the state's 183
security procedures; 184

(7) Establish policies on the purchasing, use, and 185
reimbursement for use of handheld computing and 186
telecommunications devices by state agency employees; 187

(8) Establish policies for the reduction of printing and 188
the use of electronic records by state agencies; 189

(9) Establish policies for the reduction of energy 190
consumption by state agencies; 191

(10) Compute the amount of revenue attributable to the	192
amortization of all equipment purchases and capitalized systems	193
from information technology service delivery and major	194
information technology purchases, MARCS administration,	195
enterprise applications, and the professions licensing system	196
operating appropriation items and major computer purchases	197
capital appropriation items that is recovered as part of the	198
information technology services rates the department of	199
administrative services charges and deposits into the	200
information technology fund created in section 125.15 of the	201
Revised Code, the user fees the department of administrative	202
services charges and deposits in the MARCS administration fund	203
created in section 4501.29 of the Revised Code, the rates the	204
department of administrative services charges to benefiting	205
agencies for the operation and management of information	206
technology applications and deposits in the enterprise	207
applications fund, and the rates the department of	208
administrative services charges for the cost of ongoing	209
maintenance of the professions licensing system and deposits in	210
the professions licensing system fund. The enterprise	211
applications fund is hereby created in the state treasury.	212
(11) Regularly review and make recommendations regarding	213
improving the infrastructure of the state's cybersecurity	214
operations with existing resources and through partnerships	215
between government, business, and institutions of higher	216
education;	217
(12) Assist, as needed, with general state efforts to grow	218
the cybersecurity industry in this state;	219
<u>(13) Establish and implement a strategic roadmap for</u>	220
<u>migrating the state's information technology systems to the</u>	221

<u>state of Ohio computer center and to the state's commercial</u>	222
<u>cloud providers managed by the office of information technology.</u>	223
(C) (1) The chief information security officer shall assist	224
each state agency with the development of an information	225
technology security strategic plan and review that plan, and	226
each state agency shall submit that plan to the state chief	227
information officer. The chief information security officer may	228
require that each state agency update its information technology	229
security strategic plan annually as determined by the state	230
chief information officer.	231
(2) Prior to the implementation of any information	232
technology data system, a state agency shall prepare or have	233
prepared a privacy impact statement for that system.	234
(D) When a state agency requests a purchase of information	235
technology supplies or services under Chapter 125. of the	236
Revised Code, the state chief information officer may review and	237
reject the requested purchase for noncompliance with information	238
technology direction, plans, policies, standards, or project-	239
alignment criteria.	240
(E) The office of information technology may operate	241
technology services for state agencies in accordance with this	242
chapter.	243
Notwithstanding any provision of the Revised Code to the	244
contrary, the office of information technology may assess a	245
transaction fee on each license or registration issued as part	246
of an electronic licensing system operated by the office in an	247
amount determined by the office not to exceed three dollars and	248
fifty cents. The transaction fee shall apply to all	249
transactions, regardless of form, that immediately precede the	250

issuance, renewal, reinstatement, reactivation of, or other 251
activity that results in, a license or registration to operate 252
as a regulated professional or entity. Each license or 253
registration is a separate transaction to which a fee under this 254
division applies. Notwithstanding any provision of the Revised 255
Code to the contrary, if a fee is assessed under this section, 256
no agency, board, or commission shall issue a license or 257
registration unless a fee required by this division has been 258
received. The director of administrative services may collect 259
the fee or require a state agency, board, or commission for 260
which the system is being operated to collect the fee. Amounts 261
received under this division shall be deposited in or 262
transferred to the professions licensing system fund created in 263
division (I) of this section. 264

(F) With the approval of the director of administrative 265
services, the office of information technology may establish 266
cooperative agreements with federal and local government 267
agencies and state agencies that are not under the authority of 268
the governor for the provision of technology services and the 269
development of technology projects. 270

(G) The office of information technology may operate a 271
program to make information technology purchases. The director 272
of administrative services may recover the cost of operating the 273
program from all participating government entities by issuing 274
intrastate transfer voucher billings for the procured technology 275
or through any pass-through billing method agreed to by the 276
director of administrative services, the director of budget and 277
management, and the participating government entities that will 278
receive the procured technology. 279

If the director of administrative services chooses to 280

recover the program costs through intrastate transfer voucher 281
billings, the participating government entities shall process 282
the intrastate transfer vouchers to pay for the cost. Amounts 283
received under this section for the information technology 284
purchase program shall be deposited to the credit of the 285
information technology governance fund created in section 125.15 286
of the Revised Code. 287

(H) Upon request from the director of administrative 288
services, the director of budget and management may transfer 289
cash from the information technology fund created in section 290
125.15 of the Revised Code, the MARCS administration fund 291
created in section 4501.29 of the Revised Code, the enterprise 292
applications fund created in division (B)(10) of this section, 293
or the professions licensing system fund created in division (I) 294
of this section to the major information technology purchases 295
fund in an amount not to exceed the amount computed under 296
division (B)(10) of this section. The major information 297
technology purchases fund is hereby created in the state 298
treasury. 299

(I) There is hereby created in the state treasury the 300
professions licensing system fund. The fund shall be used to 301
operate the electronic licensing system referenced in division 302
(E) of this section. 303

(J) As used in this section: 304

(1) "Personal information" has the same meaning as in 305
section 149.45 of the Revised Code. 306

(2) "State agency" means every organized body, office, or 307
agency established by the laws of the state for the exercise of 308
any function of state government, other than any state-supported 309

institution of higher education, the office of the auditor of 310
state, treasurer of state, secretary of state, or attorney 311
general, the adjutant general's department, the bureau of 312
workers' compensation, the industrial commission, the public 313
employees retirement system, the Ohio police and fire pension 314
fund, the state teachers retirement system, the school employees 315
retirement system, the state highway patrol retirement system, 316
the general assembly or any legislative agency, the capitol 317
square review advisory board, or the courts or any judicial 318
agency. 319

Sec. 126.41. (A) The biannual advisory committee on state 320
information and technology is created. The committee shall 321
examine the state's information technology systems and services, 322
including all of the following topics: 323

(1) The state's spending on information technology systems 324
and services; 325

(2) Possible enhancements to the state's information 326
technology systems and services, including improvements to 327
state-owned application software; 328

(3) Initiatives regarding the state's information 329
technology systems and services; 330

(4) Any feedback from state and county users of the 331
state's information technology systems and services. 332

(B) (1) The committee shall develop recommendations for 333
legislative action with respect to the topics the committee 334
examines under division (A) of this section. In developing the 335
recommendations, the committee shall consider the report the 336
cybersecurity and fraud advisory board submits to the committee 337
pursuant to section 126.42 of the Revised Code. 338

(2) Not later than thirty days after the committee 339
receives the report from the cybersecurity and fraud advisory 340
board, the committee shall submit its recommendations to the 341
director of administrative services, who shall make them 342
publicly available on the internet web site maintained by the 343
department of administrative services. 344

(3) The committee may require the cybersecurity and fraud 345
advisory board to submit an updated report as the committee 346
determines necessary to ensure the report reflects the best 347
practices regarding cybersecurity and fraud prevention that 348
exist at the time the board submits the updated report. If the 349
committee requires the updated report, the committee shall, not 350
later than thirty days after receiving the updated report, 351
update the committee's recommendations and submit them to the 352
director, who shall make them publicly available on the 353
department's internet web site. 354

(C) The committee consists of the following nine members: 355

(1) The chairpersons of the standing committees of the 356
senate and the house of representatives to which legislation 357
pertaining to information technology is customarily referred, as 358
appointed by the president of the senate and the speaker of the 359
house of representatives, respectively; 360

(2) Two members of the senate, appointed by the president 361
of the senate, not more than one of whom shall be a member of 362
the majority party; 363

(3) Two members of the house of representatives, appointed 364
by the speaker of the house of representatives, not more than 365
one of whom shall be a member of the majority party; 366

(4) The state chief information officer or the officer's 367

<u>designee;</u>	368
<u>(5) The chief information security officer or the</u>	369
<u>officer's designee;</u>	370
<u>(6) One member appointed by the governor.</u>	371
<u>(D) The committee member appointed by the governor serves</u>	372
<u>for a term of two years ending on the same day as the date of</u>	373
<u>the member's original appointment. Legislative members serve</u>	374
<u>during the session of the general assembly in which they are</u>	375
<u>appointed to the committee and for as long as they are members</u>	376
<u>of the general assembly. Vacancies shall be filled in the same</u>	377
<u>manner as original appointments.</u>	378
<u>(E) Members of the committee serve without compensation</u>	379
<u>and shall not be reimbursed for expenses. Members serve at the</u>	380
<u>pleasure of the appointing authority.</u>	381
<u>(F) (1) The committee shall organize itself and select co-</u>	382
<u>chairpersons from among its members, one of whom shall be a</u>	383
<u>member of the senate, and one of whom shall be a member of the</u>	384
<u>house of representatives. The committee shall meet at the call</u>	385
<u>of the co-chairpersons.</u>	386
<u>(2) The committee shall hold at least one meeting each</u>	387
<u>year to focus solely on soliciting feedback from county</u>	388
<u>departments that use the state's information technology systems</u>	389
<u>and services. The committee shall use the feedback to assist the</u>	390
<u>committee in developing recommendations regarding possible</u>	391
<u>improvements to those systems.</u>	392
<u>(G) The co-chairpersons, at their discretion, may appoint</u>	393
<u>members to the cybersecurity and fraud advisory board in</u>	394
<u>addition to the board's members listed under division (C) of</u>	395
<u>section 126.42 of the Revised Code.</u>	396

(H) The committee shall not hold an executive session 397
pursuant to division (G) of section 121.22 of the Revised Code. 398

Sec. 126.42. (A) (1) The cybersecurity and fraud advisory 399
board is created. The board shall examine and develop 400
recommendations for legislative action with regard to best 401
practices in, shared experiences regarding, and future efforts 402
to improve cybersecurity and fraud prevention with respect to 403
the information technology systems and shared services used 404
across state agencies. 405

(2) The board shall not examine open vulnerabilities, 406
security protocols, or legal issues with respect to the state's 407
cybersecurity and fraud prevention measures. 408

(B) (1) The board shall submit a report of its findings and 409
recommendations to the biannual advisory committee on state 410
information and technology not later than June 1, 2022. Pursuant 411
to division (B) of section 126.41 of the Revised Code, the 412
committee may require the board to submit an updated report as 413
the committee determines necessary to ensure the report reflects 414
the best practices regarding cybersecurity and fraud prevention 415
that exist at the time the board submits the updated report. 416

(2) The board periodically shall review the most recent 417
report submitted under division (B) (1) of this section as the 418
board determines necessary to ensure the report reflects the 419
best practices that exist at the time of review. 420

(C) The board consists of the following members, all of 421
whom must have a background and expertise in cybersecurity or 422
fraud prevention to be eligible for appointment: 423

(1) One member appointed by the governor; 424

(2) One member appointed by the attorney general; 425

<u>(3) One member appointed by the auditor of state;</u>	426
<u>(4) One member appointed by the secretary of state;</u>	427
<u>(5) One member appointed by the treasurer of state;</u>	428
<u>(6) The chief information security officer;</u>	429
<u>(7) Any additional member the co-chairpersons of the</u>	430
<u>biannual advisory committee on state information and technology</u>	431
<u>appoint to the board pursuant to division (G) of section 126.41</u>	432
<u>of the Revised Code.</u>	433
<u>(D) The chief information security officer serves as the</u>	434
<u>chairperson of the board. The board shall meet at the call of</u>	435
<u>the chairperson and shall meet at least twice each year.</u>	436
<u>(E) Members serve without compensation and shall not be</u>	437
<u>reimbursed for expenses. Members serve at the pleasure of the</u>	438
<u>appointing authority. Vacancies shall be filled in the same</u>	439
<u>manner as original appointments.</u>	440
<u>(F) The board shall not hold an executive session pursuant</u>	441
<u>to division (G) of section 121.22 of the Revised Code.</u>	442
Sec. 126.506. (A) Each state agency shall participate in	443
information technology consolidation projects implemented by the	444
state chief information officer under section 125.18 of the	445
Revised Code.	446
(B) At the direction of and in the format specified by the	447
director of administrative services, each state agency shall	448
maintain a list of information technology assets possessed by	449
the agency and associated costs related to those assets.	450
<u>(C) The director shall maintain a list of state-owned</u>	451
<u>application software and associated hardware in a format</u>	452

<u>specified by the director.</u>	453
Section 2. That existing sections 107.03, 125.18, and	454
126.506 of the Revised Code are hereby repealed.	455
Section 3. (A) As used in this section, "state agency" has	456
the same meaning as in section 126.50 of the Revised Code.	457
(B) Subject to division (C) of this section, the Director	458
of Administrative Services shall enter into a contract with a	459
private entity pursuant to which the entity agrees to do both of	460
the following:	461
(1) Study all of the following:	462
(a) The state's management practices regarding its	463
information technology systems and shared services;	464
(b) The state's processes for procuring information	465
technology;	466
(c) The state's best practices and standards regarding the	467
state's use of cloud services;	468
(d) Notwithstanding any provision of section 125.32 of the	469
Revised Code to the contrary, the state's data sharing	470
practices;	471
(e) An analysis of data and information silos that exist	472
throughout the state's information technology systems;	473
(f) The state's ability to consolidate its information	474
technology services and structures;	475
(g) Software as a service methodology to improve the	476
delivery of results or specific services for the state;	477
(h) An outlook of the state's ability to improve its	478
future information technology systems, shared services, and	479

control framework. 480

(2) Prepare a report that includes the entity's findings 481
from the study performed under division (B)(1) of this section 482
and submit the report to the General Assembly not later than 483
eighteen months after the effective date of this section. 484

(C) Before entering into the contract described in 485
division (B) of this section, the Director shall request 486
approval from the Controlling Board to make expenditures of not 487
more than five hundred thousand dollars under the contract. If 488
the Controlling Board denies the Director's request, the 489
Director shall not enter into the contract. 490

(D) (1) The Director shall do both of the following: 491

(a) Establish a strategic roadmap to consolidate state 492
ownership of application software that are shared across state 493
agencies; 494

(b) Identify existing data and information silos that 495
exist throughout the state's information technology systems. 496

(2) The Director shall prepare and submit a report that 497
includes the information described in division (C)(1) of this 498
section to the General Assembly not later than twenty months 499
after the effective date of this section. 500

(E) The Director of Administrative Services, in 501
consultation with the Director of Budget and Management, shall 502
conduct a study that analyzes the average industry fee rates 503
charged for data hosting services. The Director of 504
Administrative Services shall conclude the study and submit the 505
findings of the study to the Director of Budget and Management 506
not later than six months after the effective date of this 507
section. Not later than six months after the Director of 508

Administrative Services submits the study, the Director of	509
Budget and Management shall set the fees the Director of Budget	510
and Management charges for data hosting services to rates that	511
are comparable to average industry rates.	512