

**As Passed by the House**

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**H. B. No. 74**

**Representatives Hall, Lightbody**

**Cosponsors: Representatives Johnson, Brennan, Upchurch, Dell'Aquila, Forhan, Seitz, Creech, John, Abdullahi, Baker, Bird, Brewer, Brown, Carruthers, Click, Dobos, Galonski, Grim, Gross, Holmes, Hoops, Isaacsohn, Kick, Merrin, Miller, A., Miller, J., Miranda, Russo, Schmidt, Somani, White, Williams, Young, T.**

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**A BILL**

To amend sections 107.03, 125.18, and 126.506 and 1  
to enact sections 103.28, 126.41, and 126.42 of 2  
the Revised Code regarding the state's 3  
information technology systems and shared 4  
services. 5

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

**Section 1.** That sections 107.03, 125.18, and 126.506 be 6  
amended and sections 103.28, 126.41, and 126.42 of the Revised 7  
Code be enacted to read as follows: 8

**Sec. 103.28.** (A) As used in this section: 9

(1) "Department" has the same meaning as in section 121.01 10  
of the Revised Code, except that it also includes the bureau of 11  
workers' compensation, department of education, department of 12  
higher education, department of taxation, and public utilities 13  
commission of Ohio. 14

(2) "Statewide elected official" means the governor, 15

lieutenant governor, secretary of state, auditor of state, 16  
attorney general, and treasurer of state. 17

(B) (1) Not later than ninety days after the effective date 18  
of this section, or as soon as practicable thereafter, and not 19  
later than the first day of October of every even-numbered year 20  
thereafter, the administrative head of each department and each 21  
statewide elected official shall submit to the director of 22  
budget and management a report that includes information 23  
regarding each department's and official's total expenditures on 24  
information technology systems and services with respect to the 25  
previous biennium. 26

(2) The administrative department heads and statewide 27  
elected officials shall include in the report described under 28  
division (B) (1) of this section expenditures for the following 29  
types of information technology systems and services: 30

(a) Internet service; 31

(b) Information technology hardware, software, security, 32  
and services; 33

(c) Contracts with respect to any services related to 34  
maintaining and repairing information technology systems; 35

(d) Projects undertaken with respect to information 36  
technology; 37

(e) The salaries, wages, and benefits paid to employees 38  
whose duties primarily include performing information technology 39  
services. 40

(C) The director of budget and management shall compile 41  
the information the director receives under division (B) (1) of 42  
this section. Not later than one hundred twenty days after the 43

effective date of this section, or as soon as practicable 44  
thereafter, and not later than the first day of November of 45  
every even-numbered year thereafter, the director of budget and 46  
management shall submit the information to the director of the 47  
legislative service commission. 48

(D) (1) On receiving the information compiled under 49  
division (C) of this section, the director of the legislative 50  
service commission shall use the information to create a state 51  
information technology biennial expenditure report. The director 52  
shall make the report as brief as practicable and include both 53  
of the following in the report: 54

(a) The name of each department and each statewide elected 55  
official's office; 56

(b) Each department's and office's total expenditures in 57  
the previous biennium with respect to information technology 58  
systems and services. 59

(2) Not later than one hundred eighty days after the 60  
effective date of this section, or as soon as practicable 61  
thereafter, and not later than the first day of February of each 62  
odd-numbered year thereafter, the director shall submit the 63  
report to the general assembly in accordance with section 101.68 64  
of the Revised Code. 65

**Sec. 107.03.** (A) As used in this section, "transportation 66  
budget" means the biennial budget that primarily includes the 67  
following: 68

(1) Motor fuel excise tax-related appropriations for the 69  
department of transportation, public works commission, and 70  
department of development; 71

(2) Other appropriations that pertain to transportation 72

and infrastructure related to transportation. 73

(B) The governor shall submit a transportation budget to 74  
the general assembly not later than four weeks after the general 75  
assembly's organization. 76

(C) The governor shall submit to the general assembly, not 77  
later than four weeks after its organization, a state budget 78  
containing a complete financial plan for the ensuing fiscal 79  
biennium, excluding items of revenue and expenditure described 80  
in section 126.022 of the Revised Code. However, in years of a 81  
new governor's inauguration, this budget shall be submitted not 82  
later than the fifteenth day of March. 83

(D) In years of a new governor's inauguration, only the 84  
new governor shall submit a budget to the general assembly. In 85  
addition to other things required by law, each of the governor's 86  
budgets shall contain: 87

(1) A general budget summary by function and agency 88  
setting forth the proposed total expenses from each and all 89  
funds and the anticipated resources for meeting such expenses; 90  
such resources to include any available balances in the several 91  
funds at the beginning of the biennium and a classification by 92  
totals of all revenue receipts estimated to accrue during the 93  
biennium under existing law and proposed legislation. 94

(2) A detailed statement showing the amounts recommended 95  
to be appropriated from each fund for each fiscal year of the 96  
biennium for current expenses, including, but not limited to, 97  
information technology systems and services, personal services, 98  
supplies and materials, equipment, subsidies and revenue 99  
distribution, merchandise for resale, transfers, and nonexpense 100  
disbursements, obligations, interest on debt, and retirement of 101

debt, and for the biennium for capital outlay, to the respective 102  
departments, offices, institutions, as defined in section 121.01 103  
of the Revised Code, and all other public purposes; and, in 104  
comparative form, the actual expenses by source of funds during 105  
each fiscal year of the previous two bienniums for each such 106  
purpose. No alterations shall be made in the requests for the 107  
legislative and judicial branches of the state filed with the 108  
director of budget and management under section 126.02 of the 109  
Revised Code. If any amount of federal money is recommended to 110  
be appropriated or has been expended for a purpose for which 111  
state money also is recommended to be appropriated or has been 112  
expended, the amounts of federal money and state money involved 113  
shall be separately identified. 114

(3) A detailed estimate of the revenue receipts in each 115  
fund from each source under existing laws during each year of 116  
the biennium; and, in comparative form, actual revenue receipts 117  
in each fund from each source for each year of the two previous 118  
bienniums; 119

(4) The estimated cash balance in each fund at the 120  
beginning of the biennium covered by the budget; the estimated 121  
liabilities outstanding against each such balance; and the 122  
estimated net balance remaining and available for new 123  
appropriations; 124

(5) A detailed estimate of the additional revenue receipts 125  
in each fund from each source under proposed legislation, if 126  
enacted, during each year of the biennium; 127

(6) The most recent report prepared by the department of 128  
taxation under section 5703.48 of the Revised Code, which shall 129  
be submitted to the general assembly as an appendix to the 130  
governor's budget; 131

(7) The most recent TANF spending plan prepared by the 132  
department of job and family services under section 5101.806 of 133  
the Revised Code, which shall be submitted to the general 134  
assembly as an appendix to the governor's budget. 135

**Sec. 125.18.** (A) There is hereby established the office of 136  
information technology within the department of administrative 137  
services. The office shall be under the supervision of a state 138  
chief information officer to be appointed by the director of 139  
administrative services and subject to removal at the pleasure 140  
of the director. The chief information officer is an assistant 141  
director of administrative services. 142

(B) Under the direction of the director of administrative 143  
services, the state chief information officer shall lead, 144  
oversee, and direct state agency activities related to 145  
information technology development and use. In that regard, the 146  
state chief information officer shall do all of the following: 147

(1) Coordinate and superintend statewide efforts to 148  
promote common use and development of technology by state 149  
agencies. The office of information technology shall establish 150  
policies and standards that govern and direct state agency 151  
participation in statewide programs and initiatives. 152

(2) Coordinate with the office of procurement services to 153  
establish policies and standards for state agency acquisition of 154  
information technology supplies and services; 155

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

- (4) Establish criteria and review processes to identify state agency information technology projects or purchases that require alignment or oversight. As appropriate, the department of administrative services shall provide the governor and the director of budget and management with notice and advice regarding the appropriate allocation of resources for those projects. The state chief information officer may require state agencies to provide, and may prescribe the form and manner by which they must provide, information to fulfill the state chief information officer's alignment and oversight role;
- (5) Establish policies and procedures for the security of personal information that is maintained and destroyed by state agencies;
- (6) Employ a chief information security officer who is responsible for the implementation of the policies and procedures described in division (B) (5) of this section and for coordinating the implementation of those policies and procedures in all of the state agencies;
- (7) Employ a chief privacy officer who is responsible for advising state agencies when establishing policies and procedures for the security of personal information and developing education and training programs regarding the state's security procedures;
- (8) Establish policies on the purchasing, use, and reimbursement for use of handheld computing and telecommunications devices by state agency employees;
- (9) Establish policies for the reduction of printing and for the increased use of electronic records by state agencies;
- (10) Establish policies for the reduction of energy

consumption by state agencies;	190
(11) Compute the amount of revenue attributable to the	191
amortization of all equipment purchases and capitalized systems	192
from information technology service delivery and major	193
information technology purchases, MARCS administration,	194
enterprise applications, and the professions licensing system	195
operating appropriation items and major computer purchases	196
capital appropriation items that is recovered as part of the	197
information technology services rates the department of	198
administrative services charges and deposits into the	199
information technology fund created in section 125.15 of the	200
Revised Code, the user fees the department of administrative	201
services charges and deposits in the MARCS administration fund	202
created in section 4501.29 of the Revised Code, the rates the	203
department of administrative services charges to benefiting	204
agencies for the operation and management of information	205
technology applications and deposits in the enterprise	206
applications fund, and the rates the department of	207
administrative services charges for the cost of ongoing	208
maintenance of the professions licensing system and deposits in	209
the professions licensing system fund. The enterprise	210
applications fund is hereby created in the state treasury.	211
(12) Regularly review and make recommendations regarding	212
improving the infrastructure of the state's cybersecurity	213
operations with existing resources and through partnerships	214
between government, business, and institutions of higher	215
education;	216
(13) Assist, as needed, with general state efforts to grow	217
the cybersecurity industry in this state;	218
<u>(14) Establish a strategic roadmap for migrating the</u>	219



state's information technology systems to the state of Ohio 220  
computer center and to the state's commercial cloud providers 221  
managed by the office of information technology. 222

(C) (1) The chief information security officer shall assist 223  
each state agency with the development of an information 224  
technology security strategic plan and review that plan, and 225  
each state agency shall submit that plan to the state chief 226  
information officer. The chief information security officer may 227  
require that each state agency update its information technology 228  
security strategic plan annually as determined by the state 229  
chief information officer. 230

(2) Prior to the implementation of any information 231  
technology data system, a state agency shall prepare or have 232  
prepared a privacy impact statement for that system. 233

(D) When a state agency requests a purchase of information 234  
technology supplies or services under Chapter 125. of the 235  
Revised Code, the state chief information officer may review and 236  
reject the requested purchase for noncompliance with information 237  
technology direction, plans, policies, standards, or project- 238  
alignment criteria. 239

(E) The office of information technology may operate 240  
technology services for state agencies in accordance with this 241  
chapter. 242

Notwithstanding any provision of the Revised Code to the 243  
contrary, the office of information technology may assess a 244  
transaction fee on each license or registration issued as part 245  
of an electronic licensing system operated by the office in an 246  
amount determined by the office not to exceed three dollars and 247  
fifty cents. The transaction fee shall apply to all 248

transactions, regardless of form, that immediately precede the 249  
issuance, renewal, reinstatement, reactivation of, or other 250  
activity that results in, a license or registration to operate 251  
as a regulated professional or entity. Each license or 252  
registration is a separate transaction to which a fee under this 253  
division applies. Notwithstanding any provision of the Revised 254  
Code to the contrary, if a fee is assessed under this section, 255  
no agency, board, or commission shall issue a license or 256  
registration unless a fee required by this division has been 257  
received. The director of administrative services may collect 258  
the fee or require a state agency, board, or commission for 259  
which the system is being operated to collect the fee. Amounts 260  
received under this division shall be deposited in or 261  
transferred to the professions licensing system fund created in 262  
division ~~(H)~~(I) of this section. 263

(F) With the approval of the director of administrative 264  
services, the office of information technology may establish 265  
cooperative agreements with federal and local government 266  
agencies and state agencies that are not under the authority of 267  
the governor for the provision of technology services and the 268  
development of technology projects. 269

(G) The office of information technology may operate a 270  
program to make information technology purchases. The director 271  
of administrative services may recover the cost of operating the 272  
program from all participating government entities by issuing 273  
intrastate transfer voucher billings for the procured technology 274  
or through any pass-through billing method agreed to by the 275  
director of administrative services, the director of budget and 276  
management, and the participating government entities that will 277  
receive the procured technology. 278

If the director of administrative services chooses to 279  
recover the program costs through intrastate transfer voucher 280  
billings, the participating government entities shall process 281  
the intrastate transfer vouchers to pay for the cost. Amounts 282  
received under this section for the information technology 283  
purchase program shall be deposited to the credit of the 284  
information technology governance fund created in section 125.15 285  
of the Revised Code. 286

(H) Upon request from the director of administrative 287  
services, the director of budget and management may transfer 288  
cash from the information technology fund created in section 289  
125.15 of the Revised Code, the MARCS administration fund 290  
created in section 4501.29 of the Revised Code, the enterprise 291  
applications fund created in division (B)(11) of this section, 292  
or the professions licensing system fund created in division (I) 293  
of this section to the major information technology purchases 294  
fund in an amount not to exceed the amount computed under 295  
division (B)(11) of this section. The major information 296  
technology purchases fund is hereby created in the state 297  
treasury. 298

(I) There is hereby created in the state treasury the 299  
professions licensing system fund. The fund shall be used to 300  
operate the electronic licensing system referenced in division 301  
(E) of this section. 302

(J) As used in this section: 303

(1) "Personal information" has the same meaning as in 304  
section 149.45 of the Revised Code. 305

(2) "State agency" means every organized body, office, or 306  
agency established by the laws of the state for the exercise of 307

any function of state government, other than any state-supported 308  
institution of higher education, the office of the auditor of 309  
state, treasurer of state, secretary of state, or attorney 310  
general, the adjutant general's department, the bureau of 311  
workers' compensation, the industrial commission, the public 312  
employees retirement system, the Ohio police and fire pension 313  
fund, the state teachers retirement system, the school employees 314  
retirement system, the state highway patrol retirement system, 315  
the general assembly or any legislative agency, the capitol 316  
square review advisory board, or the courts or any judicial 317  
agency. 318

Sec. 126.41. (A) The biannual advisory committee on state 319  
information and technology is created. The committee shall 320  
examine the state's information technology systems and services, 321  
including all of the following topics: 322

(1) The state's spending on information technology systems 323  
and services; 324

(2) Possible enhancements to the state's information 325  
technology systems and services, including improvements to 326  
state-owned application software; 327

(3) Initiatives regarding the state's information 328  
technology systems and services; 329

(4) Any feedback from state and county users of the 330  
state's information technology systems and services. 331

(B) (1) The committee may develop recommendations with 332  
respect to the topics the committee examines under division (A) 333  
of this section. In developing the recommendations, the 334  
committee shall consider the report the cybersecurity and fraud 335  
advisory board submits to the committee pursuant to section 336

126.42 of the Revised Code. 337

(2) After the committee receives the report from the 338  
cybersecurity and fraud advisory board, the committee may submit 339  
its recommendations to the director of administrative services, 340  
who shall make them publicly available on the internet web site 341  
maintained by the department of administrative services. 342

(3) The committee may require the cybersecurity and fraud 343  
advisory board to submit an updated report as the committee 344  
determines necessary to ensure the report reflects the best 345  
practices regarding cybersecurity and fraud prevention that 346  
exist at the time the board submits the updated report. If the 347  
committee requires the updated report, the committee may update 348  
the committee's recommendations and submit them to the director, 349  
who shall make them publicly available on the department's 350  
internet web site. 351

(C) The committee consists of the following nine members: 352

(1) The chairpersons of the standing committees of the 353  
senate and the house of representatives to which legislation 354  
pertaining to information technology is customarily referred, as 355  
appointed by the president of the senate and the speaker of the 356  
house of representatives, respectively; 357

(2) Two members of the senate, appointed by the president 358  
of the senate, not more than one of whom shall be a member of 359  
the majority party; 360

(3) Two members of the house of representatives, appointed 361  
by the speaker of the house of representatives, not more than 362  
one of whom shall be a member of the majority party; 363

(4) The state chief information officer appointed under 364  
section 125.18 of the Revised Code or the officer's designee; 365

(5) The chief information security officer employed under 366  
section 125.18 of the Revised Code or the officer's designee; 367

(6) One member who is a state employee appointed by the 368  
governor. 369

(D) The committee member appointed by the governor serves 370  
for a term of two years ending on the same day as the date of 371  
the member's original appointment. Legislative members serve 372  
during the session of the general assembly in which they are 373  
appointed to the committee and for as long as they are members 374  
of the general assembly. Vacancies shall be filled in the same 375  
manner as original appointments. 376

(E) Members of the committee serve without compensation 377  
and shall not be reimbursed for expenses. Members serve at the 378  
pleasure of the appointing authority. 379

(F) (1) The committee shall organize itself and select co- 380  
chairpersons from among its members, one of whom shall be a 381  
member of the senate, and one of whom shall be a member of the 382  
house of representatives. The committee shall meet at the call 383  
of the co-chairpersons. 384

(2) The committee shall hold at least two meetings each 385  
year. For at least one meeting, the committee shall focus solely 386  
on soliciting feedback from county departments that use the 387  
state's information technology systems and services. The 388  
committee shall use the feedback to assist the committee in 389  
developing recommendations regarding possible improvements to 390  
those systems. 391

**Sec. 126.42.** (A) (1) The cybersecurity and fraud advisory 392  
board is created. The board shall examine and develop 393  
recommendations with regard to best practices in, shared 394

experiences regarding, and future efforts to improve 395  
cybersecurity and fraud prevention with respect to the 396  
information technology systems and shared services used across 397  
state agencies. 398

(2) The board shall not examine open vulnerabilities, 399  
security protocols, or legal issues with respect to the state's 400  
cybersecurity and fraud prevention measures. 401

(B) (1) The board shall submit a report of its findings and 402  
recommendations concerning the topics the board examines under 403  
division (A) (1) of this section to the biannual advisory 404  
committee on state information and technology not later than six 405  
months after the date of the board's first meeting. Pursuant to 406  
division (B) of section 126.41 of the Revised Code, the 407  
committee may require the board to submit an updated report as 408  
the committee determines necessary to ensure the report reflects 409  
the best practices regarding cybersecurity and fraud prevention 410  
that exist at the time the board submits the updated report. 411

(2) The board periodically shall review the most recent 412  
report submitted under division (B) (1) of this section as the 413  
board determines necessary to ensure the report reflects the 414  
best practices that exist at the time of review. 415

(C) The board consists of the following six members, all 416  
of whom must have a background and expertise in cybersecurity or 417  
fraud prevention to be eligible for appointment: 418

(1) One member, who is an employee of the department of 419  
administrative services, appointed by the governor; 420

(2) One member, who is an employee of the department, 421  
appointed by the attorney general; 422

(3) One member, who is an employee of the department, 423

appointed by the auditor of state; 424

(4) One member, who is an employee of the department, 425  
appointed by the secretary of state; 426

(5) One member, who is an employee of the department, 427  
appointed by the treasurer of state; 428

(6) The chief information security officer employed under 429  
section 125.18 of the Revised Code. 430

(D) The chief information security officer serves as the 431  
chairperson of the board. The board shall meet at the call of 432  
the chairperson and shall meet at least twice each year. 433

(E) Members serve without compensation and shall not be 434  
reimbursed for expenses. Members serve at the pleasure of the 435  
appointing authority. Vacancies shall be filled in the same 436  
manner as original appointments. 437

(F) The board shall not hold an executive session pursuant 438  
to division (G) of section 121.22 of the Revised Code. 439

**Sec. 126.506.** (A) Each state agency shall participate in 440  
information technology consolidation projects implemented by the 441  
state chief information officer under section 125.18 of the 442  
Revised Code. 443

(B) At the direction of and in the format specified by the 444  
director of administrative services, each state agency shall 445  
maintain a list of information technology assets possessed by 446  
the agency and associated costs related to those assets. 447

(C) The director shall maintain a list of state-owned 448  
application software and associated hardware in a format 449  
specified by the director. 450



**Section 2.** That existing sections 107.03, 125.18, and 451  
126.506 of the Revised Code are hereby repealed. 452

**Section 3.** (A) As used in this section, "state agency" has 453  
the same meaning as in section 126.50 of the Revised Code. 454

(B) Subject to division (C) of this section, the Director 455  
of Administrative Services, in accordance with the requirements 456  
for competitive sealed proposals under section 125.071 of the 457  
Revised Code, shall enter into a contract with a private entity 458  
pursuant to which the entity agrees to do both of the following: 459

(1) Study all of the following: 460

(a) The state's management practices regarding information 461  
technology systems and shared services, including procurement, 462  
centralization opportunities, and other future improvements; 463

(b) The state's best practices and standards regarding the 464  
state's use of cloud services, including software as a service; 465

(c) Notwithstanding any provision of section 125.32 of the 466  
Revised Code to the contrary, the state's data sharing practices 467  
and opportunities to leverage the state's centralized data 468  
sharing platform. 469

(2) Prepare a report that includes the entity's findings 470  
from the study performed under division (B)(1) of this section 471  
and submit the report to the General Assembly not later than 472  
eighteen months after the date the Director awards the contract 473  
to perform the study. 474

(C) Before entering into the contract described in 475  
division (B) of this section, the Director shall request 476  
approval from the Controlling Board to make expenditures under 477  
the contract. If the Controlling Board denies the Director's 478

request, the Director shall not enter into the contract. 479

(D) (1) The Director shall do both of the following: 480

(a) Identify opportunities to leverage the buying power of 481  
the state for application software used at multiple state 482  
agencies; 483

(b) Identify existing data and information silos that 484  
exist throughout the state's information technology systems. 485

(2) The Director shall prepare and submit a report that 486  
includes the information described in division (D) (1) of this 487  
section to the General Assembly not later than twenty months 488  
after the effective date of this section. 489

(E) The Director of Administrative Services, in 490  
consultation with the Director of Budget and Management, shall 491  
conduct a study that analyzes the average industry fee rates 492  
charged for data hosting services. The Director of 493  
Administrative Services shall conclude the study and submit the 494  
findings of the study to the Director of Budget and Management 495  
not later than six months after the effective date of this 496  
section. Not later than six months after the Director of 497  
Administrative Services submits the study, the Director of 498  
Budget and Management may set the fees the Director of Budget 499  
and Management charges for data hosting services to rates that 500  
are comparable to average industry rates. 501