

As Reported by the House Technology and Innovation Committee

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Sub. H. B. No. 230

Representatives Ray, Hall

Cosponsors: Representatives Riedel, Fraizer, Holmes, Hoops, Click, McClain, Carfagna, Abrams, Jones, Powell, Cross, Young, T., Kick, Koehler, Stephens, Hillyer, Troy, Plummer

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 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
department of development; 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 104
Revised Code. If any amount of federal money is recommended to 105
be appropriated or has been expended for a purpose for which 106
state money also is recommended to be appropriated or has been 107
expended, the amounts of federal money and state money involved 108
shall be separately identified. 109

(3) A detailed estimate of the revenue receipts in each 110
fund from each source under existing laws during each year of 111
the biennium; and, in comparative form, actual revenue receipts 112
in each fund from each source for each year of the two previous 113
bienniums; 114

(4) The estimated cash balance in each fund at the 115
beginning of the biennium covered by the budget; the estimated 116
liabilities outstanding against each such balance; and the 117
estimated net balance remaining and available for new 118
appropriations; 119

(5) A detailed estimate of the additional revenue receipts 120
in each fund from each source under proposed legislation, if 121
enacted, during each year of the biennium; 122

(6) A description of each tax expenditure; a detailed 123
estimate of the amount of revenues not available to the general 124
revenue fund under existing laws during each fiscal year of the 125
biennium covered by the budget due to the operation of each tax 126
expenditure; and, in comparative form, the amount of revenue not 127
available to the general revenue fund during each fiscal year of 128
the immediately preceding biennium due to the operation of each 129
tax expenditure. The report prepared by the department of 130
taxation pursuant to section 5703.48 of the Revised Code shall 131
be submitted to the general assembly as an appendix to the 132

governor's budget. As used in this division, "tax expenditure" 133
has the same meaning as in section 5703.48 of the Revised Code. 134

(7) The most recent TANF spending plan prepared by the 135
department of job and family services under section 5101.806 of 136
the Revised Code, which shall be submitted to the general 137
assembly 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) Coordinate with the office of procurement services to 156
establish policies and standards for state agency acquisition of 157
information technology supplies and services; 158

(3) Establish policies and standards for the use of common 159
information technology by state agencies, including, but not 160
limited to, hardware, software, technology services, and 161

security, and the extension of the service life of information	162
technology systems, with which state agencies shall comply;	163
(4) Establish criteria and review processes to identify	164
state agency information technology projects or purchases that	165
require alignment or oversight. As appropriate, the department	166
of administrative services shall provide the governor and the	167
director of budget and management with notice and advice	168
regarding the appropriate allocation of resources for those	169
projects. The state chief information officer may require state	170
agencies to provide, and may prescribe the form and manner by	171
which they must provide, information to fulfill the state chief	172
information officer's alignment and oversight role;	173
(5) Establish policies and procedures for the security of	174
personal information that is maintained and destroyed by state	175
agencies;	176
(6) Employ a chief information security officer who is	177
responsible for the implementation of the policies and	178
procedures described in division (B)(5) of this section and for	179
coordinating the implementation of those policies and procedures	180
in all of the state agencies;	181
(7) Employ a chief privacy officer who is responsible for	182
advising state agencies when establishing policies and	183
procedures for the security of personal information and	184
developing education and training programs regarding the state's	185
security procedures;	186
(8) Establish policies on the purchasing, use, and	187
reimbursement for use of handheld computing and	188
telecommunications devices by state agency employees;	189
(9) Establish policies for the reduction of printing and	190

for the increased use of electronic records by state agencies;	191
(10) Establish policies for the reduction of energy	192
consumption by state agencies;	193
(11) Compute the amount of revenue attributable to the	194
amortization of all equipment purchases and capitalized systems	195
from information technology service delivery and major	196
information technology purchases, MARCS administration,	197
enterprise applications, and the professions licensing system	198
operating appropriation items and major computer purchases	199
capital appropriation items that is recovered as part of the	200
information technology services rates the department of	201
administrative services charges and deposits into the	202
information technology fund created in section 125.15 of the	203
Revised Code, the user fees the department of administrative	204
services charges and deposits in the MARCS administration fund	205
created in section 4501.29 of the Revised Code, the rates the	206
department of administrative services charges to benefiting	207
agencies for the operation and management of information	208
technology applications and deposits in the enterprise	209
applications fund, and the rates the department of	210
administrative services charges for the cost of ongoing	211
maintenance of the professions licensing system and deposits in	212
the professions licensing system fund. The enterprise	213
applications fund is hereby created in the state treasury.	214
(12) Regularly review and make recommendations regarding	215
improving the infrastructure of the state's cybersecurity	216
operations with existing resources and through partnerships	217
between government, business, and institutions of higher	218
education;	219
(13) Assist, as needed, with general state efforts to grow	220

the cybersecurity industry in this state;	221
<u>(14) Establish a strategic roadmap for migrating the</u>	222
<u>state's information technology systems to the state of Ohio</u>	223
<u>computer center and to the state's commercial cloud providers</u>	224
<u>managed by the office of information technology.</u>	225
(C) (1) The chief information security officer shall assist	226
each state agency with the development of an information	227
technology security strategic plan and review that plan, and	228
each state agency shall submit that plan to the state chief	229
information officer. The chief information security officer may	230
require that each state agency update its information technology	231
security strategic plan annually as determined by the state	232
chief information officer.	233
(2) Prior to the implementation of any information	234
technology data system, a state agency shall prepare or have	235
prepared a privacy impact statement for that system.	236
(D) When a state agency requests a purchase of information	237
technology supplies or services under Chapter 125. of the	238
Revised Code, the state chief information officer may review and	239
reject the requested purchase for noncompliance with information	240
technology direction, plans, policies, standards, or project-	241
alignment criteria.	242
(E) The office of information technology may operate	243
technology services for state agencies in accordance with this	244
chapter.	245
Notwithstanding any provision of the Revised Code to the	246
contrary, the office of information technology may assess a	247
transaction fee on each license or registration issued as part	248
of an electronic licensing system operated by the office in an	249

amount determined by the office not to exceed three dollars and 250
fifty cents. The transaction fee shall apply to all 251
transactions, regardless of form, that immediately precede the 252
issuance, renewal, reinstatement, reactivation of, or other 253
activity that results in, a license or registration to operate 254
as a regulated professional or entity. Each license or 255
registration is a separate transaction to which a fee under this 256
division applies. Notwithstanding any provision of the Revised 257
Code to the contrary, if a fee is assessed under this section, 258
no agency, board, or commission shall issue a license or 259
registration unless a fee required by this division has been 260
received. The director of administrative services may collect 261
the fee or require a state agency, board, or commission for 262
which the system is being operated to collect the fee. Amounts 263
received under this division shall be deposited in or 264
transferred to the professions licensing system fund created in 265
division ~~(H)~~(I) of this section. 266

(F) With the approval of the director of administrative 267
services, the office of information technology may establish 268
cooperative agreements with federal and local government 269
agencies and state agencies that are not under the authority of 270
the governor for the provision of technology services and the 271
development of technology projects. 272

(G) The office of information technology may operate a 273
program to make information technology purchases. The director 274
of administrative services may recover the cost of operating the 275
program from all participating government entities by issuing 276
intrastate transfer voucher billings for the procured technology 277
or through any pass-through billing method agreed to by the 278
director of administrative services, the director of budget and 279
management, and the participating government entities that will 280

receive the procured technology. 281

If the director of administrative services chooses to 282
recover the program costs through intrastate transfer voucher 283
billings, the participating government entities shall process 284
the intrastate transfer vouchers to pay for the cost. Amounts 285
received under this section for the information technology 286
purchase program shall be deposited to the credit of the 287
information technology governance fund created in section 125.15 288
of the Revised Code. 289

(H) Upon request from the director of administrative 290
services, the director of budget and management may transfer 291
cash from the information technology fund created in section 292
125.15 of the Revised Code, the MARCS administration fund 293
created in section 4501.29 of the Revised Code, the enterprise 294
applications fund created in division (B)(11) of this section, 295
or the professions licensing system fund created in division (I) 296
of this section to the major information technology purchases 297
fund in an amount not to exceed the amount computed under 298
division (B)(11) of this section. The major information 299
technology purchases fund is hereby created in the state 300
treasury. 301

(I) There is hereby created in the state treasury the 302
professions licensing system fund. The fund shall be used to 303
operate the electronic licensing system referenced in division 304
(E) of this section. 305

(J) As used in this section: 306

(1) "Personal information" has the same meaning as in 307
section 149.45 of the Revised Code. 308

(2) "State agency" means every organized body, office, or 309

agency established by the laws of the state for the exercise of 310
any function of state government, other than any state-supported 311
institution of higher education, the office of the auditor of 312
state, treasurer of state, secretary of state, or attorney 313
general, the adjutant general's department, the bureau of 314
workers' compensation, the industrial commission, the public 315
employees retirement system, the Ohio police and fire pension 316
fund, the state teachers retirement system, the school employees 317
retirement system, the state highway patrol retirement system, 318
the general assembly or any legislative agency, the capitol 319
square review advisory board, or the courts or any judicial 320
agency. 321

Sec. 126.41. (A) The biannual advisory committee on state 322
information and technology is created. The committee shall 323
examine the state's information technology systems and services, 324
including all of the following topics: 325

(1) The state's spending on information technology systems 326
and services; 327

(2) Possible enhancements to the state's information 328
technology systems and services, including improvements to 329
state-owned application software; 330

(3) Initiatives regarding the state's information 331
technology systems and services; 332

(4) Any feedback from state and county users of the 333
state's information technology systems and services. 334

(B) (1) The committee may develop recommendations with 335
respect to the topics the committee examines under division (A) 336
of this section. In developing the recommendations, the 337
committee shall consider the report the cybersecurity and fraud 338

advisory board submits to the committee pursuant to section 339
126.42 of the Revised Code. 340

(2) After the committee receives the report from the 341
cybersecurity and fraud advisory board, the committee may submit 342
its recommendations to the director of administrative services, 343
who shall make them publicly available on the internet web site 344
maintained by the department of administrative services. 345

(3) The committee may require the cybersecurity and fraud 346
advisory board to submit an updated report as the committee 347
determines necessary to ensure the report reflects the best 348
practices regarding cybersecurity and fraud prevention that 349
exist at the time the board submits the updated report. If the 350
committee requires the updated report, the committee may update 351
the committee's recommendations and submit them to the director, 352
who shall make them publicly available on the department's 353
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 appointed under 367

<u>section 125.18 of the Revised Code or the officer's designee;</u>	368
<u>(5) The chief information security officer employed under</u>	369
<u>section 125.18 of the Revised Code or the officer's designee;</u>	370
<u>(6) One member who is a state employee appointed by the</u>	371
<u>governor.</u>	372
<u>(D) The committee member appointed by the governor serves</u>	373
<u>for a term of two years ending on the same day as the date of</u>	374
<u>the member's original appointment. Legislative members serve</u>	375
<u>during the session of the general assembly in which they are</u>	376
<u>appointed to the committee and for as long as they are members</u>	377
<u>of the general assembly. Vacancies shall be filled in the same</u>	378
<u>manner as original appointments.</u>	379
<u>(E) Members of the committee serve without compensation</u>	380
<u>and shall not be reimbursed for expenses. Members serve at the</u>	381
<u>pleasure of the appointing authority.</u>	382
<u>(F) (1) The committee shall organize itself and select co-</u>	383
<u>chairpersons from among its members, one of whom shall be a</u>	384
<u>member of the senate, and one of whom shall be a member of the</u>	385
<u>house of representatives. The committee shall meet at the call</u>	386
<u>of the co-chairpersons.</u>	387
<u>(2) The committee shall hold at least two meetings each</u>	388
<u>year. For at least one meeting, the committee shall focus solely</u>	389
<u>on soliciting feedback from county departments that use the</u>	390
<u>state's information technology systems and services. The</u>	391
<u>committee shall use the feedback to assist the committee in</u>	392
<u>developing recommendations regarding possible improvements to</u>	393
<u>those systems.</u>	394
<u>Sec. 126.42. (A) (1) The cybersecurity and fraud advisory</u>	395
<u>board is created. The board shall examine and develop</u>	396

recommendations with regard to best practices in, shared 397
experiences regarding, and future efforts to improve 398
cybersecurity and fraud prevention with respect to the 399
information technology systems and shared services used across 400
state agencies. 401

(2) The board shall not examine open vulnerabilities, 402
security protocols, or legal issues with respect to the state's 403
cybersecurity and fraud prevention measures. 404

(B)(1) The board shall submit a report of its findings and 405
recommendations concerning the topics the board examines under 406
division (A)(1) of this section to the biannual advisory 407
committee on state information and technology not later than six 408
months after the date of the board's first meeting. Pursuant to 409
division (B) of section 126.41 of the Revised Code, the 410
committee may require the board to submit an updated report as 411
the committee determines necessary to ensure the report reflects 412
the best practices regarding cybersecurity and fraud prevention 413
that exist at the time the board submits the updated report. 414

(2) The board periodically shall review the most recent 415
report submitted under division (B)(1) of this section as the 416
board determines necessary to ensure the report reflects the 417
best practices that exist at the time of review. 418

(C) The board consists of the following six members, all 419
of whom must have a background and expertise in cybersecurity or 420
fraud prevention to be eligible for appointment: 421

(1) One member, who is an employee of the department of 422
administrative services, appointed by the governor; 423

(2) One member, who is an employee of the department, 424
appointed by the attorney general; 425

<u>(3) One member, who is an employee of the department,</u>	426
<u>appointed by the auditor of state;</u>	427
<u>(4) One member, who is an employee of the department,</u>	428
<u>appointed by the secretary of state;</u>	429
<u>(5) One member, who is an employee of the department,</u>	430
<u>appointed by the treasurer of state;</u>	431
<u>(6) The chief information security officer employed under</u>	432
<u>section 125.18 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, in accordance with the requirements 459
for competitive sealed proposals under section 125.071 of the 460
Revised Code, shall enter into a contract with a private entity 461
pursuant to which the entity agrees to do both of the following: 462

(1) Study all of the following: 463

(a) The state's management practices regarding information 464
technology systems and shared services, including procurement, 465
centralization opportunities, and other future improvements; 466

(b) The state's best practices and standards regarding the 467
state's use of cloud services, including software as a service; 468

(c) Notwithstanding any provision of section 125.32 of the 469
Revised Code to the contrary, the state's data sharing practices 470
and opportunities to leverage the state's centralized data 471
sharing platform. 472

(2) Prepare a report that includes the entity's findings 473
from the study performed under division (B)(1) of this section 474
and submit the report to the General Assembly not later than 475
eighteen months after the date the Director awards the contract 476
to perform the study. 477

(C) Before entering into the contract described in 478
division (B) of this section, the Director shall request 479
approval from the Controlling Board to make expenditures under 480
the contract. If the Controlling Board denies the Director's 481

request, the Director shall not enter into the contract. 482

(D) (1) The Director shall do both of the following: 483

(a) Identify opportunities to leverage the buying power of 484
the state for application software used at multiple state 485
agencies; 486

(b) Identify existing data and information silos that 487
exist throughout the state's information technology systems. 488

(2) The Director shall prepare and submit a report that 489
includes the information described in division (D) (1) of this 490
section to the General Assembly not later than twenty months 491
after the effective date of this section. 492

(E) The Director of Administrative Services, in 493
consultation with the Director of Budget and Management, shall 494
conduct a study that analyzes the average industry fee rates 495
charged for data hosting services. The Director of 496
Administrative Services shall conclude the study and submit the 497
findings of the study to the Director of Budget and Management 498
not later than six months after the effective date of this 499
section. Not later than six months after the Director of 500
Administrative Services submits the study, the Director of 501
Budget and Management may set the fees the Director of Budget 502
and Management charges for data hosting services to rates that 503
are comparable to average industry rates. 504