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OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research
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Legislative Budget
Office

H.B. 74
135th General Assembly

Bill Analysis

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Version: As Passed by the House

Primary Sponsors: Reps. Hall and Lightbody

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SUMMARY

- Requires the Legislative Service Commission Director, every two years, to submit to the General Assembly a report that includes information regarding each state executive department's and statewide elected official's expenditures on information technology (IT) in the previous biennium based on information provided to the LSC Director.
- Requires the Governor to include, in each main operating budget the Governor submits under continuing law to the General Assembly, a detailed statement of the amounts recommended to be appropriated for expenses related to IT systems and services.
- Requires the State Chief Information Officer to establish a strategic roadmap for migrating the state's IT systems to the State of Ohio Computer Center and to the state's commercial cloud providers managed by the Office of Information Technology.
- Requires the Director of Administrative Services to maintain a list of state-owned application software and associated hardware, identify opportunities to leverage the state's buying power for application software used at multiple state agencies, and identify existing data and information silos that exist throughout the state's IT systems.
- Requires the DAS Director to contract with a private entity to study the state's IT systems and shared services and report the study's findings to the General Assembly.
- Requires the DAS Director to study the average industry fee rates charged for data hosting services and allows the Director of Budget and Management to make the OBM Director's rates comparable to average industry rates.
- Creates the Biannual Advisory Committee on State Information and Technology, which must examine the state's IT systems and services and solicit feedback from state and county users of the state's IT systems and services.
- Creates the Cybersecurity and Fraud Advisory Board, which must examine and develop recommendations with regard to best practices in, shared experiences regarding, and

future efforts to improve cybersecurity and fraud prevention with respect to the IT systems and shared services used across state agencies.

DETAILED ANALYSIS

State information technology biennial expenditure report

The bill requires the Legislative Service Commission Director to create and submit to the General Assembly a state information technology biennial expenditure report. On receiving the expenditure information described below from the Director of Budget and Management, the LSC Director must prepare a report that is as brief as practicable and includes:

- The name of each state executive department and statewide elected office; and
- Each department's and office's total expenditures on information technology (IT) systems and services in the previous biennium.

The first report is due 180 days after the bill's effective date, or as soon as practicable after that. Subsequent reports are due to the General Assembly on February 1 of each odd-numbered year.¹

Expenditure information

Under the bill, the administrative head of each state executive department and each statewide elected official must submit a report to the OBM Director. The reports must include information regarding each department's and official's total expenditures on IT systems and services in the previous biennium, including expenditures on:

- Internet service;
- IT hardware, software, security, and services;
- Contracts with respect to any services related to maintaining and repairing IT systems;
- Projects undertaken with respect to IT; and
- The salaries, wages, and benefits paid to employees whose duties primarily include performing IT services.

The first reports are due to the OBM Director 90 days after the bill's effective date, or as soon as practicable after that. Subsequent reports are due October 1 of each even-numbered year. The OBM Director must compile the information after receiving it. Not later than 120 days after the bill's effective date, or as soon as practicable after that, the OBM Director must submit the information to the LSC Director. After that, the information is due to the LSC Director by November 1 of each even-numbered year.²

¹ R.C. 103.28(D), by reference to R.C. 101.68, not in the bill.

² R.C. 103.28(B) and (C).

Statewide elected officials and state executive departments

The reporting requirements apply to the Governor, Lieutenant Governor, Secretary of State, Auditor of State, Attorney General, and Treasurer of State. They also apply to the following state executive departments:³

State executive departments subject to the bill's reporting requirements			
Office of Budget and Management	Department of Commerce	Department of Administrative Services	Department of Transportation
Department of Agriculture	Department of Natural Resources	Department of Health	Department of Job and Family Services
Department of Public Safety	Department of Mental Health and Addiction Services	Department of Developmental Disabilities	Department of Insurance
Department of Development	Department of Youth Services	Department of Rehabilitation and Correction	Environmental Protection Agency
Department of Aging	Department of Veterans Services	Department of Medicaid	Bureau of Workers' Compensation
Department of Education	Department of Higher Education	Department of Taxation	Ohio Public Utilities Commission

Governor's budget

Under continuing law, the Governor must submit to the General Assembly a main operating budget for the state each biennium. In addition to other content required under continuing law, the bill requires the Governor to include a detailed statement showing the amounts recommended to be appropriated for current expenses related to IT systems and services.⁴

Information technology system migration

The bill requires the State Chief Information Officer to establish a strategic roadmap for migrating the state's IT systems to the State of Ohio Computer Center and to the state's commercial cloud providers managed by the Office of Information Technology (which is within

³ R.C. 103.28(A), by reference to R.C. 121.01, not in the bill.

⁴ R.C. 107.03.

the Department of Administrative Services (DAS)). The State Chief Information Officer currently leads, oversees, and directs activities for many state agencies related to IT development and use under the DAS Director's direction.⁵

Application software list

Under the bill, the DAS Director must maintain a list of state-owned application software and associated hardware in a format specified by the Director. Continuing law requires each state agency, at the direction of and in the format specified by the DAS Director, to maintain a list of each agency's IT assets and associated costs related to those assets. A state agency, under this provision, is every organized body, office, or agency established under Ohio law for the exercise of any function of state government, but does not include JobsOhio, elected state officers, the General Assembly or any legislative agency, a court or any judicial agency, or a state institution of higher education.⁶

DAS Director report

The bill requires the DAS Director to do both of the following:

- Identify opportunities to leverage the state's buying power for application software used at multiple state agencies as defined immediately above; and
- Identify existing data and information silos that exist throughout the state's IT systems.

An information silo is an information management system that is unable to freely communicate with other information management systems.

Not later than 20 months after the bill's effective date, the DAS Director must prepare and submit to the General Assembly a report that includes the above information.⁷

Information technology study

The bill requires the DAS Director, in accordance with continuing law's requirements for competitive sealed proposals, to contract with a private entity pursuant to which the entity agrees to study all of the following:

- The state's management practices regarding IT systems and shared services, including procurement, centralization opportunities, and other future improvements;
- The state's best practices and standards regarding the state's use of cloud services, including software as a service; and

⁵ R.C. 125.18.

⁶ R.C. 126.506 and R.C. 126.50, not in the bill.

⁷ Section 3(A) and (D); [Information silo](#), which may be accessed by conducting a keyword "information silo" search on Investopedia's website: Investopedia.com.

- The state's data sharing practices and opportunities to leverage the state's centralized data sharing platform, without regard to a continuing law enterprise data management and analytics program.

The entity must agree under the contract to prepare a report that includes the entity's findings from the study. It also must agree to submit the report to the General Assembly not later than 18 months after the date the DAS Director awards the contract.

The DAS Director, before entering into the contract, must request approval from the Controlling Board to make expenditures under the contract. If the Controlling Board denies the request, the Director cannot enter into the contract.⁸

Fees for data hosting services

The DAS Director, in consultation with the OBM Director, must conduct a study that analyzes the average industry fee rates charged for data hosting services. The DAS Director must conclude the study and submit the study's findings to the OBM Director not later than six months after the bill's effective date. Not later than six months after the DAS Director submits the study, the OBM Director may set the fees the OBM Director charges for data hosting services to rates that are comparable to average industry rates.⁹

Board and committee creation

Biannual Advisory Committee on State Information and Technology

Duties

The bill creates the Biannual Advisory Committee on State Information and Technology. The Committee must examine the state's IT systems and services, including:

- The state's spending on IT systems and services;
- Possible enhancements to the state's IT systems and services, including improvements to state-owned application software;
- Initiatives regarding the state's IT systems and services; and
- Any feedback from state and county users of the state's IT systems and services.

The Committee must hold at least two meetings each year. For at least one meeting, the Committee must focus solely on soliciting feedback from county departments that use the state's IT systems and services. The Committee must use the feedback to develop recommendations regarding possible improvements to those systems.¹⁰

⁸ Sections 3(B) and (C), by reference to R.C. 125.071 and 125.32, not in the bill.

⁹ Section 3(E).

¹⁰ R.C. 126.41(A) and (F).

Recommendations

The Committee may develop recommendations with respect to the topics the Committee examines. In developing the recommendations, the Committee must consider the report that the Cybersecurity and Fraud Advisory Board, which the bill creates, submits to it. After receiving the Board's report, the Committee may submit its recommendations to the DAS Director, who must make them publicly available on the DAS website.

The Committee may require the Board to submit an updated report as the Committee determines necessary to ensure the report reflects the best practices regarding cybersecurity and fraud prevention that exist at the time the Board submits the updated report. If the Committee requires the updated report, the Committee may update the Committee's recommendations and submit them to the DAS Director, who must make them publicly available on the DAS website.¹¹

Membership and administration

The Committee consists of the following nine members:

- The chairpersons of the standing committees of the Senate and the House of Representatives to which legislation pertaining to IT is customarily referred, as appointed by the Senate President and the Speaker of the House, respectively;
- Two members of the Senate, appointed by the Senate President, not more than one of whom can be a member of the majority party;
- Two members of the House of Representatives, appointed by the Speaker, not more than one of whom can be a member of the majority party;
- The State Chief Information Officer or the Officer's designee;
- The Chief Information Security Officer or the Officer's designee; and
- One member who is a state employee appointed by the Governor.

The member the Governor appoints serves a two-year term ending on the same day as the date of the original appointment. Legislative members serve during the General Assembly session in which they are appointed to the Committee and for as long as they are members of the General Assembly. Vacancies are filled in the same manner as original appointments.

Committee members serve without compensation and are not reimbursed for expenses. They serve at the pleasure of the appointing authority.

The Committee must organize itself and select co-chairpersons from among its members, one of whom must be a member of the Senate, and one of whom must be a member of the House of Representatives. The Committee meets at the co-chairpersons' call.¹²

¹¹ R.C. 126.41(B) and 126.42(B).

¹² R.C. 126.41(C) to (F).

Cybersecurity and Fraud Advisory Board

Report

The bill creates the Cybersecurity and Fraud Advisory Board. The Board must examine and develop recommendations with regard to best practices in, shared experiences regarding, and future efforts to improve cybersecurity and fraud prevention with respect to the IT systems and shared services used across state agencies. The Board cannot examine open vulnerabilities, security protocols, or legal issues with respect to the state's cybersecurity and fraud prevention measures.

The Board must submit a report of its findings and recommendations concerning the topics the Board examines to the Committee not later than six months after the Board's first meeting. As mentioned above, the Committee may require the Board to update the report. The Board periodically must review the most recent report submitted as the Board determines necessary to ensure the report reflects the best practices that exist at the time of review.¹³

Membership and meetings

The Board consists of the Chief Information Security Officer, who serves as the Board's Chairperson, and five DAS employees, appointed by the following:

- One member appointed by the Governor;
- One member appointed by the Attorney General;
- One member appointed by the Auditor of State;
- One member appointed by the Secretary of State; and
- One member appointed by the Treasurer of State.

To be eligible for appointment, the person must have a background and expertise in cybersecurity or fraud prevention.

The members serve without compensation and are not reimbursed for expenses. They serve at the pleasure of the appointing authority. Vacancies are filled in the same manner as original appointments.

The Board meets at the Chairperson's call and must meet at least twice each year. The Board cannot hold an executive session pursuant to the Open Meetings Law.¹⁴

¹³ R.C. 126.42(A) and (B).

¹⁴ R.C. 126.42(C) to (F), by reference to R.C. 121.22, not in the bill.

HISTORY

Action	Date
Introduced	02-27-23
Reported, H. State and Local Government	06-27-23
Passed House (80-0)	10-11-23
