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# OHIO LEGISLATIVE SERVICE COMMISSION

Office of Research  
and Drafting

Legislative Budget  
Office

H.B. 74  
135<sup>th</sup> General Assembly

## Fiscal Note & Local Impact Statement

[Click here for H.B. 74's Bill Analysis](#)

**Version:** As Reported by House State and Local Government

**Primary Sponsors:** Reps. Hall and Lightbody

**Local Impact Statement Procedure Required:** No

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### Highlights

- The bill requires the Department of Administrative Services (DAS) to request Controlling Board approval to contract with a private entity to complete an information technology (IT) infrastructure study. The bill requires the study's findings to be reported to the General Assembly within 18 months of the date the DAS Director awards the contract to perform the study.
- The bill requires DAS to conduct additional analyses of the state's IT hardware, software, and processes that may result in a slight increase in administrative costs for DAS. Any increase would likely be paid under DAS's operating appropriations for the FY 2024-FY 2025 biennium.
- The bill creates one advisory board and one advisory committee related to IT infrastructure. DAS will incur some administrative costs to support the work of these entities.
- Cabinet agencies, the Office of Budget and Management (OBM), and the Legislative Service Commission (LSC) will incur minimal new costs to compile data and submit reports summarizing IT expenditures on a biennial basis.

### Detailed Analysis

#### Information technology reporting

The bill requires reporting of information technology (IT) expenditures by state agencies that will result in minimal new administrative costs to all affected entities. More precisely, the bill requires the head of each administrative department listed in R.C. 121.02 and each statewide elected official to submit a report that includes information regarding total expenditures on IT

systems and services to the Director of the Office of Budget and Management (OBM) not later than October 1 of each even-numbered year. Upon receiving this information, the bill requires the Director of OBM to compile the information and submit it to the Director of the Legislative Service Commission (LSC) not later than November 1 of each even-numbered year. In turn, the bill requires the LSC Director to create a state IT biennial expenditure report that includes the total IT expenditures of each reporting agency and statewide office for the previous biennium which must be submitted to the General Assembly by February 1 of each odd-numbered year.<sup>1</sup>

## **IT infrastructure study**

The bill requires the Department of Administrative Services (DAS) to seek Controlling Board approval to contract with a private entity to conduct a study and report on the status of the state's IT systems and data management practices. Under the bill, the study must be completed and a report of the study's findings submitted to the General Assembly not later than 18 months after the DAS Director awards the contract to perform the study.

## **Additional IT analyses**

Other changes made by the bill may result in a slight uptick in costs for DAS; however, the magnitude of any potential increase is unclear. In addition to the IT infrastructure study, the bill requires DAS and the state Chief Information Officer (CIO) to carry out additional duties related to and analyses of the state's IT hardware, software, and processes. These include the establishment and implementation of a strategic roadmap for migrating the state's IT systems to the State of Ohio Computer Center (SOCC) and to the state's commercial cloud providers, the creation and maintenance of a list of state-owned application software, and conducting an analysis of the average industry fee rates charged for data hosting services. The bill requires the DAS Director to report the findings of the fee rate analysis to the Director of Budget and Management within six months of the bill's effective date and subsequently allows the Director of Budget and Management to set the fees OBM assesses state agencies for data hosting services to rates that are comparable to average industry rates. Any additional costs as a result of these duties would likely be paid from DAS's operating budget for the FY 2024-FY 2025 biennium.

## **Advisory entities**

The bill establishes one advisory board and one advisory committee related to IT infrastructure. The first of these is the Cybersecurity and Fraud Advisory Board, which is required to develop and adopt best practices in cybersecurity and fraud prevention with respect to the IT systems and shared services across state agencies. Under the bill, the Board is comprised of six members including the state's Chief Information Security Officer and five members who are employees of DAS. The bill specifies that the Governor, the Attorney General, the Auditor of State, the Secretary of State, and the Treasurer of State each appoint one of the five DAS employee members to the Board. Members would not receive compensation. Although the bill is silent on support for any administrative costs incurred by the Board, any such costs would presumably be paid from DAS's budget.

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<sup>1</sup> Under the bill, the initial reporting must occur within 90, 120, and 180 days, or as soon as practicable thereafter, for the department heads, OBM Director, and LSC Director, respectively.

The bill also creates the Biannual Advisory Committee to examine the state's IT systems and services and make recommendations to the DAS Director regarding topics it examines. Under the bill, any recommendations received by the Director must be posted to the DAS website. The Committee would consist of nine members, including the chairpersons of the standing committees of the Senate and the House of Representatives to which legislation pertaining to information technology is customarily referred, two members of the Senate appointed by the Senate President, two members of the House of Representatives appointed by the Speaker of the House, the state's Chief Information Officer or the Officer's designee, the state's Chief Information Security Officer or the Officer's designee, and one member who is a state employee who is appointed by the Governor. The bill specifies that members of the Committee serve without compensation and are not to be reimbursed for expenses. As with the Cybersecurity and Fraud Advisory Board, the bill is silent on support for the Committee's administrative costs. Presumably these would also be paid from DAS's budget.