

# **CONTROLLING BOARD**

**OHIO OFFICE OF BUDGET AND MANAGEMENT**

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## **MINUTES OF THE MAY 17, 2004 MEETING**

President, Lisa Dodge, called the Controlling Board meeting to order at 1:42 p.m. Serving on the Controlling Board were Senator John Carey, Representative James Hoops, Senator Louis Blessing, Representative Larry Flowers, Senator Tom Roberts and Representative Sylvester Patton.

The minutes of the May 03, 2004, meeting were distributed. A motion to approve the minutes was made by Senator Carey, seconded by Representative Hoops and approved by the Board members.

Attached is the May 17, 2004, meeting agenda. A motion for blanket approval of all items not held for questions was made by Senator Carey and seconded by Representative Hoops and approved by all Board members.

The following Items were discussed and acted upon as stated.

Item 2, BGU065-04 was held by Senator Blessing. Senator Blessing asked what the long term plans are for the property. Robert Waddle, Bowling Green State University said the long term plans for the property is to use the existing church for small theater performances, small music performances, speaking engagements and conference space. Senator Blessing asked whether there would be any rehabilitation or demolition costs associated with this property. Mr. Waddle said no. Senator Blessing asked why the university is just coming to the Controlling Board with this request. Mr. Waddle said it was held up getting paperwork from the church, pushing paperwork through the university's Capital Planning Office, working with the division of real estate and getting backed-up on other projects. The item was approved without objection.

Item 7, UCN367-04 was held by Senator Carey. Senator Carey asked why three moving companies are needed. Chuck Darling, University of Cincinnati said they are moving facilities management shops, plumbing, HVAC piping and a number of pieces of heavy equipment that require disconnect and set-up. Senator Carey asked if other companies would have a chance to bid for the relocation project when the university moves back. Mr. Darling said yes, the university would open it up for a complete open bid process. The item was approved without objection.

Item 11, OSU964-04 was held by Senator Roberts and Representative Patton. Senator Roberts asked whether the building or the furniture would be first. Judy Nodjak, Ohio State University said it is far more on the equipment side than the furniture side. It is adding optometry equipment, optometry patient and exam rooms, and an optometry research lab. Senator Roberts asked why this wasn't considered in the original design. Ms. Nodjak said it was originally envisioned that much of the equipment that exists today for the optometry department is in a number of different buildings around campus and would be used. As the design began to develop it was determined that this plan would not meet their furniture requirements and a more thorough space plan was necessary. Representative Patton asked how it would make a difference whether the university used existing equipment or new equipment. Ms. Nodjak said it would make a difference if you are moving in IT equipment in deciding how large the equipment is verses the space of the room and trying to plan for cooling and heating ventilation to be able to get the

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IT equipment cooled properly. Representative Patton asked whether the design costs are more now because of the add-on. Ms. Nodjak said the design costs would have been the same price. The item was approved without objection.

Item 12, OSU966-04 was held by Senator Roberts. Senator Roberts asked how the university considers this project is needed at this point. Judy Nodjak, Ohio State University said originally the project was viewed as a two-phase project to do the oval restoration. It was decided that it was far more economical to do all the work in one consolidated phase. This is both a restoration and renovation project and pulled in the basic renovation funds that were originally viewed to be part of the phase two project. Senator Roberts asked why this request wasn't made as part of the original request. Ms. Nodjak said it was originally envisioned when this was a two phase project that it would be completely managed and handled and capital funds requested for release under two separate projects identifiers under two separate project numbers. It was not originally envisioned to come back for the phase two funds until late in the year. The item was approved with Senator Roberts objecting.

Item 16, SSC033-04 was held by Senator Blessing. Senator Blessing asked whether there was a competitive process to select Prater Engineering. Butch Kotcamp, Shawnee State University said no, this engineer actually designed the fine arts building and was familiar with the systems the university is trying to renovate and happened to be working on another chiller project on the campus. It seemed more cost effective to get this engineering group started on this project as soon as possible to avoid the additional cost of replacement of the chillers to the library building itself. The item was approved without objection.

Item 21, DAS458-05 was held by Representative Hoops. Representative Hoops asked whether \$15.50 per square foot was a reasonable rate for rent. Mark Half, Department of Administrative Services said the \$15.50 full service rate is representative of the Cincinnati area and is very reasonable. Representative Hoops asked whether there would be a reduction in staff because of the consolidation plan. Rick Frank, Department of Job and Family Services said this is actually a reduction in the actual total number of square feet that the department is going to need. They are moving from 96,000 square feet to 68,000 square feet. Senator Carey asked whether the department looked at finding space to rent in downtown Cincinnati. Mr. Frank said yes, the department looked at maybe sixteen facilities throughout the whole county and some of those were downtown. Senator Roberts expressed his concern for not using downtown facilities and said it is disturbing to him that he does not see a commitment to cities in terms of locating offices there. The item was approved with Senator Roberts objecting.

Item 22, DAS459-05 was held by Representative Flowers. Representative Flowers inquired about the other program referred to on page two of the request. Nan Neff, Benefits Administrator, Department of Administrative Services said when the department originally looked at the diagnosis's they wanted to cover under this program that they identified fur potential services to cover. When they looked at the programs available through the vendors they found that the back management program was a fairly new program, not well developed and asthma is currently being offered and reaches out to a lot of current employees. Representative Patton asked how much the state is saving on this program. Ms. Neff said Medical Mutual sub-contracted this to several vendors including Matria. The item was approved without objection.

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Item 52, DEV770-04 was held by Representative Flowers. Representative Flowers inquired about the Pivotal TM Customer Relationship Management (CRM) Application. Tom Johnston, Department of Development said this is a very important piece of software that will help the department better manage what their statutory purpose is, to create and maintain jobs. This product will promote a one to one relationship as opposed to many different databases of information. It will provide an opportunity to track leads that are generated from advertising, from attending trade shows, from talking to other clients that they do business with. This is a very robust product, it has very detailed extensive reporting capabilities to sort information and leads in any manner you can imagine. Senator Carey asked how many marketing dollars is available to market the state for development. Mr. Johnston said they do not have enough dollars to market the state and have relied historically on funds that had been provided through the PUCO settlement. The department has plans to create a non-profit entity that will focus on marketing to step up the level of marketing for the State of Ohio. Senator Carey asked what the amount would be per year. Mr. Johnston said this is the type of thing that would grow over time but for starters \$10 million per fiscal year would be a reasonable amount. The item was approved without objection.

Item 53, EDU340-05 was held by Representative Hoops. Representative Hoops asked what will the \$200,000.00 be used for. Kathy Regar, Department of Education said it is the department's intent that the monies would go to the fiscal agents for services and not for infrastructure cost. Representative Hoops asked what happens in the next biennium if the plan is not approved. Susan Tavakolian, Department of Education said if there is no facilitation legislation then there isn't going to be a need. If there is no such plan then the department would need to regroup and decide how they want to get the money out to districts and out to regions in the best way possible and it may be that they use the structure that has existed prior to all this reorganization. Senator Roberts asked if there is no legislation will the \$200,000.00 go back to the centers and not be used for the consultants. Ms. Regar said the centers wouldn't exist. The item was approved without objection.

Item 54, EDU341-04 was held by Senator Roberts. Senator Roberts asked what caused the shortfall. Susan Tavakolian, Department of Education said the main circumstance driving the shortfall is a significant increase in the ADM of children in public schools. From FY2003 to FY2004 the department saw an increase of over 9,000 students in the public school system. The other contributor to the increase is of that 9,000 increase in students there was also a 7,000 increase in special education students and those students are more expensive to educate. Senator Roberts asked why \$27 million is left in the DPIA Line Item. Ms. Tavakolian said she thinks the reason is that over the last several years there has been a decline in the number of children coming from OWF families. Prior to this budget there was a change in legislation on how children of poverty would be counted. Because of Welfare Reform the number of children in OWF and ADC prior to that had been declining for a number of years. As we got to the FY04-05 budget the funding stayed relatively the same. FY03 had an overage in terms of its appropriation because of this decline in the number of children in poverty. Senator Roberts asked how many E-students are in the state now. Ms. Tavakolian said they do have a table put together on E-Schools and some historical figures and that is something that they could provide him with. Representative Patton asked if the department knows where the increase of students comes from geographically. Ms. Tavakolian said there didn't seem to be any huge increase in any one area or in any one district. Representative Hoops asked whether the department saw this coming. Ms. Tavakolian said their first information that there was going to be a problem was with the April 1<sup>st</sup> payment. Representative Patton said it is a little disturbing to him to have \$27 million to spend for short-falls and

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there are more and more poor children and we choose not to use this money for the poor kids in our state because of the way we count. The item was approved without objection.

Item 59, JFS067-0405 was held by Representative Hoops. Representative Hoops asked what the future plans are for the Electronic Benefit Transfer system. Christopher Carlson, Department of Job and Family Services said the department will be transitioning from the offline smart card technology that the system is currently built on and moving to an online system. An RFP for this transition and for the competitive selection of a vendor going forward is in development and will be released within the next fiscal year and the department is looking to award and transition to a new vendor and transition to a new platform as soon as possible. Representative Hoops asked whether this is basically to get the department through until they get the new system set. Mr. Carlson said yes. Representative Hoops asked whether the department would be back again. Mr. Carlson said it would be safe to say that they will be back asking for additional money into FY06 for the current vendor while the transition is occurring. The item was approved without objection.

Item 60, JFS068-0405 was held by Senator Carey, Senator Roberts and Representative Patton. Senator Carey asked what Felicia Bernardini would do for the department that personnel within the department can't do itself. Christopher Carlson, Department of Job and Family Services said the skill set that this vendor will bring to the department is in the area of building a human resources business plan for the department aimed at making JFS a long term sustainable stable organization. Senator Carey asked whether the proposed contractor had worked for the department before. Mr. Carlson said yes, in fact Ms. Bernardini was the Bureau Chief of the Human Resources Bureau from the Department of Human Services through the merger into November of 2000. Senator Roberts waived his questions. Representative Patton asked what gives this person the expertise now with all the changes that have happened since November 2000. Mr. Carlson said while much has changed much has remained the same and it is that knowledge and that skill set that the department believes she brings to the table. Representative Hoops expressed his concerns about whether or not an RFP was involved and said he would like to see some numbers on what the agency saved by doing it this way. Mr. Carlson said he could certainly go back and do work and give the Board something that they would be comfortable with. The item was deferred by request of the Agency.

Item 63, LRS011-0405 was held by Senator Blessing. Senator Blessing said this is an unusual situation in that Legal Rights Service has filed suit against the Controlling Board. He indicated that members of the Senate Republican Caucus have asked for an opinion from the Attorney General as to whether there is a conflict to voting on this. Jeffrey Folkerth, Legal Rights Service said the funds that are requested in this request are not in any way being used or committed to any litigation. The Help America Vote Act federal grant restricts any funds from being used for litigation. The litigation that you are referring to is being funded through a different federal grant. Senator Blessing said he would be uncomfortable as an alternate for voting on this request at this time until they hear something from the Attorney General. Senator Carey said as a named person in this lawsuit, he would like counsel's advice before proceeding with this request and asked that the item be deferred until such time. The item was deferred without objection.

Item 64, LRS012-0405 was held by Senator Blessing. Senator Blessing released the hold without question. The item was approved without objection.

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Item 74, DNR463-04 was held by Senator Carey. Senator Carey asked whether ODNR has used this vendor historically and if so why this issue was not brought to the Board at the beginning of the fiscal year. Chris George, Department of Natural Resources said the Division of Parks holds a majority of the leases with John Deer Credit, Inc. and they were unaware that the Division of Wildlife had a lease out for \$5,000.00. The item was approved without objection.

Item 90, DOT268-04 was held by Senator Carey. Senator Carey asked why the additional \$146,372.00 is necessary. Michele Holdgreve, Department of Transportation said when the project was originally begun the department anticipated maintaining two lanes of traffic. The decision was made to maintain only one lane so the plans need to be altered to reflect the change. Senator Carey asked whether there have been any discussions with the local officials about the impact of going from two lanes to one lane. Ms. Holdgreve said they have discussed this with the local community. Senator Carey said he would like a letter or confirmation from the local officials that they have no objection to changing from two lanes to one lane. The item was approved without objection.

Item 91, DYS380-04 was held by Representative Patton. Representative Patton asked if this request is the result of a change order. Nathan Miner, Department of Youth Services said that is correct. Representative Patton asked whether this is a normal change order. Mr. Miner said no this is not a typical situation but is compounded by the fact that the mechanical contractor did go out of business during this project. Representative Patton asked whether the mechanical contractor going out of business cost the majority of this amount for the change order. Tom Poulton, Department of Administrative Services, State Architects Office said of this \$26,958.45 the amount directly due to the default of the mechanical contractor is \$10,150.00. This is an amendment to the associate architect's agreement with the State of Ohio. Some of the change orders that added scope of work to this project were things like increasing the capacity in the main panel, adding additional circuits and panel breakers, adding a gas pressure-reducing valve, adding burglar bars and adding revisions to door hardware. Senator Roberts said in the narrative of the requests, it refers to part of payment is to dispute fees by associate architect and asked what the disputed fees are. Mr. Poulton said this amendment goes back a little bit in time when there were negotiations between the state architect's office and personnel from Youth Services with regard to these additional services. The item was approved without objection.

Item 92, DYS389-04 was held by Representative Hoops. Representative Hoops asked whether there has been an issue of residents throwing furniture. Nathan Miner, Department of Youth Services said it is his understanding that there has not been an issue yet but it could become a problem. Representative Hoops asked whether the furniture is being changed because it is ten years old or because the American Correctional Association auditors had issues with the furniture. Kevin Miller, Chief of Staff, Department of Youth Services said it is twofold, the department increased the educational size of the space which required a change in the type of furniture they have and there is wear and tear because of the age of the furniture. Representative Hoops asked what happens if they do not purchase this furniture. Mr. Miller said they would have to continue with the furniture that they have but there could be issues down the road where safety and security could be compromised. Representative Hoops asked whether the counties would lose money from the Reclaim Ohio Fund because of this purchase. Mr. Miller said no, the counties would not lose any money. The item was approved without objection.

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Senator Carey questioned two emergency situations in the ODOT Quarterly Report to the Controlling Board (1<sup>st</sup> Quarter 2004). On project 400-03, Cuyahoga County, for \$290,452.30 for Signal Controllers, Senator Carey asked why it is not included in the original project. Michele Holdgreve, Department of Transportation said this project is a local project that was sold by the city of Brookpark in Cuyahoga County and it involved federal money and that is why ODOT was involved. She does not know if there was an under estimation of controllers that were needed but can get that information to his office. Senator Carey asked on project 195-03, Cuyahoga County, for \$114,665.31 what expansion joints are. Ms. Holdgreve said they are joints that are cut in concrete to allow the concrete to move without cracking because concrete expands and contracts. She indicated she would forward that information to his office. Senator Carey asked whether Ms. Holdgreve thought that because these projects went beyond their original amount that it was important for ODOT to honor their commitment to finish them. Ms. Holdgreve said absolutely, these projects were under construction and the projects needed to continue.

With no further business before the board, the meeting was adjourned at 3:45 p.m.

Respectfully submitted,

Francene Johnson  
Controlling Board Executive Secretary

*05/17/04 Minutes approved by the Board:*

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