

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

MINUTES OF THE JUNE 07, 2004 MEETING

President, Lisa Dodge, called the Controlling Board meeting to order at 1:45 p.m. Serving on the Controlling Board were Senator Bill Harris, Representative Charles Calvert, Senator Ron Amstutz, Representative Jim Hoops, Senator Tom Roberts and Representative Sylvester Patton.

The minutes of the May 17, 2004, meeting were distributed. A motion to approve the minutes was made by Senator Harris, seconded by Representative Calvert and approved by the Board members.

Attached is the June 07, 2004, meeting agenda. President Dodge said Item 35, DAS465-0405 and Item 112, DRC531-04 have been deferred. Item 75, DEV790-0405 the FY04 amount has been revised to \$65,850.00. A motion for blanket approval of all items not held for questions was made by Senator Harris and seconded by Representative Calvert and approved by all Board members.

The following Items were discussed and acted upon as stated.

Item 1, AGO028-04 was held by Senator Roberts. Senator Roberts asked why qualified Ohio attorneys who specialize in nursing home reimbursements are not being considered for this contract. Christopher Carlson, Department of Job and Family Services said most of the qualified attorneys specializing in nursing home reimbursement in Ohio already represent the long-term care industry and would not be able to provide those services because of professional conflicts. Senator Roberts asked why the Attorney General's Office is back so soon to increase the contract for Scott Bauffman when the contract was increased by \$300,000.00 in March. Kari Hertel, Attorney General's Office said the Attorney General's Office anticipated the need in June to be large and therefore would need to have funds available. The item was approved with Senator Roberts objecting.

Item 2, AGO029-04 was held by Senator Harris and Senator Roberts. Senator Harris asked whether the Attorney General's Office is required by law to appoint special counsel for a statewide officeholder if requested to do so. Kari Hertel, Attorney General's Office said pursuant to Ohio Revised Code 109.02 the Attorney General's Office is bound to provide representation to clients whether they are statewide office holders, departments or universities. Senator Roberts asked whether the Attorney General offered to represent the Secretary of State in this matter. Ms. Hertel said the Secretary of State approached their office initiating the movement forward to file the motions to intervene in the individual counties in his capacity as Secretary of State. The item was approved with Senator Roberts objecting.

Item 26, OSU976-04 was held by Representative Hoops. Representative Hoops asked what the plans are as far as when the parking lot would be built. Pam Hausey, Ohio State University Medical Center said currently there are no plans, only long-term use of it because it is adjacent to the campus at OSU East. Representative Hoops asked what the single-family residence would be used for until the parking lot is built. Ms. Hausey said it could possibly be used for short-term office use, internal use for administrative people at the hospital. The item was approved without objection.

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Items 32, DAS461-05 and item 33, DAS462-05 were held as a group by Representative Calvert. Representative Calvert asked how many additional people would be hired. Marcy Early-Jeter, Department of Administrative Services said the Department of Taxation will have three enforcement agents that they need to provide space for and in addition to that they need a secured evidence room and some additional filing space. The items were approved without objection.

Item 37, DAS467-04 was held by Senator Roberts and Representative Patton. Senator Roberts asked how long will the renovations take at the Rhodes Tower. Marcy Early-Jeter, Department of Administrative Services said the renovations would take approximately nine months to one year. Senator Roberts asked why the large cost for renovation. Ms. Jeter said the space is very choppy, there are not enough restrooms and there is an elevator issue so the space needs a total renovation in order to make it suitable for a state agency. Representative Patton asked what agencies will be moving into this building and how much will be saved on existing rents. Ms. Jeter said the Board of Regents will vacate commercial leased space at 57 East Main Street and the Civil Rights Commission will vacate commercial leased space at 1111 East Broad Street. Both of those leases total approximately \$422,000.00 per year. The other entities that will occupy space will be the Office of Budget and Management will expand from the 34th floor onto a portion of the 35th Floor, the Department of Taxation will take a small suite and the Ohio Building Authority will be building a conference center on the second floor. The department also just received notification verbally from the State Medical Board that will occupy the third floor. That will allow for the relocation from the Riffe Center and backfill the space at the Riffe Center with the Department of Commerce from commercial leased space. Representative Patton expressed his concern justifying spending \$7 or 8 million dollars for a savings of \$422,000.00 per year at this time. The item was approved with Representative Patton objecting.

Items 39, DAS470-05, 40, DAS471-05, 41, DAS472-05, and 42, DAS473-05 were held as a group by Representative Calvert. Representative Calvert asked whether there is a master plan for all 88 counties. Nancy Isom, Department of Administrative Services said yes. Representative Calvert asked who pays for the maintenance cost on this system. Ms. Isom said they are hoping that with the state's aid in developing the system that the counties will take over the maintenance of the data and the cost of maintaining it. Representative Calvert asked if the department would provide a copy of the master plan to the Controlling Board members so they can see the time frames, dollar amounts for full implementation of the system across the 88 counties, what the maintenance cost might be and who is going to bare the cost. Ms. Isom said they would be happy to provide that information as a follow-up to this meeting. The items were approved without objection.

Item 43, BRB001 was held by Senator Harris. Senator Harris asked when did the Board discover that the fee increase contained in House Bill 95 did not include the correct fee for license restoration. Howard Warner, State Barber Board said it was discovered four months ago at the time they were making up the renewal cards. As it stands it is \$110.00 to renew the license and \$100.00 if you let them lapse and the fee should be \$150.00. Senator Harris asked why the Board did not come forward during the budget hearings four months ago to allow the legislature to correct what needed to be corrected in the bill language. Mr. Warner said he was new to the position and it was an error on his part and he overlooked it but once he discovered the error his fiscal officer directed him to get it corrected immediately. The item was approved without objection.

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Item 49, OSD047-04 was held by Representative Patton. Representative Patton asked what the unaccounted \$90,000.00 would be used for. Ed Corbett, Superintendent, Ohio School for the Deaf said the difference is for the sound-testing booth that will be moved. The booth cost around \$50,000.00 and the difference will go into the contingency fund. The item was approved without objection.

Item 54, DEV759-0405 was held by Senator Harris. Senator Harris questioned the number of other studies that have already been done and asked whether this study will actually be implemented. Daryl Hennessy, Executive Director, Workforce Policy Board, Department of Development said this request is about pulling together manufacturers to talk about their unique workforce needs. From this study they will learn how to change their education and training system in a way that better meets the needs identified by the manufacturers. Senator Harris said the proposal addresses six of the nine deliverables and asked if there will be an additional request for the remaining three deliverables. Mr. Hennessy said the additional deliverables and the additional funds are included in this request. The department does not anticipate coming back to the Board. Senator Harris asked if there is a plan to report back to the Controlling Board as the result of the study. Mr. Hennessy said this particular proposal does not speak specifically to the Controlling Board but he would make that commitment to report back to the Controlling Board. Senator Roberts asked whether higher education would have a role in any of the advisory councils. Mr. Hennessy said absolutely and that they have secured the services of the Ohio Board of Regents as well to provide some staff support to the Manufacturing Council. Senator Amstutz asked how much of this information is going to come from an expert consultant that is hired vs. how much is going to come from the manufacturing community itself. Mr. Hennessy said they will be working through the Manufacturing Council and they will have a lot of say in terms of the recommendations themselves. This contract is basically to help provide data and support. The item was approved without objection.

Item 55, DEV761-04 was held by Senator Amstutz. Senator Amstutz asked whether a competitive process was followed by the department. Judy Jones, Office of Energy Efficiency, Department of Development said yes a Request For Proposal was done to identify the best provider to assist the department in developing this curriculum. Senator Amstutz questioned the contract coming in \$5.00 under the threshold. Ms. Jones said there were three responses to the proposal and this vendor had the lowest bid. Further she explained that the department had to come before the Board because in July, 2003 (FY04) the department made a payment to this contractor in the amount of \$9,750.00 which put them over the \$50,000.00 limit/threshold. The item was approved without objection.

Item 57, DEV768-04 was held by Senator Harris and Representative Hoops. Senator Harris asked what this study will provide that is not already known. Tom Johnston, Department of Development said it would provide the department with information that takes the Batelle Study that identified five key areas to the next level. Representative Hoops asked whether the study has already started. Mr. Johnston said no, it is subject to Controlling Board approval. Representative Hoops asked whether the private sector is putting anything into this study. Mr. Johnston said TechSolve would be providing some in-kind services related to their administration of the contract but in terms of private sector dollars, no there is no money going into it. The item was approved without objection.

Items 75, DEV790-0405 and item 76, DEV791-0405 were held as a group by Senator Roberts. Senator Roberts asked what are the Community Capacity Building Planning Grants. Tom Johnston, Department

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of Development said this is a program that is referred to as the Flex-E-Grant from the Appalachian Regional Commission. It provides funds in communities that are under the Appalachian Regional Commission designation of distressed communities. Senator Roberts inquired about why one of the individuals who did the scoring of the RFQ is also an employee with the Department of Administrative Services and is also listed as a reference for the group that the department is asking to do the project. Mr. Johnston said when the project was undertaken the first step was to identify a group of experts who could review the responses to the RFQ. Tony Yankus was selected to be a member of that committee. At that point in time there was no awareness of who would respond to the RFQ and as it turns out Schottenstein, Zox & Dunn, Public Policy Consultants responded and listed Tony Yankus as a reference as someone familiar with their line of work. The contract is not with the Department of Administrative Services but with the Department of Development. Because the contract is with the Department of Development, the department didn't feel that there would be a conflict of interest. The items were approved without objection.

Item 83, OHS403-04 was held by Senator Harris and Senator Roberts. Senator Harris asked what the House Select Committee recommendations were from the Study of the Effectiveness of Ohio's Historical Partners and Programs. Bill Laidlaw, Executive Director, Ohio Historical Society said there were 44 points included in the study. Seven of the recommendations included in that report have already been implemented, 13 are well under way to implementation, 18 have action steps already identified and are well under way, the remaining points they agree with in principal and will implement to the extent possible but want to be careful to retain their private 501.C3 status. Senator Harris inquired about the recommendation of keeping the Superintendent of Education and the Chancellor of the Board of Regents as ex-officio members rather than voting members of the Board. Mr. Laidlaw said they ran that idea by both of the people involved and they felt that there might be an undue burden on them to be so involved in our organization. Senator Harris inquired about the recommendation of open records and meeting provisions in regards to making the Ohio Historical Society a public agency. Mr. Laidlaw said they have developed detailed policies regarding the meetings and records of their organization and are basically paralleling state law in making available information about their meetings and records. There are relatively few exceptions to these policies. Senator Roberts asked how the job cuts would affect the implementation of the plan. Mr. Laidlaw said they responded to the budget cuts in such a way that there will be no site closings. There will be no changes in the policies or in the direction of the policies that are included in the report. The item was approved without objection.

Item 88, JFS071-0405 was held by Representative Calvert. Representative Calvert asked why only five vendors were allowed to bid on this contract. Christopher Carlson, Department of Job and Family Services said a team consisted of the department's facilities management staff, fiscal staff and MIS staff. They conducted an initial scan of the available software in this market space to see its compatibility with the JFS needs and they narrowed that field down to the five that were contacted. State law required a minimal of three for quotes and the department actually contacted five. All five were contacted and given an opportunity to provide a quote but only three responded. Representative Calvert asked whether any of the five vendors raised any concern about the short window to prepare a response to this request. Mr. Carlson said no, not to his knowledge. The item was approved without objection.

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Items 91, JFS074-05 and 98, DMH428-05 were held as a group by Senator Amstutz. Senator Amstutz inquired about the one-year contract. Christopher Carlson, Department of Job and Family Services said the initial contract was always written as a transactions-based contract so that the amount of money that this vendor received is primarily tied to the number of HIPPA compliant transactions they processed. Although the contract last year was a large contract there was no need to scale it down because they did not get paid the full amount of money because the level of transactions were not what was initially anticipated. The items were approved without objection.

Item 110, DHS695-04 was held by Senator Harris. Senator Harris asked for clarification that the type of software or process that is being proposed here will not be expanded beyond its current scope without either the approval of the Controlling Board or coming to the legislature to be fully debated before a committee. Captain John Born, Department of Public Safety, Highway Patrol said that is correct. This request is for a four-month pilot project on the Ohio Turnpike only. The system is not a video system, the system is essentially an optical scanner and they are going to be looking for wanted vehicles that travel the turnpike. Senator Roberts asked whether other states are using this technology. Captain Born said other states are using similar technology. They are not aware of any state that is using exactly the system that Ohio is looking to use. Senator Amstutz asked what specifically would be loaded into the system. Captain Born said this system would not be linked to a database. It will be a database called the NCIC (National Crime Information Center) Hot File and they have files of stolen vehicles and vehicles wanted in association with felons and they will be updating the system periodically with those NCIC Hot Files. It will not be linked to the Ohio Bureau of Motor Vehicles databases. Representative Hoops asked if they would be working with the county sheriffs or the local police departments along the turnpike. Captain Born said they would work with the local agencies. The item was approved without objection.

Item 123, DOT270-04 was held by Representative Patton. Representative Patton released the hold without question. The item was approved without objection.

Item 127, DYS390-04 was held by Senator Amstutz. Senator Amstutz asked how much of the \$130,000.00 has already been encumbered. Nathan Miner, Liaison for Department of Youth Services said at this time there are \$60,000.00 worth of payables due as a result of staff oversight at the facility. Senator Amstutz asked what steps are being taken to avoid this oversight from happening again. Mr. Miner said Scioto Juvenile Correctional Facility is undergoing an audit to make sure that it will not happen again. They have also improved the lines of communication between the business office and medical staff and appointed an interim business manager from Central Office to oversee the operations. The item was approved without objection.

President Dodge asked if there was a motion to waive the seven-day rule to add EDU353-0405 to the agenda. Senator Harris moved and Representative Calvert seconded.

Item 128, EDU353-0405. Beth Huffman, Department of Education said the Department of Education has been monitoring and checking the appropriation levels in the Title I federal dollars and they knew at some point in June that they were going to have to come to the Controlling Board to increase the appropriation authority in that line. After further discussions they were planning to come to the June 21, 2004 meeting but after discussions with the State Accounting Offices and looking at the rate at which

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school districts have been drawing down Title I dollars they felt it was necessary to bring this request forward to the Board today. The item was approved without objection.

With no further business before the board, the meeting was adjourned at 3:55 p.m.

Respectfully submitted,

Francene Johnson
Controlling Board Executive Secretary

06/07/04 Minutes approved by the Board:
