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Bill Analysis

Legislative Service Commission

H.B. 420

127th General Assembly
(As Introduced)

Reps. Brinkman, Evans, J. McGregor, Bupp, Raussen, Blessing, Uecker, Batchelder, Adams, Hughes, Collier, Combs, Patton, Yuko, Stebelton, Hite, Gibbs, J. Stewart, Jones, Webster, Bacon, Schindel, Huffman, Daniels, Dolan, J. Hagan, R. McGregor, Wachtmann, Wagner, Skindell, Fessler, Book, Peterson, D. Stewart, Coley, Goodwin

BILL SUMMARY

- Requires that certain information on state awards and earmarks, state real property management, state agency management, and state program effectiveness be collected and made available on-line.

CONTENT AND OPERATION

Web site on state awards

The bill requires the Office of Budget and Management (OBM) to establish and maintain a single searchable web site, accessible by the public at no cost, that includes all of the following for each state award:

- The name of the entity receiving the award;¹
- The amount of the award;

¹ "State award" means state financial assistance and expenditures in any of the following forms: (1) grants, subgrants, loans, awards, cooperative agreements, or other similar forms of financial assistance and (2) contracts, subcontracts, purchase orders, task orders, delivery orders, or other similar types of transactions, but excluding compensation received by a state employee (R.C. 126.45(A)(2)). "Entity" means a corporation, association, partnership, limited liability company, sole proprietorship, or other business entity, whether for profit or nonprofit, but not an individual who receives state assistance that is not related to the individual's business (R.C. 126.45(A)(1)).

- Information on the award, including the type of transaction being funded, the purpose of the award, and the agency or instrumentality of the state that is providing the award;
- The location of the entity receiving the award and the primary location of performance under the award, which must include both the political subdivision of the state and the state House and Senate districts;
- The parent entity of the entity receiving the award, if the recipient is owned by another entity; and
- Any other relevant information determined by OBM. (R.C. 126.45(B).)

The bill authorizes OBM to consult with other state agencies in the development, establishment, operation, and support of the web site. State awards must be posted on the web site within 30 days after being made. OBM must provide an opportunity for public comment as to the utility of the web site and any suggested improvements. (R.C. 126.45(C).)

The web site must be fully operational not later than January 1, 2009, must include information on state awards made in fiscal year 2008 and thereafter, and must provide an electronic link to the daily journals of the Senate and House (R.C. 126.45(D)). The Director of OBM must submit to the General Assembly an annual report regarding implementation of the web site. The report must include data regarding use of the web site and any public comments on the utility of the site, including recommendations for improving data quality and collection. The Director must post each report on the web site. (R.C. 126.45(E).)

The bill states that it is not to be construed to require the disclosure of confidential information (R.C. 126.45(F)).

Web site on earmarks for projects or programs

The bill requires OBM to establish and maintain a searchable web site, accessible by the public at no cost, that includes aggregate data on the number and cost of earmarks² and that displays that information by agency. The web site must also provide detailed information on individual earmarks. (R.C. 126.46(B).)

² "Earmark" means funds appropriated by the General Assembly for projects or programs, if any of the following applies: (1) the appropriation is made outside a merit-based or competitive allocation process, (2) the recipient of the funds is specified, or (3) the use or purpose of the funds is specified (R.C. 126.46(A)).

The web site must be fully operational not later than January 1, 2009, and must include information on earmarks designated by the General Assembly in fiscal year 2008 and thereafter (R.C. 126.46(C)).

Designation and duties of senior real property officers for state agencies

The bill requires the director of each state agency or, in the case of a state agency without a director, the equivalent officer of that agency, to designate a senior real property officer for that agency within 30 days after the bill's effective date. This officer must have the education, training, and experience required to administer the necessary functions of the position as set forth below. (R.C. 126.51(A).)

A senior real property officer must develop and implement an agency asset management plan that meets the form, content, and other requirements established by the Ohio Real Property Council that the bill creates. In developing the plan, the senior real property officer must do all of the following:

- Identify and categorize all real property owned, leased, or otherwise managed by the agency;
- Prioritize actions to be taken to improve the operational and financial management of the agency's real property inventory;
- Make life-cycle cost estimations associated with the prioritized actions;
- Identify governmental authorities that are required to address these priorities;
- Identify and pursue goals, with appropriate deadlines, that are consistent with and supportive of the agency asset management plan and measure progress against the goals;
- Incorporate planning and management requirements for historic property and for environmental management; and
- Identify any other information and pursue any other action necessary to the appropriate development and implementation of the agency asset management plan. (R.C. 126.51(B).)

A senior real property officer must monitor on an ongoing basis the real property assets of the agency to ensure the assets are managed in a manner that is consistent with the real property asset management principles developed by the Ohio Real Property Council and with the agency asset management plan (R.C.

126.51(C)). Each agency's initial asset management plan must be submitted to OBM not later than January 1, 2009 (R.C. 126.51(D)).

Ohio Real Property Council

The bill establishes the Ohio Real Property Council, within OBM, to develop guidance for, and facilitate the success of, each state agency's asset management plan. The council is composed of the senior real property officers designated by each state agency under the bill and the directors of OBM and of Administrative Services. The Director of OBM chairs the council and OBM must provide the council with administrative support. (R.C. 126.52(A).) The council must hold its first meeting not later than 60 days after the bill's effective date. Meetings thereafter must be held at least once each quarter of the fiscal year. (R.C. 126.52(C).)

The council must assist the senior real property officers in developing and implementing agency asset management plans. The council must establish appropriate performance measures to determine the effectiveness of state real property management and to allow for comparing the performance of state agencies against industry and other governmental agencies. The performance measures must include the following, as appropriate:

- Life-cycle cost estimations associated with the agency's prioritized actions.
- The costs relating to the acquisition of real property assets by purchase, condemnation, exchange, lease, or otherwise.
- The cost and time required to dispose of state real property assets and the financial recovery of the state investment resulting from the disposal.
- The operating, maintenance, and security costs of state properties, including the cost of utility services at unoccupied properties.
- The environmental costs associated with the ownership of property, including the cost of environmental restoration and compliance activities.
- Changes in the amount of vacant state space.
- The realization of equity value in state real property assets.
- Opportunities for cooperative arrangements with the commercial real estate community.

- The enhancement of agency productivity through an improved working environment. (R.C. 126.52(B).)

State real property database

The bill requires the Director of OBM, in consultation with the Ohio Real Property Council, to develop and maintain a comprehensive and descriptive database of all real property under the custody and control of the state, except when otherwise required for reasons of homeland security. Each state agency must provide for purposes of the database information that adequately describes the nature, use, and extent of the agency's real property assets. (R.C. 126.53(A).) The Director of OBM must make the real property database available on OBM's web site not later than January 1, 2009 (R.C. 126.53(B)).

Development of best practices management standards for state agencies

The bill requires the Director of OBM, in consultation with the Governor, to develop, not later than 12 months after the bill's effective date, management standards that are to be considered the best practices to which state agencies must adhere. In developing the standards, consideration must be given to similar efforts in the public and private sectors. The standards, at a minimum, must address all the following areas: (1) budget and performance integration, (2) competitive sourcing, (3) E-government, (4) human capital, and (5) financial performance improvement. (R.C. 126.55(A).)

The Director of OBM must also establish performance measures to increase transparency and to ensure citizens and agencies have a better understanding of what is being accomplished. OBM must apply these measures to periodically assess agency progress on a case-by-case basis. (R.C. 126.55(B).)

An agency's successful implementation of the best practices in each of the areas described in items (1) through (5) above must be tracked using the following color-coded grading system:

- **Green:** Implementation is proceeding according to plans agreed upon with the agency.
- **Yellow:** Issues have arisen requiring adjustment by the agency in order to achieve the objectives in a timely manner.
- **Red:** The agency is unlikely to realize the objectives absent significant management intervention. (R.C. 126.55(C).)

OBM must post on its web site each assessment it makes (R.C. 126.55(D)).

Assessment of overall effectiveness of state programs

The bill requires OBM, at least once every 24-month cycle, to assess each state program with respect to its purpose, design, planning, management, results, and accountability, to determine the overall effectiveness of the program and, based on that assessment, make recommendations on ways to improve program results (R.C. 126.57(A)). To implement this requirement, OBM must design a questionnaire and rating system that indicates a program's overall performance. The questionnaire must focus on a program's purpose and management, strategic planning with respect to the program, and program results. It must be customized depending on the type of program to be assessed. The results of each assessment must be posted on OBM's web site. (R.C. 126.57(B).) OBM must begin conducting the assessments not later than 12 months after the bill's effective date (R.C. 126.57(C)).

HISTORY

ACTION	DATE
Introduced	12-21-07

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