



Ohio Department of
Administrative Services

2016
Fiscal Year
Annual Report

OhioDAS
SERVICE · SUPPORT · SOLUTIONS
DEPARTMENT OF ADMINISTRATIVE SERVICES

John R. Kasich, Governor
Robert Blair, Director

2016 Fiscal Year Annual Report

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Ohio Department of Administrative Services

OVERVIEW

The Ohio Department of Administrative Services (DAS) is committed to providing quality centralized services, specialized support and innovative solutions to state agencies, boards and commissions. Because DAS is a customer service organization, DAS team members continually look for ways to improve our work processes and final products. We listen earnestly to customers and empower team members to make a positive difference.

DAS has more than 40 program areas serving our Ohio government customers, who in turn directly serve the interests of Ohio citizens. We help procure goods and services, deliver information technology and mail, train personnel, promote equal access to the state workforce, lease and manage office space, process payroll, print publications and perform a variety of other services.

DAS consists of six divisions – the Equal Opportunity Division, General Services Division, Human Resources Division, Office of Collective Bargaining, Office of Information Technology and the Administrative Support Division. The Administrative Support Division consists of the Director's Office and Central Service Agency as well as the Offices of Communications, Employee Services, Finance, LeanOhio and Legal Services.



Central Service Agency

Fiscal Year 2016 marked the second consecutive year all 29 applicable boards and commissions met both EDGE and MBE goals.

OVERVIEW

The Central Service Agency, which is part of the Ohio Department of Administrative Services, provides the following services to select State of Ohio boards and commissions: human resources and payroll functions, fiscal and budget assistance, procurement, administrative directives and other ad hoc, mutually agreed services.

The Central Service Agency currently provides services to 32 boards and commissions, 25 of which are autonomous licensing boards and commissions which receive no general revenue funds. Combined, these boards and commissions license or assist more than 1.24 million active and inactive licensed individuals, businesses and career schools throughout Ohio.

ACCOMPLISHMENTS

Central Service Agency Saves State Millions

The Central Service Agency saved the State of Ohio more than \$5 million during Fiscal Year 2016 by providing centralized human resources management – including investigations, onboarding, strategic workforce planning, labor market reviews and payroll related services – for 32 boards and commissions and centralized fiscal services – including budgeting, payment processing and procurement services – for 30 of the boards and commissions. Out of these 32 boards and commissions, 25 are autonomous licensing boards and commissions. Related accomplishments for Fiscal Year 2016 included the following:

- Worked with the boards and commissions to help them meet the goals for the state's procurement preference programs for socially and economically disadvantaged businesses, known as the EDGE (Encouraging Diversity, Growth and Equity) and Minority Business Enterprise (MBE) certification programs. Fiscal Year 2016 marked the second consecutive year all 29 applicable boards and commissions met the goals for both programs.
- Worked with the licensing boards to begin implementation of a new cloud-based electronic licensing system. This system provides licensing boards a more efficient workflow system tied to work rules and online options. Other highlights of the new system include improved online public access to license renewal, license application, licensure verification and reports related to licensure. During the creation of the system, the Central Service Agency and the licensing boards worked with the DAS Office of LeanOhio to streamline licensing processes.
- Completed assessment reports, in partnership with the DAS Office of Information Technology and the boards and commissions, that matched IT solutions to identified improvement opportunities. Onsite interviews as well as functional and technical evaluations

were conducted. The focus areas for the assessments included existing hardware, software, security and service use as well as network infrastructure.

- Streamlined internal revenue handling procedures to improve efficiencies and security and decrease time to deposit state funds.
- Developed and implemented an open voucher report to identify and track due dates more effectively.
- Continued collaboration on the Health Professions Data Warehouse project, integrating historical and current health professions licensure board data. This data warehouse is a multi-phase project in collaboration with the Ohio Department of Medicaid, Ohio Department of Health and other stakeholders to help provide better health care in the future.
- Worked with the Ohio Office of Budget and Management and the DAS Human Resources Division to develop workforce plans for all boards and commissions. The workforce plans maintained headcount at Fiscal Year 2015 levels.

Boards and Commissions Served

- Accountancy Board of Ohio
- Broadcast Educational Media Commission
- Counselor, Social Worker and Marriage and Family Therapist Board
- Ohio Air Quality Development Authority
- Ohio Architects Board/Ohio Landscape Architects Board
- Ohio Athletic Commission
- Ohio Board of Dietetics
- Ohio Board of Embalmers and Funeral Directors
- Ohio Board of Motor Vehicle Repair
- Ohio Board of Speech-Language Pathology and Audiology
- Ohio Board of Tax Appeals
- Ohio Chemical Dependency Professionals Board
- Ohio Commission on Minority Health
- Ohio Commission on Service and Volunteerism
- Ohio Latino Affairs Commission
- Ohio Liquor Control Commission
- Ohio Manufactured Homes Commission
- Ohio Occupational Therapy, Physical Therapy and Athletic Trainers Board
- Ohio Optical Dispensers Board
- Ohio Respiratory Care Board
- Ohio State Barber Board
- Ohio State Board of Career Colleges and Schools
- Ohio State Board of Chiropractic Examiners
- Ohio State Board of Cosmetology
- Ohio State Board of Optometry
- Ohio State Dental Board
- Ohio Veterinary Medical Licensing Board
- State Board of Orthotics, Prosthetics and Pedorthics
- State Board of Psychology
- State Board of Registration for Professional Engineers and Surveyors
- State Board of Sanitarian Registration
- State Employment Relations Board

Office of LeanOhio

Kaizen Events FY 2016 Results



Simpler

- 69% reduction in the number of process steps
- 1,577 process steps eliminated
- 59% reduction in handoffs



Better

- 55,189 potential redirected hours to be realized when the new processes are fully in place



Faster

- 45% average reduction in start-to-finish process time
- 74% reduction in decision points



Less Costly

- Direct annual cost savings totaling \$972,000 when the improvements are fully implemented

OVERVIEW

The mission of the Office of LeanOhio is to make government services in Ohio simpler, faster, better and less costly through teaching, coaching and spreading the concepts of Lean and Six Sigma throughout state government.

ACCOMPLISHMENTS

Core Functions

Throughout Fiscal Year 2016, the LeanOhio team has accomplished its mission by:

- Facilitating major process improvements, including week-long Kaizen events that continue to yield great results;
- Providing continuous improvement consulting services such as strategic planning, value stream mapping, 5S principles (sort, straighten, shine, standardize and sustain), data analysis and customer survey design;
- Delivering Lean Six Sigma courses, including progressive training in the White Belt, Yellow Belt, LeanOhio Boot Camp (Camo Belt), Green Belt and Black Belt disciplines and procedures; and
- Developing and publishing Lean Six Sigma tools, most of which are available for downloading at lean.ohio.gov/resources.aspx.

Entrepreneur-in-Residence Pilot Program

In addition to its core functions, the Office of LeanOhio expanded its portfolio of activities with the addition of the Entrepreneur-in-Residence program. This program is designed to strengthen the relationships between small businesses and state government. It embeds small business owners into the Office of LeanOhio for one year, during which they receive the LeanOhio Green Belt training

and complete a major improvement project for a state agency. The entrepreneur gains insight into state government programs, resources and processes – and the state gains knowledge of best practices and private-sector insights.

The three entrepreneurs who have been participating in this first year's pilot are as follows:

- Sanjay Dudaney, president of Halcyon Solutions, who has more than 20 years of experience in management and information technology consulting services;
- Ron Stokes, CEO/president of Three Leaf Productions, who has more than 20 years of experience in the printing and advertising business; and
- Alycia Taylor, owner of Taylor Consulting Services, who has more than 15 years of experience in program management, staff development, character building, social and emotional learning, and school climate.

Changing for the Better with Kaizen

During Fiscal Year 2016, the Office of LeanOhio led 13 major Kaizen events for the following 10 State of Ohio agencies: Attorney General's Office, Board of Pharmacy, Bureau of Workers' Compensation, Department of Medicaid, Department of Natural Resources, Department of Public Safety, Department of Veterans Services,



Environmental Protection Agency, Housing Finance Agency and DAS. For these projects alone, the transformed processes will have 69 percent fewer steps, 74 percent fewer decision points and 59 percent fewer handoffs. Among teams projecting such streamlined time reductions, the processes will move an average of 45 percent faster.

Six teams estimate that their new procedures will yield direct annual cost savings totaling \$972,000 once the improvements are fully implemented, based on sharp reductions in postage, printing, paper, overtime and process steps that will no longer be needed. In addition, with the process improvements from seven of the Kaizen events held during Fiscal Year 2016, these teams are projecting 55,189 freed-up staff hours due to efficiency gains – staff time that will be available for more value-added work.

Ultimately, the use of Lean Six Sigma in state government is all about serving citizen customers – and on that key point, LeanOhio teams are delivering. For example, because of the Kaizen event with the Veterans Home in Sandusky, Ohio veterans and their families will experience a faster and much smoother admission process.

Results from the Kaizen event with the Attorney General's Bureau of Criminal Identification allow for background checks being processed up to 80 percent faster – quickly clearing the way for individuals to receive employment, travel authorizations and other services.

In addition, the Kaizen event held with the Ohio Department of Medicaid is improving key screening and review processes, ensuring that individuals are appropriately placed in nursing homes and receive the services they need.

The Office of LeanOhio continues to further embed the “continuous improvement mindset” into state agency management and operations. During Fiscal Year 2016, LeanOhio certified 10 new Green Belts and eight new Black Belts. These associates completed a rigorous training process (80 hours for Green Belts, 200 hours for Black Belts), and they have demonstrated their learning by scoping, developing and completing Lean Six Sigma improvement projects. These projects are producing tangible results across many core processes at the Public Utilities Commission of Ohio, Ohio Department of Health, Ohio Department of Insurance, Ohio Department of Natural Resources and the Ohio Department of Public Safety and many other agencies.

A complete listing of belt projects is available at lean.ohio.gov/results/BeltProjects.aspx.

Equal Opportunity Division

The state is again on target to achieve the 15 percent set-aside goal.

Executed reciprocity agreements with seven entities that also have MBE certification programs.

Implemented a pilot certification program for state-certified professionals to reduce certification time.

OVERVIEW

The mission of the Equal Opportunity Division (EOD) is to serve, support and find solutions for Ohioans by ensuring equal opportunity to and fair treatment in government contracting and state employment. The division strives to achieve its mission by implementing and enforcing the state's affirmative action and equal employment opportunity policies, and implementing and monitoring the state's procurement preference programs for minority-owned, women-owned, and socially and economically disadvantaged businesses.

The mission of the **Affirmative Action and Equal Employment Opportunity Unit** is to ensure equal opportunity to and fair treatment in state employment. The unit strives to achieve its mission by managing the state's internal discrimination complaint process and providing guidance to state agencies in the development, administration, and enforcement of affirmative action and equal employment opportunity programs.

The mission of the **Business Certification and Compliance Unit** is to ensure equal opportunity access to and fair treatment in government contracting. The unit strives to achieve its mission by maximizing contracting opportunities through certification of minority-owned, women-owned, and socially and economically disadvantaged businesses and enforcing the affirmative action laws and regulations required of contractors doing business with the State of Ohio.

The mission of the **Research and Reporting Unit** is to ensure equal opportunity to government contracting by consistently providing accurate and timely program data for the Minority Business Enterprise (MBE) and Encouraging Diversity, Growth and Equity (EDGE) programs.

ACCOMPLISHMENTS

Minority Business Enterprise Program Set-Aside Goal

Created in 1980, the Minority Business Enterprise (MBE) program establishes a 15 percent set-aside goal for state agencies, boards and commissions. Each of these entities is responsible for meeting this goal by purchasing goods and services from MBE-certified businesses. Under the leadership of the Kasich Administration, in Fiscal Year 2015 the State of Ohio met this goal for the first time in the program's 35-year history.

Now, for the second fiscal year in a row, the state is again on target to achieve the

15 percent set-aside goal. This accomplishment is a testament to the strategy the Kasich Administration implemented to achieve the goal, which has resulted in a shift in the culture of state procurement – from one that did not seriously and consistently regard the MBE program to one that views MBE-certified businesses as integral to a diverse, inclusive, broad-based supplier base. During Fiscal Year 2016, this cultural shift was accompanied by continued innovations between state officials and Ohio businesses.



Reciprocity Agreements

In Fiscal Year 2016, EOD executed reciprocity agreements with six entities (five municipalities and the Ohio Minority Supplier Development Council) that also have MBE certification programs. These agreements allow businesses that are certified in either the State of Ohio's MBE program or one of the other entities' programs to be cross-certified into the other program. This initiative reduces application time to an average of five business days, allowing the state to increase the number of MBE-certified businesses with which it can do business.

Professional Certification Pilot Program

EOD implemented a pilot program to reduce certification time for certain professionals that the State of Ohio already certifies in one form or another. The pilot program will run through Fiscal Year 2017 and will increase the supplier base for both the MBE and Encouraging Diversity, Growth and Equity (EDGE) programs.

The Professional Certification Pilot Program is for the following professionals:

- Accountants
- Anesthesiologists and Nurse Anesthetists
- Architects
- Attorneys
- Chemical Dependency Therapists
- Chiropractors
- Counselors, Social Workers and Marriage and Family Therapists
- Dentists
- Engineers
- Midwives
- Nurses and Nurse Practitioners
- Occupational and Physical Therapists
- Optometrists
- Pharmacists
- Physicians and Physician Assistants
- Psychologists and Psychiatrists
- Speech-Language Pathologists and Audiologists
- Teachers
- Veterinarians

Bi-Annual EEO Academy

In accordance with Rule 123:1-49-02 of the Ohio Administrative Code, EOD provides leadership and guidance to departments and agencies in the conduct of equal employment opportunity programs (EEO) for the employees of and applicants for employment with state agencies. In Fiscal Year 2016, EOD sponsored the EEO Academy, which was held every other Friday from Oct. 2 through Dec. 4, 2015.

More than 360 EEO, human resources and legal professionals from both the public and private sectors attended the academy. Many participants were awarded Continuing Legal Education credits through the Supreme Court of Ohio or Continuing Education Units through The Ohio State University.

General Services Division

The state's Waste Management Program was selected as one of five finalists for the George Cronin Award for Procurement Excellence.

Expansion of the DAS Managed Fleet Program has generated savings by reducing vehicles, centralizing vehicle acquisitions and processing, improving maintenance management, consolidating motor pool operations and streamlining administrative functions.

The Office of State Printing and Mail Services continues to purchase and install new servers which feature increased storage space and back-up capabilities and enhanced performance and security.

OVERVIEW

The DAS General Services Division is comprised of seven offices of distinct back-office service areas that support state agencies, boards and commissions.

The **Office of Procurement Services** collaborates with state, county and local government entities to provide services and award non-IT related commodities and service contracts. The office includes State Purchasing, Cooperative Purchasing, the Office of Procurement from Community Rehabilitation Programs (OPCRP), Asset Management Services and the OAKS FIN Program Management Office. State Purchasing assists state agencies with the purchase of supplies and services through a number of methods, including competitive selection and negotiated contracts. Cooperative Purchasing extends the benefit of the state's contract pricing to participating political subdivisions, such as local governments, schools and universities. OPCRP assists work centers that employ people with work-limiting disabilities to establish contracts for providing supplies and services to state and local government agencies. Asset Management Services assists agencies in maintaining, reporting and certifying accurate inventories of state-owned assets. The OAKS FIN Program Management Office provides functional, technical and training support for the purchasing, asset management and strategic sourcing modules of the financial systems of the Ohio Administrative Knowledge System (OAKS FIN).

The **Office of State Printing and Mail Services** provides printing services for state agencies, boards and commissions through four in-house publishing centers, a mainframe printing center, and a large packaging and mailing operation. Other functions include the procurement of specialty printing services, interoffice mail delivery, mail metering and presort services, guidance regarding records retention and information management.

The **Office of Risk Management** provides comprehensive risk management programs and services to all state agencies, boards and commissions, as well as the judicial and legislative branches of state government. The office is responsible for the administration of self-insurance and private insurance programs protecting the assets and liabilities of the State of Ohio.

The **Office of Fleet Management** provides comprehensive fleet management services for approximately 12,500 state vehicles. Services include vehicle acquisition, motor pool rental, fuel and maintenance credit cards, compliance reporting and vehicle assignment authorizations. The office monitors individual agency fleet performance, vehicle assignment authorizations and mileage reimbursements to identify cost savings opportunities.

The **Office of Real Estate and Planning** provides state entities with diverse services related to office space and real estate needs. Services include office space assessments, space allocation, planning and design, and project management activities; commercial leasing, acquisition and disposal of real estate; transfers of property between state entities; leasing of state buildings and land; appraisal review and valuation; surveyor services; and oversight of eminent domain actions. The office assists state entities in



leasing approximately 4.2 million square feet of commercial office and warehouse space while overseeing the use of nearly 5 million square feet of occupancy in DAS-owned buildings.

The **Office of Properties and Facilities** manages and maintains more than 5 million square feet of state buildings. The office provides comprehensive property management services, including security, mechanical, engineering and janitorial services.

The **State and Federal Surplus Services Program** facilitates the recycling of excess supplies within government and attaining maximum return on investment. Property declared as surplus is made available to other state agencies and political subdivisions. Remaining property is sold at public auctions. State agencies and members of the Federal Surplus program also may acquire excess federal property.

ACCOMPLISHMENTS

Office of Procurement Services **George Cronin Award Finalist**

The State of Ohio's new Waste Management Program was selected as one of five finalists for the George Cronin Award for Procurement Excellence. The GSD Office of Procurement Services was presented its share of the award at the National Association of State Procurement Officials annual conference in September 2015.

Through the coordination and contracting efforts of a third-party administrator, the Ohio Waste Management Program focuses not only on the collection, transport and disposal of solid waste, but also monitors the types and volumes of waste to ensure it is managed in the most cost-effective manner.

This one-of-a-kind program also incorporates the prevention and reduction of waste by maximizing recycling opportunities. Operated throughout the state from an

enterprise perspective, this innovative methodology has transformed hundreds of individual, site-based contracts into one well-managed and dependable operation that has reduced overall costs by more than 25 percent.

Praise from U.S. Air Force

DAS was singled out for special praise by the Office of the Secretary of the U.S. Air Force, and was specifically named as a valued partner of the Air Force's efforts to form partnerships that address common needs with the communities in which its installations are located, including Wright-Patterson Air Force Base. Given the success of this initial effort at Wright-Patterson, the Secretary's Office intends to initiate similar community partnerships with Ohio's Air National Guard bases in Columbus, Mansfield, Springfield and Toledo.

Ohio Ties for Fifth in Procurement Survey

Ohio was ranked highly in the Governing Institute's inaugural Governing Procurement Survey of the States. Out of the 37 states responding to the survey, Ohio tied for fifth overall with Massachusetts based on the procurement policies, programs and practices detailed for 10 categories.

The survey is among the most comprehensive reviews of U.S. state procurement practices and is intended to raise awareness about the critical role procurement plays in state government with a ranking that identifies and rewards state excellence in procurement practices, according to *Governing* magazine. The rankings and best practices from the respondents were featured in the March 2016 issue of *Governing* magazine.

Office of State Printing and Mail Services

New Servers Enhance Printing Operation

The Office of State Printing and Mail Services purchased and installed new servers for the mainframe print and fulfillment center which feature increased storage space and back-up capabilities and enhanced performance and security.

These servers also process print work and prepare it to be processed by the printers, allowing for faster spooling and processing time.

The mainframe print and fulfillment center printed more than 186.5 million impressions during the fiscal year, an increase of approximately 770,000 from the prior fiscal year. In addition, through the third quarter of Fiscal Year 2016, the mainframe print and fulfillment center printed nearly 2.7 million paper warrants, and inserted and mailed more than 60.2 million mail pieces.

In addition, during Fiscal Year 2016 the mail centers in the Rhodes State Office Tower and Riffe Center for Government and the Arts processed more than 3.17 million pieces of state agency postage mail. The presort program saved agencies more than \$4.67 million during the fiscal year.

Office of Risk Management

Performance Measures Exceeded

The Office of Risk Management exceeded performance measures by paying property damage claims within 90 days 76 percent of the time; contacting claimants making new claims within 24 hours 93 percent of the time; and closing more claims than they received each month.

Office of Fleet Management

Consolidation of Fleet Management Services Nets Savings

The Office of Fleet Management provides fleet management services to 61 state agencies, boards and commissions. Five agencies were added to the DAS Managed Fleet Program during Fiscal Year 2016, bringing the number of participants to 44. Those five agencies have realized savings of approximately \$550,000.

Expansion of the DAS Managed Fleet Program has generated savings by reducing vehicles, centralizing vehicle acquisitions and processing, improving maintenance management, consolidating motor pool operations and streamlining administrative functions.

In addition, for the seventh consecutive year, the Office of Fleet Management has reduced the fleet administrative rates for customer agencies, collectively saving them \$250,000 over the previous fiscal year. These savings were made possible through the expansion of the DAS Managed Fleet Program and the consolidation of several motor pool operations.

Vehicle Registration Optimization

In collaboration with the Bureau of Motor Vehicles of the Ohio Department of Public Safety, the Office of Fleet Management developed a new vehicle registration process to reduce the number of days it takes to deploy a new vehicle to customers.

The new process reduces the average delivery time by 66 percent, saving approximately \$100,000 annually through improved resale value and deferred vehicle maintenance costs.

Office of Real Estate and Planning

Two Million Square Feet Enhanced

During Fiscal Year 2016, the Office of Real Estate and Planning, in an effort to maximize the use of state-owned space, planned and designed more than 2 million square feet of space, resulting in nearly \$2 million in improvements to support efficiency, organizational initiatives and effectiveness of various state entities.

The office also managed approximately 200 commercial real estate leases covering approximately 4.2 million square feet of commercially leased office and warehouse space, a portfolio valued at nearly \$45 million; participated in nearly 100 state-owned leases, including development leases; facilitated at least 166 easements, licenses, permits and annexations; affected 375 planning and design projects; handled nine eminent domain review actions; reviewed nearly 190 real estate valuation and appraisal reports; handled more than 220 surveyor activities; was involved in 54 offers to purchase or sales of property; and responded to nearly 100 general consultation inquiries.

Office of Properties and Facilities

Operating Costs Below Average

Over the past five years the operating costs for buildings managed by the Office of Properties and Facilities have been consistently below the Midwest region average cost per square foot for a class "B" office building, when using metrics from the Building Owners and Managers Association.

These performance results are attributable to the pursuit of the lowest utility rates available; leveraging facility size to obtain best pricing; standardizing operating practices and procedures throughout the buildings; and using outside service providers to reduce operating costs and improve service levels.

Building Security Upgraded

As part of continuing efforts to strengthen security for tenants and visitors, security upgrades occurring during Fiscal Year 2016 included the installation of turnstiles at



the entrances to the elevator lobbies of the Rhodes State Office Tower and the Riffe Center for Government and the Arts, both in Columbus, to allow access to only credentialed tenants and visitors.

Energy Improvements Made

Energy efficiency improvements were made to the Lausche Building in Cleveland and the Ocacek Building in Akron during Fiscal Year 2016.

The improvements included the installation of replacement LED lighting fixtures, new lighting/occupancy sensors for efficient utilization of electricity, and automation control systems for the improved control of the HVAC systems for economy of operation and tenant comfort.

State and Federal Surplus Services Program

Wish List Connects Customers with Supplies, Equipment

During Fiscal Year 2016, the State and Federal Surplus Services Program

continued to focus on increasing the number of surplus property transferred directly from one state entity to another. State Surplus also created a customer wish list to connect customers with needed supplies and equipment. State Surplus compares this list with items scheduled to be recycled, and when matches are identified initiates the appropriate transfers between agencies. Often these items were given at no cost to the receiving agency. State Surplus conducted numerous "free" transfers, totaling a fair market value of approximately \$37,098 and also sold miscellaneous goods, supplies and vehicles to state agencies and tax-supported entities for more than \$500,000.

Property not disposed of in one of these manners is sold to the general public at auction. During Fiscal Year 2016, State Surplus auctioned 1,089 trucks, cars and motorcycles, generating an all-time record of more than \$3.9 million in proceeds.

In addition, more than 2,600 lots of general property were auctioned, generating

approximately \$2.3 million in proceeds. Other sales through sealed bid and the internet generated \$94,070. Collectively, these sales generated more than \$2.8 million in refunds to state agencies.

Human Resources Division

The Lead Ohio: Inspirational Leaders pilot program was launched in April 2016 with 80 participants from more than 20 agencies, boards and commissions.

As part of ongoing efforts to reduce the use of paper, the number of employees who choose to receive their annual W-2 earnings statement electronically online has increased to more than 60 percent.

OVERVIEW

The Human Resources Division, within the Ohio Department of Administrative Services, performs a variety of functions including overall administration of the state's human resources operations for the state's approximately 52,000 employees. This division provides services and information to state employees and assists state agencies in conducting their human resource functions. Services are offered in the areas of policy development, payroll administration, benefits administration, classification and compensation, drug testing, central recruiting, training and development, workforce planning and records maintenance.

The **Office of Benefits Administration Services** (BAS) provides high quality, cost effective benefits for the State of Ohio's 52,000 employees. BAS solicits, procures and manages benefit services administered by commercial vendors of insurance products such as medical, dental, prescription drug, vision, basic and supplemental life, as well as health management services. BAS also coordinates the administration of workers' compensation, COBRA, Employee Assistance Program (EAP) and disability benefits for these employees. Finally, BAS is instrumental in producing and disseminating communications relative to these benefits to all state agencies.

The **Office of Human Resources Operations** is responsible for all functions supported by the Ohio Administrative Knowledge System's (OAKS) Human Capital Management (HCM) module and for providing assistance to agency human resources offices. The Operations team provides assistance through processing personnel actions, payroll, benefits and drug tests. The team also provides technical support of OAKS HCM by planning, designing and configuring enterprise programs.

The **Office of Talent Management** provides support and solutions to agency customers by supporting compliance with applicable state and federal statutes, regulations and contractual obligations such as classification, compensation, civil service and proficiency testing as well as supporting a variety of tasks related to workforce planning, recruitment, hiring, advertisement, screening and performance management at a statewide level. This office also provides enterprise-wide educational and professional development opportunities to state employees to support customer agencies in developing a high-performance workforce in addition to administering the exempt employee educational program and employee educational development programs.

The **Office of Policy** for the Human Resources Division and Office of Collective Bargaining provides technical assistance and support to state agencies regarding the application of employment laws and regulations; tracks legislation and regulatory changes affecting state employment practices; trains agency HR professionals on employment law issues; researches proposed legislation and regulations; and makes recommendations to the director of DAS regarding exempt policy requests from state agencies.

The **Business Continuity Program** assists in preparing the state's workforce for emergencies by coordinating and providing guidance to state agencies on the development, implementation and maintenance of operations and emergency preparedness plans.



ACCOMPLISHMENTS

Office of Benefits Administration Services

Health Benefits

- On average, approximately 114,900 lives were insured during Fiscal Year 2016 through the Ohio Med Preferred Provider Organization offered to State of Ohio employees and their dependents. Those insured included 44,800 employees and 70,100 dependents, on average.
- The office also manages plans that provide dental, vision and life insurance benefits for employees exempt from bargaining units. During the fiscal year, on average, enrolled members in dental benefits, provided through Delta Dental of Ohio, totaled 33,400 (13,000 employees and 20,400 dependents) and enrolled members in vision benefits, provided through Vision Service Plan, totaled 33,600 (13,000 employees and 20,600 dependents).

Basic life insurance benefits, provided through Minnesota Life, had 13,800 enrolled employees.

Behavioral Health

- Optum Behavioral Solutions made its new Family Support Program available to state employees and their dependents who are enrolled in the State of Ohio medical plan. Optum's Family Support Program offers help to families that have a dependent younger than age 26 who has a substance use problem.

The Family Support Program provides access to licensed clinicians who will assess, educate, support and manage cases of children or adult dependents with substance use disorders (alcohol or drugs). These specialists are licensed mental health clinicians with in-depth knowledge of alcohol or drug addictions and treatment.

Take Charge! Live Well!

- The *Take Charge! Live Well!* wellness program began offering a new financial well-being program. More than 800 members have enrolled in this comprehensive online program.

Through the wellness program more than 21,200 enrolled employees and spouses received a snapshot of their health through worksite biometric screenings or physician visits and more than 29,400 completed the Well-Being 5 survey.





Office of Human Resources Operations

Payroll Processing

- The Human Capital Management Payroll/Time and Labor Unit processed more than 1.4 million paychecks during Fiscal Year 2016.

Patient Protection Affordable Care Act Implementation

- The federal Patient Protection Affordable Care Act (PPACA) created new health insurance eligibility rules, which were implemented. Beginning in 2015, the state was required to offer affordable health care coverage to all employees averaging 30 hours or more per week. The Human Capital Management module of the Ohio Administrative Knowledge System (OAKS) was programmed correctly

to identify employees who met the federal requirements.

- The PPACA regulations also created new reporting requirements for employers. The Internal Revenue Service (IRS) created form 1095-C as the mechanism for employers to provide employees with verification that they had been offered affordable health care coverage. Many entities struggled to test, print and mail the new IRS forms to employees within the federal government’s timeline. The state met the deadline.

Bargaining Contract and Ohio Revised/ Administrative Code Changes

- Contractual changes for the Ohio Civil Service Employees Association, Service Employees International Union /1199, Ohio Education Associa-

tion and Fraternal Order of Police were implemented retroactively to July 1, 2015. Changes included a 2.5 percent salary increase, changes to the use of personal leave and changes to random drug testing pools.

W-2 Consent

- The number of state employees who chose to receive their W-2 earnings statement online instead of the traditional paper form increased. In the third year that IRS Form W-2 has been available online to state employees, more than 60 percent of state employees have consented to receive their annual W-2 statements through the myOhio.gov employee portal, reducing printing, mailing and administrative fees.

Employee Development Funds System

- A new Employee Development Funds Reimbursement System for exempt employees and members of Service Employees International Union /1199, Ohio Educational Association, Fraternal Order of Police and the Ohio State Troopers Association was launched. The new system enables user access through a single sign-on using myOhio.gov. The new system is more user-friendly and requires less effort from users to submit reimbursement requests. Feedback shows users like the simplicity of the system and the quick turnaround time. Administratively, maintenance costs were reduced.

Electronic Personnel File

- A new electronic personnel file was created, utilizing an online document management system that agency human resources staff can use to store documents. The project began in February 2016 with five pilot participants: the Ohio Department of Agriculture, Ohio Department of Medicaid and Opportunities for Ohioans with Disabilities as well as the DAS Office of Employee Services and Human Resources Division. Additional agencies are expected to begin using the new electronic personnel file during Fiscal Year 2017.

Unified Time and Reporting System

- Eleven Kronos-user agencies began transitioning to a single version of the time reporting software. These 11 Kronos-user agencies account for approximately one half of all state employees. The transition is expected to reduce maintenance costs for participating agencies.

Office of Talent Management**ePerformance, Performance Management and Succession Planning**

- DAS assisted agencies in converting approximately 32,000 employees from step date-based annual performance evaluation periods to annual performance cycles as a result of ratifying new bargaining unit contracts.

- A statewide competency model was launched, identifying three competencies for all exempt job titles and linking them to the ePerformance system.

Classification and Compensation

- DAS completed a statewide joint labor-management review of 31 fiscal classifications and implemented current classification specifications. The review affected 1,165 bargaining unit positions and 392 exempt positions.

Talent Acquisition

- In collaboration with the Ohio Department of Veterans Services, DAS updated a question about military experience on the Ohio Civil Service application.

Learning and Professional Development

- The Lead Ohio program, the initiative to develop successful leaders at every level of state government by standardizing supervisor expectations, providing opportunities for networking, professional growth and skill building, continued to expand. In July 2015, the Lead Ohio: Foundations of Supervision Program became mandatory for all new State of Ohio supervisors and newly promoted supervisors.

More than 50 state agencies have sent participants to the program and more than 300 have graduated from the program. During Fiscal Year 2016, the Office of Talent Management has to-date filled more than 6,000 seats in Foundations of Supervision cohorts for exempt state employees.

In addition, the Lead Ohio: Inspirational Leaders pilot program was launched in April 2016 with 80 participants from more than 20 agencies, boards and commissions. The program offers participants many unique blended learning options such as instructor-led courses, online tools and resources, a book club and town hall events. Some of the instructor-led courses have been approved for continuing education credits. The pilot will continue through the summer of 2016.

Workforce Integration Taskforce

- The Governor's Workforce Integration Taskforce sought to remove barriers for employment for individuals with disabilities. As a member of the taskforce, DAS removed a requirement for job applicants to provide driver's license information to complete a state job application. In addition, DAS partnered with Opportunities for Ohioans with Disabilities to provide disability awareness training to human resources administrators and EEO officers.

Office of Policy**High School Internship Program**

- The Office of Policy partnered with sponsors from state agencies, boards and commissions to offer internships to high school seniors at the Fort Hayes Career Center and the Columbus Downtown High School, both part of Columbus City Schools. The High School Internship Program gives students valuable work experience in state government. It also serves as a resource for state agencies to find talented individuals for future employment. Several former high school interns have found employment with the state at the end of their internships, including three former participants who have been hired as college interns by the DAS Office of Information Technology.

Business Continuity Program**Pilot Successful**

- The Enterprise Business Continuity Program for all 26 cabinet agencies was launched after a successful pilot with seven state agencies. The program ensures continuation of state essential functions in the event of an emergency, including maintaining civil law and order; providing essential services; and ensuring the availability of public works, continuity of government and economic stability.

Office of Collective Bargaining

Reached agreements with the Service Employees International Union (SEIU/1199), State Council of Professional Educators (SCOPE/OEA) and the Fraternal Order of Police (FOP), representing approximately 5,000 employees.

OVERVIEW

The Office of Collective Bargaining (OCB) serves as the principal labor relations representative for the State of Ohio as the employer. OCB represents those state agencies, boards and commissions under the governor's authority in all aspects of the employment relationship, up to and including binding arbitration, with the five statewide unions.

OCB provides expertise in negotiation, advocacy and administration of the state's collective bargaining agreements. The division also guides the state's labor relations policies to help agencies and their employees provide high quality services to citizens within a positive labor relations environment.

Office of Policy for the DAS Human Resources Division and Office of Collective Bargaining

- Provides advice for the other sections of OCB.
- Assists management staff within state agencies with legal issues related to collective bargaining, including providing advocacy services.
- Coordinates the negotiation of all of the collective bargaining agreements, from bargaining preparation and research through the printing of the agreements.
- Represents state agencies when employees file unfair labor practice charges with the State Employment Relations Board (SERB) and represents the state on other matters with SERB.
- Provides guidance to other sections of the Human Resources Division and guidance to agencies on matters related to exempt employees.

Analysis and Operations

- Provides a variety of support services related to the labor contracts, including development of statistical and costing data necessary for contract negotiations and dispute resolution proceedings.
- Using wage progression and other models, advises negotiators on the impact of potential costs of contract changes.
- Provides assistance to employee representatives and agencies in the resolution of contract implementation and maintenance issues.
- Oversees and maintains web-based grievance databases, electronic information storage systems and management reporting functions.
- Manages the division's budget, facility and other ancillary services.

Labor Relations and Training Administration

- Provides statewide guidance and direction to local management representatives regarding issues arising under all of the statewide contracts.
- Assists agencies with contractual issues that were not settled at the agency level.
- Advises agencies regarding how to resolve difficult contract interpretation grievances.
- Represents the employer in mediation and arbitration proceedings.



- Provides board-level labor relations services, in conjunction with the DAS Central Service Agency, for state professional licensing boards that do not possess the resources to perform these functions internally. Provides guidance, coordinates and/or conducts investigations, conducts pre-disciplinary meetings and serves as the Step 3 designee on behalf of these boards.
- Develops training materials for management representatives to ensure that state agencies remain current with the latest trends within the labor relations arena. All training programs are geared to support the management position regarding labor relations in state government.

ACCOMPLISHMENTS

- The Office of Collective Bargaining (OCB), on behalf of the State of Ohio, reached agreements with the Service Employees International Union (SEIU/1199), State Council of Professional Educators (SCOPE/

OEA) and the Fraternal Order of Police (FOP), representing approximately 5,000 employees. The state achieved the same significant gains in language that allows more effective and efficient management of the workforce as was obtained with the Ohio Civil Service Employees Association (OCSEA) during Fiscal Year 2015. Some of the key changes are a 365-day probationary period for all new hires, performance evaluations completed on one annual cycle and a one-year increase in the timeframe for retention of disciplinary actions.

- OCB offered more than 90 training events to more than 2,700 exempt personnel. Training included OCB Academy, a certificate program offering comprehensive labor relations training to supervisors and managers as well as labor relations and human resources personnel. Other training included the labor relations portion of the Lead Ohio: Foundations of Supervision course for state supervisors. In

addition, arbitrator symposiums were held as well as trainings covering new contract language and the electronic grievance system (OH Grievance).

- Labor Relations monitored more than 4,200 grievances filed since July 1, 2015, for challenges to new contract language, trends and resolution. In addition, OCB coordinated mediation, non-traditional and main-panel arbitration for approximately 1,000 grievances as well as decreased the average number of days grievances were open upon appeal to OCB from 52 to 48 days. Open grievances filed prior to December 2014 were reduced from 349 to 138. To further streamline these operations, OCB implemented an electronic scheduling and union release process.

Office of Information Technology

Successfully centralized IT infrastructure and established a common direction for state government's IT community. As a result, the state has saved more than \$120 million since January 2013.

Continued to work with agencies to migrate servers to the state's private cloud.

OVERVIEW

The DAS Office of Information Technology (OIT) delivers statewide information technology and telecommunication services to support state government agencies, boards and commissions in delivery of programs and services to the citizens and businesses of Ohio as well as policy and standards development, lifecycle investment planning, and privacy and security management.

The **Office of the State Chief Information Officer** provides the overall management and leadership of the division. The State Chief Information Officer is responsible for the strategic direction and efficient use of information technology throughout state government and for oversight of state IT activities. As such, this program emphasizes planning, research, communication and collaboration among government entities and is supported by the following program areas:

- OIT Administration
- Business Office

The **Investment and Governance Division** assists state agencies by providing IT policy and standards, as well as investment planning and management, IT procurement and contract management, research and project support services through the following program areas:

- Enterprise IT Architecture and Policy
- Enterprise IT Contracting
- Project Success Center
- Strategic Investment Management

The **Infrastructure Services Division** operates the IT infrastructure for the state, which includes hardware, software and telecommunications. The division consists of the following program areas:

- Business Support Services
- Data Center Operations
- Enterprise Mainframe Computing and Database Services
- Enterprise Operations
- Enterprise Server Team
- Enterprise Storage Team
- Multi-Agency Radio Communication System
- Unified Network Services



Enterprise Shared Solutions coordinates strategies for delivery of government information and services electronically. This includes oversight of the Ohio portal, which enables constituent access to state information and services via the internet, including Ohio.gov and the Ohio Business Gateway. Enterprise Shared Solutions also partners with the Health and Human Services Cabinet and the Governor's Office of Health Transformation to streamline health and human services. The office consists of the following program areas:

- Enterprise Applications and Management
- Ohio Administrative Knowledge System (OAKS) Service Assurance
- Ohio Benefits
- Ohio Geographically Referenced Information Program

The **Office of Information Security and Privacy** supports and collaborates with internal and external agency customers to lead the creation, implementation and management of enterprise efforts for information assurance, security, privacy and risk management.

The **Ohio 9-1-1 Program Office** coordinates and facilitates communication concerning 9-1-1 issues among state, federal, regional and local 9-1-1 and public safety communications officials. The office coordinates all Emergency Services Internet Protocol Network Steering Committee activities to facilitate Next Generation 9-1-1 state-level efforts within the scope of wireless 9-1-1.



ACCOMPLISHMENTS

IT Optimization

Collaboration Through Partnerships, Leveraging Core Competencies

Since launching the IT Optimization program in Fiscal Year 2012, the Office of Information Technology (OIT) and customer agencies have successfully centralized IT infrastructure and established a common direction for state government's IT community. As a result, the state has saved more than \$120 million since January 2013. IT Optimization provides the opportunity to refocus IT spending on applications that support services that make Ohio a better place to live and do business. The state has "flipped" IT expenditures from spending 80 percent on infrastructure and 20 percent on applications to 50 percent infrastructure and 50 percent applications. The onward two-year goal is to achieve an IT spending distribution of 30 percent infrastructure and 70 percent applications.



Now that IT Optimization has laid a foundation for success, OIT and customer agencies can build on this momentum to continue to increase efficiencies, improve service, reduce complexity and realize savings and focus work on the following three priorities:

1. Creating high-quality citizen and business experiences with state programs;
2. Supporting state employees with common and efficient enterprise solutions; and
3. Providing secure and reliable information technology solutions.

Additional details regarding the state's three-year IT strategy are outlined within the "Ohio IT Strategy: January 2016 - 2019" document, which is available on the IT Optimization Website. (Go to das.ohio.gov/Divisions/InformationTechnology/ITOptimization, and then "Resources Tab>Strategic Resources.")

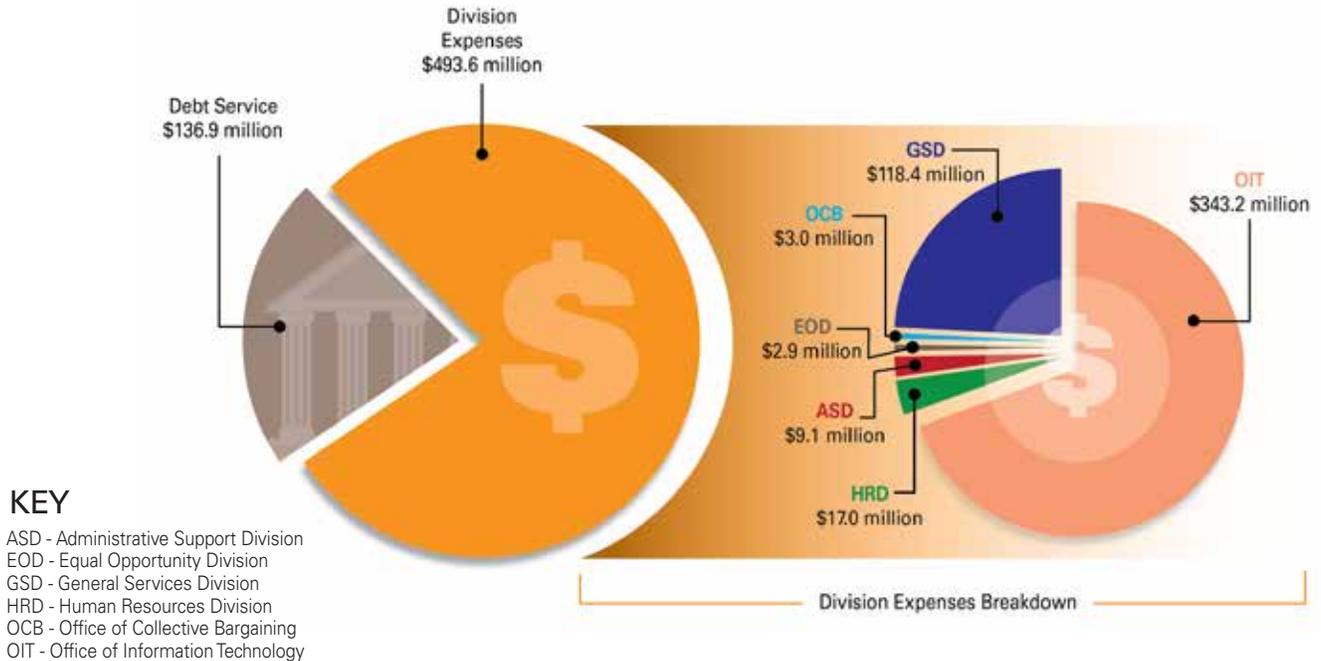
A few of the Fiscal Year 2016 highlights are as follows:

- Continued to work with agencies to migrate servers to the state's private

cloud. More than 5,500 physical and virtual servers are being located at the State of Ohio Computer Center by the end of Fiscal Year 2016 with a goal total of 6,500 by the end of Fiscal Year 2017.

- Enhanced the state's IT security posture through the issuance of policies IT-13, "Data Classification," and IT-14, "Data Encryption and Securing Sensitive Data," as well as implementation of solutions such as McAfee, Oracle database encryption and Skyhigh tools to protect the state's data.
- Established co-location service agreements with The Ohio State University, The Ohio State University Wexner Medical Center, University of Cincinnati, Bowling Green State University, the Ohio Supreme Court, Legislative Information Systems, Ohio Auditor of State and Cuyahoga County. OSU, UC and Cuyahoga County experienced \$60 million in cost avoidance by adopting this service.
- Migrated an additional 13,000 phone lines to the state-hosted Voice over Internet Protocol (VoIP) solution, bringing the total to 28,400 lines. Counties and higher education institutions are adopting the enterprise solution as well.
- A year-long collaboration between OIT and the Ohio Department of Taxation culminated in a successful migration of Taxation's mainframe processing to DAS OIT's mainframe in September 2015. The Ohio Department of Transportation's (ODOT) mainframe processing moved to the OIT mainframe in November. The migrations resulted in cost savings for the state due to the elimination of duplicative software licenses and older hardware maintenance contracts and better service for customers. ODOT experienced a 60 percent increase in processing time by using the mainframe.
- Continued to work with agencies to adopt standard service offerings and innovative platforms. Enterprise adoption of common platforms and services furthers agencies' ability to work together and reduces costs across the board.

DAS FY 2016 Disbursements



2016 Fiscal Year Disbursements

The chart above illustrates the distribution of the disbursements.

The disbursements of the Ohio Department of Administrative Services during Fiscal Year 2016 totaled \$630.5 million.

Disbursements included debt service of \$136.9 million, which equaled approximately 21.7 percent of the total DAS disbursements for the year. The remaining disbursements were the expenses of the DAS divisions, which totaled \$493.6 million.

The expenses of the divisions included personnel services, supplies, maintenance, equipment, and certain pass-through and transfer payments.

The individual expenses of the divisions within DAS were as follows: Equal Opportunity Division, \$2.9 million; General Services Division, \$118.4 million; Human Resources Division, \$17.0 million; Office of Collective Bargaining, \$3.0 million; Office of Information Technology, \$343.2 million; and Administrative Support Division, \$9.1 million.

Of the total division expenses, only 6.4 percent (\$31.4 million) was funded through the state's general revenue fund.



OhioDAS

SERVICE · SUPPORT · SOLUTIONS
DEPARTMENT OF ADMINISTRATIVE SERVICES

John R. Kasich, Governor
Robert Blair, Director