



2022 Ohio Performance Team Annual Report

to the Governor and General Assembly of State
Agency Implementation of Performance Audit
Recommendations

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Purpose of this Report

Ohio Revised Code (ORC) § 117.46 requires the Auditor of State to conduct performance audits of at least four state agencies each biennium. ORC § 117.463 requires the Auditor of State to submit a report in writing annually to the Governor, Speaker and Minority Leader of the Ohio House of Representatives, and President and Minority Leader of the Ohio Senate. The purpose of this report is to document the progress state agencies that received performance audits have made with the implementation of audit recommendations, and to report the amount of money saved as a result of the implementation.

Ohio Performance Team Overview and Experience

The Ohio Performance Team (OPT) was created to build upon the Auditor of State's long-standing reputation for conducting detailed and effective performance audits of local governments. The Auditor of State began conducting performance audits in the 1990s, and conducts performance audit engagements with schools, various types of local governments, and state agencies. In 2011, § 117.46 was enacted by the General Assembly to require the AOS to complete four performance audits of state agencies per biennium. In response to this statute, the Ohio Performance Team was created. Since 2011, OPT has identified taxpayer savings of approximately \$26 for every dollar spent auditing state agencies and institutions of higher education and \$20 for every dollar spent auditing local governments and school districts. In addition, OPT provides many recommendations for operational improvements for which quantifiable savings cannot be identified during the course of the audit, but are certain to create more efficient and effective operations. In calendar year 2021, OPT released performance audits of 1 city, 1 county, 6 school districts, and 5 state agencies.

Efficient • Effective • Transparent

State Agency Performance Audits

State agency performance audits examine the economy, efficiency, and effectiveness of government programs and functions. These audits use objective metrics and standards to measure the cost and productivity of services delivered by Ohio’s state agencies. Where opportunities are identified, the audits make recommendations for increasing operational efficiencies and enhancing value on behalf of Ohio taxpayers. Since the creation of the Ohio Performance Team in state fiscal year (FY) 2011, OPT has completed 22 performance audits of 13 different state agencies and one institution of higher education, including:

Engagement	Biennium	Audit Release Date
Department of Jobs and Family Services	FYs 2022-2023	09/23/2021
Department of Public Safety	FYs 2020-2021	06/29/2021
Department of Health (COVID)	FYs 2020-2021	03/23/2021
Department of Transportation (Phase II)	FYs 2020-2021	02/25/2021
Department of Education	FYs 2020-2021	01/26/2021
Department of Transportation (Phase I)	FYs 2020-2021	12/31/2019
Department of Mental Health and Addiction Services	FYs 2018-2019	06/27/2019
Environmental Protection Agency	FYs 2018-2019	06/20/2019
Department of Administrative Services	FYs 2018-2019	06/06/2019
The Ohio State University	FYs 2018-2019	09/25/2018
Department of Health	FYs 2016-2017	06/29/2017
Department of Agriculture	FYs 2016-2017	06/27/2017
Bureau of Workers’ Compensation	FYs 2016-2017	01/10/2017
Department of Transportation	FYs 2016-2017	10/11/2016
Environmental Protection Agency	FYs 2014-2015	06/30/2015
Department of Rehabilitation and Corrections	FYs 2014-2015	06/23/2015
Department of Transportation	FYs 2014-2015	06/09/2015
Department of Natural Resources	FYs 2014-2015	02/12/2015
Department of Education	FYs 2012-2013	07/01/2013
Department of Transportation	FYs 2012-2013	06/27/2013
Department of Jobs and Family Services	FYs 2012-2013	06/13/2013
Housing Finance Authority	FYs 2012-2013	09/20/2012

Results of completed state agency performance audits encompass a wide variety of recommendation types for a variety of program areas within Ohio’s state agencies. Performance audit recommendations are designed to produce opportunities for increased effectiveness and efficiency for program management, gather and analyze data that can help management make operational decisions, and produce savings. Recommendations in the 22 state agency and higher education audits completed by OPT have identified opportunities for savings in excess of \$183.7 million.

FYEs 2022-2023 State Agency Performance Audit Work

As of March 31st, 2022, OPT has released one state agency audit for the current biennium, Department of Job and Family Services Unemployment Compensation, with five more audits to be released before the end of calendar year 2022. A brief description of each in progress project is listed below.

Ohio Department of Higher Education (ODHE) – Facilities Inventory

ODHE was selected to receive this audit in the summer of 2021. The project reviews the inventory data associated with facilities operated by public institutions of higher education, as well as the estimated utilization of these facilities. This performance audit is governed under ORC 117.46, and as such, helps to fulfill AOS's requirement to conduct four performance audits of state agencies each biennium. This audit is expected to be released in April of 2022.

Ohio Department of Natural Resources (ODNR) – Orphan Wells

ODNR was selected to receive this audit in the summer of 2021. This project analyzes ODNR's compliance with ORC 1509.071, which requires the Department to meet specific expenditure goals in the abandoned oil and gas well capping program. This performance audit is governed under ORC 117.46, and as such, helps to fulfill AOS's requirement to conduct four performance audits of state agencies each biennium. This audit is expected to be released in the summer of 2022.

Ohio Department of Natural Resources (ODNR) – Dredging

ODNR was selected to receive this audit in the summer of 2021. This audit analyzes ODNR's annual inland lake dredging program. This performance audit is governed under ORC 117.46, and as such, helps to fulfill AOS's requirement to conduct four performance audits of state agencies each biennium. This audit is expected to be released in the summer of 2022.

Higher Education Co-located Campuses

In May of 2021, the Auditor of State initiated a performance audit of Ohio's co-located campuses, the seven locations around the state where a regional campus of a 4 year public university and a community college house programs/services on the same or contiguous land. This performance audit is governed under ORC 117.46, and as such, helps to fulfill AOS's requirement to conduct four performance audits of state agencies each biennium. This audit seeks to identify improvements in sharing resources and coordinating services, and is scheduled for release in summer of 2022.

Ohio Department of Education (ODE) and the Ohio Department of Higher Education (ODHE) – College Credit Plus (CCP)

In November of 2020, the Auditor of State initiated a performance audit of College Credit Plus, one of Ohio's dual-enrollment programs jointly managed by the Ohio Department of Education and the Ohio Department of Higher Education. This performance audit is governed under ORC 117.46, and as such, helps to fulfill AOS's requirement to conduct four performance audits of state agencies each biennium. This audit seeks to identify improvements in program implementation and management, and is scheduled for release in summer of 2022.

Released Reports

According to ORC § 117.461 and § 117.462, each audited state agency has a 14-day public comment period following the release of the audit. Within three months following the end of the comment period, the agency must commence implementation of the recommendations. If implementation is not commenced, the agency must report the reasons to the Governor and the legislative leaders of the Ohio House and Senate. In addition, the agency must also report to the Governor and Ohio legislative leaders if the agency does not fully implement the performance audit recommendations within one year after the end of the comment period.

OPT has developed a collaborative, process-driven approach to assist agencies in meeting the requirements for reporting as set forth in the ORC regulations above. This approach is largely one of agency self-reporting, coupled with OPT follow-up. Due to the long-term nature of implementation for some of the recommendations, this report provides detailed implementation tracking for previously released state agency audits since FY 2016. It is important to note that while substantial or even full implementation is possible for some of the recommendations within OPT's annual reporting window, this is not the case for all audit recommendations. Many recommendations require information technology system development, support network expansion, statutory changes, or even additional detailed study prior to full implementation.

The agencies which have previously provided detailed reporting on implementation provided a follow-up on the status of implementation of recommendations.

Initial Reporting for Recently Released Reports

The following reports were released during the current or previous biennium and are reporting on the status of implementation of the performance audit recommendations for the first time: Ohio Department of Job and Family Services (Unemployment Compensation), Ohio Department of Public Safety, Ohio Department of Health (COVID Data), Ohio Department of Transportation (Phase II), and the Ohio Department of Education.

An overview of each project begins on page 8. The full response from each of the entities can be found in Section 1: Initial Reporting.

Continued Reporting for Reports released in previous Biennia

Additional information was requested from agencies that have received a performance audit but previously reported.¹ The seven agencies or institutions of higher education which received an audit previous biennia provided an update on their implementation status for audit recommendations:

- The Ohio Department of Mental Health and Addition Services;
- The Ohio Environmental Protection Agency;
- The Ohio Department of Administrative Services;
- The Ohio State University;
- Ohio Department of Transportation;
- Ohio Bureau of Workers' Compensation; and
- Ohio Department of Agriculture.

Their updates can be found in Section 2: Continued Reporting.

¹ The Ohio Department of Health will be asked to provide an update to the report released during the FY 2016-2017 biennium during the next annual reporting cycle in CY 2023.

Project Overview-Initial Reporting

The following reports were released from January of 2021 to December 2021, during the FYs 2020-2021 and FYs 2022-2023 Biennia. This section presents a high level overview of the recommendations and associated financial implications provided in each agency performance audit as well as a brief update on any progress made towards implementation. For detailed, self-reported information from the Departments on implementation, please see [Section 1](#). This is the first time they are appearing in this report to provide an update on implementation progress for the recommendations given in their performance audit. Final audit reports are available on the Auditor of State’s website (<http://ohioauditor.gov/auditsearch/Search.aspx>)

Ohio Department of Jobs and Family Services (ODJFS) – Unemployment Compensation

The performance audit released on September 23, 2021 focused on specific operational areas within ODJFS. The recommendations within the audit provided opportunities for both cost savings and improved operations and management.

We found that while Ohio exceeded the acceptable level of performance in claims processing times prior to the pandemic, when the system was stressed, the Department fell behind its peers in its ability to efficiently process claims. This was potentially in part due to antiquated systems that were not designed to handle the volume of claims being submitted during the pandemic. Additionally, at the Governor’s request, ODJFS participated in a public-private partnership which focused on making improvements in three main areas: fraud prevention, improved call center operations, and efficient claims processing and adjudication.

As of March of 2022, ODJFS is in the process of reviewing and implementing these recommendations. ODJFS has implemented **3 of 6** recommendations, and is in the process of implementing **3 of 6** recommendations. This is an ongoing process which will take time to fully implement. Progress will be shared in subsequent annual reports.

Recommendations by Assessment Area	Financial Impact
USDOL	
Grant Submission Process	Not Identified
Staffing	
Strategic Staffing Plan	Not Identified
Customer Service	
Standardize Customer Inquiries	Not Identified
Technology Systems	
Business Intelligence	Not Identified
Website Improvements	Not Identified
Fraud Prevention Measures	Not Identified
Total Cost Savings from Performance Audit Recommendations	Not Identified

Ohio Department of Public Safety (ODPS)

The performance audit released June 29, 2021 provided recommendations in three key operational areas for ODPS; Department of Staffing, Bureau of Motor Vehicles, Information Technology, and Fleet Management. The recommendations provide opportunities for cost savings and improved service offerings to the public.

Within any organization, opportunities to increase efficiency exist. This is especially true in an organization as complex as ODPS. We found duplicative staffing, inefficient service models, and deficiencies in how the Department manages its internal fleet. Overall, our audit identified 14 recommendations that will assist ODPS leadership when making future decisions regarding the operations of the Department. We further identified three issues for further study that were not contained within the original scope of the audit but could provide further cost savings for ODPS.

As of March of 2022, ODPS has implemented **5 of 14** recommendations, and is in the process of implementing **7 of 14** recommendations. ODPS is not planning on implementing 2 of 14 recommendations.

Recommendations by Assessment Area	Financial Impact
Department Staffing	
Reduce FTEs	\$12,000,000
Bureau of Motor Vehicles	
Market BMV Services	Not Identified
Driver's License Duration	Not Identified
Deputy Registrars	Not Identified
Information Technology	
Project Governance Procedures	Not Identified
Strategic Staffing	\$1,100,000
Overtime Expenses	\$200,000
Equipment Lifecycle Plans	\$2,900,000
IT in Software Inventory Programs	Not Identified
Fleet	
FleetOhio Purchase Data	Not Identified
Pool Fleet Management	\$118,000
Two to Three Ratio Policy	\$730,000
Breakeven Analysis	\$431,000
Total Cost Savings from Performance Audit Recommendations	\$17,479,000

Ohio Department of Health (ODH) – COVID

The performance audit released on March 23, 2021 focused on four major areas: data collection, internal reporting, monitoring and external reporting. We found that there are several areas where the Department could improve transparency, improve operations, and collect more meaningful data. In total, we identified seven recommendations that will assist ODH and local health departments in the public health response to both the COVID-19 pandemic and future epidemic/pandemic events. These recommendations focus primarily on data collection efforts, how and when data is provided to the public, and efforts related to the containment of an infectious disease outbreak.

As of March of 2022, ODH has implemented **3 of 7** recommendations, and is in the process of implementing **4 of 7** recommendations.

Recommendations by Assessment Area	Financial Impact
Testing Data	
Accuracy and Completeness	Not Identified
Data Reporting and Alignment	
Daily Data Update Alternatives	Not Identified
Public Data Elements	Not Identified
Collaborating with LHDs	Not Identified
COVID-19 Death Data	
Certificate Clarification	Not Identified
Ohio Disease Reporting System	
System Replacement	Not Identified
Contact Tracing, Case Investigation and Case Management	
Standard Procedures/Single Vendor	Not Identified
Total Cost Savings from Performance Audit Recommendations	Not Identified

Ohio Department of Transportation (ODOT) – Phase II

The performance audit released on February 25, 2021 focused on strategic business intelligence, key performance indicators, fleet management, capital & expenditures, bridge management, pavement, maintenance management, and overhead. The recommendations within the audit provided opportunities for both cost savings and improved operations.

As of March 2022, ODOT is in the process of implementing **14 of 14** recommendations.

Recommendations by Assessment Area	Financial Impact
Key Performance Indicators	
KPI Tracking	Not Identified
Fleet Management	
Policy Implementation	Not Identified
Capital and Expenditures	
Use of Bond Financing	Not Identified
Issuance of Future Bond Debt	Not Identified
Bridge Management	
Bridge Management System	Not Identified
Bridge Inspection	\$9,800,000
Pavement	
Pavement Data Collection	Not Identified
Pavement Projections	Not Identified
Project Selection	Not Identified
Maintenance Management	
Maintenance Management System	Not Identified
Unit Cost Analysis	Not Identified
Maintenance Condition Rating Program	Not Identified
Overhead	
Overhead Application	Not Identified
Strategic Business Intelligence	
Business Intelligence Consistency	Not Identified
Total Cost Savings from Performance Audit Recommendations	\$9,800,000

Ohio Department of Education (ODE)

The performance audit released on January 26, 2021, focused on 5 key areas: student success, Ohio student assessment, Education Management Information System and data management, and information technology. The recommendations within the audit provided opportunities for both cost savings and improved operations.

Our audit identified eight recommendations which will assist ODE in continuing to provide critical education services to Ohioans. While these recommendations do not have a direct calculable financial implication associated with them in regards to potential cost savings, they will assist the Department in improving operational effectiveness and customer satisfaction. Additionally, implementation of these recommendations may lead to future cost savings for ODE and LEAs, as well as Ohio taxpayers and provide critical opportunities for process and program improvement.

As of March of 2022, ODE has implemented **6 of 8** recommendations, and is in the process of implementing **2 of 8** recommendations.

Recommendations by Assessment Area	Financial Impact
Student Success	
Monitor District Performance	Not Identified
Improvement Initiatives	Not Identified
Ohio Student Assessment	
Stakeholder Communication	Not Identified
Practice Assessment Data	Not Identified
EMIS	
Strategic Improvements	Not Identified
State Foundation Payment Process	
Strategic Improvements	Not Identified
Information Technology	
IT Governance	Not Identified
Cloud Migration	Not Identified
Total Cost Savings from Performance Audit Recommendations	Not Identified

Section 1: Initial Reporting

The following information is self-reported data submitted by the audited entities. This information is intended to provide detailed information regarding the efforts made to-date to implement audit recommendations. As some recommendations cannot be implemented immediately, all issues may not be addressed during the initial reporting phase.

Ohio Department of Jobs and Family Services (ODJFS-Unemployment Compensation)

RELEASE DATE: 09/23/21

Based on its report, ODJFS has implemented **3** of **6** recommendations and is in the process of implementing **3** of **6** recommendations.

Recommendation 1:

Document, Formalize, and Coordinate USDOL Grant Submission Process.

ODJFS's Response:

We are currently interviewing vendors to assist with this recommendation to convert OAKS data to allow us to maximize grant funds available from US DOL.

Recommendation 2:

Strategic Staffing Plan: a strategic staffing plan, tied to data collected in the timekeeping system utilized by OUIO (Office of Unemployment Insurance Operations), would allow the department to appropriately allocate staffing throughout the regular course of business and to respond expediently during periods of large-scale unemployment or periods of slow economic growth

ODJFS's Response:

- Calls and claims activity volume are monitored daily by UI management to ensure staffing is increased or decreased to meet the need and maintain optimum productivity.
- Data dashboards for daily metrics have been expanded for both the call Center and Claims activity to assist management in projecting staffing needs.
- Vendor contracts are all flexible and vendor counts can be increased or decreased very quickly in response to claims volume.
- Cross Training of positions and modularized training has been implemented in order to maximize our resource capacity across functions.

Recommendation 3:

Standardize Customer Inquiries: A unified system to collect customer inquiry data can allow the Department to make better decisions regarding the deployment of resources. Improved universal data definitions would allow measures to be compared for decision making purposes across the different systems. Use of more standardized language would also lead to document tracking and notification

system to ensure responses are tracked and handled timely. The possible improvements would allow for maximized responsiveness and ensure a more positive customer experience.

ODJFS's Response:

- Salesforce CRM is allowing for better collaboration, data analysis, and reporting across the call center, legislative inquiry process, adjudication, redeterminations, contributions, and Benefit Payment Control. This was completed November 2021.
- We are currently evaluating other areas to implement the functionality.

Recommendation 4:

Business Intelligence: The strategic use of existing data can assist the Department in improving the efficiency, effectiveness, and transparency of OUIO. In particular, using a data-driven approach to identify the most disruptive issues, and the causes of delays in resolving those issues, will allow OUIO to make continuous improvements to its claims process and system rules. Analysis of this type provides a path to improvements that will reduce the amount of time OUIO staff spend processing claims and provide claimants with faster decisions

ODJFS's Response:

- The SOURCE system for benefits targeted for December 2022.
- Business Intelligence deployed for OJI issue processing was completed in 2021. We have consolidated our daily metrics in collaboration with the IOP for the call center, claims processing, and adjudication/appeals into a single source of truth.

Recommendation 5:

Website Improvements: Analysis in Section 4: Customer Service showed that applicants curious about their claim status was a substantial driver of call volume to the contact center and inbound email. Pushing key application status information directly to the applicant via the website has the potential to reduce staff-hours and wait times at the call center as well as increase customer satisfaction.

ODJFS's Response:

- We are currently journey mapping and identifying ways to notify claimants of milestones in the process (such as their application was approved/paid/denied).
- The SOURCE system for benefits targeted for December 2022.

Recommendation 6:

Fraud Prevention Measures: A commitment to permanently integrate these fraud defense solutions within ODJFS operations and staying abreast of industry best practices will ensure the agency is better positioned against costly future attacks. Permanently integrating the P3 Team's fraud stack will also ensure the Department's capabilities do not regress once the partnership ends and the P3 Team consultants exit from daily operations.

ODJFS's Response:

We agree that data analytics must play a significant part in protecting the system against fraud. Additional analytic staff have been added to help prevent or detect and limit potential fraud. Our investigation team is also bringing on and assigning out additional staff to investigate and adjudicate potential fraud. We have also partnered with a federal law enforcement team that includes the USDOL-OIG, FBI, Secret Service, US Postal Inspector, the US Attorney's Office, and others, to assist with unemployment fraud investigations, criminal prosecution, and funds recovery.

OUIO has implemented ID verification for all claimants in the OJI and uFacts systems. Claimants are required to enter a one-time passcode (OTP) or answer knowledge-based questions (KBA) before they will be allowed to complete certain actions in either system. Failure to pass either the OTP or KBA restricts the ability of the claimant to make changes to previously entered personal information like address or banking information to prevent account takeovers. The failure also stops any future payments from being issued without the claimant providing additional documentation to prove their identity.

Lastly, OUIO transitioned to OHID on November 18th to leverage yet another level of security for user authentication.

Efforts in this area will require balancing the benefits of a more consistent format with providing claimants ease of entering data and avoiding frustration. Detecting anomalies and requiring additional verification where appropriate are key tools we utilize today to prevent and detect issues earlier in the application process. And, our new LexisNexis and Experian identity verification and fraud scoring tools provide feedback on many aspects related to the personal information provided by the claimant.

Ohio Department of Public Safety (ODPS)

RELEASE DATE: 06/29/21

Based on its report, ODPS has implemented 5 of 14 recommendations and is in the process of implementing 7 of 14 recommendations and is planning not to implement 2 of 14 recommendations.

Recommendation 1.1:

ODPS should reduce staffing by 147 full time equivalents (FTEs) in specific functional areas throughout the Department. This reduction in staffing could result in approximately \$12 million in annual savings. While the Department has reduced staffing during this audit, it should be cautious as it rehires individuals in critical positions and seek to reduce staffing where efforts are duplicative or inefficient.

ODPS's Response:

We agree with making strategic staff reductions to lower costs. As noted by the performance audit, during the pandemic ODPS left vacancies unfilled and operated with a significantly reduced staff. The department reduced full time equivalents (FTEs) more aggressively than suggested by the performance audit, dropping 286 positions below our ceiling for a savings of about \$1 million per pay period. While the performance audit highlighted functional areas that appeared to be “duplicative and overlapping,” we believe further study is necessary to determine which positions could be potentially merged, redeployed or eliminated. The performance audit based its conclusions on job classifications, for example, whereas job duties can vary greatly among employees with the same job classifications.

Moving forward, we will evaluate the impact of our staff cuts on our effectiveness and service, and reposition the department accordingly in a landscape altered by COVID-19. Meanwhile, in response to staffing questions the audit highlighted for further study, the Ohio State Highway Patrol (OSHP) examined similar departments in other states and conducted a detailed peer review of its staffing levels. By a variety of measures – including state population, interstate miles, licensed drivers and roadway fatality rate, among others – the study found the OSHP provides more coverage with fewer officers and ranks favorably compared to its peers.

Financial Implication:

Staffing levels are continually adjusted to meet departmental needs. DPS has added several new programs, including some with personnel funded by federal grant programs, during the prior and current biennium.

Recommendation 2.1:

ODPS should advertise the benefits associated with the on-line and telephone services provided by Ohio BMV. Increasing the number of transactions conducted on line or via telephone would reduce the incremental costs for operating these systems

ODPS's Response:

ODPS agrees online and telephone service are more cost-effective than in-person BMV transactions. Effective July 1, 2022, eligible drivers will be able to renew their driver license online, an option enabled by Senate Bill 68. Separately, to promote and improve online options, the department worked

with the Citizen Interactions Workgroup, appointed by Lt. Gov. Jon Husted’s InnovateOhio office. The initiative, which was launched near the end of the performance audit review, redesigned the BMV website and made it more streamlined and customer friendly. The BMV advertises its online services on posters in licensing agencies around the state; on social media; and in BMV mailings to customers, among other places, and will continue to look for opportunities to enhance and promote online options.

Financial Implication:

As required in statute, the BMV offers the citizens of Ohio in-person service options in all counties by way of the Deputy Registrar model. We cannot predict but will monitor the financial impact of enhancements to our online services.

Recommendation 2.2:

The Department should work with the General Assembly to lengthen the lifetime of products. By doing so, the number of transactions conducted by the BMV would decrease, while revenues would remain consistent – this would result in a net gain in income due to the decrease in expenditures related to individual transactions. During the course of the audit, legislation was passed creating an eight-year driver’s license for most vehicle types.

ODPS’s Response:

As noted, effective July 2021, the Ohio BMV began offering an eight-year driver’s license for most vehicle types and drivers, an alternative to the standard four-year driver license. The option was authorized by Senate Bill 68. The BMV also offers multi-year vehicle registration options of up to five years for non-commercial vehicles. The changes provide significant customer conveniences. While the BMV does not anticipate significant cost savings for the department, we will monitor and study the financial impact of lengthening the lifetime of products.

Financial Implications:

DPS saves about \$0.90 on an 8-year vs. 4-year license. We will monitor how many eligible customers opt for the newly available 8-year license, and the financial impact on the department.

Recommendation 2.3:

ODPS should work with the General Assembly to ensure the number of Deputy Registrar offices within each county is appropriate. Strategically reducing Deputy Registrar locations throughout the state may result in increased operational efficiency.

ODPS’s Response:

The BMV continually evaluates the customer service needs and performance of Deputy Registrar offices, which can fluctuate based on numerous factors. Deputy Registrar offices operate on short-term contracts, ranging from one to five years, and their performance and volume of business, among other considerations, determine whether the BMV renews, adjusts or terminates a contract. For example, two Deputy Registrar offices closed in recent months and will not be reopened as the BMV deemed the locations no longer necessary or efficient. Other nearby locations were able to absorb the customers. As noted by the performance audit, the BMV saves an estimated \$25 million a year by contracting with privately operated Deputy Registrar agencies.

Financial Implication:

State purchased equipment at a small DR costs approximately \$15,000 per location annualized over 10 years - or approximately \$3,000 annually for each of the 2 locations eliminated.

Recommendation 3.1:

ODPS should follow its IT Project Governance procedures. The ODPS IT project governance process was created to enhance the strategic prioritization of projects. Following procedures and updating them to include budget estimation guidelines will help ODPS to make more informed decisions regarding current and future projects, and could lead to cost savings. Additionally, it may help the Department streamline its high number of ongoing projects.

ODPS's Response:

We agree that the IT Project Governance procedures result in better-informed decisions and more strategic deployment of resources, saving time and money. During a period of department transition and turnover of personnel, ODPS had to reconstitute the IT Project Governance board with new members. Now, the board has resumed monthly meetings and is following the procedures as per the recommendations in the performance audit.

Financial Implication:

Positive impact; unable to quantify.

Recommendation 3.2:

The Department should work to transition longer-tenured consultants into regular employee positions. This will prevent the loss of institutional knowledge and reduce costs related to consultant fees. By doing so, the Department could save up to \$1.1 million in the first year of implementation.

ODPS's Response:

ODPS will continue working toward the transition of longer-tenured consultants into regular employee positions to reduce consultant fees and prevent the loss of institutional knowledge. During the height of COVID-19, consultants played a vital role as a surge in IT projects and work requests coincided with a state hiring freeze. But overall, ODPS has reduced IT consultants by 31 percent since 2019, from 90 to 62, and will look for opportunities to continue this transition, per the performance audit recommendation.

Financial Implication:

Unknown; ability to fully implement is based on many factors including the department ceiling and the availability of potential employees in the job market.

Recommendation 3.3:

ODPS should allow the use of flexible schedules by IT staff in order to reduce overtime expenditures. Because some scheduled work occurs outside of regular business hours, employees historically were paid overtime wages. By implementing flexible scheduling, the Department would save approximately \$200,000 annually in reduced overtime expense. During the course of the audit, the Department began to implement this policy.

ODPS's Response:

ODPS agrees with promoting flexible scheduling to reduce overtime expenses. To that end, ODPS IT in November 2021 restructured to eliminate third-shift operations staff, who accounted for disproportionate overtime costs. So far, the restructuring has reduced overtime from 200 hours per month to about 70 hours. Also, IT management made a more concerted effort during the height of the pandemic to encourage employees to flex their schedules, helping to control overtime costs at a time of increased IT demands and a state hiring freeze. Management will continue to promote flexible schedules going forward to minimize overtime and compensatory time.

Financial Implication:

A reduction of overtime from an average of 200 to 70 hours a month would result in a savings of approx. \$100,000 annually.

Recommendation 3.4:

The Department should deploy computers that are currently in inventory and replace those units that are five years or older. By doing so, ODPS can increase employee efficiency and minimize employee downtime attributable to old technology. Currently, the lost productivity is approximately \$2.9 million in annual wages. Once the newer technology is deployed, the Department should institute a lifecycle replacement plan for IT inventory in order to prevent future productivity issues and decrease waste.

ODPS's Response:

ODPS agrees and has resumed a lifecycle replacement plan, which had been in place for years but was significantly disrupted by COVID-19. To accommodate the sudden shift to teleworking, IT deployed all available laptops, including recalling more than 200 outdated laptops from salvage. Meanwhile, the disruptions came amid a Windows Operating System upgrade at 180 BMV Deputy Registrar offices and 140 Title County Clerk of Courts offices across the state – totaling more than 2,600 devices, and resulting in the unusually large supply of older desktop PCs noted in the performance audit.

Financial Implication:

AOS estimates improved productivity valued at \$2.9 million per year.

Recommendation 3.5:

ODPS should implement audit and inventory procedures for software products to ensure it has the most up to date information on which software products are currently in use and for what purpose. In order to accurately track this information and make informed decisions related to software, ODPS should also track the usage of software products to determine which are truly necessary. Finally, costs pertaining to each software product should be tracked, as well as licensing and renewal periods.

ODPS's Response:

ODPS agrees with the value of auditing and inventorying software, and is researching the performance audit's suggestions for enhanced tracking, including the ServiceNow ITSM Asset Management tool and other tools specifically designed for this purpose (e.g. Tachyon). Currently, ODPS uses SCCM Asset Intelligence, which tracks only software installations, not actual usage.

Financial Implication:

The cost to maintain the most current version of manufacturer software is unknown and a cost/benefit evaluation is under way.

Recommendation 4.1:

The Department should ensure that all expenses, including car washes, are captured in FleetOhio. ODPS should also enforce reconciliation policies and procedures and improve Voyager/FleetOhio reconciliation practices to rectify erroneous work order entries by using the ODPS Vehicle Job Report, which breaks down maintenance activities.

ODPS's Response:

ODPS policy, as approved by DAS Fleet Management, allows local Ohio State Highway Patrol managers to restrict use of the Voyager card when a contract with a local car wash has been established. While beneficial for the state, car washes purchased through local contracts do not appear in Voyager card statements. Consequently, as noted in the performance audit, those car washes are not captured and broken down in Voyager/Fleet Ohio reports and reconciliations. However, manually entering the car washes into Fleet Ohio, as recommended, would be a costly endeavor with negligible effect on total vehicle cost per mile calculations (2,289 vehicles X 1.5 washes X 52 weeks X 5 minutes per entry = an estimated \$700,000 in personnel costs).

Likewise, the audit notes outside vehicle maintenance and repair vendors sometimes fail to accurately break down the types of repairs when coding repair orders in Fleet Ohio, and ODPS does not correct them. While the erroneous breakdowns don't affect the total cost calculations, ODPS agrees that an accurate and detailed breakdown of maintenance and repairs would be useful, but only if such a report were available in Fleet Ohio. At present, no such reports exist, so identifying and fixing the data entry errors by vendors would be time consuming and not yield additional actionable information. System limitations notwithstanding, ODPS is working with DAS to improve the data contained in Fleet Ohio, including by having all employees who use Fleet Ohio complete refresher training.

Recommendation 4.2:

ODPS should right-size and consolidate pool fleet vehicles and also implement usage of the DAS Reservation Portal, or a similar system, for tracking daily utilization of pool fleet vehicles. Optimizing the number of pool vehicles would result in annual savings of \$30,000 and generate \$88,000 in one time revenue related to the salvage of excess vehicles.

ODPS's Response:

ODPS since the audit has eliminated two pools completely, and has reduced the number of vehicles in the remaining pools. ODPS is in the process of adopting the DAS Reservation Portal to improve efficiency in our current reservation process. Once fully implemented, ODPS will continue to look for opportunities to more efficiently allocate pool vehicles.

Financial Implication:

DPS will continue to adjust fleet pools to the lowest levels practical.

Recommendation 4.3:

Within OSHP, the existing policy of limiting the number of vehicles available to two vehicles for every three post troopers should be enforced. Eliminating vehicles in excess of this policy could result in annual savings of more than \$730,000

ODPS's Response:

The 2:3 trooper-vehicle ratio in ODPS policy is a guideline intended as a minimum number of vehicles to avoid adverse impacts on operations when vehicles circulate out of service for maintenance and repairs, often for several weeks at a time. The actual deployment of vehicles for all Highway Patrol posts is reviewed twice a year and adjusted according to specific operational needs. ODPS will update Policy 300.01 to clarify current practices.

Financial Implication:

DPS will continue to regularly monitor and align the fleet size to staffing counts.

Recommendation 4.4:

ODPS should use a break-even calculation that takes into account the full costs associated with maintaining vehicles when determining the value of take-home vehicles among non-police staff. The Department should then right-size the existing fleet and eliminate vehicles where the cost of personal mileage reimbursement would be more efficient. Based on the current reimbursement rate of \$0.45 a mile, ODPS could save \$18,000 annually.

ODPS's Response:

ODPS agrees a take-home civilian vehicle should be pulled back when the employee's job duties no longer justify a take-home vehicle. The five vehicles listed in the report will be reviewed and recalled for reassignment or salvage, absent any new mitigating factors. Fleet management also will develop clearer policy guidelines to provide better direction to field personnel regarding when a vehicle is authorized for "take home" assignment; when it must remain parked at a state facility overnight; or when it should be eliminated altogether.

Financial Impact:

Vehicles repurposed; department to review impact.

Recommendation 4.5:

ODPS should develop and implement fleet cycling policies in order to ensure the most efficient use of fleet. Maintaining vehicles beyond their useful life results in increased costs of ownership. Switching to an optimized fleet cycling process could save the Department between \$431,000 and \$1.1 million annually.

ODPS's Response:

ODPS traded in enforcement vehicles using mileage limits similar to those recommended by the performance audit, until 2019, when several factors made it more costly and/or impractical to do so. Specifically, the elimination of the salvage fund, which earmarked reclaimed salvage funds for purchasing replacement vehicles, and the dramatic rise in the cost of replacement vehicles, prompted the Patrol to keep enforcement vehicles on the road longer. To mitigate the expected corresponding rise in maintenance costs, ODPS enhanced its oversight and began to decommission vehicles sooner if they needed costly repairs, such as drivetrain and engine repairs.

Ohio Department of Health (ODH COVID-19)

RELEASE DATE: 03/23/21

Based on its report, ODH has implemented **3** of **7** recommendations and is in the process of implementing **4** of **7** recommendations.

Recommendation 1:

ODH should examine its current framework for data collection for Covid-19 and work to ensure testing data is complete, accurate and includes all tests administered in Ohio. In particular, the collection of negative test is critical for the accurate calculation of percent positivity, which is a metric that is used by policy makers to make decisions regarding mitigation efforts such as opening schools.

ODH's Response:

There is now an audit process in place for electronic lab reporting to ensure that we are receiving both negatives and positives test results. We have brought on a considerable amount of electronic lab facilities since the audit and continue to work with labs to ensure that they are transferring data as instructed. Additionally, the long-term care facilities and smaller labs have been on-boarded to report their testing.

Financial Impact:

Close to \$122,680.

Recommendation 2:

Though significant information is available to the public, the usability and clarity of this information could be improved to better guide policy decisions and individual actions. ODH should consider alternatives to daily updates to ensure data completeness and accuracy prior to reporting, as well as leverage trend data to improve public understanding of new case rates.

ODH's Response:

ODH provides aggregate data to the public and is still reported daily because CDC has not changed their requirements for daily case reporting at this time. This is also a condition of the funding; however, the data quality has improved dramatically as we continue to work with IOP to share data with the public. We have continued to update dashboards accordingly with new pieces of information, such as immunization rates, COVID-19 breakthrough cases, and variants. ODH is looking at moving away from daily reporting, but is assessing the impact that it may have on other stakeholders including other state agencies and local health departments. This assessment is needed because some of the information is used to guide policy decisions. We are completing an impact analysis to understand how changes in reporting will impact the community and stakeholders.

Recommendation 3:

ODH should proactively explain, in a detailed manner, its rationale for the selection of data elements that it elects to share with the public. While the state dashboard was created in haste, subsequent refinements are needed to recalibrate some of its reporting elements, such as active infections versus recovered individuals. ODH should improve its dashboard reporting and terminology to ensure clear, concise communications to the public. Improvements include consistent data definitions, a better indication of active cases, and improved organization and navigation of the Dashboard.

ODH's Response:

ODH has made enhancements based upon what we are hearing from stakeholders to ensure that the entities needs are met. ODH also does a risk and cost benefit analysis whenever there is a request for information. Since the performance audit, there are pages on the website that have been archived, because they may be important to the local health departments but not to the general public. The data elements, definitions, and explanatory information are located on the pages in the footnotes or disclaimers sections.

Recommendation 4:

ODH should work with LHDs to better align data reporting on daily county-level updates, thereby reducing skepticism generated by differing data. This could include better timing and coordination of data updates to increase consistency among LHDs and ODH, as well as clear expectations of jurisdictional authority.

ODH's Response:

ODH has given the local health department access to dashboards that were created for their use. These dashboards are based upon the data elements that they want to see in a secure format. Importantly, the inconsistent reporting of the data (daily vs weekly) at the local level to ODH impacts the accuracy of the data reported. ODH has not changed the reporting timing or cadence since COVID-19 started and orders were implemented. LHDs share their own data. With 113 different jurisdictions, it becomes impossible to align with all reporting without affecting their jurisdictional responsibilities.

Recommendation 5:

ODH includes all deaths where Covid-19 is present in its total death calculation for Ohio. This may lead to confusion for the layperson as to whether an individual died by Covid-19 or with Covid-19. To improve this data and enhance clarity in its reporting, ODH should: 1). Examine the National Center for Health Statistics (NCHS), Centers for Disease Control (CDC) and World Health Organization (WHO), guidance, seeking clarification where necessary, and determine which of the deaths included in the calculation are deaths directly caused by Covid-19 versus those with Covid-19; 2). Improve and update its guidance to medical professions on how to complete death certificates; 3). Review current best practices regarding how to report Covid-19 deaths 4). Study Covid-19 death reporting methods used in other states that account for the variation between deaths which are deemed to be caused by Covid-19 and those cases where Covid-19 was present, but not a contributing factor to death.

ODH's Response:

After the performance audit, ODH changed the method of reporting death records. We are now using the Electronic Death Record system (EDRS) and the data comes directly from the NCHS. These deaths are certified by medical professionals who have more objectivity in reporting the true cause of death.

Recommendation 6:

The Ohio Disease Reporting System (ODRS), the state's 20 year old infectious disease system, collects a significant amount of data on Covid-19 but the age of the system contributes to limitations in and problems with data collection. ODH should proceed with existing plans to replace ODRS, targeting implementation within 24 to 36 months.

ODH's Response:

ODH has put out an RFP to obtain a vendor to assess all ODH applications including their interoperability. The vendor will determine the replacement of the ODRS, but we are implementing message mapping and end-user errors before a new system is built. While the system may be old, it is not antiquated. It has received a number of updates and has served Ohio well during the pandemic. It has been an agile system and we have been able to update it for data such as variants, vaccine information, etc.

Recommendation 7:

Current law permits ODH only a coordinating function among the independent LHDs in relation to case investigation, limiting its ability to intervene when staffing constraints make timely contact tracing impossible. Therefore, ODH should pursue options to ensure consistent efforts related to contract tracing and case investigation by LHDs during a pandemic or other widespread infectious event.

ODH's Response:

ODH, through a single vendor, implemented a centralized contract tracing and case investigations service delivery to promote consistency. Additionally, ODH EPIs and LHDs EPIs meet weekly to put out guidance and clarifications to promote consistency. All local health departments receive the same information at the same time.

Financial Implication:

Over \$17M.

Ohio Department of Transportation (ODOT Phase 2)

RELEASE DATE: 02/25/21

Based on its report, ODOT is in the process of implementing **14 of 14** recommendations

Recommendation 1.1:

ODOT should implement performance monitoring through the use of well-developed performance indicators applied at the appropriate level. Developing and managing appropriate performance measures could lead to efficiency improvements across all areas of ODOT's operations.

ODOT's Response:

In response to this recommendation, ODOT used a portion of its Senior Leadership Retreat to brainstorm and revamp the Critical Success Factors (CSFs). This meeting was attended by the Director of ODOT, Assistant Directors, and all Deputy Directors of the Central Office sections and all 12 Districts. The information was then provided to a cross-sectional group (representing different levels and areas of the organization) to further refine the brainstormed CSFs around SMART (Specific, Measurable, Attainable, Reliable and Time-Bound) principles. This group broke the CSFs into five different areas to align with the ODOT Mission and Vision: Promote Safety, Preserve Our Assets, Program Stewardship, Value Employees and System Efficiency.

The group defined the goals and then put in mechanisms to collect the data and display the data. Below is a sample of the revamped Critical Success Factors, using the familiar green and red designations to help track success. A total of 21 CSFs has been established to cover the entire agency, a vast reduction of the Key Performance Indicators that were formerly used. The revamped CSFs were shared with ODOT leadership and staff to gain additional feedback and buy-in. The final revamped CSF documents were effective starting Quarter 2 of Fiscal Year 2022 (which started in October of 2021).

Recommendation 2.1:

ODOT Fleet Central Office should implement policies for the replacement of fleet and equipment for ODOT Districts. The policies should be supported by a data driven methodology, and should identify when districts should dispose of equipment and what should be considered when evaluating if a replacement is necessary. Finally, ODOT should take care to make sure the policy covers all pieces, including all sizes of vehicles, mowers, and equipment with small engines, such as weed whackers.

ODOT's Response:

The Statewide Equipment Optimization Project is a diversified group of ODOT professionals from several administrative areas, including District Deputy Directors, Central Office Deputy Directors, Highway Management Administrators, Office of Equipment Management, Roadway Services Managers, and Transportation Administrators. In addition to these members, the group included Finance, the Office of Highway Management, and various subject matter experts. This group was charged to perform a statewide review of ODOT's equipment fleet. ODOT's fleet is divided into 232 categories ranging from semi-trucks and trailers to riding lawnmowers.

Initially, the goal of this committee was to establish and implement a comprehensive plan for over 2,000 pickup trucks for the Fiscal Year 2022. Since the launch of this committee, the goal has

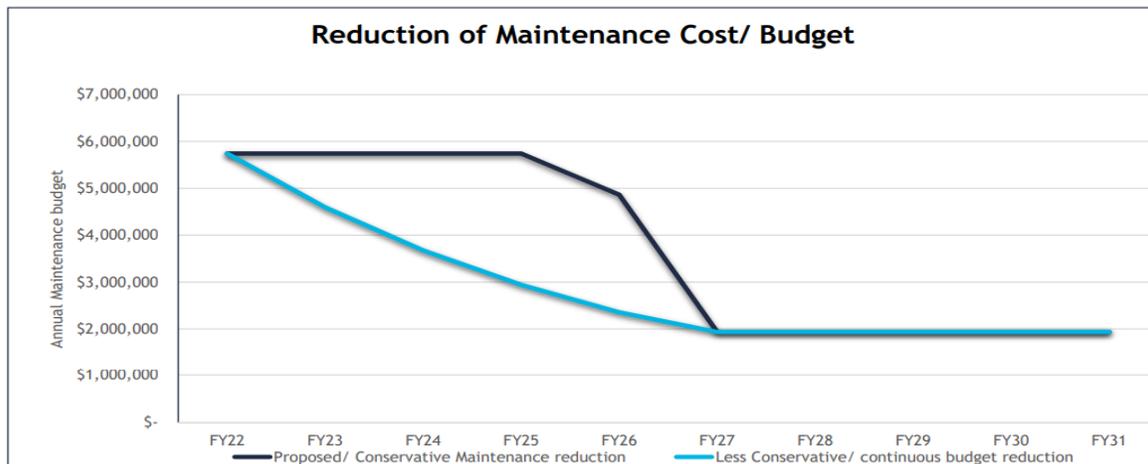
broadened to develop consistency for the replacement of equipment within each of the 232 categories. Over a six-month period, the committee analyzed the most accurate usage data available, consulted subject matter experts as needed, and utilized the State Auditor’s report to formulate a Fleet Plan. Based on the data gathered, the group regularly distributed the findings and recommendations for concurrence to equipment managers and Highway Management Administrators at their respective meetings. Identified recommendations included: fleet reductions, state-wide fleet plan, equipment optimization and best practices. The efforts for these areas will be detailed below.

Fleet Reductions: The figure below shows the ODOT fleet reductions by equipment category. The group looked at usage data and availability of sharing resources to make these reductions.

Equipment Optimization: The Office of Highway Management, in concert with the Office of Research, is conducting a statewide research project examining the regional sharing of heavy equipment. The current goal for fleet optimization is 320 hours per unit. The result of maximizing the shared use of our heavy equipment will ensure the optimization of these assets.

Best Practices: Numerous promising practices have been identified during the review of the equipment utilization. These include, but are not limited to, the following: specific equipment refurbishing, regional mowing, plant growth regulator program, skid steer attachments, full-service maintenance facility equipment boilerplate, and fully implementing invisible boundaries. This list of best practices has been shared with the Highway Management leaders for further investigation on the viability of implementation into the organization. Best Practices will continue to be collected for consideration in the foreseeable future.

The figure below shows the statewide fleet plan and savings. ODOT is working towards a five-year replacement plan for ½-Ton pickups and ¾-Ton pickups and a four year replacement plan for 1-Ton pickups. To optimize return on investment of these assets, trade-in and auctions will be used when cycling vehicles.



Recommendation 3.1:

The Department currently uses bond funding for routine maintenance expenses, which can result in unnecessary interest charges; ODOT should reserve bonding for projects with a long useful life.

ODOT's Response:

There is no additional information regarding this recommendation. ODOT's previous responses on pp. 92 and 93 of the audit report (PDF format) still apply.

Recommendation 3.2:

The Department should require debt affordability studies to gauge when it can afford to take on new debt prior to pursuing new bond issuances.

ODOT's Response:

There is no additional information regarding this recommendation. ODOT's previous responses on pp. 92 and 93 of the audit report (PDF format) still apply.

Recommendation 4.1:

ODOT should implement and support a successful Bridge Management System (BMS) installation that meets the Federal Highway Administration (FHWA) minimum documented standards (23 CFR 515.17).

ODOT's Response:

ODOT has purchased a license for AASHTO BrM (Bridge Management Software). This system is compliant with the FHWA standards for a Bridge Management System and is a system that other state DOTs are using. The Office of Structural Engineering has identified Brad Noll as the lead for the launch of this system.

Brad is currently working on configuring the system to meet the needs of the Department. The BrM goal for this year is to run the system with ODOT's current bridge data, bridge conditions, and bridge funding levels and compare them with the Districts bridge work plans. We will review the difference between the two work plans and see if the algorithms need to be adjusted.

Recommendation 4.2:

The General Assembly should revise ORC section 5501.47 to remove the requirement that ODOT conduct annual inspections of all bridges and instead adopt a risk based methodology for bridge inspection, consistent with peer states and federal guidelines that allow for a risk-based 24-month inspection cycle for some bridges.

ODOT's Response:

This recommendation has been accomplished. The General Assembly has revised ORC 5501.47, ORC 5501.48, ORC 5543.20, and ORC 723.54 to allow for the Director to establish a reliability based inspection standard. The reliability based standard has been created and included in the ODOT Bridge Inspection Manual. The ODOT Bridge Inspection Manual is the governing document for all bridge owners in Ohio.

The result of the new standard is approximately half of the bridges in Ohio can be inspected on a 2-year cycle, and the other half will continue to be inspected on an annual cycle. This new inspection requirement is currently being implemented by all Ohio bridge owners.

Recommendation 5.1:

ODOT collects data manually, which may not be as accurate or effective a method as automatic data collection. ODOT should develop an efficient and effective pavement data collection plan consistent with best practices.

ODOT's Response:

ODOT initiated a research project into automated data collection in 2013. The research concluded that the automated systems could not match the current PCR distress ratings and that there would be a significant increase in labor and equipment costs for the Department. Pavements are ODOT's largest asset and one of the largest annual expenditures for the Department. While additional data collection costs are not desirable, ODOT understood that the additional costs may be warranted if automated collection systems could provide better data, resulting in better management of our pavement network. With this in mind, ODOT initiated another research project in 2017, to develop a new rating system and decision tree logic using automated data.

Since the release date of the AOS report, ODOT has completed the research project with Applied Research Associates, initiated in 2017, with the goal of developing a new pavement rating system using automated data collection. This research found that automated systems continue to lack the ability to capture all the distresses that ODOT's manual ratings collect. The research also found that automated collection vehicles' failure to report many distresses leads to reduced accuracy of the automated models. Additionally, the research found that ODOT is not alone; other research and agencies have seen inconclusive results in regard to implementing fully-automated distress data into pavement management systems. The researcher concluded that today's technology falls short of ODOT's needs for pavement management, unless the Department is willing to accept a loss in terms of accuracy of decisions. The final research report has been submitted for publishing and can be made available upon request.

ODOT has determined that manual PCR data collection is currently the most efficient and effective pavement data collection method. We recognize that automated distress detection and classification is a new and evolving technology and may well overcome its current shortcomings in time. ODOT will continue to monitor the state of the practice with this technology to determine if it can add value in the future.

Recommendation 5.2:

ODOT should develop best practices for pavement projections. The Department currently fully projects expenditures five years in advance, and partially expenditures projects for up to 10 years. Moving to a longer time frame could improve pavement optimization.

ODOT's Response:

ODOT is now running some longer scenarios to ensure the mix of projects is optimized.

Recommendation 5.3:

ODOT should conduct a study to optimize project selection at the district level, including the maximum percentage match between PMS project recommendations and the timeframe Districts have to complete the projects.

ODOT's Response:

ODOT is ensuring the Districts maximize the compliance with optimized results during our annual Workplan process.

Recommendation 6.1:

The Department should explore every opportunity to optimize their existing system before committing to the purchase of something else. And adopt best practices to leverage the existing maintenance management system totals, including better integration with the Department's other IT systems and use in Work Planning.

ODOT's Response:

The Ohio Department of Transportation formed a group to review the current Maintenance Management System (EIMS) in comparison to purchasing a replacement system. This group was made up of end user representatives from various sections and IT. The group has recommended upgrading the current EIMS system (an upgrade that is not an additional cost) to make it a more user-friendly system that will fit the needs of the agency. ODOT is currently in the process of negotiation and planning to implement this upgrade. This system will allow for closer analysis of highway maintenance costs and better data.

The group also conducted a gap analysis of the current EIMS system to identify the best course of action. The figures below show the high-level steps of review, discover, and observations and high-level project business plan.

Recommendation 6.2:

ODOT should ensure the maintenance management system captures the costs of maintenance activities and allows analysis of the most economical means for conducting highway maintenance.

ODOT's Response:

Please refer to 6.1, in which the upgraded EIMS system will accurately capture costs.

Recommendation 6.3:

ODOT should restart, strengthen and enhance the Maintenance Condition Rating (MCR) Program.

ODOT's Response:

The Ohio Department of Transportation, using a cross-sectional group that includes various levels from the Highway Management section, has reviewed the Maintenance Condition Rating (MCR) program. The MCR program includes statewide inspections completed by county personnel, collection of data, and analysis of 7 highway maintenance deficiencies:

- Damaged or missing barriers;
- Obstructed or damaged pavement;
- Vegetation obstructions;
- Damaged or missing traffic control devices, signal obstructions;
- Damaged or missing pavement markings;
- Litter; and
- Drainage ditch obstructions.

The MCR is an application that was developed and created in house and can be accessed from tablets or computers within the agency. Training on the MCR process and application began March 1, 2022, for all Highway Maintenance County Supervisors and will be complete March 31, 2022. Inspections are scheduled to begin April 1, 2022, through October 1, 2022, and continue each year thereafter.

Recommendation 7.1:

ODOT should develop a standardized methodology for applying overhead to insourcing and outsourcing decisions, and assist the various departments in their application of appropriate cost-benefit analysis.

ODOT's Response:

Although we determined that there is no single methodology for overhead that can be applied to all insource vs. outsource decisions, ODOT's Cost Accounting team has developed a standard methodology for establishing average hourly labor rates by job classification. This methodology is designed to promote consistency and accuracy in cost allocation, and the Cost Accounting team is available to assist the various ODOT offices and business units as required.

Recommendation 8.1:

ODOT should enhance its business intelligence capabilities to allow Department leadership to manage organizational strategy with quantitative inputs, using data to drive key business decisions.

ODOT's Response:

ODOT leadership understands the need for a more micro-level approach to Business Intelligence that will allow Districts and front-line division heads to leverage data to make better decisions. ODOT currently uses a data-driven process with information provided by multiple reports and agency specialist groups, such as the Funding Council and Tech Council, to provide recommendations for decision making that impacts the entire Department. These resources allow the Director and leadership team to make well-informed, macro-level decisions with detailed input from representatives of each

Division and District. Toward that effort, ODOT believes the Innovate Ohio initiative is a step in the right direction.

Additionally, HR50 is in alignment with this recommendation. It will help ODOT provide more guidance to its workforce strategy. HR50 requires agencies to view all of the work performed under their umbrella as a comprehensive whole. This will allow ODOT to better assess which work is permanent and best performed by State of Ohio staff and which work would be best performed by consultants, contractors, and other non-employees. Having access to usable and relevant data about work activities performed by both ODOT and non-ODOT staff will greatly help the department make more informed decisions about its workforce in both the short and long term.

As a part of HR 50, ODOT has assessed the work performed by its consultants and determined functions that can be brought in-house. ODOT has prioritized positions/functions currently being performed by consultants that could be converted into State of Ohio employees. ODOT has established a plan to make this conversion happen and is currently making progress in its implementation.

Ohio Department of Education (ODE)

RELEASE DATE: 01/26/21

Based on its report, ODE has implemented **6 of 8** recommendations, and is in the process of implementing **2 of 8** recommendations.

Recommendation 1.1:

Additional opportunities to drive efficiency and achievement could be realized by ODE examining the relationship between district spending and student performance. ODE should monitor districts the Department deems to be high performing or high improving, particularly those that achieve results at lower-than average expenditure levels in order to determine how other districts might achieve more cost-effective outcomes. This information can be used to assist other districts in areas of strategic spending; program utilization; and resource allocation.

ODE's Response:

Numerous studies, as well as information received by the Department, confirms that there is no single educational strategy that can be applied to each district to impact these areas. Given this and the Department's commitment to improving education for all students, the Department is dedicated to using various strategies that position districts to be designated as high performing and high quality. The Department identified two categories of work to address this recommendation:

- Use of data to identify high performing and high improving schools; and
- Monitoring district performance.

The work for the category related to identifying high performing and high improving schools has been fully implemented. Concepts within the recommendation are embedded into the core work of the Department's Center for Performance and Impact. Finally, data will continue to be used in student and stakeholder impact discussions and will have implications on various Department efforts. The Department will continue releasing communications to districts each time data and reports are released, and when it is deemed necessary to ensure districts receive the most beneficial information.

Beginning mid-year, the department focused its resource allocation support efforts in 3 buckets of work: resource allocation review, strategic budgeting, and improvement review. The Department will analyze the results of these pilots and use the information it learns to adjust the supports it provides to all schools based on individual school needs.

Recommendation 1.2:

ODE has 68 separate programs directly or tangentially related to improving student achievement and invests significant financial and personnel resources in deploying these programs. While activity measures and formal reports exist for federal and some state programs, the Department has additional opportunities to establish a routine, timely, consistent objective method to measure the efficacy of state programs and focus on outcome measures to determine if the programs achieve their goals. To measure the outcomes of ODE's improvement initiatives, the Department should collect sufficient business intelligence to make quantitative determinations of program success and failure. SMART criteria is one such framework that it could use to help guide consistent development and help to ensure that results are specific, measurable, attainable, reasonable, and timely.

ODE's Response:

In June 2021, the Department developed a more specific strategy to comprehensively address this recommendation. Given the complexities of school improvement work and the role of the SSTs within that framework, the Department is committed to improvement initiatives that go beyond the recommendation to develop SMART goals. The Department convened a cross-agency team and began to reevaluate the components of work that affect the whole child and align with, Each Child, Our Future, Ohio's strategic plan for education.

The enhanced strategy for improvement initiatives included 3 parts:

- Improvement infrastructure- expectations, alignment and coordination
- Improvement activities
- Measures of impact and success.

Recommendation 2.1:

Tests related to achievement, promulgated by the Department, are in line with federal requirements but districts indicate that too much time is dedicated to testing. Therefore, ODE should more clearly convey the purpose and importance of specific standardized tests to stakeholders in an effort to improve shared understanding of testing goals. Though natural tension exists because tests are used to ensure accountability, ODE could potentially enhance district buy in on the benefits of test data.

ODE's Response:

To implement Recommendation 2.1, the Department improved stakeholder communication by:

- Redesigning its testing portal;
- Reducing state tests;
- Standardizing qualifications for approved vendor assessments;
- Developing a revised plan to communicate state and federal testing requirements;
- Creating toolkits to improve assessment literacy; and
- Improving an optional assessment inventory tool to support school districts in evaluating their assessments and planning their assessment strategy.

Recommendation 2.2:

Students have the opportunity to take practice tests, but ODE does not monitor guest login performance on practice tests. Identifying and collecting available data from the practice test website would help inform the Department about the time used to take practice tests, district and student use of the site, and opportunities for continuous improvement related to the resources available to students and educators.

ODE's Response:

The Department collected available data and identified key metrics for the practice test site, which include:

- Count by Test for every test on the practice test site accessed with a student login and the count of logins for that test;
- Count by District for every district that had a student access a test with their login and the count of logins for that district; and
- Average Duration for every test on the practice test site accessed with a student login and the average time between starting and completing the test. The number of test opportunities included in the average calculation is also available. Test opportunities are excluded for two reasons: The test was not completed and therefore no completion time is available to calculate duration; and the test was paused and then resumed and completed on a subsequent day. For example, a test started on Monday at 10 a.m. and completed on Wednesday at 11 a.m. would show a duration of 49 hours, which would not accurately reflect the time on test and would improperly skew the average higher.

While the Department considers this recommendation implemented, it will continue the practice of evaluating the most appropriate and useful metrics to gather for the practice tests and Restart Readiness Assessments.

Recommendation 3.1:

The Education Management Information System (EMIS), the technology system used by districts and ODE to track relevant district and student data, has undergone significant improvements in the last several years, but more opportunities exist for improvement. ODE should make strategic improvements to its internal processes involving EMIS to enhance user experience and ensure user needs are met.

ODE's Response:

The Department fully implemented the portion of the recommendation related to EMIS manual revisions, stakeholder communication, and training opportunities. Strategic improvements in the duplicative data and customization sections continue to be made with the work expected to be completed by July 2022.

Recommendation 4.1:

While ODE has improved the turn-around time for final payments to school districts, opportunities exist to further reduce the timeline (and associated uncertainty to districts). It should implement strategic changes to internal processes in order to finalize school foundation funding as soon as possible, preferably prior to November 30th of each year.

ODE's Response:

The performance audit report states, “ODE should consider the tradeoffs in terms of time and effort for it and LEA representatives in the adjustment process considering the small magnitude of changes the process currently yields. While internal controls over payments and reimbursements are critical for safeguarding taxpayer funds, the process may be sufficiently mature to lead to diminishing returns in the adjustment process.” The Department does not believe the statute provides the latitude to further reduce the final payment timeline solely based on the magnitude of the final adjustments. Ohio Revised Code Sections 3317.01, 3317.022, and 3317.023 provide details of the calculations. However, the Department will continue to look for ways to enhance its processes and further reduce the time to issue the final payments, where deemed necessary and in compliance with statute.

Recommendation 5.1:

ODE has addressed weaknesses identified in the 2013 performance audit within IT governance, the process by which it selects and identifies projects to fund, through the creation of an IT Governance Committee and project roadmap. Building on these improvements, ODE should further enhance its IT governance by developing an IT strategic plan aligned with the Department’s broader strategic plan. An IT strategic plan that contains project prioritization and encourages portfolio management would allow the ODE to better plan and budget for key technology projects.

ODE's Response:

Project KOVA and SharePoint Online Migration were two early examples of projects using this new process with the project sponsor supplying updates at the February 2021 meeting. The approved action items have been implemented fully with new projects now using the IT Project Request Form with the new ratings being applied.

Further, the IT Governance Committee implemented check-in meetings to foster the relationship and dialogue between its members and project sponsors. During these meetings, the project sponsor explains how the project is going, shares notable accomplishments if desired, and communicates needs to the committee. In turn the committee can ask questions, make recommendations for corrective action or offer support.

Finally, the Department developed an IT strategic plan that aligns with Each Child, Our Future and promotes project prioritization and encourages portfolio management. The IT strategic plan was approved and implemented in January 2022.

Recommendation 5.2:

The Department has been a pioneer within the state in its use of third-party cloud services and indicated an interest in completing further system migrations. To improve the likelihood of completing these migrations it should develop a cloud migration strategy that establishes funding sources and prioritizes migration based on business use case justification. This strategy should be included in an IT strategic plan.

ODE's Response:

Discussions for FY22 work prioritization and budgeting took place with the various offices within the Department. Cost factors were assigned, based on the possibility of shutting down servers if a system is migrated to the cloud. The final step was to merge all the working list “perspectives” for presentation to the IT Governance Committee.

Subsequently, an updated scoring model that incorporated the cost scoring was applied, and the foundational services¹⁰ were determined to be the first priorities for cloud migration. Applications with a high run cost were selected for a subsequent phase. The priority list was shared with the IT Governance Committee on May 18, 2021, and no objections to proceeding with the list were offered. The final step was writing the strategy document.

As work continued, the priority list for cloud migration was leveraged; however, the primary focus was the Authorization and Role Management, which replaces the SAFE roles. The Department also used the priority list when submitting potential projects to the State Chief Information Officer for American Rescue Plan funding. The Cloud Migration Strategy document was the final phase of work for this recommendation. An open process, governed by the IT Governance Committee, was used to solicit feedback from throughout the Department. The document was finalized in August 2021.

Section 2: Continued Reporting

The following information is self-reported data submitted by the audited entities. This information is intended to provide detailed information regarding the efforts made to-date to implement audit recommendations. These entities have previously provided updates and may not comment on recommendations that have been fully implemented.

Ohio Department of Transportation (ODOT) – Phase 1

RELEASE DATE: 12/31/19

Based on its report, ODOT has implemented **6 of 9** recommendations and is in the process of implementing **3 of 9** recommendations.

Recommendation 1.1:

The Department should not move to a leasing model for the vehicle categories analyzed in the audit.

ODOT's Response:

ODOT agreed with this recommendation.

Recommendation 1.2:

Consider renting low usage or seasonal vehicles. District 4 currently rents paving machines and street sweepers. These types of deployment strategies could be adopted by other Districts.

ODOT's Response:

The Office of Highway Management, in concert with the Office of Research, is conducting a statewide research project examining the regional sharing of heavy equipment. The current goal for fleet optimization is 320 hours per unit. The result of maximizing the shared use of our heavy equipment will ensure the optimization of these assets.

Recommendation 1.3:

Improve data collection and storage efforts related to fleet management to allow real time, data-driven management of fleet operations.

ODOT's Response:

The Statewide Equipment Optimization Project is a diversified group of ODOT professionals from several administrative areas, including District Deputy Directors, Central Office Deputy Directors, Highway Management Administrators, Office of Equipment Management, Roadway Services Managers, and Transportation Administrators. In addition to these members, the group included Finance, the Office of Highway Management, and various subject matter experts. This group was charged to perform a statewide review of ODOT's equipment fleet. ODOT's fleet is divided into 232 categories ranging from semi-trucks and trailers to riding lawnmowers.

Initially, the goal of this committee was to establish and implement a comprehensive plan for over 2,000 pickup trucks for the Fiscal Year 2022. Since the launch of this committee, the goal has broadened to develop consistency for the replacement of equipment within each of the 232 categories. Over a six month period, the committee analyzed the most accurate usage data available, consulted subject matter experts as needed, and utilized the State Auditor's report to formulate a Fleet Plan. Based on the data gathered, the group regularly distributed the findings and recommendations for concurrence to equipment managers and Highway Management Administrators at their respective meetings. Identified recommendations included: fleet reductions, state-wide fleet plan, equipment optimization and best practices.

Recommendation 2.1:

Based on the current cost structure, ODOT should deploy qualified internal staff before hiring consultant inspectors.

ODOT's Response:

An ODOT group is currently analyzing the HT Series. One of the main goals is identifying methods which allow for more internal (ODOT staff) performed construction inspections.

Recommendation 2.2:

Optimize highway maintenance work assignments by using HT1 seasonal employees to the full capacity.

ODOT's Response:

ODOT Districts have hired staff as best they can, given the current nationwide recruitment challenges. They utilize staff to maximize their utility including trying to minimize consultant inspection.

Recommendation 2.3:

ODOT should collect and maintain data related to use of consultant construction inspectors in an easily retrievable electronic format.

ODOT's Response:

ODOT is currently working on developing this system.

Recommendation 3.1:

Incorporate staffing into the planning process for DoIT in accordance with best practices. Additionally, formally designate the priority of key systems in relation to business continuity and recovery.

ODOT's Response:

The Department will establish a strategic planning process to evaluate the needs of the department which looks to both current and future IT needs of the agency. Consideration will be made for both technological and human resource needs.

Recommendation 3.2:

Collect consultant data in order to continue to evaluate the relative costs and benefits associated with their use.

ODOT's Response:

The suggested data is being actively collected and has been collected since the beginning of the Knowledge Services contract.

Recommendation 3.3:

Make future decisions about the use of consultants based on an analysis between the full costs of hiring a consultant, as well as the needed skill set and market availability of such personnel vs. a permanent employee.

ODOT's Response:

An evaluation process will be developed and utilized when the decision to add human resources to the IT worker pool has been made which will determine whether it is more practical to bring on a full-time employee, a consultant resource, or a project-based resource team. ODOT will develop an evaluation process to be utilized no less than every two years to determine whether the consultant staff engaged at the agency are performing as expected. The data collected relating to consulting resources will be made available to IT management staff during the budgetary process to continuously evaluate whether consultant resources should be replaced with full-time employee staff, or utilization of other outside resources would be a better fit for the need.

Ohio Department of Mental Health and Addiction Services (OMHAS)

RELEASE DATE: 6/27/19

Based on its report, OMHAS has implemented **6 of 6 recommendations**.

Recommendation 1:

Develop a data-driven methodology for the distribution of Mental Health Continuum of Care funds.

OMHAS's Response:

OhioMHAS has completed a review of the existing funding process and created a list of potential factors that could be incorporated into a new funding methodology. The COVID-19 pandemic has delayed our efforts and the increased need for stability in the publicly funded system has contributed to the suspension of this discussion of a proposed revised methodology. The Department intends to take up this discussion again in FYs 2022-2023.

Recommendation 2.1:

Adjust the nursing and professional models to reflect the operational needs of the hospitals based on historical data. In combination with adjusting shift scheduling, this would reduce overtime, specifically mandated overtime, by better estimating leave usage.

OMHAS's Response:

The staffing model for the hospitals was adjusted in FY 2020 from a 1.6 multiplier to a 1.7 multiplier for first and second shift nursing staff as a result of the audit. Staffing pressure resulting from the COVID-19 Pandemic has resulted in an 8% decrease in fulltime staff since the start of the pandemic. This has complicated attempts to track sustained progress, but we believe our monitoring process consisting of both monthly budget meetings and OT FTE tracking each pay period are moving us in the correct direction. Additionally, Hospital Services has hired a Nurse Executive who has begun working with the Nursing departments in the RPH (Regional Psychiatric Hospitals) related to staffing model adherence and standardization of scheduling practices. We are also developing new recruitment and retention efforts for nursing staff.

Financial Impact to Date:

We track and review overtime usage monthly and have established financial and FTE thresholds for each regional psychiatric hospital. In Fiscal Years 2020 and 2021 we did see a marked improvement in the amount of OT utilized vs. budgeted and from FY 2019 to FY 2021 we saw a roughly \$1,000,000 decrease in OT spending. With the stress of the Delta and Omicron COVID-19 variants and the incredible strain on clinical staffing so far in FY 22 we expect to see increased OT costs this year, but we expect to see a return to lower levels once these pressures come back into line with historical norms.

Recommendation 2.2:

Improve recruitment efforts to reduce the number of contracted hours needed to provide professional services to patients and provide a better continuity of care.

OMHAS's Response:

OhioMHAS Regional Psychiatric Hospitals are taking a more active approach to utilize job fairs and engage in other local recruiting efforts. Through Central Office we are initiating a new recruitment effort using LinkedIn. New retention efforts are also ongoing. Monthly budget conversations on hospital overtime have been initiated. While these may have a financial benefit on the Agency, they are also intended to reduce mandatory overtime, which is a significant retention issue. The ratio of staff within the patient unit is also being adjusted in order to reduce mandatory overtime for nurses. Finally, additional employee recognition programs are being developed to increase employee morale. These include a new program to pay for excellent work performance and higher education levels.

Recommendation 2.3:

Standardize training among hospitals to reduce the variation in training staff at the regional hospitals, and enable best practices to be adopted uniformly.

OMHAS's Response:

The reporting structure for hospital nurse education staff has been standardized, monthly meetings are being held between Central Office training staff and the Nurse Executives, and efforts to develop a standardized training regimen are underway.

Recommendation 2.4:

Improve the collection of exit-interview data from employees to enable the Department to determine the causes of short tenure. This information will allow the department to adjust training, hiring, and employment practices as necessary to reduce turnover.

OMHAS's Response:

Training on the value of exit interviews and the requirement to complete them has been completed, and access to the online exit interview form has been expanded. Exit interview completion rates are now being tracked and reported monthly to Hospital Services leadership. As better information is available, we will begin the processing of tracking and analyzing the available data.

Recommendation 3:

Finalize an Inter-Agency Partnership Agreement with ODRC. Incorporate the framework to accurately measure programs' impact on offender relapse and recidivism.

OMHAS's Response:

The agreement was completed during the course of the performance audit engagement.

Ohio Environmental Protection Agency (OEPA)

RELEASE DATE: 6/20/19

Based on its report, OEPA has implemented **2** of **2** recommendations.

Recommendation 1:

Reduce the amount of square feet Ohio EPA occupies in district offices in order to lower costs and shrink building footprints. Achieve financial impact from reducing operational building footprint in one of four ways:

- 1) Relocate;
- 2) Lease less space within current buildings;
- 3) Sublease excess space under the existing leases; or,
- 4) Renegotiate the dollar-value of existing leases and building footprints to an amount economically equivalent to the other options.

What is the current implementation status of reducing Ohio EPA's occupied square feet?

The Ohio EPA renegotiated lease agreements for district and satellite offices that resulted in a savings of \$143,000.00 in response to the COVID-19 pandemic.

Financial Impact Realized-to-Date:

\$143,000

Recommendation 2:

Terminate plans and release the corresponding capital budget appropriation for building a new warehouse facility on the Department of Agriculture's Reynoldsburg campus. Continue leasing the Groveport facility and use it for field staff training.

Has OEPA terminated plans and released the corresponding capital budget for building a new warehouse facility?

OEPA has terminated plans and released the corresponding capital budget for a new warehouse facility.

Has OEPA continued to lease the Groveport facility?

The OEPA continues to lease the Groveport facility and has repurposed a section of the building for the purpose of conducting field staff training. We have transformed the former Wetlands section into a training center.

Financial Impact Realized-to-Date:

The financial impact realized was the \$1.7 million figure that was established in the performance audit.

Issue for Further Study:

Ohio EPA should conduct a study to determine whether underutilized space exists within its Lazarus Building headquarters.

Are there any plans to conduct a study to determine whether underutilized space exists within the Lazarus Building Headquarters?

The OEPA has already moved beyond the study phase of this plan and to implementation. To make room for a training center at the Groveport Facility, the Wetlands section of our Surface Water Division along with 3 staff members were moved to the Lazarus Building Headquarters.

The Department continues to closely monitor emerging factors relating to utilization in order to be fully prepared to respond in the most cost effective manner, with a focus on the lowest possible total cost of operations.

Financial Impact Realized-to-Date:

There have been no realized savings to date, but future rate decreases established within the Central Office lease will provide significant savings covering the pre-negotiated period from 6/20/23 to 5/31/2029.

Ohio Department of Administrative Services (DAS)

RELEASE DATE: 6/6/19

Based on its report, DAS has implemented **4 of 5** recommendations and is in progress of implementing **1** of **5** recommendations.

Recommendation 1:

Withdraw fleet management authority from self-managed agencies. Consider agency requests for delegated authority on a case-by-case basis in accordance with statutory authority and DAS discretion. Continue to monitor delegated agencies to ensure compliance.

DAS's Response:

Since the last update in 2021, DAS has started transitioning the Department of Natural Resources division by division. After a smooth transition of their Coastal Division we continue to work with them to identify which of their divisions will be next. We continue to communicate with Bureau of Workers' Compensation and the Environmental Protection Agency to work through the remaining concerns they have and anticipate further productive meetings with them that will lead to transitions into the managed program.

Recommendation 2:

Consolidate pool fleets to reduce costs, obtain long-term trend data, and right-size the fleet.

DAS's Response:

As of March 2022, EDU has closed their 11 vehicle motor pool and have begun using the DAS motor pools in Columbus. The DRC/DYS motor pool merger has led to another 12 pool vehicles being cut from the state fleet. EPA continues to send data regarding their monthly usage of their motor pool and DAS now has nearly a year's worth of EPA pool data to analyze their pool usage. COVID continues to complicate and skew pool data as many agencies have continued favoring remote work and Microsoft teams meetings to in person meetings which would necessitate a pool vehicle to attend.

Recommendation 3:

DAS should revise the breakeven methodology to accurately account for all costs of operating a state vehicle when calculating the annual personal mileage reimbursement threshold. In addition, DAS should develop an appropriate threshold for each agency based on actual costs.

DAS's Response:

ORC code has been changed to reflect the recommendations of the performance audit. DAS Fleet has informed all agencies of the new formula that calculates the mileage reimbursement breakeven and has included it in the FY22 fleet plans to managed agencies and Fleet Plan memos to the remaining self-managed agencies. DAS Fleet will continue analyze all agency's MRB and make recommendations based on the new formula.

Recommendation 4:

Use the breakeven mileage calculated in Recommendation 3 as the minimum expected use for cars statewide and use this calculation to optimize the fleet size. In addition, DAS should assign cars to drivers who accrue personal mileage above the breakeven mileage.

DAS's Response:

As of March 2022, a combination of COVID teleworking, the revision of the breakeven calculation and supply shortages have led to fewer new vehicles being ordered this year by state agencies for the state fleet. A typical year 450-500 new vehicles are ordered as replacements for state fleet vehicles, FY22 only has 250 orders. Since 2020 the state fleet has shrunk by 404 vehicles. DAS Fleet will continue to monitor all agency's MRB and recommend where appropriate the use of personal vehicles or assign a state vehicle for travel.

Recommendation 5:

Start using GPS/Telematics on state-owned motor vehicles to perform statewide fleet management.

DAS's Response:

In March 2022 DAS finalized and awarded a GPS contract for state vehicles. We have an implementation plan that starts immediately with the DRC fleet and will continue to place GPS units in all new vehicles ordered starting at the beginning of FY23 moving forward.

The Ohio State University (OSU)

RELEASE DATE: 9/25/18

Based on its report, OSU has implemented **3** of **7** recommendations and is in progress of implementing **4** of **7** recommendations.

Recommendation 1.1:

OSU should consider eliminating the practice of operating on-site server rooms in favor of migrating those servers and racks to a more efficient, secure data center such as the SOCC. In doing so, the Office of the Chief Information Officer and University areas should coordinate to prioritize smaller server rooms or those in need of immediate infrastructure or security upgrades as those offer the best immediate opportunity.

What is the current status of relocating the remaining racks and server rooms to the State of Ohio Computer Center (SOCC) by FY 2021? Please provide specific detail (e.g. count to date of servers rooms and racks migrated):

We currently have 166 racks representing 21 college/VP areas and MITS customers. We continue to expand our MITS clients who utilize centralized core technology services to increase operational efficiency. Currently the Office of the CIO has established 28 MITS partnerships, which include colleges/VP areas, regional campus locations and administrative offices.

Financial Impact Realized-to-Date:

The financial savings from the continuing migration of computer servers was not available at the time of this progress report.

Recommendation 2.1:

OSU should reduce or eliminate on-program prepaid B&W copier pages that are currently underutilized. In doing so, the University should consider reducing the total number of underutilized copiers and also reducing the number of on-program printers and off-program printers. Shifting pages to fully utilize on-program copier leases will allow for higher volume, lower cost printing.

What has been the impact of the new program Follow-Me Print?

Please provide specific detail (e.g. a count of eliminated copiers on/off program)

COVID is still slowing the progress some because users are waiting until fall of 2022 to decide on device removal or downgrade due to the hybrid work environments that still remain in place at OSU. In spite of that, UniPrint was able to eliminate or downgrade 122 devices which results in a savings \$124,584 per year. Overall impression numbers are still much lower than pre-COVID and the university is still realizing a cost avoidance of \$1.3m compared to pre-COVID

Financial Impact Realized-to-Date:

\$321,815

Recommendation 2.2:

OSU should shift off-program desktop printing to on-program copiers. Doing so would allow for cost avoidance of off-program printing, but also improved utilization of on-program leases and elimination of additional unused prepaid B&W pages. However, if the University is not fully able to do so, it should, at minimum, shift to on-program desktop printing. Doing so can reduce the overall cost of page production as well as allow the University to better track page production.

What has been the impact of the new program Follow-Me Print?

Please provide specific detail (e.g. a count of eliminated copiers on/off program)

Desktop printing has been capped and is not growing in comparison to last fiscal. UniPrint has also implemented a new desktop support model that will reduce the desktop printer fleet substantially by the end of this fiscal year. It will remove approximately 600 devices from the fleet that are printing low volumes and move that volume to MFDs. This will produce an average savings of \$70,761.

Financial Impact Realized-to-Date:

\$228,336

Recommendation 3.1:

OSU should develop and deploy a consistent, efficient, and effective process for recruit-to-hire that is uniformly enacted across all areas. In doing so, the University should ensure that the uniform process is reinforced by a single, end-to-end system while eliminating the current array of disconnected, and sometimes area specific, systems. However, prior to deploying the new process and system to support it, all University areas should collect standard data to inform the complete current state processes, ultimately allowing for a full measurement of the effectiveness and efficiency gains once the new process is implemented. Finally, the University should ensure that the new system has the capability to uniformly collect data that can be used for enterprise-wide performance measurement and management.

How will Workday improve the recruit-to-hire process? Was this deployed in July 2020 as anticipated?

Since the implementation of Workday in January 2021, the university has hired, transferred or promoted over 31,000 faculty, staff and students. By aligning our WD processes and procedures with our HR Service Delivery Model we will be able to optimize the RTH process and enhance our customer experience. With optimized business processes, alignment between system security and improved role clarity, and additional training and resource, the university will achieve full effective and efficient use of the system and its impact on hiring at Ohio State in the future.

Financial Impact Realized-to-Date:

Pending

Recommendation 3.2:

OSU should develop and deploy a consistent, efficient, and effective process for PCard transaction approvals and travel reimbursement payments that are uniformly enacted across all areas. In doing so, the University should ensure that the uniform processes are reinforced by a single, end-to-end system while eliminating the current array of disconnected, and sometimes area specific, systems. Finally, the University should ensure that the new system has the capability to uniformly collect data that can be used for enterprise-wide performance measurement and management.

How will the implementation of a standard PCard transaction and travel reimbursement process coincide with the Workday system? Was this deployed in July 2020 as anticipated?

The processes have been designed and are in UAT testing, so we do not expect any issues. The deployment of the new standard process was delayed until January 2021 due to the COVID-19 delay of the Workday implementation.

Financial Impact Realized-to-Date:

Pending

Recommendation 4.1:

OSU should ensure that all background checks are conducted in accordance with official University policies. However, in doing so, the University should revisit policy requirements to ensure that they are both effective in achieving the overall goal without resulting in unnecessarily inefficient or costly processes. When choosing to deviate from the common process, all University areas should collect the data and information necessary to evaluate the efficiency and effectiveness of these decisions. In addition, the University should regularly reevaluate the full cost of this process and ensure that an appropriate amount is recovered through administrative fees.

Did you revise the requirements related to the blanket policy of background checks leading up to the anticipated July 2020 deployment? Please provide specific detail (e.g. Med Center's background checks). Was this deployed in July 2020 as anticipated?

- The revised policy was implemented on January 3, 2020, in alignment with the Workday Launch.
- The revised policy applies to all colleges and units, including the Wexner Medical Center. We have also implemented a process by which any exceptions to policy are reviewed, considered and approved by the Office of Human Resources.

Recommendation 4.2:

OSU should seek to improve background checks operational efficiency and effectiveness by combining all background check personnel into a single team. This single team should service all University customers and should use consistent process and IT systems to track detailed workload and productivity in a consistent and complete manner.

What is the status of creating a centralized background check service center team? Are you still anticipating that the launch of Workday will lead to a more streamlined and consistent model for all aspects of human resources, including background checks? Was this deployed in July 2020 as anticipated?

- A centralized background check team was assembled and has been supporting the entire University (including the Wexner Medical Center) since the fall. An ongoing evaluation of the effectiveness of this model is underway. HR Leadership is reviewing current processes and outcomes to determine whether alternative approaches would be of greater value given our size and complexity.
- With the launch of Workday, consistency in the model and technology are providing more accurate data to inform future improvement decisions.

Ohio Department of Agriculture (ODA)

RELEASE DATE: 6/27/17

Based on its report, ODA has implemented 6 of 6 recommendations.

Recommendation 1.1:

ODA should develop and apply a consistent and comprehensive costing methodology for all tests provided by the laboratories. In doing so, the Department should fully consider all cost drivers that are significant to the operations of the Laboratory as a whole as well as each discipline. Where applicable to setting test prices, the Department should clearly identify where the actual cost per test is intended to be subsidized by the General Fund and the extent to which a subsidy is acceptable.

Has ODA successfully achieved the goal of test fee calculations for all ATL, ADDL, and CPL laboratory tests?

This recommendation was fully implemented when ODA developed and applied a consistent and comprehensive costing methodology for all tests provided by the Animal Disease Diagnostic Laboratory and Weights and Measures laboratory in FY21, a consistent methodology is already in place in the Consumer Protection Laboratory.

Financial Impact Realized-to-Date:

Implementation of the Auditor's recommendation is generating an additional \$448,234/yr. in fee revenue. We are grateful for AOS assistance in accomplishing this final outcome.

Recommendation 1.2:

ODA should utilize a data system that allows for the capture of direct labor hours associated with output, in order to measure and manage operational efficiency within the laboratories.

What were the results of the review done on the DEPA of EA laboratory time tracking system?

The ODA Laboratories with assistance from the ODA Human Resources department implemented the Kronos time clock tracking system in the spring of 2019. This system allows for the direct tracking of individual labor hours through electronic badge swipes showing the start and stop times of each employee's shift. This system was an improvement from the self-reporting excel spreadsheets employees were asked to fill out to track labor hours previously. ODA also continues to explore additional software data management and dashboard options such as Tableau with the IT department and laboratory management teams to better utilize direct labor hour data in conjunction with testing volume data.

Financial Impact Realized-to-Date:

The implementation of the Kronos time tracking system has allowed ODA access to data with increased accuracy which will be used in calculating labor needs in the laboratories especially associated with fee cost analysis.

Recommendation 2.1:

ODA should consolidate office and laboratory space to maximize the efficiency of the Department’s facility space. Through consolidation, ODA will be able to rent out its excess space to other entities, resulting in additional revenue.

What were the outcomes of extending office and laboratory space to OEPA and ODH?

Office space and laboratory space was extended to ODH and OEPA. The Ohio Department of Environmental Protection Agency Laboratories expressed interest in laboratory and office space identified in the basement of building 3, however, OEPA ultimately decided the spaces was not necessary as it was in conjunction with a larger project which OEPA did not move forward.

What steps have been taken to consolidate office and laboratory space?

ODA recently added the Hemp program and along with the program a new section in the Consumer Protection Laboratory was created for testing raw hemp and hemp products. The space needed for this laboratory was found from preexisting space in the consumer protection laboratory by utilizing temporary space in the chemistry section and the basement of building 3. The Hemp Laboratory will be moving to the basement once the space there has been completed and deemed ready for laboratory testing.

Financial Impact Realized-to-Date:

Preexisting space in the Consumer Protection Laboratory Chemistry section and basement will be repurposed for the Hemp laboratory testing program. This saves an estimated 4 million dollars as the preexisting space in the Consumer Protection Laboratory will be repurposed eliminating the need for constructing a new laboratory building for Hemp testing.

Recommendation 2.2:

ODA should track the utilization of meeting room space and consider repurposing underutilized meeting rooms as office space.

What has been the outcome of switching to an Outlook-based scheduling system?

This recommendation was fully implemented with an alternative strategy as a result of COVID and a transition to hybrid work from home. Almost all Agency meetings are now complete online through TEAMS at no additional cost to the Agency. This alternative implementation will save an estimated \$4,000 in programming testing and implementation time (\$80*50 hours).

Has ODA taken any further steps in repurposing underutilized meeting rooms? Please provide specific details.

ODA has made an effort to re-purpose some meeting rooms into office space in the meantime such as the Directors conference room which now houses the Ohio proud and Ohio Wine Markets Divisions. Office space on the first floor of the Bromfield building has also been repurposed several times for the Animal Health, IT, and Soil and Water Divisions.

Financial Impact Realized-to-Date:

Alternative implementation of the Auditor's recommendation saved an estimated \$4,000 in one-time expenses. We are grateful for AOS assistance in accomplishing this final outcome.

Recommendation 2.3:

ODA should track the usage of its grounds keeping and facility maintenance equipment. Further, the Department should right-size its maintenance fleet and equipment inventory based on the usage data. In doing so, the Department should identify and properly dispose of equipment determined to be inoperable or too costly to repair.

What is the implementation status of the annual review process on trackable equipment?

The Maintenance staff has created an excel spreadsheet to track equipment. This has allowed the maintenance team to more readily track and identify equipment needing repair and calculate the estimates of repair and maintenance.

How has the excel log impacted the right-sizing of fleet?

Our fleet management team has been able to more readily review current fleet numbers and requests helping to better understand how ODA uses vehicles. This has created a fleet right sized to meet the needs of the divisions without excess vehicles.

Financial Impact Realized-to-Date:

A financial impact study of the fleet management tracking and equipment management tracking has not been completed at this time.

Recommendation 2.4:

ODA should ensure that all chemicals are properly stored in accordance with leading practices and, if no longer needed, properly disposed of in accordance with applicable regulations. Where necessary, the Department should develop policies and procedures to ensure these practices are consistently carried out.

Have any ODA laboratories implemented a cloud-based chemical inventory and management system to better maintain chemicals? If so, what program is being used to maintain and track chemical inventory?

The Animal Disease Diagnostic Laboratory, Consumer Protection Laboratory and Animal Toxicology Laboratory implemented a cloud based chemical tracking system to allow the organization of Safety Data Sheets. This allowed the laboratories to better meet OSHA standards and have a better list of all the chemicals in the building. This system also allows access to first responders to have access to view the list of chemicals on site so they can be better prepared to handle emergency calls to the laboratory.

To date each section in these laboratories maintain separate excel spreadsheets to track more detailed information of the chemicals such as expiration dates, received dates, and lot numbers. The Laboratories also updated the chemical hygiene plan to include a requirement that all chemical inventory be tracked by location and a system put in place to identify any chemical items that might have expired and need disposal.

Financial Impact Realized-to-Date:

The total cost for the Safety Data Sheet software system for fiscal year 2020 was \$2,609.00.

Ohio Bureau of Workers' Compensation (OBWC)

RELEASE DATE: 1/10/17

Based on its report, OBWC has implemented **8** of 9 recommendations and is in the process of implementing **1 of 9** recommendations.

Recommendation 1.1:

OBWC should gather, analyze, and communicate key collections data to ensure that the debt collections process is conducted in an effective and timely manner.

What changes have been made in the implementation strategy of data collection and use?

Key data regarding collection activities continues to be managed in data bases tracking dollars collected and call volumes for the Collections Department and accounts resolved by the Employer Compliance Department. Progress is communicated weekly to Finance management.

What progress has been made with utilizing the core business system in collecting outstanding debt?

The core business system continues to be used for collecting outstanding debt as follows: Lapse reports are automated to run from the billing system (CoreSuite) after the lapse takes place each month. Reports are also manually run from the billing system at the end of each week to track progress in reinstating employers. The monthly and weekly reports are used for outreach assignments within the Collections Department. The Employer Compliance Department uses the monthly report for their outreach assignments and tracks progress in their tracking database. The analytics project is making progress and the processes used for collecting debt should benefit as a result.

Recommendation 1.2:

OBWC should implement formal policies and procedures for the collection of past due accounts receivable. In doing so, the Bureau should implement practices that increase the overall efficiency of the collections function, such as standardized time frames and the use of varied mediums for account outreach.

What changes have been made to the formal policies and procedures implemented at the time of OBWC's 2017 response, regarding the collection of past due accounts receivable?

The Finance Division updates its formalized policies and procedures for collections activities as needed. Since the previous update, there have not been any material changes to the processes used for collection of past due balances. The Collections Department's policies and procedures were previously updated to reflect changes to the collection processes under prospective billing. Staff are using the Accurant/LexisNexis skip-tracing enterprise system to obtain the most current contact information for

lapsed policies.

In response to the economic challenges that employers experienced due to the COVID-19 pandemic, OBWC allowed the deferral of unpaid premium installment amounts due for the six - month period from March 2020 through August 2020 to September 1, 2020. The deferral was for private and public employers. OBWC did not lapse (cancel) coverage or assess penalties for amounts not paid during this deferral period. OBWC also issued three dividends between April and December 2020 to eligible private and public employers. These dividends essentially paid off outstanding balances of many employers and thus lapses decreased once the deferral period ended. Staff were instructed to pause most collection activities through November 2020 and to concentrate on reviews of older debt in an effort to prepare to resume follow up once the deferral period was over. As of April 2021, collections activities are back to pre-pandemic processes.

Has OBWC launched the updated website that was intended for release in 2018? If so, what measures of success are currently used to determine if readability and customer understanding has improved?

The processes for collection of premium receivables include the following: Statements are generated from the billing system (CoreSuite) and mailed monthly to customers with outstanding balances. These statements are available on-line at the BWC website on the customer's My Policy page. For those customers that have elected to participate in electronic notification, email notifications are sent to inform the customer the statement is available for viewing. The Employer Services Division provides e-mail notifications to customers not paying by the due date so payment can be made prior to the expiration of the grace period. Letters, to inform customers their workers' compensation insurance has lapsed, are automatically generated by the billing system for accounts with installment billings not paid by the end of the grace period. E-mail notifications are also generated. Accounts lapsed in the current month are contacted by staff from the Employer Services Division, while Collections Department staff contact accounts that have been lapsed for more than 30 days, and the Employer Compliance Department is responsible for contacting accounts that have been lapsed for more than 60 days.

Better understanding of workers' compensation insurance and the billing process increases compliance and decreases account delinquencies. OBWC uses the following outreach efforts to policyholders: The Employer Services Division provides webinars and videos on selected topics to help employers better understand the workers' compensation system. The OBWC website has undergone several redesigns in an effort to improve the customer experience with easier to understand information and improved accessibility to those items most important to an employer. Improvements to the layout and design of the monthly statement have been completed to enhance the readability and understanding for customers.

Although a decrease to the number of lapses would be a measure of success in this area, any results since the previous update would be skewed by OBWC's efforts to help policyholders with economic impacts of the pandemic by providing dividends and the deferral of payments and suspension of lapsing employers during the March 2020 through September 2020 timeframe.

Recommendation 2.1:

OBWC should develop a performance framework to determine the cost and benefit associated with its planned IT updates. At a minimum, the framework should take into account each planned update to PEC’s goals, the planned efficiency impact, and with collaboration from OBWC’s IT division, the cost. Utilizing this information will ensure that OBWC deploys resources effectively and efficiently when needed.

What changes have been made to the performance framework since OBWC’s 2020 response?

One of the largest PEACH framework changes made in the last year was the retirement of the outdated provider legacy system, Medical Information Invoice System (MIIS). This replacement included a successful coordinated effort with external interfaces (Managed Care Organizations (MCO), the Industrial Commission of Ohio, the medical bill adjudication system CAM, the BWC pharmacy benefits manager (PBM), and the internal Rates & Payment system. While MIIS had not been the front-end system to enter provider data since PEACH’s release in 2008, MIIS had been running as a pass-through system in the background and issuing BWC provider identification numbers. Protecting our providers confidential information such as social security numbers (SSN) was a driving force of the MIIS retirement project. A benefit with this retirement, was the transition from MIIS provider identification numbers to PEACH identification numbers. BWC external partners and internal customers transitioned from using a social security number or a FEIN provider based number to a random PEACH number when processing reimbursement and communicating with BWCs provider network. In addition to the MIIS retirement project, all provider correspondence was updated to remove the MIIS provider number and replaced with the PEACH number.

Another large enhancement over the last year was the release of phase-1 and phase-2 of an online web-based provider enrollment product. BWC doesn’t currently offer a web-based provider enrollment and certification product. Most boards and commissions that license our providers offer a web-based product, yet BWC still requires a manual pen/paper application process for enrollment, certification, recertification and general provider updates. By offering providers, and each MCO a web-based product, BWC is able to streamline the enrollment process, request only pertinent information, assign applications to staff more efficiently, and ensure the network doesn’t contain outdated information. Additional benefits of the web-based product include freeing up data entry time to allow staff to focus on quality assurance, develop provider trends, provider outreach, and ensure injured workers have access to needed providers. Phase-1 application offers MCOs the ability to enter enrollment data for new providers while phase-2 gives them the ability to update information directly in order to request the reactivation of an existing deactivated/denied provider. This direct entry will expedite the enrollment process and reduce data collection entry errors. These web-based product enhancements align with our goal to achieve success and have an effective provider network with efficient provider enrollment processes.

What future enhancements to PEC have been/or intend to be implemented? What measures were taken to ensure enhancements were done in a fiscally responsible manner?

A MyProvider Information portal is currently being developed. This portal will permit active providers to perform direct updates or request updates that need verification. This will reduce the high volume of demographic changes that are currently the responsibility of the PEC team. The portal will also allow

providers to update information that were invited to recertify. This direct entry will expedite the recertification process.

Much like the Web application that was implemented earlier this year for MCO use, both the Enrollment only and the Enrollment & Certification Web applications are planned to be implemented. These web applications will give providers the capability to apply for enrollment and/or certification via the web and make demographic changes such as address updates. This direct entry will expedite the enrollment process and reduce data collection entry errors.

There are four enhancement phases that have not been started:

1. DEP (Disability Evaluators Panel) – Move the data and functionality to PEACH. DEP is currently housed in an access database platform separate from PEACH. Discussions to alleviate the use of access databases are currently being discussed.
2. Systematic Decertification - Based on a set of predetermined rules (ie no billing for 18 months) providers will be decertified. Systematic Decertification will reduce the number of providers that remain in active status that do not meet the active criteria
3. Data sharing interface – Allow the ability to share data with State of Ohio medical boards and/or commissions. With data sharing all interested parties will have the most up-to date provider information.
4. Create user controlled reporting and query capability – At this point in time PEC only has the ability to view weekly system generated reports or request reports from data warehouse or IT. User controlled queries will provide real-time reporting and immediate results on data such as performance measures.

The BWC Enterprise Governance committee approves and prioritizes all major initiatives. The BWC is in the process of implementing a Portfolio Project Management (PPM) tool. This PPM tool will assist the Project Management Office and Enterprise Governance Committee in scoring and ranking project initiatives. BWC will have better capability to track resources on projects and provide reporting on resources and costs at the project level. The PPM tool will be used to continue to ensure enhancements are being done in a fiscally responsible manner.

Recommendation 3.1: OBWC should right-size regional service offices to efficiently meet space needs while minimizing unnecessary lease cost. The Bureau can do so by employing an industry benchmark to quantify space needs and then renegotiate existing leases or seek alternative office locations. Although the Bureau will incur a one-time moving cost for each right-sizing effort, the ongoing annual savings will pay for this cost, as well as generate cumulative savings, within a reasonable timeframe; often in less than two years.

Have any additional right-sizing efforts been implemented? If so, what are the outcomes?

Since the publication of the Auditor’s report in January 2017, the Ohio Bureau of Workers' Compensation Facilities team completed right-sizing efforts in the following regional offices: Cambridge, Cincinnati, Cleveland and Mansfield. These four offices represent a combined reduction of 97,809 Usable Square Feet and an annual rent savings of \$1,266,393.

The summary for the Cambridge, Cincinnati, Cleveland and Mansfield projects is as follows:

- Cambridge (rightsized existing office)
 - Net reduction of 10,000 Usable Square Feet (USF) (RSF=USF in Cambridge)
 - Net savings of \$135,794 in annual rent Cambridge lease effective date: 10-1-19
 - Net reduction of \$3,395 Occupancy Cost per Employee
 - Net reduction from 638 USF per Employee to 388 USF
 - One-time moving/furniture salvage costs of \$13,954
 - One-time TI contribution of \$696,026
 - 5-year payback period
 - New tenant space created for ODJFS in half of vacated BWC space
- Cincinnati (Governor’s Hill office relocation to Springdale)
 - Net reduction of 10,522 Usable Square Feet (USF)
 - Net reduction of 6,684 Rentable Square Feet (RSF)
 - Net savings of \$156,527 in annual rent Springdale lease effective date: 2-1-18
 - Net reduction of \$1,283 Occupancy Cost per Employee
 - Net reduction from 363 RSF per Employee to 308 RSF
 - One-time moving costs of \$57,144
 - One-time TI contribution of \$249,040
 - 2-year payback period
- Cleveland Lausche (closed Garfield Heights and consolidated staff in Lausche)
 - Net reduction of 59,847 Usable Square Feet (USF)
 - Net reduction of 55,188 Rentable Square Feet (RSF)
 - Net savings of \$747,352 in annual rent Lausche lease effective date: 11-25-19
 - Net reduction of \$8,117 Occupancy Cost per Employee
 - Net reduction from 986 USF per Employee to 249 USF
 - One-time moving/salvage costs of \$198,650
 - One-time TI contribution of \$2,031,576
 - 2.7-year payback period
- Mansfield (right-sized existing office)
 - Net reduction of 17,440 Usable Square Feet (USF) (RSF=USF in Mansfield)
 - Net savings of \$226,720 in annual rent Lease effective date for reduced USF was 7-1-17, and since we were permitted to occupy space (during construction) that we will be vacating, the Lessor essentially agreed to 7.5 months of rent abatement, or \$146,258. This amount reduces the TI contribution from \$842,914 to 696,656, which subsequently reduces the payback period from approximately 3.7 years to 3.1 years.
 - Net reduction of \$2,737 Occupancy Cost per Employee
 - Net reduction from 745 RSF per Employee to 445 RSF (Space is shared with the Ohio Industrial Commission, so RSF per Employee is above average due to size of lobby and associated hearing rooms)
 - One-time moving costs of \$17,120
 - One-time TI contribution of \$842,914 (exclusive of rent abatement)
 - 3.7-year payback period (exclusive of rent abatement)

FY21 Update

Between FY10 and FY21, the BWC Facilities team has endeavored to right-size BWC's real estate footprint amidst a steady decline in BWC staff numbers. As of April 13, 2021, BWC has approximately 1,650 full time employees. In comparison, in FY10, BWC had approximately 2,300 full time employees.

Although staff population will likely always be somewhat fluid, pre-pandemic staff levels have remained consistent in the recent past. This has allowed us to focus on how specific job positions utilize space, and in the pre-pandemic environment, we were instituting hoteling workstations for many positions that had here-to-fore been provided with full-size workstations.

Our most recent right-sizing effort was completed in October 2020, when we relocated all Pickerington staff to the William Green Building. We achieved this by consolidating staff on several floors, which allowed us to clear L25 for the Safety & Hygiene staff and accommodate the call center staff on the south half of L19. The closure of the Pickerington facility resulted in an annual rent savings of \$632,602 based on the FY21 rent rate for that location.

Over the course of the last eleven years, we have reduced BWC's real estate footprint by over 285,000 rentable square feet, saving BWC over \$2.3M in annual rent. This was achieved by combining some offices, right-sizing others, and closing four locations. All staff that reported to the four closed locations were relocated to nearby facilities.

Although the post-pandemic real estate view is unclear, the BWC facilities team remains committed to meeting BWC's real estate needs and proactively monitoring square footage usage both in the William Green Building and around the state.

Recommendation 3.2:

OBWC should right-size its office space within the William Green Building to a level comparable to industry benchmarks. In doing so, the Bureau can free up additional space to generate additional lease revenue.

Have you reevaluated occupied space in the William Green Building, in collaboration with the DAS Real Estate mission?

The prevalence of telework in state government has reduced the demand for office space overall. As such, there are no current prospective tenants for the William Green Building. OBWC will continue to work in conjunction with DAS Real Estate to offer space when DAS cannot find suitable space for other agencies in either the Rhodes or Riffe towers. Should the need arise, OBWC would be willing to evaluate our ability to reduce our occupied space in the William Green Building to assist DAS Real Estate in their mission.

Recommendation 3.3:

OBWC should bring lease rates for the William Green Building in line with market rates. In doing so, the Bureau can remain market competitive in its offering while generating additional lease revenue.

How are lease rates calculated to ensure all operating costs in the William Green Building are recouped?

As a public entity, OBWC does not pay property taxes, and we do not lease space on a for-profit basis. When OBWC began leasing William Green Building space to other state agencies in 2010, the lease rates were calculated to recoup operating costs only, and we continue to evaluate our operating costs annually to ensure the current lease rates are still appropriate. Because of the above, OBWC can offer Class A office space to other state agencies at below market rents when compared with private sector. OBWC is privileged to offer this amenity to other agencies while simultaneously being reimbursed for operating costs that would be incurred even if the space were empty.

Recommendation 3.4:

OBWC should right-size its warehouse space to efficiently meet its needs. Doing so will allow the Bureau to minimize unnecessary lease and utilities cost.

OBWC Response:

OBWC has completed this recommendation by relocating its warehouse to a space that is 24,160 square feet resulting in the following:

Warehouse right-sizing

- a) Net reduction of 72,362 Usable Square Feet (USF) (RSF=USF)
- b) Net savings of \$361,780 in annual rent
- c) New lease effective as of 7-1-17
- d) One time moving costs of \$162,462
- e) One time TI contribution of \$186,616 f. Less than one-year payback period

Recommendation 4.1:

OBWC should develop a formal premium audit selection methodology that takes into account both the likelihood of a misadjusted premium as well as the need to provide adequate coverage for all employers. After adoption, the Bureau should ensure that all audit staff are following the methodology and process as intended. A consistent, uniformly applied methodology and process will allow the Bureau to optimize workload and staffing in a manner that best meets its goals.

How does the current Audit Plan address physical audit policies?

Formal instructions were created to identify the development of the audit plan and the process of assigning audits to staff. The audit plan itself changes each year as new factors are used to identify the potentially high risk customers. However the overall outline of the process does not change. It should also be noted that internal referrals to audit are given high priority, which may cause a deviation from the originally established audit plan.

Recommendation 5.1:

OBWC should develop a performance management framework for the fleet that is designed to inform long-term strategic decision making, with the goal of improving the efficiency and effectiveness of services. At a minimum, the framework should take into account the type, number, and purpose of vehicles as well as individual vehicle expenditures, mileage, and age. Finally, in collecting the data necessary to inform the framework, the Bureau should make greater use of Voyager. This includes reviewing purchasing practices to ensure that Voyager is being used for all vehicle expenses when appropriate and expenditures are properly recorded by employees. In addition, the Bureau should utilize other sources of data, including OAKS, in order to capture all fleet expenditures.

Have there been any changes since the performance management framework was implemented?

OBWC has no significant change to report since the 2020 update. OAKS reports are used to identify any vehicle related expenses. Expenses are reviewed quarterly. Any necessary costs and adjustments are added to the Fleet Ohio system to capture complete cost per mile of each vehicle. Cost per mile reports from Fleet Ohio (Voyager expenses) are then used in part to help establish annual vehicle replacement schedules. Regarding replacement schedules, work has been done to move closer to the DAS suggested 90,000/6 year replacement time frame. Vehicles are no longer simply replaced with like models; the driver job duties and equipment needs are also reviewed to make sure that the correct size and type of vehicle is purchased. Any financial impacts related to the changes and modifications put into practice have been minor.

Ohio Department of Transportation (ODOT)

RELEASE DATE: 10/11/16

Based on its report, ODOT has implemented 4 of 4 recommendations.

Recommendation 1:

ODOT should implement a uniform process that allows for the accurate and timely collection of utility and site O&M (Operations and Maintenance) data and information, including:

- Utilities – Including water, gas and electric;
- In-House O&M – Including labor, equipment and materials; and
- Outsourced O&M – Including any and all costs for outsourced maintenance.

ODOT's Response:

The Agency continues to evaluate best practices and opportunities for improvement.

Recommendation 2:

ODOT should implement a uniform process that allows for the accurate and timely collection of operations data and information, including:

- Routes – Including snow and ice control route assignments, treated lane miles, and deadhead miles;
- Equipment – Including route truck assignments, plow truck salt and materials capacity, and plow truck cost per mile; and
- Weather Events – Including route cycle

ODOT's Response:

The GPS/AVL system was fully implemented and used for the first full season for the 2020/2021 Winter Snow and Ice season. Route Optimization was placed on hold because of the first full season of GPS/AVL data collection and COVID19 Budget Reductions. Route Optimization is budgeted for 2021/2022 and we have started discussions with our vendor on the Route Optimization Project. Our base line for Route Optimization will be our current routing, adjustments to said routes will be re-evaluated after completion of our Route Optimization Project.

Recommendation 3:

ODOT should incorporate formal cost/benefit analyses into the facilities planning process in order to identify and implement opportunities for greater efficiency and effectiveness. These analyses should use data and information from operations, primarily snow and ice control (see Operational Data Quality), as well as facilities (see Data Quality), to assess the business needs and evaluate the relative costs and benefits of alternative facility options.

ODOT's Response:

Snow and Ice Efficiencies were developed and implemented in the fall of 2019 in coordination with

ODOT Central Office and 12 District Highway Maintenance Administrators. The Snow and Ice Efficiencies were disseminated out to the ODOT County Transportation Administrator's and Manager's through 4 Regional Mtgs. The implemented Snow and Ice Efficiencies have been tracked and reported out to both the Districts and Central Office Maintenance Operations for continued evaluation and improvements. Continued evaluation will happen with all the above mentioned ODOT personnel in coordination with the data collected with the GPS/AVL truck units.

Recommendation 4:

ODOT should develop a consistently applied, data-driven process to guide capital planning and budgeting decisions. The process should involve input from key stakeholders, including Central Office, district, and county leadership, in order to identify key metrics to assess which sites are most critical to the Department's mission. At a minimum, the process should include a standardized method to:

- Evaluate each site's conditions and assessing deferred maintenance;
- Evaluate each site's purpose in meeting the Department's mission; and
- Compare all sites, as well as alternative options, such as replacing outposts with yards where possible, in order to optimize capital investment.

ODOT's Response:

ODOT continues to work toward this endeavor as funding permits. The agency currently operates the following number and types of facilities:

Full Service Facility	100
Outpost	106
Yard	28

The Agency continues to evaluate best practices and opportunities for improvement.