

CONTROLLING BOARD

OHIO OFFICE OF BUDGET AND MANAGEMENT

MINUTES OF THE OCTOBER 28, 2002 MEETING

President Dodge called the Board meeting to order at 1:40 p.m. Serving on the Controlling Board were Senator James Carnes, Representative Charles Calvert, Senator Bill Harris, Representative James Hoops, Senator Mark Mallory and Representative Sylvester Patton.

Executive Secretary, Vanessa Niekamp, distributed the minutes of the October 7, 2002 meeting. A motion to approve the minutes was made by Senator Harris, seconded by Representative Calvert and approved by the Board members.

Attached is the October 7, 2002 meeting agenda. A motion for blanket approval of all items not held for questions was made by Senator Harris and seconded by Representative Hoops.

President Dodge notified the audience the state fiscal year 2003 and 2004 Controlling Board Calendar was now available.

The following items were discussed and acted upon as stated.

Item 3, CSU033-03 was withdrawn by request of the University.

Item 4, UCN275-03 was held by Representative Calvert. Representative Calvert asked why the funds were disencumbered. Chuck Darling, Senior Architect, stated it was an error by the University. Representative Calvert asked why the project cost has increased. Mr. Darling stated the scope of the project increased to include additional repairs identified during the first phase of the project. Representative Calvert asked if the University will be returning to the Board for additional funding. Mr. Darling stated this will be the last release for this project. The item was approved without objection.

Item 5, KSU191-03 was held by Representative Hoops. Representative Hoops asked why the project was not competitively bid. Thomas Euclide, University Architect Director, stated the equipment is very specialized. The item was approved without objection.

Item 6, KSU193-03 was held by Representative Calvert. Representative Calvert asked why the High Pressure Gass Line project was not included in the current capital budget. Thomas Euclide, University Architect Director, stated the gas line is needed to complete the power house project and could not be put on hold to be included in the budget. Representative Calvert asked why the project did not originally include a gas line. Mr. Euclide stated the original plan for the project could not be completed because expensive compression equipment would be needed to provide the gas. The item was approved without objection.

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Item 8, MUN013-03 was held by Representative Calvert. Representative Calvert asked why is the project not included in the current capital budget. Robert Keller, University Architect, stated there is a timing issue and the University would like the project completed as soon as possible. Representative Calvert stated there is a possibility the projects from which they are transferring funds from, could lose the funding. Mr. Keller stated the University understands it could be a possibility. The item was approved without objection.

Item 9, NEM037-03 was held by Senator Carnes and Senator Mallory. Senator Carnes stated the request references bid tabs that are not included in the request. Senator Carnes asked if the project was bid. Susan Labuda-Shrop, Associate Director of Administration, stated the project was not bid because a similar project was bid a year ago, and they were the lowest bidder at the time. Senator Mallory asked what the company did a year ago. Ms. Labuda-Shrop stated the company programmed computer equipment. Senator Mallory asked why after a year the project was not re-bid. Ms. Labuda-Shrop stated the project is less than the original estimate. Senator Harris asked if other sources were contacted. Ms. Labuda-Shrop stated other sources would not transfer the source code, which would make it impossible to update the system in the future. Senator Harris asked if the University has documentation that will show, other companies would not release the source codes. Ms. Labuda-Shrop stated yes. Senator Harris asked for the documentation. Ms. Labuda-Shrop stated the information will be provided. The item was approved without objection.

Item 19, AGE010-03 was held by Representative Patton. Representative Patton asked how the savings are formulated. Roland Hornbostel, Deputy Director, stated the average discount is 13%, and on some drugs there will be additional rebates. Representative Patton asked what the average savings per card holder will be. Mr. Hornbostel stated in general the savings will be between 10% and 20% depending on the drug. Representative Patton asked how the pharmacy will make money with this plan. Mr. Hornbostel stated the pharmacy will receive a dispensing fee. Representative Patton asked who is paying for this program. Mr. Hornbostel stated the discount is produced by the pharmacy and the drug companies. Senator Mallory asked how MemberHealth will make money from this contract. Mr. Hornbostel stated MemberHealth receives 50% of the rebate given by the drug company and \$0.75 per transaction by the pharmacy. Senator Mallory asked how the Golden Buckeye cards will be distributed. Mr. Hornbostel stated cards will be mailed to all eligible Ohio citizens. Senator Mallory asked how Aging identifies the eligible citizens. Mr. Hornbostel stated the Bureau of Motor Vehicles provides records and applications can also be mailed or completed at public libraries. Senator Mallory asked how many people MemberHealth will employ to administer this program. Mr. Hornbostel stated he did not know. Senator Mallory asked if it would not make more sense to employ the people necessary to negotiate a benefit for a much larger number of people, who do not have insurance. Mr. Hornbostel stated he does not have an opinion, but was before the Board to speak to the RFP contained within the AGE010-03. Senator Mallory asked Mr. Hornbostel's opinion on the current proposal. Mr. Hornbostel stated he is very happy the General Assembly has passed a program that will help senior citizens now. The item was approved without objection.

Item 28, DEV333-03 was held by Representative Patton. Representative Patton released his hold on the item. The item was approved without objection.

Item 31, DEV338-03 was held by Representative Patton. Representative Patton asked if any of the money will be recovered. Tom Johnston, Chief Fiscal Officer, stated yes. The item was approved without objection.

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Item 33, EDU260-03 was held by Representative Hoops and Senator Harris. Representative Hoops asked why Education is moving in a direction that is opposite from the previous bill. Paul Marshall, Department of Education, stated the bill allowed local school districts to contract with educational service centers, and Education is taking advantage of this type of expertise. Representative Hoops asked if this means additional staff will not be hired at a stated level. Mr. Marshall stated that is correct. Senator Harris asked for examples in the past when the Department has done this. Mr. Marshall stated in the past the money was distributed to local school districts as a subsidy, however by contracting directly, the Department can control the deliverables. The item was approved without objection.

Item 48, DNR096-03 was held by Senator Mallory. Senator Mallory asked what caused the damage to the homes. Bill Moody, Assistant Director, stated the damage occurred when the sheet piling was driven. Mr. Moody stated the Department is attempting to recover some of the funds. The item was approved without objection.

Item 53, DNR326-03 was held by Representative Hoops and Senator Mallory. Representative Hoops asked what type of employees are included in this project. Bill Moody, Assistant Director, stated one employee will be hired for this project and, when this project is complete, the employment will end. Senator Mallory asked if the \$400,000.00 on the Wolf Run project is high. Mr. Moody stated the \$400,000.00 will include the NRCS funds coming in on the project. The item was approved without objection.

Items 56, DNR330-03 and 57, DNR331-03 were held by Senator Harris, Representative Calvert and Senator Mallory. Senator Harris asked for an explanation of the additional amount above the estimate. Bill Moody, Assistant Director, stated the appraisals do not include relocation costs and one of the estimates is based on a commercial property use. Senator Harris asked if the local school district will lose funding by the sale of this property. Mr. Moody stated no. Representative Calvert and Senator Mallory stated they had no further questions. The items were approved without objection.

Item 57, DHS613-03 was held by Senator Mallory. Senator Mallory asked why this did not involve a back-up system. Robert Bill, Telecommunication Supervisor, stated this request is for the current system that is used, and will act as the back-up system for MARCS when complete. The item was approved without objection.

Item 58, DRC350-03 was held by Senator Carnes. Senator Carnes asked why the Department had a low initial estimate. David Calhoun, Bureau of Construction Chief, stated the scope of the original request has been expanded to include additional electrical system upgrades. The item was approved without objection.

Items 63, DOT144-03 and 64, DOT145-03 were held by Representative Patton. Representative Patton asked if the projects have been started. Lyle Flowers, Consultant Services Manager, stated the projects have been in design since 1996 and are scheduled for construction in 2005 and 2006. Representative Patton asked why the contract was not bid. Mr. Flowers stated design services are not subject to competitive selection. The items were approved without objection.

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With no further business before the Board, the meeting was then adjourned at 3:07 p.m.

Respectfully submitted,

Vanessa Niekamp
Controlling Board Executive Secretary

10/28/02 Minutes approved by the Board:
