

As Introduced

132nd General Assembly

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H. B. No. 735

Representatives Smith, K., West

**Cosponsors: Representatives Patterson, Kent, Ramos, Ashford, O'Brien, Miller,
Kelly**

A BILL

To amend section 187.01 of the Revised Code to 1
require that a performance audit of JobsOhio be 2
conducted annually. 3

BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:

Section 1. That section 187.01 of the Revised Code be 4
amended to read as follows: 5

Sec. 187.01. As used in this chapter, "JobsOhio" means the 6
nonprofit corporation formed under this section, and includes 7
any subsidiary of that corporation. In any section of law that 8
refers to the nonprofit corporation formed under this section, 9
reference to the corporation includes reference to any such 10
subsidiary unless otherwise specified or clearly appearing from 11
the context. 12

The governor is hereby authorized to form a nonprofit 13
corporation, to be named "JobsOhio," with the purposes of 14
promoting economic development, job creation, job retention, job 15
training, and the recruitment of business to this state. Except 16
as otherwise provided in this chapter, the corporation shall be 17

organized and operated in accordance with Chapter 1702. of the 18
Revised Code. The governor shall sign and file articles of 19
incorporation for the corporation with the secretary of state. 20
The legal existence of the corporation shall begin upon the 21
filing of the articles. 22

In addition to meeting the requirements for articles of 23
incorporation in Chapter 1702. of the Revised Code, the articles 24
of incorporation for the nonprofit corporation shall set forth 25
the following: 26

(A) The designation of the name of the corporation as 27
JobsOhio; 28

(B) The creation of a board of directors consisting of 29
nine directors, to be appointed by the governor, who satisfy the 30
qualifications prescribed by section 187.02 of the Revised Code; 31

(C) A requirement that the governor make initial 32
appointments to the board within sixty days after the filing of 33
the articles of incorporation. Of the initial appointments made 34
to the board, two shall be for a term ending one year after the 35
date the articles were filed, two shall be for a term ending two 36
years after the date the articles were filed, and five shall be 37
for a term ending four years after the date the articles were 38
filed. The articles shall state that, following the initial 39
appointments, the governor shall appoint directors to terms of 40
office of four years, with each term of office ending on the 41
same day of the same month as did the term that it succeeds. If 42
any director dies, resigns, or the director's status changes 43
such that any of the requirements of division (C) of section 44
187.02 of the Revised Code are no longer met, that director's 45
seat on the board shall become immediately vacant. The governor 46
shall forthwith fill the vacancy by appointment for the 47

remainder of the term of office of the vacated seat. 48

(D) A requirement that the governor appoint one director 49
to be chairperson of the board and procedures for electing 50
directors to serve as officers of the corporation and members of 51
an executive committee; 52

(E) A provision for the appointment of a chief investment 53
officer of the corporation by the recommendation of the board 54
and approval of the governor. The chief investment officer shall 55
serve at the pleasure of the board and shall have the power to 56
execute contracts, spend corporation funds, and hire employees 57
on behalf of the corporation. If the position of chief 58
investment officer becomes vacant for any reason, the vacancy 59
shall be filled in the same manner as provided in this division. 60

(F) Provisions requiring the board to do all of the 61
following: 62

(1) Adopt one or more resolutions providing for 63
compensation of the chief investment officer; 64

(2) Approve an employee compensation plan recommended by 65
the chief investment officer; 66

(3) Approve a contract with the director of development 67
services for the corporation to assist the director and the 68
development services agency with providing services or otherwise 69
carrying out the functions or duties of the agency, including 70
the operation and management of programs, offices, divisions, or 71
boards, as may be determined by the director of development 72
services in consultation with the governor; 73

(4) Approve all major contracts for services recommended 74
by the chief investment officer; 75

(5) Establish an annual strategic plan and standards of	76
measure to be used in evaluating the corporation's success in	77
executing the plan;	78
(6) Establish a conflicts of interest policy that, at a	79
minimum, complies with section 187.06 of the Revised Code;	80
(7) Hold a minimum of four board of directors meetings per	81
year at which a quorum of the board is physically present, and	82
such other meetings, at which directors' physical presence is	83
not required, as may be necessary. Meetings at which a quorum of	84
the board is required to be physically present are subject to	85
divisions (C), (D), and (E) of section 187.03 of the Revised	86
Code.	87
(8) Establish a records retention policy and present the	88
policy, and any subsequent changes to the policy, at a meeting	89
of the board of directors at which a quorum of the board is	90
required to be physically present pursuant to division (F) (7) of	91
this section;	92
(9) Adopt standards of conduct for the directors.	93
(G) A statement that directors shall not receive any	94
compensation from the corporation, except that directors may be	95
reimbursed for actual and necessary expenses incurred in	96
connection with services performed for the corporation;	97
(H) A provision authorizing the board to amend provisions	98
of the corporation's articles of incorporation or regulations,	99
except provisions required by this chapter;	100
(I) Procedures by which the corporation would be dissolved	101
and by which all corporation rights and assets would be	102
distributed to the state or to another corporation organized	103
under this chapter. These procedures shall incorporate any	104

separate procedures subsequently set forth in this chapter for 105
the dissolution of the corporation. The articles shall state 106
that no dissolution shall take effect until the corporation has 107
made adequate provision for the payment of any outstanding 108
bonds, notes, or other obligations. 109

(J) A provision establishing an audit committee to be 110
comprised of directors. The articles shall require that the 111
audit committee hire a firm of independent certified public 112
accountants, selected in consultation with the auditor of state, 113
to perform, once each year, a financial audit of the corporation 114
and of any nonprofit entity the sole member of which is 115
JobsOhio. The articles also shall require all of the following: 116

(1) Commencing with JobsOhio's fiscal year beginning July 117
1, 2012, the financial statements to be audited are to be 118
prepared in accordance with accounting principles and standards 119
set forth in all applicable pronouncements of the governmental 120
accounting standards board; 121

(2) The firm of independent certified public accountants 122
hired is to conduct a supplemental compliance and control review 123
pursuant to a written agreement by and among the firm, the 124
auditor of state, JobsOhio, and any nonprofit entity the sole 125
member of which is JobsOhio; and 126

(3) A copy of each financial audit report and each report 127
of the results of the compliance and control review are to be 128
provided to the governor, the auditor of state, the speaker of 129
the house of representatives, and the president of the senate. 130

(K) A provision requiring that a performance audit of 131
JobsOhio be conducted each fiscal year pursuant to a written 132
agreement by and among a firm of independent certified public 133

accountants or a management consulting firm, the auditor of 134
state, JobsOhio, and any nonprofit entity the sole member of 135
which is JobsOhio. The articles shall require that a report of 136
each performance audit be provided to the governor, to the 137
auditor of state, and to the general assembly under section 138
101.68 of the Revised Code. 139

(L) A provision authorizing a majority of the 140
disinterested directors to remove a director for misconduct, as 141
that term may be defined in the articles or regulations of the 142
corporation. The removal of a director under this division 143
creates a vacancy on the board that the governor shall fill by 144
appointment for the remainder of the term of office of the 145
vacated seat. 146

Section 2. That existing section 187.01 of the Revised 147
Code is hereby repealed. 148

Section 3. Not later than sixty days after the effective 149
date of this act, JobsOhio, the nonprofit corporation formed 150
under section 187.01 of the Revised Code, shall amend its 151
articles of incorporation to conform with the requirements of 152
this act. 153