

**As Introduced**

**132nd General Assembly**

**Regular Session**

**2017-2018**

**H. B. No. 735**

**Representatives Smith, K., West**

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

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**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