



**Representative John M. Rogers**  
**60<sup>th</sup> House District**

Chairman Wiggam, Ranking Member Kelly and members of the House State and Local Government Committee, thank you for allowing me to provide sponsor testimony today on House Bill 531, legislation establishing that JobsOhio must submit to audits by the Auditor of State.

HB 531 addresses an ongoing concern which has persisted during my tenure here in the Ohio General Assembly - the transparency and accountability of Ohio's private economic development entity, JobsOhio. This enterprise was created during the previous administration via Amended Substitute House Bill 1, in the 129th General Assembly.

In 2013, JobsOhio was allowed to acquire the rights to a 25 year franchise of Ohio's spirituous liquor enterprise for \$1.4 billion, funded by the issuance of bonds. The profits from this franchise are used to promote and drive economic development through job creation and new capital investment throughout our State. During the fiscal year ending June 30, 2018, JobsOhio had total operating expenses of \$118,569,000 in pursuit of their task.

An ensuing battle between state office holders over the auditing of this agency ended with what amounted to, in my opinion, a slight of hand in the legislative process, redefining what constitutes public monies in a matter of days and effectively eliminating any statutorily required oversight and transparency of the agency. At that time, the Ohio General assembly passed legislation requiring JobsOhio to at least work with the Auditor of State to select an independent and qualified private firm to conduct a compliance and control review audit with the resulting report to be shared with the public. The Auditor of State; however, does not examine the records or the books of JobsOhio, nor does the Auditor conduct any interviews in the audit process. The result is that the State Auditor expresses no professional opinion regarding any report or the operations and finances of JobsOhio.

Facing growing interest from newly elected state leaders in early 2019, JobsOhio publicly released the salaries of its leaders ahead of its normal schedule. At the top of a list of seventeen executives was the outgoing president and chief investment officer, John Minor, who earned \$621,322.67, and vice-president and head of economic development, Dana Saucier Jr., who earned \$353,099.72. Governor DeWine, quoted in Crain's Cleveland Business News stated, "JobsOhio is an economic development model for other states, and part of the reason is its ability to assure confidentiality in negotiations ... However, being transparent is also important, and [the] announcement today is an example of the commitment of the new leadership of JobsOhio to more transparency."<sup>1</sup> Senate president Larry Obhof, Auditor Keith Faber and Attorney General Dave Yost, have also been reported as suggesting a greater need for oversight of the State's economic development enterprise.<sup>2</sup>

As a not-for-profit corporation having close ties to our state's public institutions and its source of public funding, JobsOhio has an especially significant responsibility of accountability to Ohio's taxpayers. Changes in strategy, such as the decision to purchase a stake in private companies, illustrates again the need for an additional degree of public accountability.<sup>3</sup>

HB 531 would address this issue by requiring JobsOhio to not only prepare annual financial reports, but to also submit to audits no different than any other entity as required by the Auditor of State.

This proposal helps to honor that responsibility by initiating the following:

- Preparation of annual financial reports;
- Obligation to submit to audits by the Auditor of State;
- Require audits to include revenues, receipts, and expenditures of JobsOhio associated with any enterprise acquisition project;
- Specify the responsibilities of the JobsOhio Audit Committee; and

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<sup>1</sup> "JobsOhio releases salary info of top executives"

<https://www.crainscleveland.com/government/jobsohio-releases-salary-info-top-executives>

<sup>2</sup> "Legislative leaders, statewide officials all pushing for more oversight of JobsOhio"

<https://www.dispatch.com/news/20190313/legislative-leaders-statewide-officials-all-pushing-for-more-oversight-of-jobsohio>

<sup>3</sup> "JobsOhio pushing boundaries by looking to be a part-owner of companies it supports"

<https://www.cleveland.com/open/2019/11/jobsohio-pushing-boundaries-by-looking-to-be-a-part-owner-of-companies-it-supports.html>

- Require that JobsOhio annual financial reports and audit reports be made available to the public with permission to redact certain confidential information.

This legislation as proposed would not alter provisions in current law that exempt JobsOhio from complying with public meeting and other general public records laws. However, it does bring JobsOhio under the requirements that other non-profit organizations must comply with under ORC § 117.10 which states that the *“auditor of state also may audit the specific funds or accounts of private institutions, associations, boards, and corporations into which has been placed or deposited public money from a public office and may require of them annual reports in such form as the auditor of state prescribes.”*<sup>4</sup>

This legislative effort strikes an appropriate balance between accountability to the general public and allowing JobsOhio’s economic development work to continue in its efforts to give Ohio a competitive advantage.

These important accountability efforts can only strengthen the trust and accountability of economic development work being done on behalf of all Ohioans and the State’s taxpayers.

I thank you for your consideration and would respectfully ask you for your support of this legislation. At this time, I would welcome any questions you might have.

Thank you.

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<sup>4</sup> Ohio Revised Code; Title 1; Chapter 117  
<https://codes.ohio.gov/orc/117.10>