



*John Rau*

*Final Analysis*  
*Legislative Service Commission*

**Am. S.B. 210**  
123rd General Assembly  
(As Passed by the General Assembly)

**Sens. Ray, Drake, Watts, Spada**

**Reps. Hartnett, Bender, Brading, Barrett, Buehrer, Tiberi, Amstutz**

**Effective date: \***

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**ACT SUMMARY**

- Transfers the authority to establish job classification plans from the personnel department of a state-supported college or university to the board of trustees of the institution or the officers to whom the board delegates such authority.
- Allows a state-supported college's or university's job classification plan to exclude unclassified employees.
- Changes the starting dates of the terms of student trustees at Bowling Green State University from March 17 to May 17.
- Eliminates the requirement that a board of trustees of a technical college district select depositories (banks, savings and loan associations, and savings banks) for its funds in accordance with the Uniform Depository Act, and instead provides general authority for a board of trustees to select a bank or trust company for deposit of the funds.
- Requires a bank or trust company selected by a board of trustees for the deposit of funds of a technical college district to provide security for deposits in accordance with the Uniform Depository Act.

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\* *The Legislative Service Commission had not received formal notification of the effective date at the time this analysis was prepared.*

- Creates the Civil Service Review Commission to review and make recommendations for changes to Ohio's civil service laws, rules, practices, and procedures.
- Requires the Civil Service Review Commission, within nine months of the appointment of its members, to issue its report and recommendations to the Speaker of the House of Representatives and to the President of the Senate.

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## CONTENT AND OPERATION

### *Job classification plans at state colleges and universities*

(R.C. 124.14(F))

For most positions, offices, and employments for which the salaries are paid in whole or in part by the state, continuing law requires the Director of Administrative Services to establish a job classification plan. In so doing, the Director groups jobs that are similar enough in duties and responsibilities to be described by the same title, to have the same pay assigned, and to require the same qualifications. For positions, offices, and employments at a state college or university, prior law delegated the powers, duties, and functions of the Director associated with the job classification plan to the personnel department of the college or university--subject to a periodic audit and review by the Director to guarantee "the uniform application" of these powers, duties, and functions of the Director. In such a job audit, the Director determines the most appropriate classification for an employee's position.

The act makes the following changes regarding classification plans at state colleges and universities:

(1) It transfers the responsibility of the Director of Administrative Services over a state college's or university's job classification plan, and the compensation of its employees, from the personnel department to the board of trustees of the college or university or to those officers to whom the board delegates the responsibility.

(2) It specifically states that a board of trustees need not establish a job classification plan for unclassified employees. An unclassified employee is not subject to examination and serves at the pleasure of the appointing authority.

(3) It allows a state college or university board of trustees, when adopting rules dealing with a job classification plan or the compensation of its employees,

to adopt the rules under R.C. 111.15 (which does not require public hearings) rather than under Chapter 119. of the Revised Code, the "Administrative Procedure Act" (which does require public hearings). Additionally, the adoption, amendment, rescission, and enforcement of such rules is not subject to the approval, disapproval, or modification of the State Personnel Board of Review.

(4) It eliminates language prescribing that the audit by the Director ensure "uniform application" of the job classification rules adopted by a board.

The act also specifies that these changes are not to be construed as limiting the right of appeal to the State Personnel Board of Review of any classified employee who possesses that right.

The act, however, does not remove the authority granted to boards of trustees to establish "compensation plans" under R.C. 3345.31. That section allows boards of trustees to establish compensation plans, including schedules of hourly rates, for those of its employees who are not in collective bargaining units and to establish rules or policies for the administration of such compensation plans. (See **COMMENT 1.**)

***Change of the appointment date for the student trustees at Bowling Green State University***

(R.C. 3341.02; Section 3)

Bowling Green State University is governed by an 11-member board of trustees appointed by the Governor with the advice and consent of the Senate. Two of the members must be students at the University. The nonstudent members are appointed for staggered nine-year terms, while the student members are appointed for staggered two-year terms. Student members do not have voting power and cannot attend executive sessions. Continuing law provides for the terms of nonstudent members of the board to begin May 17. On the other hand, prior law provided a starting date for the students' terms of March 17. The act provides, instead, for the terms of student members appointed after the act's effective date to begin on the same date as the terms of the nonstudents (May 17). The act also provides that any student member appointed prior to the act's effective date would continue to hold office until May 17 of the year in which that member's term expired under prior law.

***Selecting depositories for technical college districts***

(R.C. 3357.10)

A "technical college district" is a political subdivision authorized by the Ohio Board of Regents to own, establish, and operate one or more technical colleges within a specified territory (R.C. 3357.01(B), not in the act). Upon adoption of a resolution, the board of trustees of a technical college district is authorized to select a depository for the district's funds, which selection under prior law had to comply with the provisions of the Uniform Depository Act (R.C. Chapter 135.) applicable to political subdivisions (see **COMMENT 2**).

The act eliminates the requirement that a technical college board select a depository in accordance with the Uniform Depository Act. Instead, the act provides that all funds under the control of a board, regardless of the source of the funds, may be deposited by the board to its credit in banks or trust companies designated by it. The act does not specify any authority for a board to deposit its funds in either a savings and loan association or a savings bank, both of which are eligible depositories under the Uniform Depository Act. The act does *not* require that a resolution be adopted prior to the deposit.

Under the act, banks or trust companies selected by a board must furnish security or collateral for the deposits in amounts and in a manner consistent with the Uniform Depository Act's requirements addressing single (non-pooled) securities that may be pledged as collateral for public funds. However, the act specifies that a deposit is *not* subject to any other requirements of the Uniform Depository Act.

In addition, the act specifically states that funds deposited in a bank or trust company may be disbursed by the board of trustees for the uses and purposes of the technical college district.

### **Creation of the Civil Service Review Commission**

The act creates the Civil Service Review Commission. The Commission is comprised of six members of the General Assembly, with at least one member in each house coming from the minority party as follows:

- (1) Three members of the Senate appointed by the President of the Senate;
- (2) Three members of the House of Representatives appointed by the Speaker of the House of Representatives.

The Commission also consists of nine other members appointed by the Governor as follows:

- (1) One appointee must be the Director of Administrative Services or the Director's designee;

(2) One appointee must be from a union representing the largest number of state employees;

(3) One appointee must be from a union representing the largest number of local government employees;

(4) Two appointees must be recommended by a statewide organization representing counties;

(5) Two appointees must be recommended by a statewide organization representing municipal corporations;

(6) Two appointees must represent the public.

All appointments to the Commission must be made not later than one month after the act's effective date. The Commission is required to be alternately co-chaired by a member of the House of Representatives designated by the Speaker of the House and a member of the Senate designated by the President of the Senate.

The act requires the Commission to review civil service laws and practice under those laws in Ohio. The Commission must accomplish this task by conducting a comprehensive analysis of Ohio's civil service laws as set forth in the Revised Code and associated rules. In addition, the Commission may review decisions of the Personnel Board of Review or other administrative and judicial bodies to determine how decisions of the Board or those other bodies influence the interpretation or application of civil service laws. The act also allows the Commission to review practices and innovations of other public entities in other states.

The act requires the Commission to issue a report to the President of the Senate and the Speaker of the House of Representatives not later than nine months after its appointment. The report must do both of the following:

(1) Identify current statutes, rules, practices, and procedures;

(2) Make recommendations for changes to those statutes, rules, practices, and procedures that the Commission determines necessary to produce improvement.

The Commission ceases to exist upon the issuance of its report.

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## COMMENT

1. Some confusion may exist regarding the combined effect on the establishment of compensation plans for employees at state colleges and universities under R.C. 124.14(F) and under R.C. 3345.31. Division (B) of R.C. 124.14 states, in pertinent part, that "Division (A) of [that] section [which authorizes the Director of Administrative Services to establish by rule a job classification plan as described above] (does) not apply to . . . [a]ny position for which the authority to determine compensation is given by law to another individual or entity . . . ." As noted above, R.C. 3345.31 grants to the boards of trustees of state colleges and universities the authority to "establish compensation plans . . . for . . . all [their respective] employees," which appears to be a grant of authority to some other entity. While it may be intended that R.C. 3345.31 grants the authority to establish employee compensation plans to state college and university boards of trustees and R.C. 124.14(F) merely describes how "classification" plans (as part of the overall "compensation" plans) are to be developed, the act does not specify how R.C. 3345.31 relates to its provisions.

2. Generally, provisions of the Uniform Depository Act applicable to political subdivisions provide (1) qualifications for depositories of public funds, which include banks, savings and loan associations, and savings banks, (2) the period of designation of a depository by a public entity, (3) the designations of public funds based on when the funds are needed, (4) eligible investments or deposits for specified types of public funds, (5) collateral or security requirements for deposits, and (6) other requirements applicable to the investing or depositing of public funds.

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## HISTORY

| ACTION   | DATE     | JOURNAL ENTRY |
|--|----------|---------------|
| Introduced                                       | 11-09-99 | p. 1147       |
| Reported, S. Finance &<br>Financial Institutions | 04-05-00 | p. 1561       |
| Passed Senate (33-0)                             | 04-05-00 | p. 1564       |
| Reported, H. Education                           | 05-24-00 | pp. 2109-2113 |
| Passed House (94-0)                              | 05-25-00 | pp. 2137-2139 |

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