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Bill Analysis

Legislative Service Commission

H.B. 129

123rd General Assembly
(As Introduced)

Reps. Boyd, Sullivan, Barrett, Pringle, Allen, Damschroder, Ford

BILL SUMMARY

- Requires mandatory fiscal, fiduciary, and ethical training of the board of trustees of a state university or college found to have significant financial problems.
- Requires the board of trustees of each state university and college to submit an annual fiscal and operational report to each member of the General Assembly.

CONTENT AND OPERATION

Training for state university or college trustees

(sec. 3333.045)

Current law requires the Board of Regents to work with the Attorney General, Auditor of State, and Ohio Ethics Commission to develop a model for training members of the boards of trustees of state universities and colleges, including the state medical colleges, university branches, community colleges, and technical colleges. The model must cover the authority and responsibilities of a board of trustees, including a review of fiduciary responsibilities, ethics, and fiscal management. But use of the model is voluntary.

The bill *mandates* the use of the training model for members of the board of trustees of a university or college found by the Auditor of State to have financial problems evidenced by any of the following: (1) certain substantive audit findings, such as an inability to make timely payments to vendors, delays in pension retirement contributions, or requests for advanced state funding, (2) a significant

variance between budgeted and actual spending for a fiscal year, or (3) a significant operating budget deficit for a fiscal year.¹

Under such a scenario, the Board of Regents must send written notice to the board of trustees of the university or college that the trustees of the institution must undergo the training. The Board of Regents must arrange the time and location of the mandatory training, and each member of the board of trustees must attend.

As under current law for the voluntary training, the mandatory training will not apply to the three trustees of the Northeastern Ohio Universities College of Medicine who are the presidents of the University of Akron, Kent State University, and Youngstown State University.

Annual financial reports of universities and colleges

(secs. 3335.07 and 3345.032)

Current law requires the Board of Trustees of The Ohio State University to issue an annual financial report to the U.S. Secretary of Interior, the U.S. Secretary of Agriculture, and each of the colleges that "are or may be endowed" under the federal "Agricultural College Act of 1862." The report must include all of the following information:

- (1) The condition of the university;
- (2) The amounts of receipts and disbursements, and the purposes for which the disbursements were made;
- (3) The number of professors, officers, teachers, and other employees, and the position and compensation of each;
- (4) The number of students in the several departments and classes, and the course of instruction in each;
- (5) An estimate of the expenses for the ensuing year;
- (6) A statement showing the progress of the university, recording any improvements and experiments made, with their costs and results;
- (7) Other matters that are useful.

¹ Sec. 3345.72(A)(1)(d), not in the bill. Under current law, any of these findings by the Auditor of State could lead to the university or college being placed on fiscal watch.

The bill requires the board of Ohio State also to submit a copy of this annual report to each member of the Senate and House of Representatives of the General Assembly. It also requires all other state universities and colleges, including the state medical colleges, university branches, community colleges, and technical colleges, to issue a report containing the same information to each member of the General Assembly.

HISTORY

ACTION	DATE	JOURNAL ENTRY
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