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Bill Analysis
Legislative Service Commission

Am. S.B. 210*
123rd General Assembly
(As Reported by H. Education)

Sens. Ray, Drake, Watts, Spada

BILL 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.
- Allows a state-supported college or university to adopt its job classification plan under R.C. 111.15 (which does not require a public hearing) rather than under Chapter 119. (which does require a public hearing).
- 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.

* *This analysis was prepared before the report of the House Education Committee appeared in the House Journal. Note that the list of co-sponsors and the legislative history may be incomplete.*

CONTENT AND OPERATION

Job classification plans at state-supported colleges and universities

Current law

For most positions, offices, and employments for which the salaries are paid in whole or in part by the state, R.C. 124.14 currently requires the Director of Administrative Services to establish by rule 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-supported college or university, R.C. 124.14 currently delegates 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 a job audit, the Director determines the most appropriate classification for an employee's position.

At the same time, R.C. 3345.31 currently allows these institutions 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.

The bill

(R.C. 124.14(F))

The bill modifies R.C. 124.14 as follows:

(1) It transfers the responsibility of the Director of Administrative Services over a state-supported 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 under R.C. 124.14(F).

These changes are not to be construed, the bill states, as limiting the right of appeal to the State Personnel Board of Review of any classified employee who possesses that right.

The bill does not remove the authority granted to boards of trustees to establish "compensation plans" under R.C. 3345.31. (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, current law provides a starting date for the students' terms of March 17. The bill provides, instead, for the terms of student members appointed after the bill's effective date to begin on the same date as the terms of the nonstudents (May 17). The bill also provides that any student member appointed prior to the bill's effective date would continue to hold office until May 17 of the year in which that member's term expires under current 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 bill). 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 must comply with the provisions of the Uniform Depository Act (R.C. Chapter 135.) applicable to political subdivisions (see **COMMENT 2**).

The bill eliminates the requirement that a technical college board select a depository in accordance with the Uniform Depository Act. Instead, the bill 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 bill 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 bill does *not* require that a resolution be adopted prior to the deposit.

Under the bill, 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 bill specifies that a deposit is *not* subject to any other requirements of the Uniform Depository Act.

In addition, the bill 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.

COMMENT

1. Some confusion may exist regarding the combined effect on the establishment of compensation plans for employees at state-supported colleges and universities of R.C. 124.14(F) and 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-supported 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 bill 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.

HISTORY

ACTION	DATE	JOURNAL ENTRY
Introduced	11-09-99	p. 1147
Reported, S. Finance & Financial Institutions	04-05-00	p. 1561
Passed Senate (33-0)	04-05-00	p. 1564
Reported, H. Education	---	---

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