



Ohio Revised Code

Section 3345.74 Determination that appointment of conservator is warranted.

Effective: September 29, 2015

Legislation: House Bill 64 - 131st General Assembly

(A) The chancellor of higher education at least annually shall apply the indicators and standards adopted under division (A) of section 3345.73 of the Revised Code to determine whether a state university or college under a fiscal watch is experiencing sufficient fiscal difficulties to warrant the appointment of a conservator under this section. Upon making a determination that appointment of a conservator is warranted, the chancellor shall request from the office of budget and management, which shall provide, certification that sufficient fiscal difficulties exist to warrant appointment of a conservator. The chancellor shall then certify this determination to the governor.

Notwithstanding section 3333.021 of the Revised Code, that section does not apply to certification by the chancellor under this section or to the declaration of a fiscal watch under section 3345.72 of the Revised Code.

A determination by the chancellor under this division that sufficient fiscal difficulties exist or do not exist to warrant appointing a conservator is final and conclusive and not appealable.

(B) The governor may appoint a conservator for any state university or college under a fiscal watch, upon certification by the chancellor under division (A) of this section that the appointment is warranted. The governor shall consult with the speaker and minority leader of the house of representatives and the president and minority leader of the senate before making the appointment. From the time a conservator is appointed until the time the governor issues an order terminating the governance authority under division (B) of section 3345.76 of the Revised Code, the governor may remove any member of the board of trustees of the state university or college from office and not fill the vacancy.

(C) Upon appointment of a conservator under this section for a state university or college, all of the following shall occur effective immediately:

(1) All duties, responsibilities, and powers of the board of trustees of the university or college are



suspended;

(2) The management and control of the state university or college is assumed by the conservator;

(3) Notwithstanding any section of the Revised Code, all duties, responsibilities, and powers assigned by law to the board of trustees are assigned to the conservator, and the conservator becomes the successor to, assumes the lawful obligations of, and otherwise constitutes the continuation of the board of trustees for purposes of all pending legal actions, contracts or other agreements, and obligations of the university or college;

(4) Wherever the board of trustees is referred to in any contract or legal document, the reference is deemed to refer to the conservator. No validation, cure, right, privilege, remedy, obligation, or liability is lost or impaired by reason of the assumption of the board's authority by the conservator under this section and any such validation, cure, right, privilege, remedy, obligation, or liability shall be administered by the conservator. No action or proceeding pending on the effective date of the assumption by the conservator of the board's authority is affected by that assumption and any such action or proceeding shall be prosecuted or defended in the name of the conservator.

(5) The conservator assumes custody of all equipment, records, files, effects, and all other property real or personal of the state university or college;

(6) All authority and duties of the president or chief executive officer, and the pay of the president or chief executive officer, are suspended.

(D) The conservator for a state university or college shall conduct a preliminary performance evaluation of the president or chief executive officer of the university or college and provide a copy of findings and any recommendations to the governance authority established for the university or college under section 3345.75 of the Revised Code.

(E) A conservator appointed under this section shall be immune, indemnified, and held harmless from civil liability, including any cause of action, legal, equitable, or otherwise, for any action taken or duties performed by the conservator in good faith and in furtherance of the performance of the duties of the conservator under this section.



(F) The governor shall set the compensation for a conservator appointed for a state university or college. The expenses and compensation of the conservator and others employed by the conservator shall be paid out of the operating funds and revenues of that university or college.