

**As Introduced**

**126th General Assembly  
Regular Session  
2005-2006**

**H. B. No. 478**

**Representatives Wagoner, Ujvagi, Brown, Perry, Latta, Webster**

—

**A BILL**

To amend sections 145.011, 151.04, 154.01, 3305.01, 1  
3307.01, 3333.045, 3334.01, 3345.04, 3345.12, 2  
3345.17, 3345.31, 3345.32, 3345.50, 3345.51, and 3  
3345.71; to enact sections 3364.01, 3364.02, 4  
3364.03, 3364.04, 3364.05, and 3364.06; to repeal 5  
sections 3350.01, 3350.02, 3350.03, 3350.04, 6  
3350.05, 3360.01, 3360.02, 3360.03, 3360.04, and 7  
3360.05 of the Revised Code; and to amend Sections 8  
209.63, 209.63.57, and 209.64.22 of Am. Sub. H.B. 9  
66 of the 126th General Assembly to combine the 10  
University of Toledo and the Medical University of 11  
Ohio at Toledo. 12

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That sections 3364.01, 3364.02, 3364.03, 3364.04, 13  
3364.05, and 3364.06 of the Revised Code be enacted to read as 14  
follows: 15

**Sec. 3364.01.** (A) The university of Toledo, as authorized 16  
under former Chapter 3360. of the Revised Code, and the medical 17  
university of Ohio at Toledo, as authorized under former sections 18  
3350.01 to 3350.05 of the Revised Code, shall be combined as one 19  
state university to be known as the "university of Toledo." 20

(B)(1) The government of the combined university of Toledo is 21  
vested in a board of trustees which, except as prescribed in 22  
division (B)(2) of this section, shall be appointed by the 23  
governor with the advice and consent of the senate. The initial 24  
board of trustees of the combined university shall be as 25  
prescribed in division (B)(2) of this section. After the 26  
abolishment of offices as prescribed in division (B)(2)(a) of this 27  
section, the board of trustees of the combined university shall 28  
consist of nine voting members, who shall serve for terms of nine 29  
years, and two nonvoting members, who shall be students of the 30  
combined university and who shall serve for terms of two years. 31  
Terms of office of trustees shall begin on the second day of July 32  
and end on the first day of July. 33

(2) The initial board of trustees of the combined university 34  
shall consist of seventeen voting members who are the eight 35  
members who made up the board of trustees of the medical 36  
university of Ohio at Toledo prior to May 1, 2006, under former 37  
section 3350.01 of the Revised Code, and whose terms would expire 38  
under that section after May 1, 2006; the eight voting members who 39  
made up the board of trustees of the university of Toledo, under 40  
former section 3360.01 of the Revised Code, and whose terms would 41  
expire under that section after July 1, 2006; and one additional 42  
member appointed by the governor with the advice and consent of 43  
the senate. The terms of office, abolishment of office, and 44  
succession of the voting members of the initial board shall be as 45  
prescribed in division (B)(2)(a) of this section. The initial 46  
board also shall consist of two nonvoting members who are students 47  
of the combined university, as prescribed in division (B)(2)(b) of 48  
this section. 49

(a) The term of office of the voting member of the initial 50  
board of trustees of the combined university who was not formerly 51  
a member of either the board of trustees of the medical university 52

of Ohio at Toledo or the board of trustees of the university of  
Toledo shall be for nine years, beginning on July 2, 2006, and  
ending on July 1, 2015.

53  
54  
55

The terms of office of the sixteen other voting members of  
the initial board of trustees shall expire on July 1 of the year  
they otherwise would expire under former section 3350.01 or  
3360.01 of the Revised Code.

56  
57  
58  
59

The office of one voting member whose term expires on July 1,  
2007, shall be abolished on that date. The governor, with the  
advice and consent of the senate, shall appoint a successor to the  
office of the other voting member whose term expires on that date  
to a nine-year term beginning on July 2, 2007.

60  
61  
62  
63  
64

The office of one voting member whose term expires on July 1,  
2008, shall be abolished on that date. The governor, with the  
advice and consent of the senate, shall appoint a successor to the  
office of the other voting member whose term expires on that date  
to a nine-year term beginning on July 2, 2008.

65  
66  
67  
68  
69

The office of one voting member whose term expires on July 1,  
2009, shall be abolished on that date. The governor, with the  
advice and consent of the senate, shall appoint a successor to the  
office of the other voting member whose term expires on that date  
to a nine-year term beginning on July 2, 2009.

70  
71  
72  
73  
74

The office of one voting member whose term expires on July 1,  
2010, shall be abolished on that date. The governor, with the  
advice and consent of the senate, shall appoint a successor to the  
office of the other voting member whose term expires on that date  
to a nine-year term beginning on July 2, 2010.

75  
76  
77  
78  
79

The office of one voting member whose term expires on July 1,  
2011, shall be abolished on that date. The governor, with the  
advice and consent of the senate, shall appoint a successor to the  
office of the other voting member whose term expires on that date

80  
81  
82  
83

to a nine-year term beginning on July 2, 2011. 84

The office of one voting member whose term expires on July 1, 2012, shall be abolished on that date. The governor, with the advice and consent of the senate, shall appoint a successor to the office of the other voting member whose term expires on that date to a nine-year term beginning on July 2, 2012. 85  
86  
87  
88  
89

The office of one voting member whose term expires on July 1, 2013, shall be abolished on that date. The governor, with the advice and consent of the senate, shall appoint a successor to the office of the other voting member whose term expires on that date to a nine-year term beginning on July 2, 2013. 90  
91  
92  
93  
94

The office of one voting member whose term expires on July 1, 2014, shall be abolished on that date. The governor, with the advice and consent of the senate, shall appoint a successor to the office of the other voting member whose term expires on that date to a nine-year term beginning on July 2, 2014. 95  
96  
97  
98  
99

The governor, with the advice and consent of the senate, shall appoint a successor to the office of the voting member whose term expires on July 1, 2015, to a nine-year term beginning on July 2, 2015. 100  
101  
102  
103

Thereafter the terms of office of all subsequent voting members of the board of trustees shall be for nine years beginning on the second day of July and ending on the first day of July. 104  
105  
106

(b) One of the student members of the initial board of trustees shall be the student member of the former university of Toledo board of trustees, appointed under former section 3360.01 of the Revised Code, whose term would expire under that section on July 1, 2007. The term of that student member shall expire on July 1, 2007. The other student member shall be a new appointee, representing the portion of the combined university that made up the former medical university of Ohio at Toledo, appointed to a 107  
108  
109  
110  
111  
112  
113  
114

two-year term beginning on July 2, 2006, and ending on July 1,  
2008. That student trustee shall be appointed by the governor,  
with the advice and consent of the senate, from a group of three  
candidates selected pursuant to a procedure adopted by the  
university's student governments and approved by the university's  
board of trustees. Thereafter appointment and terms of office of  
student members of the board of trustees shall be as prescribed by  
division (B)(3) of this section.

115  
116  
117  
118  
119  
120  
121  
122

(3) The student members of the board of trustees of the  
combined university shall be appointed by the governor, with the  
advice and consent of the senate, from a group of six candidates  
selected pursuant to a procedure adopted by the university's  
student governments and approved by the university's board of  
trustees. Terms of office of student members shall be for two  
years, each term ending on the same day of the same month of the  
year as the term it succeeds. In the event that a student member  
cannot fulfill a two-year term, a replacement shall be selected to  
fill the unexpired term in the same manner used to make the  
original selection.

123  
124  
125  
126  
127  
128  
129  
130  
131  
132  
133

(4) Each trustee shall hold office from the date of  
appointment until the end of the term for which the trustee was  
appointed. Any trustee appointed to fill a vacancy occurring prior  
to the expiration of the term for which the trustee's predecessor  
was appointed shall hold office for the remainder of such term.  
Any trustee shall continue in office subsequent to the expiration  
date of the trustee's term until the trustee's successor takes  
office, or until a period of sixty days has elapsed, whichever  
occurs first.

134  
135  
136  
137  
138  
139  
140  
141  
142

(5) No person who has served as a voting member of the board  
of trustees for a full nine-year term or more than six years of  
such a term and no person who is a voting member of the initial  
board of trustees as prescribed in division (B)(2)(a) of this

143  
144  
145  
146

section is eligible for reappointment to the board until a period of four years has elapsed since the last day of the term for which the person previously served.

147  
148  
149

No person who served as a voting member of the board of trustees of the former university of Toledo, as authorized under former Chapter 3360. of the Revised Code, for a full nine-year term or more than six years of such a term, and no person who served on the board of trustees of the former medical university of Ohio at Toledo, as authorized under former sections 3350.01 to 3350.05 of the Revised Code, for a full nine-year term or more than six years of such a term is eligible for appointment to the board of trustees of the combined university until a period of four years has elapsed since the last day of the term for which the person previously served.

150  
151  
152  
153  
154  
155  
156  
157  
158  
159  
160

(C) The trustees shall receive no compensation for their services but shall be paid their reasonable necessary expenses while engaged in the discharge of their official duties. A majority of the board constitutes a quorum. The student members of the board have no voting power on the board. Student members shall not be considered as members of the board in determining whether a quorum is present. Student members shall not be entitled to attend executive sessions of the board.

161  
162  
163  
164  
165  
166  
167  
168

**Sec. 3364.02.** The board of trustees of the university of Toledo annually shall elect from among its members a chairperson and a vice-chairperson, and also may appoint a secretary of the board, a treasurer, and such other officers of the university as the interest of the university requires, who may be members of the board. The treasurer, before entering upon the discharge of official duties, shall give bond to the state for the faithful performance of the treasurer's duties and the proper accounting for all moneys coming into the treasurer's care. The amount of

169  
170  
171  
172  
173  
174  
175  
176  
177

that bond shall be determined by the board, but shall not be for a 178  
sum less than the estimated amount which may come into the 179  
treasurer's control at any time, less any reasonable deductible. 180

Sec. 3364.03. The board of trustees of the university of 181  
Toledo shall employ, fix the compensation of, and remove, the 182  
president and such number of professors, teachers, and other 183  
employees as may be deemed necessary. The board shall do all 184  
things necessary for the creation, proper maintenance, and 185  
successful and continuous operation of the university and may 186  
adopt and from time to time amend bylaws, rules, and regulations 187  
for the conduct of the board and the government and conduct of the 188  
university. The board may accept donations of lands and moneys for 189  
the purposes of such university. 190

Sec. 3364.04. The board of trustees of the university of 191  
Toledo may receive and hold in trust, for the use and benefit of 192  
the university, any grant or devise of land, and any donation or 193  
bequest of money or other personal property, to be applied to the 194  
general or special use of the university, unless otherwise 195  
directed in the donation or bequest. The board of trustees of the 196  
university of Toledo may make and enter into all contracts and 197  
agreements necessary or incidental to the acquisition of property 198  
for and the operation of the university. Title to any property 199  
taken in the name of the state of Ohio for the benefit of the 200  
university of Toledo, the board of trustees of the university of 201  
Toledo, the university of Toledo, the medical college of Ohio, or 202  
the Toledo state college of medicine shall be deemed to have been 203  
taken in the name of the board of trustees of the university of 204  
Toledo. 205

Sec. 3364.05. The general assembly shall support the 206  
university of Toledo by such sums and in such manner as it may 207

provide, but support may also come from other sources.

208

Sec. 3364.06. (A) As used in this section, "constituent institutions" means the university of Toledo, as authorized under former Chapter 3360. of the Revised Code, and the medical university of Ohio at Toledo, as authorized under former sections 3350.01 to 3350.05 of the Revised Code, which are combined as the university of Toledo pursuant to section 3364.01 of the Revised Code.

209

210

211

212

213

214

215

(B) When the combination of the constituent institutions becomes effective, all of the following apply:

216

217

(1) The separate existence of each of the constituent institutions shall cease, and the existence of each of the constituent institutions shall be continued for all purposes as the combined university of Toledo. The combination shall not cause either of the constituent institutions to be extinguished, terminated, dissolved, or liquidated and shall not constitute a sale, assignment, conveyance, disposition, or transfer of any of the rights or property of either of the constituent institutions. Whenever an instrument of conveyance, assignment, or transfer or deed or other act is necessary to vest property or rights in the combined university, the officers, trustees, or other authorized representatives of the respective constituent institutions shall execute, acknowledge, and deliver such instruments and do such acts. For these purposes, the existence of the respective constituent institutions and the authority of their respective officers, trustees, or other authorized representatives is continued notwithstanding the combination.

218

219

220

221

222

223

224

225

226

227

228

229

230

231

232

233

234

(2) The combined university possesses all assets and property of every description, and every interest in the assets and property, wherever located, and the rights, privileges, immunities, powers, franchises, and authority of each of the

235

236

237

238



constituent institutions, all of which are vested in the combined 239  
university without further act or deed. Title to any real estate 240  
or any interest in the real estate vested in either of the 241  
constituent institutions shall not revert or in any way be 242  
impaired by reason of the combination. 243

(3) The combined university is liable for all the obligations 244  
of each of the constituent institutions to the combination. Any 245  
claim existing or any action or proceeding pending by or against 246  
either of the constituent institutions may be prosecuted to 247  
judgment, with right of appeal, as if the combination had not 248  
taken place, or the combined university may be substituted in its 249  
place. 250

(4) All the rights of creditors of each of the constituent 251  
institutions are preserved unimpaired, and all liens upon the 252  
property of either of the constituent institutions are preserved 253  
unimpaired, on only the property affected by such liens 254  
immediately prior to the effective date of the combination. 255

**Section 2.** That sections 145.011, 151.04, 154.01, 3305.01, 256  
3307.01, 3333.045, 3334.01, 3345.04, 3345.12, 3345.17, 3345.31, 257  
3345.32, 3345.50, 3345.51, and 3345.71 of the Revised Code be 258  
amended to read as follows: 259

**Sec. 145.011.** In addition to the membership of the public 260  
employees retirement system as prescribed in division (A) of 261  
section 145.01 of the Revised Code and notwithstanding Chapter 262  
3309. of the Revised Code, there shall be included in such 263  
membership all of the following: 264

(A) ~~The nonteaching employees of the Cleveland state~~ 265  
~~university, the medical university of Ohio at Toledo, and the~~ 266  
northeastern Ohio universities college of medicine; 267

(B) Nonteaching employees of the university of Toledo who 268

were employed as nonteaching employees of the former medical 269  
university of Ohio at Toledo immediately prior to the effective 270  
date of this amendment; 271

(C) Any person who elects to transfer from the school 272  
employees retirement system to the public employees retirement 273  
system under section 3309.312 of the Revised Code; 274

~~(C)~~(D) Any person who is employed full-time on or after 275  
September 16, 1998, pursuant to section 3345.04 of the Revised 276  
Code by the university of Akron as a state university law 277  
enforcement officer. 278

Such employees are included in the definition of member as 279  
used in Chapter 145. of the Revised Code. The universities and 280  
colleges shall be subject to the obligations imposed by Chapter 281  
145. of the Revised Code. 282

**Sec. 151.04.** This section applies to obligations as defined 283  
in this section. 284

(A) As used in this section: 285

(1) "Costs of capital facilities" include related direct 286  
administrative expenses and allocable portions of direct costs of 287  
the using institution. 288

(2) "Obligations" means obligations as defined in section 289  
151.01 of the Revised Code issued to pay costs of capital 290  
facilities for state-supported or state-assisted institutions of 291  
higher education. 292

(3) "State-supported or state-assisted institutions of higher 293  
education" means a state university or college, or community 294  
college district, technical college district, university branch 295  
district, or state community college, or other institution for 296  
education, including technical education, beyond the high school, 297  
receiving state support or assistance for its expenses of 298

operation. "State university or college" means each of the state 299  
universities identified in section 3345.011 of the Revised Code, 300  
and the northeastern Ohio universities college of medicine, ~~and~~ 301  
~~the medical university of Ohio at Toledo.~~ 302

(4) "Using institution" means the state-supported or 303  
state-assisted institution of higher education, or two or more 304  
institutions acting jointly, that are the ultimate users of 305  
capital facilities for state-supported and state-assisted 306  
institutions of higher education financed with net proceeds of 307  
obligations. 308

(B) The issuing authority shall issue obligations to pay 309  
costs of capital facilities for state-supported and state-assisted 310  
institutions of higher education pursuant to Section 2n of Article 311  
VIII, Ohio Constitution, section 151.01 of the Revised Code, and 312  
this section. 313

(C) Net proceeds of obligations shall be deposited into the 314  
higher education improvement fund created by division (F) of 315  
section 154.21 of the Revised Code. 316

(D) There is hereby created in the state treasury the "higher 317  
education capital facilities bond service fund." All moneys 318  
received by the state and required by the bond proceedings, 319  
consistent with sections 151.01 and 151.04 of the Revised Code, to 320  
be deposited, transferred, or credited to the bond service fund, 321  
and all other moneys transferred or allocated to or received for 322  
the purposes of that fund, shall be deposited and credited to the 323  
bond service fund, subject to any applicable provisions of the 324  
bond proceedings but without necessity for any act of 325  
appropriation. During the period beginning with the date of the 326  
first issuance of obligations and continuing during the time that 327  
any obligations are outstanding in accordance with their terms, so 328  
long as moneys in the bond service fund are insufficient to pay 329

debt service when due on those obligations payable from that fund 330  
(except the principal amounts of bond anticipation notes payable 331  
from the proceeds of renewal notes or bonds anticipated) and due 332  
in the particular fiscal year, a sufficient amount of revenues of 333  
the state is committed and, without necessity for further act of 334  
appropriation, shall be paid to the bond service fund for the 335  
purpose of paying that debt service when due. 336

**Sec. 154.01.** As used in this chapter: 337

(A) "Commission" means the Ohio public facilities commission 338  
created in section 151.02 of the Revised Code. 339

(B) "Obligations" means bonds, notes, or other evidences of 340  
obligation, including interest coupons pertaining thereto, issued 341  
pursuant to Chapter 154. of the Revised Code. 342

(C) "Bond proceedings" means the order or orders, resolution 343  
or resolutions, trust agreement, indenture, lease, and other 344  
agreements, amendments and supplements to the foregoing, or any 345  
combination thereof, authorizing or providing for the terms and 346  
conditions applicable to, or providing for the security of, 347  
obligations issued pursuant to Chapter 154. of the Revised Code, 348  
and the provisions contained in such obligations. 349

(D) "State agencies" means the state of Ohio and officers, 350  
boards, commissions, departments, divisions, or other units or 351  
agencies of the state. 352

(E) "Governmental agency" means state agencies, state 353  
supported and assisted institutions of higher education, municipal 354  
corporations, counties, townships, school districts, and any other 355  
political subdivision or special district in this state 356  
established pursuant to law, and, except where otherwise 357  
indicated, also means the United States or any department, 358  
division, or agency thereof, and any agency, commission, or 359

authority established pursuant to an interstate compact or 360  
agreement. 361

(F) "Institutions of higher education" and "state supported 362  
or state assisted institutions of higher education" means the 363  
state universities identified in section 3345.011 of the Revised 364  
Code, ~~the medical university of Ohio at Toledo,~~ the northeastern 365  
Ohio universities college of medicine, state universities or 366  
colleges at any time created, community college districts, 367  
university branch districts, and technical college districts at 368  
any time established or operating under Chapter 3354., 3355., or 369  
3357. of the Revised Code, and other institutions for education, 370  
including technical education, beyond the high school, receiving 371  
state support or assistance for their expenses of operation. 372

(G) "Governing body" means: 373

(1) In the case of institutions of higher education, the 374  
board of trustees, board of directors, commission, or other body 375  
vested by law with the general management, conduct, and control of 376  
one or more institutions of higher education; 377

(2) In the case of a county, the board of county 378  
commissioners or other legislative body; in the case of a 379  
municipal corporation, the council or other legislative body; in 380  
the case of a township, the board of township trustees; in the 381  
case of a school district, the board of education; 382

(3) In the case of any other governmental agency, the 383  
officer, board, commission, authority or other body having the 384  
general management thereof or having jurisdiction or authority in 385  
the particular circumstances. 386

(H) "Person" means any person, firm, partnership, 387  
association, or corporation. 388

(I) "Bond service charges" means principal, including 389

mandatory sinking fund requirements for retirement of obligations, 390  
and interest, and redemption premium, if any, required to be paid 391  
by the state on obligations. If not prohibited by the applicable 392  
bond proceedings, bond service charges may include costs relating 393  
to credit enhancement facilities that are related to and 394  
represent, or are intended to provide a source of payment of or 395  
limitation on, other bond service charges. 396

(J) "Capital facilities" means buildings, structures, and 397  
other improvements, and equipment, real estate, and interests in 398  
real estate therefor, within the state, and any one, part of, or 399  
combination of the foregoing, to serve the general purposes for 400  
which the issuing authority is authorized to issue obligations 401  
pursuant to Chapter 154. of the Revised Code, including, but not 402  
limited to, drives, roadways, parking facilities, walks, lighting, 403  
machinery, furnishings, utilities, landscaping, wharves, docks, 404  
piers, reservoirs, dams, tunnels, bridges, retaining walls, 405  
riprap, culverts, ditches, channels, watercourses, retention 406  
basins, standpipes and water storage facilities, waste treatment 407  
and disposal facilities, heating, air conditioning and 408  
communications facilities, inns, lodges, cabins, camping sites, 409  
golf courses, boat and bathing facilities, athletic and 410  
recreational facilities, and site improvements. 411

(K) "Costs of capital facilities" means the costs of 412  
acquiring, constructing, reconstructing, rehabilitating, 413  
remodeling, renovating, enlarging, improving, equipping, or 414  
furnishing capital facilities, and the financing thereof, 415  
including the cost of clearance and preparation of the site and of 416  
any land to be used in connection with capital facilities, the 417  
cost of any indemnity and surety bonds and premiums on insurance, 418  
all related direct administrative expenses and allocable portions 419  
of direct costs of the commission or issuing authority and 420  
department of administrative services, or other designees of the 421

commission under section 154.17 of the Revised Code, cost of 422  
engineering and architectural services, designs, plans, 423  
specifications, surveys, and estimates of cost, legal fees, fees 424  
and expenses of trustees, depositories, and paying agents for the 425  
obligations, cost of issuance of the obligations and financing 426  
charges and fees and expenses of financial advisers and 427  
consultants in connection therewith, interest on obligations from 428  
the date thereof to the time when interest is to be covered from 429  
sources other than proceeds of obligations, amounts necessary to 430  
establish reserves as required by the bond proceedings, costs of 431  
audits, the reimbursement of all moneys advanced or applied by or 432  
borrowed from any governmental agency, whether to or by the 433  
commission or others, from whatever source provided, for the 434  
payment of any item or items of cost of the capital facilities, 435  
any share of the cost undertaken by the commission pursuant to 436  
arrangements made with governmental agencies under division (H) of 437  
section 154.06 of the Revised Code, and all other expenses 438  
necessary or incident to planning or determining feasibility or 439  
practicability with respect to capital facilities, and such other 440  
expenses as may be necessary or incident to the acquisition, 441  
construction, reconstruction, rehabilitation, remodeling, 442  
renovation, enlargement, improvement, equipment, and furnishing of 443  
capital facilities, the financing thereof and the placing of the 444  
same in use and operation, including any one, part of, or 445  
combination of such classes of costs and expenses. 446

(L) "Public service facilities" means inns, lodges, hotels, 447  
cabins, camping sites, scenic trails, picnic sites, restaurants, 448  
commissaries, golf courses, boating and bathing facilities and 449  
other similar facilities in state parks. 450

(M) "State parks" means: 451

(1) State reservoirs described and identified in section 452  
1541.06 of the Revised Code; 453

(2) All lands or interests therein of the state identified as 454  
administered by the division of parks and recreation in the 455  
"inventory of state owned lands administered by the department of 456  
natural resources as of June 1, 1963," as recorded in the journal 457  
of the director, which inventory was prepared by the real estate 458  
section of the department and is supported by maps now on file in 459  
said real estate section; 460

(3) All lands or interests in lands of the state designated 461  
after June 1, 1963, as state parks in the journal of the director 462  
with the approval of the recreation and resources council. 463

State parks do not include any lands or interest in lands of 464  
the state administered jointly by two or more divisions of the 465  
department of natural resources. The designation of lands as state 466  
parks under divisions (M)(1) to (3) of this section is conclusive 467  
and such lands shall be under the control of and administered by 468  
the division of parks and recreation. No order or proceeding 469  
designating lands as state parks or park purchase areas is subject 470  
to any appeal or review by any officer, board, commission, or 471  
court. 472

(N) "Bond service fund" means the applicable fund created for 473  
and pledged to the payment of bond service charges under section 474  
154.20, 154.21, 154.22, or 154.23 of the Revised Code, including 475  
all moneys and investments, and earnings from investments, 476  
credited and to be credited thereto. 477

(O) "Improvement fund" means the applicable fund created for 478  
the payment of costs of capital facilities under section 154.20, 479  
154.21, 154.22, or 3383.09 of the Revised Code, including all 480  
moneys and investments, and earnings from investments, credited 481  
and to be credited thereto. 482

(P) "Special funds" or "funds" means, except where the 483  
context does not permit, the bond service funds, the improvements 484



funds, and any other funds for similar or different purposes 485  
created under bond proceedings, including all moneys and 486  
investments, and earnings from investments, credited and to be 487  
credited thereto. 488

(Q) "Year" unless the context indicates a different meaning 489  
or intent, means a calendar year beginning on the first day of 490  
January and ending on the thirty-first day of December. 491

(R) "Fiscal year" means the period of twelve months beginning 492  
on the first day of July and ending on the thirtieth day of June. 493

(S) "Issuing authority" means the treasurer of state or the 494  
officer or employee who by law performs the functions of that 495  
office. 496

(T) "Credit enhancement facilities" has the same meaning as 497  
in section 133.01 of the Revised Code. 498

(U) "Ohio cultural facility" and "Ohio sports facility" have 499  
the same meanings as in section 3383.01 of the Revised Code. 500

**Sec. 3305.01.** As used in this chapter: 501

(A) "Public institution of higher education" means a state 502  
university as defined in section 3345.011 of the Revised Code, ~~the~~ 503  
~~medical university of Ohio at Toledo,~~ the northeastern Ohio 504  
universities college of medicine, or a university branch, 505  
technical college, state community college, community college, or 506  
municipal university established or operating under Chapter 3345., 507  
3349., 3354., 3355., 3357., or 3358. of the Revised Code. 508

(B) "State retirement system" means the public employees 509  
retirement system created under Chapter 145. of the Revised Code, 510  
the state teachers retirement system created under Chapter 3307. 511  
of the Revised Code, or the school employees retirement system 512  
created under Chapter 3309. of the Revised Code. 513

(C) "Eligible employee" means any person employed as a 514  
full-time employee of a public institution of higher education. 515

In all cases of doubt, the board of trustees of the public 516  
institution of higher education shall determine whether any person 517  
is an eligible employee for purposes of this chapter, and the 518  
board's decision shall be final. 519

(D) "Electing employee" means any eligible employee who 520  
elects, pursuant to section 3305.05 or 3305.051 of the Revised 521  
Code, to participate in an alternative retirement plan provided 522  
pursuant to this chapter or an eligible employee who is required 523  
to participate in an alternative retirement plan pursuant to 524  
division (C)(4) of section 3305.05 or division (F) of section 525  
3305.051 of the Revised Code. 526

(E) "Compensation," for purposes of an electing employee, has 527  
the same meaning as the applicable one of the following: 528

(1) If the electing employee would be subject to Chapter 145. 529  
of the Revised Code had the employee not made an election pursuant 530  
to section 3305.05 or 3305.051 of the Revised Code, "earnable 531  
salary" as defined in division (R) of section 145.01 of the 532  
Revised Code; 533

(2) If the electing employee would be subject to Chapter 534  
3307. of the Revised Code had the employee not made an election 535  
pursuant to section 3305.05 or 3305.051 of the Revised Code, 536  
"compensation" as defined in division (L) of section 3307.01 of 537  
the Revised Code; 538

(3) If the electing employee would be subject to Chapter 539  
3309. of the Revised Code had the employee not made an election 540  
pursuant to section 3305.05 or 3305.051 of the Revised Code, 541  
"compensation" as defined in division (V) of section 3309.01 of 542  
the Revised Code. 543

(F) "Provider" means an entity designated under section 544  
3305.03 of the Revised Code as a provider of investment options 545  
for an alternative retirement plan. 546

**Sec. 3307.01.** As used in this chapter: 547

(A) "Employer" means the board of education, school district, 548  
governing authority of any community school established under 549  
Chapter 3314. of the Revised Code, college, university, 550  
institution, or other agency within the state by which a teacher 551  
is employed and paid. 552

(B) "Teacher" means all of the following: 553

(1) Any person paid from public funds and employed in the 554  
public schools of the state under any type of contract described 555  
in section 3319.08 of the Revised Code in a position for which the 556  
person is required to have a license issued pursuant to sections 557  
3319.22 to 3319.31 of the Revised Code; 558

(2) Any person employed as a teacher by a community school 559  
pursuant to Chapter 3314. of the Revised Code; 560

(3) Any person having a license issued pursuant to sections 561  
3319.22 to 3319.31 of the Revised Code and employed in a public 562  
school in this state in an educational position, as determined by 563  
the state board of education, under programs provided for by 564  
federal acts or regulations and financed in whole or in part from 565  
federal funds, but for which no licensure requirements for the 566  
position can be made under the provisions of such federal acts or 567  
regulations; 568

(4) Any other teacher or faculty member employed in any 569  
school, college, university, institution, or other agency wholly 570  
controlled and managed, and supported in whole or in part, by the 571  
state or any political subdivision thereof, including Central 572  
state university, Cleveland state university, and the university 573

of Toledo, ~~and the medical university of Ohio at Toledo;~~ 574

(5) The educational employees of the department of education, 575  
as determined by the state superintendent of public instruction. 576

In all cases of doubt, the state teachers retirement board 577  
shall determine whether any person is a teacher, and its decision 578  
shall be final. 579

"Teacher" does not include any eligible employee of a public 580  
institution of higher education, as defined in section 3305.01 of 581  
the Revised Code, who elects to participate in an alternative 582  
retirement plan established under Chapter 3305. of the Revised 583  
Code. 584

(C) "Member" means any person included in the membership of 585  
the state teachers retirement system, which shall consist of all 586  
teachers and contributors as defined in divisions (B) and (D) of 587  
this section and all disability benefit recipients, as defined in 588  
section 3307.50 of the Revised Code. However, for purposes of this 589  
chapter, the following persons shall not be considered members: 590

(1) A student, intern, or resident who is not a member while 591  
employed part-time by a school, college, or university at which 592  
the student, intern, or resident is regularly attending classes; 593

(2) A person denied membership pursuant to section 3307.24 of 594  
the Revised Code; 595

(3) An other system retirant, as defined in section 3307.35 596  
of the Revised Code, or a superannuate; 597

(4) An individual employed in a program established pursuant 598  
to the "Job Training Partnership Act," 96 Stat. 1322 (1982), 29 599  
U.S.C.A. 1501. 600

(D) "Contributor" means any person who has an account in the 601  
teachers' savings fund or defined contribution fund. 602

(E) "Beneficiary" means any person eligible to receive, or in 603

receipt of, a retirement allowance or other benefit provided by 604  
this chapter. 605

(F) "Year" means the year beginning the first day of July and 606  
ending with the thirtieth day of June next following, except that 607  
for the purpose of determining final average salary under the plan 608  
described in sections 3307.50 to 3307.79 of the Revised Code, 609  
"year" may mean the contract year. 610

(G) "Local district pension system" means any school teachers 611  
pension fund created in any school district of the state in 612  
accordance with the laws of the state prior to September 1, 1920. 613

(H) "Employer contribution" means the amount paid by an 614  
employer, as determined by the employer rate, including the normal 615  
and deficiency rates, contributions, and funds wherever used in 616  
this chapter. 617

(I) "Five years of service credit" means employment covered 618  
under this chapter and employment covered under a former 619  
retirement plan operated, recognized, or endorsed by a college, 620  
institute, university, or political subdivision of this state 621  
prior to coverage under this chapter. 622

(J) "Actuary" means the actuarial consultant to the state 623  
teachers retirement board, who shall be either of the following: 624

(1) A member of the American academy of actuaries; 625

(2) A firm, partnership, or corporation of which at least one 626  
person is a member of the American academy of actuaries. 627

(K) "Fiduciary" means a person who does any of the following: 628

(1) Exercises any discretionary authority or control with 629  
respect to the management of the system, or with respect to the 630  
management or disposition of its assets; 631

(2) Renders investment advice for a fee, direct or indirect, 632  
with respect to money or property of the system; 633

(3) Has any discretionary authority or responsibility in the administration of the system. 634  
635

(L)(1) Except as provided in this division, "compensation" means all salary, wages, and other earnings paid to a teacher by reason of the teacher's employment, including compensation paid pursuant to a supplemental contract. The salary, wages, and other earnings shall be determined prior to determination of the amount required to be contributed to the teachers' savings fund or defined contribution fund under section 3307.26 of the Revised Code and without regard to whether any of the salary, wages, or other earnings are treated as deferred income for federal income tax purposes. 636  
637  
638  
639  
640  
641  
642  
643  
644  
645

(2) Compensation does not include any of the following: 646

(a) Payments for accrued but unused sick leave or personal leave, including payments made under a plan established pursuant to section 124.39 of the Revised Code or any other plan established by the employer; 647  
648  
649  
650

(b) Payments made for accrued but unused vacation leave, including payments made pursuant to section 124.13 of the Revised Code or a plan established by the employer; 651  
652  
653

(c) Payments made for vacation pay covering concurrent periods for which other salary, compensation, or benefits under this chapter are paid; 654  
655  
656

(d) Amounts paid by the employer to provide life insurance, sickness, accident, endowment, health, medical, hospital, dental, or surgical coverage, or other insurance for the teacher or the teacher's family, or amounts paid by the employer to the teacher in lieu of providing the insurance; 657  
658  
659  
660  
661

(e) Incidental benefits, including lodging, food, laundry, parking, or services furnished by the employer, use of the 662  
663

employer's property or equipment, and reimbursement for 664  
job-related expenses authorized by the employer, including moving 665  
and travel expenses and expenses related to professional 666  
development; 667

(f) Payments made by the employer in exchange for a member's 668  
waiver of a right to receive any payment, amount, or benefit 669  
described in division (L)(2) of this section; 670

(g) Payments by the employer for services not actually 671  
rendered; 672

(h) Any amount paid by the employer as a retroactive increase 673  
in salary, wages, or other earnings, unless the increase is one of 674  
the following: 675

(i) A retroactive increase paid to a member employed by a 676  
school district board of education in a position that requires a 677  
license designated for teaching and not designated for being an 678  
administrator issued under section 3319.22 of the Revised Code 679  
that is paid in accordance with uniform criteria applicable to all 680  
members employed by the board in positions requiring the licenses; 681

(ii) A retroactive increase paid to a member employed by a 682  
school district board of education in a position that requires a 683  
license designated for being an administrator issued under section 684  
3319.22 of the Revised Code that is paid in accordance with 685  
uniform criteria applicable to all members employed by the board 686  
in positions requiring the licenses; 687

(iii) A retroactive increase paid to a member employed by a 688  
school district board of education as a superintendent that is 689  
also paid as described in division (L)(2)(h)(i) of this section; 690

(iv) A retroactive increase paid to a member employed by an 691  
employer other than a school district board of education in 692  
accordance with uniform criteria applicable to all members 693

employed by the employer. 694

(i) Payments made to or on behalf of a teacher that are in 695  
excess of the annual compensation that may be taken into account 696  
by the retirement system under division (a)(17) of section 401 of 697  
the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 698  
401(a)(17), as amended. For a teacher who first establishes 699  
membership before July 1, 1996, the annual compensation that may 700  
be taken into account by the retirement system shall be determined 701  
under division (d)(3) of section 13212 of the "Omnibus Budget 702  
Reconciliation Act of 1993," Pub. L. No. 103-66, 107 Stat. 472. 703

(j) Payments made under division (B), (C), or (E) of section 704  
5923.05 of the Revised Code, Section 4 of Substitute Senate Bill 705  
No. 3 of the 119th general assembly, Section 3 of Amended 706  
Substitute Senate Bill No. 164 of the 124th general assembly, or 707  
Amended Substitute House Bill No. 405 of the 124th general 708  
assembly; 709

(k) Anything of value received by the teacher that is based 710  
on or attributable to retirement or an agreement to retire. 711

(3) The retirement board shall determine by rule both of the 712  
following: 713

(a) Whether particular forms of earnings are included in any 714  
of the categories enumerated in this division; 715

(b) Whether any form of earnings not enumerated in this 716  
division is to be included in compensation. 717

Decisions of the board made under this division shall be 718  
final. 719

(M) "Superannuate" means both of the following: 720

(1) A former teacher receiving from the system a retirement 721  
allowance under section 3307.58 or 3307.59 of the Revised Code; 722

(2) A former teacher receiving a benefit from the system 723



under a plan established under section 3307.81 of the Revised Code, except that "superannuate" does not include a former teacher who is receiving a benefit based on disability under a plan established under section 3307.81 of the Revised Code.

For purposes of sections 3307.35 and 3307.353 of the Revised Code, "superannuate" also means a former teacher receiving from the system a combined service retirement benefit paid in accordance with section 3307.57 of the Revised Code, regardless of which retirement system is paying the benefit.

**Sec. 3333.045.** As used in this section, "state university or college" means any state university listed in section 3345.011 of the Revised Code, the northeastern Ohio universities college of medicine, ~~the medical university of Ohio at Toledo~~, any community college under Chapter 3354. of the Revised Code, any university branch district under Chapter 3355. of the Revised Code, any technical college under Chapter 3357. of the Revised Code, and any state community college under Chapter 3358. of the Revised Code.

The Ohio board of regents shall work with the attorney general, the auditor of state, and the Ohio ethics commission to develop a model for training members of the boards of trustees of all state universities and colleges and members of the board of regents regarding the authority and responsibilities of a board of trustees or the board of regents. This model shall include a review of fiduciary responsibilities, ethics, and fiscal management. Use of this model by members of boards of trustees and the board of regents shall be voluntary.

This section does not apply to the three members of the board of trustees of the northeastern Ohio universities college of medicine who are presidents of state universities.

**Sec. 3334.01.** As used in this chapter:

(A) "Aggregate original principal amount" means the aggregate 754  
of the initial offering prices to the public of college savings 755  
bonds, exclusive of accrued interest, if any. "Aggregate original 756  
principal amount" does not mean the aggregate accreted amount 757  
payable at maturity or redemption of such bonds. 758

(B) "Beneficiary" means: 759

(1) An individual designated by the purchaser under a tuition 760  
payment contract or through a scholarship program as the 761  
individual on whose behalf tuition units purchased under the 762  
contract or awarded through the scholarship program will be 763  
applied toward the payment of undergraduate, graduate, or 764  
professional tuition; or 765

(2) An individual designated by the contributor under a 766  
variable college savings program contract as the individual whose 767  
tuition and other higher education expenses will be paid from a 768  
variable college savings program account. 769

(C) "Capital appreciation bond" means a bond for which the 770  
following is true: 771

(1) The principal amount is less than the amount payable at 772  
maturity or early redemption; and 773

(2) No interest is payable on a current basis. 774

(D) "Tuition unit" means a credit of the Ohio tuition trust 775  
authority purchased under section 3334.09 of the Revised Code. 776  
"Tuition unit" includes a tuition credit purchased prior to July 777  
1, 1994. 778

(E) "College savings bonds" means revenue and other 779  
obligations issued on behalf of the state or any agency or issuing 780  
authority thereof as a zero-coupon or capital appreciation bond, 781  
and designated as college savings bonds as provided in this 782  
chapter. "College savings bond issue" means any issue of bonds of 783

which any part has been designated as college savings bonds. 784

(F) "Institution of higher education" means a state 785  
institution of higher education, a private college, university, or 786  
other postsecondary institution located in this state that 787  
possesses a certificate of authorization issued by the Ohio board 788  
of regents pursuant to Chapter 1713. of the Revised Code or a 789  
certificate of registration issued by the state board of career 790  
colleges and schools under Chapter 3332. of the Revised Code, or 791  
an accredited college, university, or other postsecondary 792  
institution located outside this state that is accredited by an 793  
accrediting organization or professional association recognized by 794  
the authority. To be considered an institution of higher 795  
education, an institution shall meet the definition of an eligible 796  
educational institution under section 529 of the Internal Revenue 797  
Code. 798

(G) "Issuing authority" means any authority, commission, 799  
body, agency, or individual empowered by the Ohio Constitution or 800  
the Revised Code to issue bonds or any other debt obligation of 801  
the state or any agency or department thereof. "Issuer" means the 802  
issuing authority or, if so designated under division (B) of 803  
section 3334.04 of the Revised Code, the treasurer of state. 804

(H) "Tuition" means the charges imposed to attend an 805  
institution of higher education as an undergraduate, graduate, or 806  
professional student and all fees required as a condition of 807  
enrollment, as determined by the Ohio tuition trust authority. 808  
"Tuition" does not include laboratory fees, room and board, or 809  
other similar fees and charges. 810

(I) "Weighted average tuition" means the tuition cost 811  
resulting from the following calculation: 812

(1) Add the products of the annual undergraduate tuition 813  
charged to Ohio residents at each four-year state university 814

multiplied by that institution's total number of undergraduate  
fiscal year equated students; and

(2) Divide the gross total of the products from division  
(I)(1) of this section by the total number of undergraduate fiscal  
year equated students attending four-year state universities.

When making this calculation, the "annual undergraduate  
tuition charged to Ohio residents" shall not incorporate any  
tuition reductions that vary in amount among individual recipients  
and that are awarded to Ohio residents based upon their particular  
circumstances, beyond any minimum amount awarded uniformly to all  
Ohio residents. In addition, any tuition reductions awarded  
uniformly to all Ohio residents shall be incorporated into this  
calculation.

(J) "Zero-coupon bond" means a bond which has a stated  
interest rate of zero per cent and on which no interest is payable  
until the maturity or early redemption of the bond, and is offered  
at a substantial discount from its original stated principal  
amount.

(K) "State institution of higher education" includes the  
state universities listed in section 3345.011 of the Revised Code,  
community colleges created pursuant to Chapter 3354. of the  
Revised Code, university branches created pursuant to Chapter  
3355. of the Revised Code, technical colleges created pursuant to  
Chapter 3357. of the Revised Code, state community colleges  
created pursuant to Chapter 3358. of the Revised Code, ~~the medical  
university of Ohio at Toledo,~~ and the northeastern Ohio  
universities college of medicine.

(L) "Four-year state university" means those state  
universities listed in section 3345.011 of the Revised Code.

(M) "Principal amount" refers to the initial offering price  
to the public of an obligation, exclusive of the accrued interest,

if any. "Principal amount" does not refer to the aggregate 846  
accrued amount payable at maturity or redemption of an 847  
obligation. 848

(N) "Scholarship program" means a program registered with the 849  
Ohio tuition trust authority pursuant to section 3334.17 of the 850  
Revised Code. 851

(O) "Internal Revenue Code" means the "Internal Revenue Code 852  
of 1986," 100 Stat. 2085, 26 U.S.C.A. 1 et seq., as amended. 853

(P) "Other higher education expenses" means room and board 854  
and books, supplies, equipment, and nontuition-related fees 855  
associated with the cost of attendance of a beneficiary at an 856  
institution of higher education, but only to the extent that such 857  
expenses meet the definition of "qualified higher education 858  
expenses" under section 529 of the Internal Revenue Code. "Other 859  
higher education expenses" does not include tuition as defined in 860  
division (H) of this section. 861

(Q) "Purchaser" means the person signing the tuition payment 862  
contract, who controls the account and acquires tuition units for 863  
an account under the terms and conditions of the contract. 864

(R) "Contributor" means a person who signs a variable college 865  
savings program contract with the Ohio tuition trust authority and 866  
contributes to and owns the account created under the contract. 867

(S) "Contribution" means any payment directly allocated to an 868  
account for the benefit of the designated beneficiary of the 869  
account. 870

**Sec. 3345.04.** (A) As used in this section, "felony" has the 871  
same meaning as in section 109.511 of the Revised Code. 872

(B) Subject to division (C) of this section, the board of 873  
trustees of a state university, ~~the board of trustees of the~~ 874  
~~medical university of Ohio at Toledo,~~ the board of trustees of the 875

northeastern Ohio universities college of medicine, the board of 876  
trustees of a state community college, and the board of trustees 877  
of a technical college or community college district operating a 878  
technical or a community college may designate one or more 879  
employees of the institution, as a state university law 880  
enforcement officer, in accordance with section 109.77 of the 881  
Revised Code, and, as state university law enforcement officers, 882  
those employees shall take an oath of office, wear the badge of 883  
office, serve as peace officers for the college or university, and 884  
give bond to the state for the proper and faithful discharge of 885  
their duties in the amount that the board of trustees requires. 886

(C)(1) The board of trustees of an institution listed in 887  
division (B) of this section shall not designate an employee of 888  
the institution as a state university law enforcement officer 889  
pursuant to that division on a permanent basis, on a temporary 890  
basis, for a probationary term, or on other than a permanent basis 891  
if the employee previously has been convicted of or has pleaded 892  
guilty to a felony. 893

(2)(a) The board of trustees shall terminate the employment 894  
as a state university law enforcement officer of an employee 895  
designated as a state university law enforcement officer under 896  
division (B) of this section if that employee does either of the 897  
following: 898

(i) Pleads guilty to a felony; 899

(ii) Pleads guilty to a misdemeanor pursuant to a negotiated 900  
plea agreement as provided in division (D) of section 2929.43 of 901  
the Revised Code in which the employee agrees to surrender the 902  
certificate awarded to the employee under section 109.77 of the 903  
Revised Code. 904

(b) The board of trustees shall suspend from employment as a 905  
state university law enforcement officer an employee designated as 906

a state university law enforcement officer under division (B) of 907  
this section if that employee is convicted, after trial, of a 908  
felony. If the state university law enforcement officer files an 909  
appeal from that conviction and the conviction is upheld by the 910  
highest court to which the appeal is taken or if the state 911  
university law enforcement officer does not file a timely appeal, 912  
the board of trustees shall terminate the employment of that state 913  
university law enforcement officer. If the state university law 914  
enforcement officer files an appeal that results in that officer's 915  
acquittal of the felony or conviction of a misdemeanor, or in the 916  
dismissal of the felony charge against that officer, the board of 917  
trustees shall reinstate that state university law enforcement 918  
officer. A state university law enforcement officer who is 919  
reinstated under division (C)(2)(b) of this section shall not 920  
receive any back pay unless that officer's conviction of the 921  
felony was reversed on appeal, or the felony charge was dismissed, 922  
because the court found insufficient evidence to convict the 923  
officer of the felony. 924

(3) Division (C) of this section does not apply regarding an 925  
offense that was committed prior to January 1, 1997. 926

(4) The suspension from employment, or the termination of the 927  
employment, of a state university law enforcement officer under 928  
division (C)(2) of this section shall be in accordance with 929  
Chapter 119. of the Revised Code. 930

**Sec. 3345.12.** (A) As used in this section and sections 931  
3345.07 and 3345.11 of the Revised Code, in other sections of the 932  
Revised Code that make reference to this section unless the 933  
context does not permit, and in related bond proceedings unless 934  
otherwise expressly provided: 935

(1) "State university or college" means each of the state 936  
universities identified in section 3345.011 of the Revised Code. 937

and the northeastern Ohio universities college of medicine,~~and~~ 938  
~~the medical university of Ohio at Toledo,~~ and includes its board 939  
of trustees. 940

(2) "Institution of higher education" or "institution" means 941  
a state university or college, or a community college district, 942  
technical college district, university branch district, or state 943  
community college, and includes the applicable board of trustees 944  
or, in the case of a university branch district, any other 945  
managing authority. 946

(3) "Housing and dining facilities" means buildings, 947  
structures, and other improvements, and equipment, real estate, 948  
and interests in real estate therefor, to be used for or in 949  
connection with dormitories or other living quarters and 950  
accommodations, or related dining halls or other food service and 951  
preparation facilities, for students, members of the faculty, 952  
officers, or employees of the institution of higher education, and 953  
their spouses and families. 954

(4) "Auxiliary facilities" means buildings, structures, and 955  
other improvements, and equipment, real estate, and interests in 956  
real estate therefor, to be used for or in connection with student 957  
activity or student service facilities, housing and dining 958  
facilities, dining halls, and other food service and preparation 959  
facilities, vehicular parking facilities, bookstores, athletic and 960  
recreational facilities, faculty centers, auditoriums, assembly 961  
and exhibition halls, hospitals, infirmaries and other medical and 962  
health facilities, research, and continuing education facilities. 963

(5) "Education facilities" means buildings, structures, and 964  
other improvements, and equipment, real estate, and interests in 965  
real estate therefor, to be used for or in connection with, 966  
classrooms or other instructional facilities, libraries, 967  
administrative and office facilities, and other facilities, other 968  
than auxiliary facilities, to be used directly or indirectly for 969



or in connection with the conduct of the institution of higher education. 970  
971

(6) "Facilities" means housing and dining facilities, auxiliary facilities, or education facilities, and includes any one, part of, or any combination of such facilities, and further includes site improvements, utilities, machinery, furnishings, and any separate or connected buildings, structures, improvements, sites, open space and green space areas, utilities or equipment to be used in, or in connection with the operation or maintenance of, or supplementing or otherwise related to the services or facilities to be provided by, such facilities. 972  
973  
974  
975  
976  
977  
978  
979  
980

(7) "Obligations" means bonds or notes or other evidences of obligation, including interest coupons pertaining thereto, authorized to be issued under this section or section 3345.07, 3345.11, 3354.121, 3355.091, 3357.112, or 3358.10 of the Revised Code. 981  
982  
983  
984  
985

(8) "Bond service charges" means principal, including any mandatory sinking fund or redemption requirements for the retirement of obligations, interest, or interest equivalent and other accreted amounts, and any call premium required to be paid on obligations. 986  
987  
988  
989  
990

(9) "Bond proceedings" means the resolutions, trust agreement, indenture, and other agreements and credit enhancement facilities, and amendments and supplements to the foregoing, or any one or more or combination thereof, authorizing, awarding, or providing for the terms and conditions applicable to, or providing for the security or liquidity of, obligations, and the provisions contained in those obligations. 991  
992  
993  
994  
995  
996  
997

(10) "Costs of facilities" means the costs of acquiring, constructing, reconstructing, rehabilitating, remodeling, renovating, enlarging, improving, equipping, or furnishing 998  
999  
1000

facilities, and the financing thereof, including the cost of 1001  
clearance and preparation of the site and of any land to be used 1002  
in connection with facilities, the cost of any indemnity and 1003  
surety bonds and premiums on insurance, all related direct 1004  
administrative expenses and allocable portions of direct costs of 1005  
the institution of higher education or state agency, cost of 1006  
engineering, architectural services, design, plans, specifications 1007  
and surveys, estimates of cost, legal fees, fees and expenses of 1008  
trustees, depositories, bond registrars, and paying agents for the 1009  
obligations, cost of issuance of the obligations and financing 1010  
costs and fees and expenses of financial advisers and consultants 1011  
in connection therewith, interest on the obligations from the date 1012  
thereof to the time when interest is to be covered by available 1013  
receipts or other sources other than proceeds of the obligations, 1014  
amounts necessary to establish reserves as required by the bond 1015  
proceedings, costs of audits, the reimbursements of all moneys 1016  
advanced or applied by or borrowed from the institution or others, 1017  
from whatever source provided, including any temporary advances 1018  
from state appropriations, for the payment of any item or items of 1019  
cost of facilities, and all other expenses necessary or incident 1020  
to planning or determining feasibility or practicability with 1021  
respect to facilities, and such other expenses as may be necessary 1022  
or incident to the acquisition, construction, reconstruction, 1023  
rehabilitation, remodeling, renovation, enlargement, improvement, 1024  
equipment, and furnishing of facilities, the financing thereof and 1025  
the placing of them in use and operation, including any one, part 1026  
of, or combination of such classes of costs and expenses. 1027

(11) "Available receipts" means all moneys received by the 1028  
institution of higher education, including income, revenues, and 1029  
receipts from the operation, ownership, or control of facilities, 1030  
grants, gifts, donations, and pledges and receipts therefrom, 1031  
receipts from fees and charges, and the proceeds of the sale of 1032

obligations, including proceeds of obligations issued to refund 1033  
obligations previously issued, but excluding any special fee, and 1034  
receipts therefrom, charged pursuant to division (D) of section 1035  
154.21 of the Revised Code. 1036

(12) "Credit enhancement facilities" has the meaning given in 1037  
division (H) of section 133.01 of the Revised Code. 1038

(13) "Financing costs" has the meaning given in division (K) 1039  
of section 133.01 of the Revised Code. 1040

(14) "Interest" or "interest equivalent" has the meaning 1041  
given in division (R) of section 133.01 of the Revised Code. 1042

(B) Obligations issued under section 3345.07 or 3345.11 of 1043  
the Revised Code by a state university or college shall be 1044  
authorized by resolution of its board of trustees. Obligations 1045  
issued by any other institution of higher education shall be 1046  
authorized by resolution of its board of trustees, or managing 1047  
directors in the case of certain university branch districts, as 1048  
applicable. Sections 9.96 and 9.98 to 9.983 of the Revised Code 1049  
apply to obligations. Obligations may be issued to pay costs of 1050  
facilities even if the institution anticipates the possibility of 1051  
a future state appropriation to pay all or a portion of such 1052  
costs. 1053

(C) Obligations shall be secured by a pledge of and lien on 1054  
all or such part of the available receipts of the institution of 1055  
higher education as it provides for in the bond proceedings, 1056  
excluding moneys raised by taxation and state appropriations. Such 1057  
pledge and lien may be made prior to all other expenses, claims, 1058  
or payments, excepting any pledge of such available receipts 1059  
previously made to the contrary and except as provided by any 1060  
existing restrictions on the use thereof, or such pledge and lien 1061  
may be made subordinate to such other expenses, claims, or 1062  
payments, as provided in the bond proceedings. Obligations may be 1063

1064 additionally secured by covenants of the institution to make, fix,  
1065 adjust, collect, and apply such charges, rates, fees, rentals, and  
1066 other items of available receipts as will produce pledged  
1067 available receipts sufficient to meet bond service charges,  
1068 reserve, and other requirements provided for in the bond  
1069 proceedings. Notwithstanding this and any other sections of the  
1070 Revised Code, the holders or owners of the obligations shall not  
1071 be given the right and shall have no right to have excises or  
1072 taxes levied by the general assembly for the payment of bond  
1073 service charges thereon, and each such obligation shall bear on  
1074 its face a statement to that effect and to the effect that the  
1075 right to such payment is limited to the available receipts and  
1076 special funds pledged to such purpose under the bond proceedings.

1077 All pledged available receipts and funds and the proceeds of  
1078 obligations are trust funds and, subject to the provisions of this  
1079 section and the applicable bond proceedings, shall be held,  
1080 deposited, invested, reinvested, disbursed, applied, and used to  
1081 such extent, in such manner, at such times, and for such purposes,  
1082 as are provided in the bond proceedings.

1083 (D) The bond proceedings for obligations shall provide for  
1084 the purpose thereof and the principal amount or maximum principal  
1085 amount, and provide for or authorize the manner of determining the  
1086 principal maturity or maturities, the sale price including any  
1087 permitted discount, the interest rate or rates, which may be a  
1088 variable rate or rates, or the maximum interest rate, the date of  
1089 the obligations and the date or dates of payment of interest  
1090 thereon, their denominations, the manner of sale thereof, and the  
1091 establishment within or without the state of a place or places of  
1092 payment of bond service charges. The bond proceedings also shall  
1093 provide for a pledge of and lien on available receipts of the  
1094 institution of higher education as provided in division (C) of  
1095 this section, and a pledge of and lien on such fund or funds

provided in the bond proceedings arising from available receipts, 1096  
which pledges and liens may provide for parity with obligations 1097  
theretofore or thereafter issued by the institution. The available 1098  
receipts so pledged and thereafter received by the institution and 1099  
the funds so pledged are immediately subject to the lien of such 1100  
pledge without any physical delivery thereof or further act, and 1101  
the lien of any such pledge is valid and binding against all 1102  
parties having claims of any kind against the institution, 1103  
irrespective of whether such parties have notice thereof, and 1104  
shall create a perfected security interest for all purposes of 1105  
Chapter 1309. of the Revised Code, without the necessity for 1106  
separation or delivery of funds or for the filing or recording of 1107  
the bond proceedings by which such pledge is created or any 1108  
certificate, statement, or other document with respect thereto; 1109  
and the pledge of such available receipts and funds shall be 1110  
effective and the money therefrom and thereof may be applied to 1111  
the purposes for which pledged without necessity for any act of 1112  
appropriation. 1113

(E) The bond proceedings may contain additional provisions 1114  
customary or appropriate to the financing or to the obligations or 1115  
to particular obligations, including: 1116

(1) The acquisition, construction, reconstruction, equipment, 1117  
furnishing, improvement, operation, alteration, enlargement, 1118  
maintenance, insurance, and repair of facilities, and the duties 1119  
of the institution of higher education with reference thereto; 1120

(2) The terms of the obligations, including provisions for 1121  
their redemption prior to maturity at the option of the 1122  
institution of higher education at such price or prices and under 1123  
such terms and conditions as are provided in the bond proceedings; 1124

(3) Limitations on the purposes to which the proceeds of the 1125  
obligations may be applied; 1126

(4) The rates or rentals or other charges for the use of or 1127  
right to use the facilities financed by the obligations, or other 1128  
properties the revenues or receipts from which are pledged to the 1129  
obligations, and rules for assuring use and occupancy thereof, 1130  
including limitations upon the right to modify such rates, 1131  
rentals, other charges, or regulations; 1132

(5) The use and expenditure of the pledged available receipts 1133  
in such manner and to such extent as shall be determined, which 1134  
may include provision for the payment of the expenses of 1135  
operation, maintenance, and repair of facilities so that such 1136  
expenses, or part thereof, shall be paid or provided as a charge 1137  
prior or subsequent to the payment of bond service charges and any 1138  
other payments required to be made by the bond proceedings; 1139

(6) Limitations on the issuance of additional obligations; 1140

(7) The terms of any trust agreement or indenture securing 1141  
the obligations or under which the same may be issued; 1142

(8) The deposit, investment, and application of funds, and 1143  
the safeguarding of funds on hand or on deposit without regard to 1144  
Chapter 131. or 135. of the Revised Code, and any bank or trust 1145  
company or other financial institution that acts as depository of 1146  
any moneys under the bond proceedings shall furnish such 1147  
indemnifying bonds or pledge such securities as required by the 1148  
bond proceedings or otherwise by the institution of higher 1149  
education; 1150

(9) The binding effect of any or every provision of the bond 1151  
proceedings upon such officer, board, commission, authority, 1152  
agency, department, or other person or body as may from time to 1153  
time have the authority under law to take such actions as may be 1154  
necessary to perform all or any part of the duty required by such 1155  
provision; 1156

(10) Any provision that may be made in a trust agreement or 1157

indenture; 1158

(11) Any other or additional agreements with respect to the 1159  
facilities of the institution of higher education, their 1160  
operation, the available receipts and funds pledged, and insurance 1161  
of facilities and of the institution its officers and employees. 1162

(F) Such obligations may have the seal of the institution of 1163  
higher education or a facsimile thereof affixed thereto or printed 1164  
thereon and shall be executed by such officers as are designated 1165  
in the bond proceedings, which execution may be by facsimile 1166  
signatures. Any obligations may be executed by an officer who, on 1167  
the date of execution, is the proper officer although on the date 1168  
of such obligations such person was not the proper officer. In 1169  
case any officer whose signature or a facsimile of whose signature 1170  
appears on any such obligation ceases to be such officer before 1171  
delivery thereof, such signature or facsimile is nevertheless 1172  
valid and sufficient for all purposes as if the person had 1173  
remained such officer until such delivery; and in case the seal of 1174  
the institution has been changed after a facsimile of the seal has 1175  
been imprinted on such obligations, such facsimile seal continues 1176  
to be sufficient as to such obligations and obligations issued in 1177  
substitution or exchange therefor. 1178

(G) All such obligations are negotiable instruments and 1179  
securities under Chapter 1308. of the Revised Code, subject to the 1180  
provisions of the bond proceedings as to registration. The 1181  
obligations may be issued in coupon or in registered form, or 1182  
both. Provision may be made for the registration of any 1183  
obligations with coupons attached thereto as to principal alone or 1184  
as to both principal and interest, their exchange for obligations 1185  
so registered, and for the conversion or reconversion into 1186  
obligations with coupons attached thereto of any obligations 1187  
registered as to both principal and interest, and for reasonable 1188  
charges for such registration, exchange, conversion, and 1189

reconversion.	1190
(H) Pending preparation of definitive obligations, the	1191
institution of higher education may issue interim receipts or	1192
certificates which shall be exchanged for such definitive	1193
obligations.	1194
(I) Such obligations may be secured additionally by a trust	1195
agreement or indenture between the institution of higher education	1196
and a corporate trustee, which may be any trust company or bank	1197
having the powers of a trust company within or without this state	1198
but authorized to exercise trust powers within this state. Any	1199
such agreement or indenture may contain the resolution authorizing	1200
the issuance of the obligations, any provisions that may be	1201
contained in the bond proceedings as authorized by this section,	1202
and other provisions which are customary or appropriate in an	1203
agreement or indenture of such type, including:	1204
(1) Maintenance of each pledge, trust agreement, and	1205
indenture, or other instrument comprising part of the bond	1206
proceedings until the institution of higher education has fully	1207
paid the bond service charges on the obligations secured thereby,	1208
or provision therefor has been made;	1209
(2) In the event of default in any payments required to be	1210
made by the bond proceedings, or any other agreement of the	1211
institution of higher education made as a part of the contract	1212
under which the obligations were issued, enforcement of such	1213
payments or agreement by mandamus, the appointment of a receiver,	1214
suit in equity, action at law, or any combination of the	1215
foregoing;	1216
(3) The rights and remedies of the holders of obligations and	1217
of the trustee, and provisions for protecting and enforcing them,	1218
including limitations on rights of individual holders of	1219
obligations;	1220



(4) The replacement of any obligations that become mutilated 1221  
or are destroyed, lost, or stolen; 1222

(5) Such other provisions as the trustee and the institution 1223  
of higher education agree upon, including limitations, conditions, 1224  
or qualifications relating to any of the foregoing. 1225

(J) Each duty of the institution of higher education and its 1226  
officers or employees, undertaken pursuant to the bond proceedings 1227  
or any related agreement or lease made under authority of law, is 1228  
hereby established as a duty of such institution, and of each such 1229  
officer or employee having authority to perform such duty, 1230  
specially enjoined by law resulting from an office, trust, or 1231  
station within the meaning of section 2731.01 of the Revised Code. 1232  
The persons who are at the time the members of the board of 1233  
trustees or the managing directors of the institution or its 1234  
officers or employees are not liable in their personal capacities 1235  
on such obligations, or lease, or other agreement of the 1236  
institution. 1237

(K) The authority to issue obligations includes authority to: 1238

(1) Issue obligations in the form of bond anticipation notes 1239  
and to renew them from time to time by the issuance of new notes. 1240  
Such notes are payable solely from the available receipts and 1241  
funds that may be pledged to the payment of such bonds, or from 1242  
the proceeds of such bonds or renewal notes, or both, as the 1243  
institution of higher education provides in its resolution 1244  
authorizing such notes. Such notes may be additionally secured by 1245  
covenants of the institution to the effect that it will do such or 1246  
all things necessary for the issuance of such bonds or renewal 1247  
notes in appropriate amount, and either exchange such bonds or 1248  
renewal notes therefor or apply the proceeds thereof to the extent 1249  
necessary, to make full payment of the bond service charges on 1250  
such notes at the time or times contemplated, as provided in such 1251

resolution. Subject to the provisions of this division, all 1252  
references to obligations in this section apply to such 1253  
anticipation notes. 1254

(2) Issue obligations to refund, including funding and 1255  
retirement of, obligations previously issued to pay costs of 1256  
facilities. Such obligations may be issued in amounts sufficient 1257  
for payment of the principal amount of the obligations to be so 1258  
refunded, any redemption premiums thereon, principal maturities of 1259  
any obligations maturing prior to the redemption of any other 1260  
obligations on a parity therewith to be so refunded, interest 1261  
accrued or to accrue to the maturity date or dates of redemption 1262  
of such obligations, and any expenses incurred or to be incurred 1263  
in connection with such refunding or the issuance of the 1264  
obligations. 1265

(L) Obligations are lawful investments for banks, societies 1266  
for savings, savings and loan associations, deposit guarantee 1267  
associations, trust companies, trustees, fiduciaries, insurance 1268  
companies, including domestic for life and domestic not for life, 1269  
trustees or other officers having charge of sinking and bond 1270  
retirement or other special funds of political subdivisions and 1271  
taxing districts of this state, the commissioners of the sinking 1272  
fund, the administrator of workers' compensation in accordance 1273  
with the investment policy established by the workers' 1274  
compensation oversight commission pursuant to section 4121.12 of 1275  
the Revised Code, the state teachers retirement system, the public 1276  
employees retirement system, the school employees retirement 1277  
system, and the Ohio police and fire pension fund, notwithstanding 1278  
any other provisions of the Revised Code or rules adopted pursuant 1279  
thereto by any state agency with respect to investments by them, 1280  
and are also acceptable as security for the deposit of public 1281  
moneys. 1282

(M) All facilities purchased, acquired, constructed, or owned 1283

by an institution of higher education, or financed in whole or in part by obligations issued by an institution, and used for the purposes of the institution or other publicly owned and controlled college or university, is public property used exclusively for a public purpose, and such property and the income therefrom is exempt from all taxation and assessment within this state, including ad valorem and excise taxes. The obligations, the transfer thereof, and the income therefrom, including any profit made on the sale thereof, are at all times free from taxation within the state. The transfer of tangible personal property by lease under authority of this section or section 3345.07, 3345.11, 3354.121, 3355.091, 3357.112, or 3358.10 of the Revised Code is not a sale as used in Chapter 5739. of the Revised Code.

(N) The authority granted by this section is cumulative with the authority granted to institutions of higher education under Chapter 154. of the Revised Code, and nothing in this section impairs or limits the authority granted by Chapter 154. of the Revised Code. In any lease, agreement, or commitment made by an institution of higher education under Chapter 154. of the Revised Code, it may agree to restrict or subordinate any pledge it may thereafter make under authority of this section.

(O) Title to lands acquired under this section and sections 3345.07 and 3345.11 of the Revised Code by a state university or college shall be taken in the name of the state.

(P) Except where costs of facilities are to be paid in whole or in part from funds appropriated by the general assembly, section 125.81 of the Revised Code and the requirement for certification with respect thereto under section 153.04 of the Revised Code do not apply to such facilities.

(Q) A state university or college may sell or lease lands or interests in land owned by it or by the state for its use, or

facilities authorized to be acquired or constructed by it under 1315  
section 3345.07 or 3345.11 of the Revised Code, to permit the 1316  
purchasers or lessees thereof to acquire, construct, equip, 1317  
furnish, reconstruct, alter, enlarge, remodel, renovate, 1318  
rehabilitate, improve, maintain, repair, or maintain and operate 1319  
thereon and to provide by lease or otherwise to such institution, 1320  
facilities authorized in section 3345.07 or 3345.11 of the Revised 1321  
Code. Such land or interests therein shall be sold for such 1322  
appraised value, or leased, and on such terms as the board of 1323  
trustees determines. All deeds or other instruments relating to 1324  
such sales or leases shall be executed by such officer of the 1325  
state university or college as the board of trustees designates. 1326  
The state university or college shall hold, invest, or use the 1327  
proceeds of such sales or leases for the same purposes for which 1328  
proceeds of borrowings may be used under sections 3345.07 and 1329  
3345.11 of the Revised Code. 1330

(R) An institution of higher education may pledge available 1331  
receipts, to the extent permitted by division (C) of this section 1332  
with respect to obligations, to secure the payments to be made by 1333  
it under any lease, lease with option to purchase, or 1334  
lease-purchase agreement authorized under this section or section 1335  
3345.07, 3345.11, 3354.121, 3355.091, 3357.112, or 3358.10 of the 1336  
Revised Code. 1337

**Sec. 3345.17.** All property, personal, real, or mixed of the 1338  
boards of trustees and of the housing commissions of the state 1339  
universities, ~~the medical university of Ohio at Toledo,~~ the 1340  
northeastern Ohio universities college of medicine, and of the 1341  
state held for the use and benefit of any such institution, which 1342  
is used for the support of such institution, is exempt from 1343  
taxation so long as such property is used for the support of such 1344  
university or college. 1345

**Sec. 3345.31.** The boards of trustees of a state university, 1346  
~~the board of trustees of the medical university of Ohio at Toledo,~~ 1347  
the board of trustees of the northeastern Ohio universities 1348  
college of medicine, the board of trustees of a technical college 1349  
or community college district, and the board of control of the 1350  
Ohio agricultural research and development center may establish 1351  
compensation plans, including schedules of hourly rates, for the 1352  
compensation of all employees and may establish rules or policies 1353  
for the administration of their respective compensation plans. 1354

The provisions of this section do not apply to employees for 1355  
whom the state employment relations board establishes appropriate 1356  
bargaining units pursuant to section 4117.06 of the Revised Code. 1357

**Sec. 3345.32.** (A) As used in this section: 1358

(1) "State university or college" means the institutions 1359  
described in section 3345.27 of the Revised Code, and the 1360  
northeastern Ohio universities college of medicine, ~~and the~~ 1361  
~~medical university of Ohio at Toledo.~~ 1362

(2) "Resident" has the meaning specified by rule of the Ohio 1363  
board of regents. 1364

(3) "Statement of selective service status" means a statement 1365  
certifying one of the following: 1366

(a) That the individual filing the statement has registered 1367  
with the selective service system in accordance with the "Military 1368  
Selective Service Act," 62 Stat. 604, 50 U.S.C. App. 453, as 1369  
amended; 1370

(b) That the individual filing the statement is not required 1371  
to register with the selective service for one of the following 1372  
reasons: 1373

(i) The individual is under eighteen or over twenty-six years 1374

of age~~+~~. 1375

(ii) The individual is on active duty with the armed forces 1376  
of the United States other than for training in a reserve or 1377  
national guard unit~~+~~. 1378

(iii) The individual is a nonimmigrant alien lawfully in the 1379  
United States in accordance with section 101 (a)(15) of the 1380  
"Immigration and Nationality Act," 8 U.S.C. 1101, as amended~~+~~. 1381

(iv) The individual is not a citizen of the United States and 1382  
is a permanent resident of the Trust Territory of the Pacific 1383  
Islands or the Northern Mariana Islands. 1384

(4) "Institution of higher education" means any eligible 1385  
institution approved by the United States department of education 1386  
pursuant to the "Higher Education Act of 1965," 79 Stat. 1219, as 1387  
amended, or any institution whose students are eligible for 1388  
financial assistance under any of the programs described by 1389  
division (E) of this section. 1390

(B) The Ohio board of regents shall, by rule, specify the 1391  
form of statements of selective service status to be filed in 1392  
compliance with divisions (C) to (F) of this section. Each 1393  
statement of selective service status shall contain a section 1394  
wherein a male student born after December 31, 1959, certifies 1395  
that the student has registered with the selective service system 1396  
in accordance with the "Military Selective Service Act," 62 Stat. 1397  
604, 50 U.S.C. App. 453, as amended. For those students not 1398  
required to register with the selective service, as specified in 1399  
divisions (A)(2)(b)(i) to (iv) of this section, a section shall be 1400  
provided on the statement of selective service status for the 1401  
certification of nonregistration and for an explanation of the 1402  
reason for the exemption. The board of regents may require that 1403  
such statements be accompanied by documentation specified by rule 1404  
of the board. 1405

(C) A state university or college that enrolls in any course, 1406  
class, or program a male student born after December 31, 1959, who 1407  
has not filed a statement of selective service status with the 1408  
university or college shall, regardless of the student's 1409  
residency, charge the student any tuition surcharge charged 1410  
students who are not residents of this state. 1411

(D) No male born after December 31, 1959, shall be eligible 1412  
to receive any loan, grant, scholarship, or other financial 1413  
assistance for educational expenses under section 3315.33, 1414  
3333.12, 3333.122, 3333.21, 3333.22, 3333.26, 3333.27, 5910.03, 1415  
5910.032, or 5919.34 of the Revised Code unless that person has 1416  
filed a statement of selective service status with that person's 1417  
institution of higher education. 1418

(E) If an institution of higher education receives a 1419  
statement from an individual certifying that the individual has 1420  
registered with the selective service system in accordance with 1421  
the "Military Selective Service Act," 62 Stat. 604, 50 U.S.C. App. 1422  
453, as amended or that the individual is exempt from registration 1423  
for a reason other than that the individual is under eighteen 1424  
years of age, the institution shall not require the individual to 1425  
file any further statements. If it receives a statement certifying 1426  
that the individual is not required to register because the 1427  
individual is under eighteen years of age, the institution shall 1428  
require the individual to file a new statement of selective 1429  
service status each time the individual seeks to enroll for a new 1430  
academic term or makes application for a new loan or loan 1431  
guarantee or for any form of financial assistance for educational 1432  
expenses, until it receives a statement certifying that the 1433  
individual has registered with the selective service system or is 1434  
exempt from registration for a reason other than that the 1435  
individual is under eighteen years of age. 1436

**Sec. 3345.50.** Notwithstanding anything to the contrary in 1437  
sections 123.01 and 123.15 of the Revised Code, a state 1438  
university, ~~the medical university of Ohio at Toledo,~~ a state 1439  
community college, or the northeastern Ohio universities college 1440  
of medicine not certified pursuant to section 123.17 of the 1441  
Revised Code may administer any capital facilities project for the 1442  
construction, reconstruction, improvement, renovation, 1443  
enlargement, or alteration of a public improvement under its 1444  
jurisdiction for which the total amount of funds expected to be 1445  
appropriated by the general assembly does not exceed four million 1446  
dollars without the supervision, control, or approval of the 1447  
department of administrative services as specified in those 1448  
sections, if both of the following occur: 1449

(A) Within sixty days after the effective date of the section 1450  
of an act in which the general assembly initially makes an 1451  
appropriation for the project, the board of trustees of the 1452  
institution notifies the Ohio board of regents in writing of its 1453  
intent to administer the capital facilities project; 1454

(B) The board of trustees complies with the guidelines 1455  
established pursuant to section 153.16 of the Revised Code and all 1456  
laws that govern the selection of consultants, preparation and 1457  
approval of contract documents, receipt of bids, and award of 1458  
contracts with respect to the project. 1459

The board of regents shall adopt rules in accordance with 1460  
Chapter 119. of the Revised Code that establish criteria for the 1461  
administration by any such institution of higher education of a 1462  
capital facilities project for which the total amount of funds 1463  
expected to be appropriated by the general assembly exceeds four 1464  
million dollars. The criteria, to be developed with the department 1465  
of administrative services and higher education representatives 1466  
selected by the board of regents, shall include such matters as 1467



the adequacy of the staffing levels and expertise needed for the 1468  
institution to administer the project, past performance of the 1469  
institution in administering such projects, and the amount of 1470  
institutional or other nonstate money to be used in financing the 1471  
project. The board of regents and the department of administrative 1472  
services shall approve the request of any such institution of 1473  
higher education that seeks to administer any such capital 1474  
facilities project and meets the criteria set forth in the rules 1475  
and in the requirements of division (B) of this section. 1476

**Sec. 3345.51.** (A) Notwithstanding anything to the contrary in 1477  
sections 123.01 and 123.15 of the Revised Code, a state 1478  
university, ~~the medical university of Ohio at Toledo,~~ the 1479  
northeastern Ohio universities college of medicine, or a state 1480  
community college may administer any capital facilities project 1481  
for the construction, reconstruction, improvement, renovation, 1482  
enlargement, or alteration of a public improvement under its 1483  
jurisdiction for which funds are appropriated by the general 1484  
assembly without the supervision, control, or approval of the 1485  
department of administrative services as specified in those 1486  
sections, if all of the following occur: 1487

(1) The institution is certified by the state architect under 1488  
section 123.17 of the Revised Code; 1489

(2) Within sixty days after the effective date of the section 1490  
of an act in which the general assembly initially makes an 1491  
appropriation for the project, the board of trustees of the 1492  
institution notifies the Ohio board of regents in writing of its 1493  
request to administer the capital facilities project and the board 1494  
of regents approves that request pursuant to division (B) of this 1495  
section; 1496

(3) The board of trustees passes a resolution stating its 1497  
intent to comply with section 153.13 of the Revised Code and the 1498

guidelines established pursuant to section 153.16 of the Revised Code and all laws that govern the selection of consultants, preparation and approval of contract documents, receipt of bids, and award of contracts with respect to the project.

(B) The board of regents shall adopt rules in accordance with Chapter 119. of the Revised Code that establish criteria for the administration by any such institution of higher education of a capital facilities project for which the general assembly appropriates funds. The criteria, to be developed with the department of administrative services and higher education representatives selected by the board of regents, shall include such matters as the adequacy of the staffing levels and expertise needed for the institution to administer the project, past performance of the institution in administering such projects, and the amount of institutional or other nonstate money to be used in financing the project. The board of regents shall approve the request of any such institution of higher education that seeks to administer any such capital facilities project and meets the criteria set forth in the rules and the requirements of division (A) of this section.

(C) Any institution that administers a capital facilities project under this section shall conduct biennial audits for the duration of the project to ensure that the institution is complying with Chapters 9., 123., and 153. of the Revised Code and that the institution is using its certification issued under section 123.17 of the Revised Code appropriately. The board of regents, in consultation with higher education representatives selected by the board, shall adopt rules in accordance with Chapter 119. of the Revised Code that establish criteria for the conduct of the audits. The criteria shall include documentation necessary to determine compliance with Chapters 9., 123., and 153. of the Revised Code and a method to determine whether an

institution is using its certification issued under section 123.17 1531  
of the Revised Code appropriately. 1532

(D) The board of regents, in consultation with higher 1533  
education representatives selected by the board, shall adopt rules 1534  
in accordance with Chapter 119. of the Revised Code establishing 1535  
criteria for monitoring capital facilities projects administered 1536  
by institutions under this section. The criteria shall include the 1537  
following: 1538

(1) Conditions under which the board of regents may revoke 1539  
the authority of an institution to administer a capital facilities 1540  
project under this section, including the failure of an 1541  
institution to maintain a sufficient number of employees who have 1542  
successfully completed the certification program under section 1543  
123.17 of the Revised Code; 1544

(2) A process for institutions to remedy any problems found 1545  
by an audit conducted pursuant to division (C) of this section, 1546  
including the improper use of state funds or violations of Chapter 1547  
9., 123., or 153. of the Revised Code. 1548

(E) If the board of regents revokes an institution's 1549  
authority to administer a capital facilities project, the 1550  
department of administrative services shall administer the capital 1551  
facilities project. The board of regents also may require an 1552  
institution, for which the board revoked authority to administer a 1553  
capital facilities project, to acquire a new local administration 1554  
competency certification pursuant to section 123.17 of the Revised 1555  
Code. 1556

**Sec. 3345.71.** As used in sections 3345.72 to 3345.77 of the 1557  
Revised Code: 1558

(A) "State university or college" means any state university 1559  
listed in section 3345.011 of the Revised Code, the northeastern 1560

Ohio universities college of medicine, ~~the medical university of~~ 1561  
~~Ohio at Toledo~~, any community college under Chapter 3354. of the 1562  
Revised Code, any technical college under Chapter 3357. of the 1563  
Revised Code, and any state community college under Chapter 3358. 1564  
of the Revised Code. 1565

(B) "Fiscal watch" means the existence of a fiscal watch 1566  
declared under section 3345.72 of the Revised Code. 1567

**Section 3.** That existing sections 145.011, 151.04, 154.01, 1568  
3305.01, 3307.01, 3333.045, 3334.01, 3345.04, 3345.12, 3345.17, 1569  
3345.31, 3345.32, 3345.50, 3345.51, and 3345.71 and sections 1570  
3350.01, 3350.02, 3350.03, 3350.04, 3350.05, 3360.01, 3360.02, 1571  
3360.03, 3360.04, and 3360.05 of the Revised Code are hereby 1572  
repealed. 1573

**Section 4.** The boards of trustees of the University of Toledo 1574  
and the Medical University of Ohio at Toledo are authorized to 1575  
enter into a memorandum of understanding regarding the combination 1576  
of the two institutions of higher education into a single state 1577  
university as prescribed by section 3364.01 of the Revised Code. 1578  
That memorandum may address such matters as the boards of trustees 1579  
of the University of Toledo and the Medical University of Ohio at 1580  
Toledo deem necessary and appropriate to provide for the 1581  
transition of the two institutions into a combined institution, 1582  
including, without limitation, the identification of the initial 1583  
president of the combined institution, the process for selection 1584  
of the initial chairperson of the board of trustees of the 1585  
combined institution, the relationship to the combined institution 1586  
of the existing foundations supporting the two separate 1587  
institutions, accounting of funds, and administration of grants. 1588

**Section 5.** That Sections 209.63, 209.63.57, and 209.64.22 of 1589  
Am. Sub. H.B. 66 of the 126th General Assembly be amended to read 1590

as follows:				1591
<b>Sec. 209.63.</b>	<b>BOR BOARD OF REGENTS</b>			1592
General Revenue Fund				1593
GRF 235-321	Operating Expenses	\$ 2,897,659	\$ 2,966,351	1594
GRF 235-401	Lease Rental Payments	\$ 200,619,200	\$ 200,795,300	1595
GRF 235-402	Sea Grants	\$ 231,925	\$ 231,925	1596
GRF 235-406	Articulation and Transfer	\$ 2,900,000	\$ 2,900,000	1597
GRF 235-408	Midwest Higher Education Compact	\$ 90,000	\$ 90,000	1598
GRF 235-409	Information System	\$ 1,146,510	\$ 1,175,172	1599
GRF 235-414	State Grants and Scholarship Administration	\$ 1,352,811	\$ 1,382,881	1600
GRF 235-415	Jobs Challenge	\$ 9,348,300	\$ 9,348,300	1601
GRF 235-417	Ohio Learning Network	\$ 3,119,496	\$ 3,119,496	1602
GRF 235-418	Access Challenge	\$ 73,513,302	\$ 73,004,671	1603
GRF 235-420	Success Challenge	\$ 52,601,934	\$ 52,601,934	1604
GRF 235-428	Appalachian New Economy Partnership	\$ 1,176,068	\$ 1,176,068	1605
GRF 235-433	Economic Growth Challenge	\$ 20,343,097	\$ 23,186,194	1606
GRF 235-434	College Readiness and Access	\$ 6,375,975	\$ 7,655,425	1607
GRF 235-435	Teacher Improvement Initiatives	\$ 2,697,506	\$ 2,697,506	1608
GRF 235-451	Eminent Scholars	\$ 0	\$ 1,370,988	1609
GRF 235-455	EnterpriseOhio Network	\$ 1,373,941	\$ 1,373,941	1610
GRF 235-474	Area Health Education Centers Program Support	\$ 1,571,756	\$ 1,571,756	1611

GRF 235-501	State Share of Instruction	\$ 1,559,096,031	\$ 1,589,096,031	1612
GRF 235-502	Student Support Services	\$ 795,790	\$ 795,790	1613
GRF 235-503	Ohio Instructional Grants	\$ 121,151,870	\$ 92,496,969	1614
GRF 235-504	War Orphans Scholarships	\$ 4,672,321	\$ 4,672,321	1615
GRF 235-507	OhioLINK	\$ 6,887,824	\$ 6,887,824	1616
GRF 235-508	Air Force Institute of Technology	\$ 1,925,345	\$ 1,925,345	1617
GRF 235-510	Ohio Supercomputer Center	\$ 4,271,195	\$ 4,271,195	1618
GRF 235-511	Cooperative Extension Service	\$ 25,644,863	\$ 25,644,863	1619
GRF 235-513	Ohio University Voinovich Center	\$ 336,082	\$ 336,082	1620
GRF 235-515	Case Western Reserve University School of Medicine	\$ 3,011,271	\$ 3,011,271	1621
GRF 235-518	Capitol Scholarship Program	\$ 125,000	\$ 125,000	1622
GRF 235-519	Family Practice	\$ 4,548,470	\$ 4,548,470	1623
GRF 235-520	Shawnee State Supplement	\$ 1,918,830	\$ 1,822,889	1624
GRF 235-521	The Ohio State University Glenn Institute	\$ 286,082	\$ 286,082	1625
GRF 235-524	Police and Fire Protection	\$ 171,959	\$ 171,959	1626
GRF 235-525	Geriatric Medicine	\$ 750,110	\$ 750,110	1627
GRF 235-526	Primary Care Residencies	\$ 2,245,688	\$ 2,245,688	1628

GRF 235-527	Ohio Aerospace Institute	\$	1,764,957	\$	1,764,957	1629
GRF 235-530	Academic Scholarships	\$	7,800,000	\$	7,800,000	1630
GRF 235-531	Student Choice Grants	\$	50,853,276	\$	52,985,376	1631
GRF 235-534	Student Workforce Development Grants	\$	2,137,500	\$	2,137,500	1632
GRF 235-535	Ohio Agricultural Research and Development Center	\$	35,955,188	\$	35,955,188	1633
GRF 235-536	The Ohio State University Clinical Teaching	\$	13,565,885	\$	13,565,885	1634
GRF 235-537	University of Cincinnati Clinical Teaching	\$	11,157,756	\$	11,157,756	1635
GRF 235-538	<del>Medical</del> University of <del>Ohio at</del> Toledo Clinical Teaching	\$	8,696,866	\$	8,696,866	1636
GRF 235-539	Wright State University Clinical Teaching		4,225,107	\$	4,225,107	1637
GRF 235-540	Ohio University Clinical Teaching	\$	4,084,540	\$	4,084,540	1638
GRF 235-541	Northeastern Ohio Universities College of Medicine Clinical Teaching	\$	4,200,945	\$	4,200,945	1639
GRF 235-543	Ohio College of Podiatric Medicine Clinic Subsidy	\$	250,000	\$	250,000	1640
GRF 235-547	School of International Business	\$	450,000	\$	450,000	1641
GRF 235-549	Part-time Student	\$	14,457,721	\$	10,534,617	1642

	Instructional Grants					
GRF 235-552	Capital Component	\$	19,058,863	\$	19,058,863	1643
GRF 235-553	Dayton Area Graduate Studies Institute	\$	2,806,599	\$	2,806,599	1644
GRF 235-554	Priorities in Collaborative Graduate Education	\$	2,355,548	\$	2,355,548	1645
GRF 235-555	Library Depositories	\$	1,696,458	\$	1,696,458	1646
GRF 235-556	Ohio Academic Resources Network	\$	3,727,223	\$	3,727,223	1647
GRF 235-558	Long-term Care Research	\$	211,047	\$	211,047	1648
GRF 235-561	Bowling Green State University Canadian Studies Center	\$	100,015	\$	100,015	1649
GRF 235-563	Ohio College Opportunity Grant	\$	0	\$	58,144,139	1650
GRF 235-572	The Ohio State University Clinic Support	\$	1,277,019	\$	1,277,019	1651
GRF 235-583	Urban University Program	\$	4,992,937	\$	4,992,937	1652
GRF 235-587	Rural University Projects	\$	1,147,889	\$	1,147,889	1653
GRF 235-596	Hazardous Materials Program	\$	360,435	\$	360,435	1654
GRF 235-599	National Guard Scholarship Program	\$	15,128,472	\$	16,611,063	1655
GRF 235-909	Higher Education General Obligation Debt Service	\$	137,600,300	\$	152,114,100	1656
TOTAL GRF	General Revenue Fund	\$	2,469,260,757	\$	2,548,147,869	1657
	General Services Fund Group					1658



220	235-614	Program Approval and Reauthorization	\$	400,000	\$	400,000	1659
456	235-603	Sales and Services	\$	700,000	\$	900,000	1660
TOTAL GSF General Services							1661
Fund Group			\$	1,100,000	\$	1,300,000	1662
Federal Special Revenue Fund Group							1663
3H2	235-608	Human Services Project	\$	1,500,000	\$	1,500,000	1664
3H2	235-622	Medical Collaboration Network	\$	3,346,143	\$	3,346,143	1665
3N6	235-605	State Student Incentive Grants	\$	2,196,680	\$	2,196,680	1666
3T0	235-610	National Health Service Corps - Ohio Loan Repayment	\$	150,001	\$	150,001	1667
312	235-609	Tech Prep	\$	183,850	\$	183,850	1668
312	235-611	Gear-up Grant	\$	1,370,691	\$	1,370,691	1669
312	235-612	Carl D. Perkins Grant/Plan Administration	\$	112,960	\$	112,960	1670
312	235-615	Professional Development	\$	523,129	\$	523,129	1671
312	235-617	Improving Teacher Quality Grant	\$	2,900,000	\$	2,900,000	1672
312	235-619	Ohio Supercomputer Center	\$	6,000,000	\$	6,000,000	1673
312	235-621	Science Education Network	\$	1,686,970	\$	1,686,970	1674
312	235-631	Federal Grants	\$	250,590	\$	250,590	1675
TOTAL FED Federal Special Revenue							1676
Fund Group			\$	20,221,014	\$	20,221,014	1677
State Special Revenue Fund Group							1678
4E8	235-602	Higher Educational	\$	55,000	\$	55,000	1679

		Facility Commission				
		Administration				
4P4	235-604	Physician Loan	\$	476,870	\$	476,870
		Repayment				1680
649	235-607	The Ohio State	\$	760,000	\$	760,000
		University				1681
		Highway/Transportation				
		Research				
682	235-606	Nursing Loan Program	\$	893,000	\$	893,000
						1682
		TOTAL SSR State Special Revenue				1683
		Fund Group	\$	2,184,870	\$	2,184,870
						1684
		TOTAL ALL BUDGET FUND GROUPS	\$	2,492,766,641	\$	2,571,853,753
						1685

**Sec. 209.63.57. STATE SHARE OF INSTRUCTION** 1687

As soon as practicable during each fiscal year of the 1688  
 biennium ending June 30, 2007, in accordance with instructions of 1689  
 the Board of Regents, each state-assisted institution of higher 1690  
 education shall report its actual enrollment to the Board of 1691  
 Regents. 1692

The Board of Regents shall establish procedures required by 1693  
 the system of formulas set out below and for the assignment of 1694  
 individual institutions to categories described in the formulas. 1695  
 The system of formulas establishes the manner in which aggregate 1696  
 expenditure requirements shall be determined for each of the three 1697  
 components of institutional operations. In addition to other 1698  
 adjustments and calculations described below, the subsidy 1699  
 entitlement of an institution shall be determined by subtracting 1700  
 from the institution's aggregate expenditure requirements income 1701  
 to be derived from the local contributions assumed in calculating 1702  
 the subsidy entitlements. The local contributions for purposes of 1703  
 determining subsidy support shall not limit the authority of the 1704  
 individual boards of trustees to establish fee levels. 1705

The General Studies and Technical models shall be adjusted by the Board of Regents so that the share of state subsidy earned by those models is not altered by changes in the overall local share. A lower-division fee differential shall be used to maintain the relationship that would have occurred between these models and the baccalaureate models had an assumed share of 37.5 per cent been funded.

In defining the number of full-time equivalent (FTE) students for state subsidy purposes, the Board of Regents shall exclude all undergraduate students who are not residents of Ohio, except those charged in-state fees in accordance with reciprocity agreements made under section 3333.17 of the Revised Code or employer contracts entered into under section 3333.32 of the Revised Code.

(A) AGGREGATE EXPENDITURE PER FULL-TIME EQUIVALENT STUDENT 1719

(1) INSTRUCTION AND SUPPORT SERVICES 1720

MODEL	FY 2006	FY 2007	
General Studies I	\$ 4,655	\$ 4,655	1721
General Studies II	\$ 5,135	\$ 5,135	1722
General Studies III	\$ 6,365	\$ 6,365	1723
Technical I	\$ 5,926	\$ 5,926	1724
Technical III	\$ 9,107	\$ 9,107	1725
Baccalaureate I	\$ 7,160	\$ 7,160	1726
Baccalaureate II	\$ 8,235	\$ 8,235	1727
Baccalaureate III	\$11,841	\$11,841	1728
Masters and Professional I	\$19,088	\$19,088	1729
Masters and Professional II	\$20,984	\$20,984	1730
Masters and Professional III	\$27,234	\$27,234	1731
Medical I	\$29,143	\$29,143	1732
Medical II	\$37,172	\$37,172	1733
MPD I	\$13,645	\$13,645	1734

(2) STUDENT SERVICES 1735

For this purpose, FTE counts shall be weighted to reflect 1737  
differences among institutions in the numbers of students enrolled 1738  
on a part-time basis. The student services subsidy per FTE shall 1739  
be \$890 in each fiscal year for all models. 1740

(B) PLANT OPERATION AND MAINTENANCE (POM) 1741

(1) DETERMINATION OF THE SQUARE-FOOT-BASED POM SUBSIDY 1742

Space undergoing renovation shall be funded at the rate 1743  
allowed for storage space. 1744

In the calculation of square footage for each campus, square 1745  
footage shall be weighted to reflect differences in space 1746  
utilization. 1747

The space inventories for each campus shall be those 1748  
determined in the fiscal year 2003 state share of instruction 1749  
calculation, adjusted for changes attributable to the construction 1750  
or renovation of facilities for which state appropriations were 1751  
made or local commitments were made prior to January 1, 1995. 1752

Only 50 per cent of the space permanently taken out of 1753  
operation in fiscal year 2006 or fiscal year 2007 that is not 1754  
otherwise replaced by a campus shall be deleted from the plant 1755  
operation and maintenance space inventory. 1756

The square-foot-based plant operation and maintenance subsidy 1757  
for each campus shall be determined as follows: 1758

(a) For each standard room type category shown below, the 1759  
subsidy-eligible net assignable square feet (NASF) for each campus 1760  
shall be multiplied by the following rates, and the amounts summed 1761  
for each campus to determine the total gross square-foot-based POM 1762  
expenditure requirement: 1763

	FY 2006	FY 2007	
Classrooms	\$5.86	\$5.86	1765
Laboratories	\$7.31	\$7.31	1766

Offices	\$5.86	\$5.86	1767
Audio Visual Data Processing	\$7.31	\$7.31	1768
Storage	\$2.59	\$2.59	1769
Circulation	\$7.39	\$7.39	1770
Other	\$5.86	\$5.86	1771

(b) The total gross square-foot POM expenditure requirement shall be allocated to models in proportion to each campus's activity-based POM weight multiplied by the two- or five-year average subsidy-eligible FTEs for all models.

(c) The amounts allocated to models in division (B)(1)(b) of this section shall be multiplied by the ratio of subsidy-eligible FTE students to total FTE students reported in each model, and the amounts summed for all models. To this total amount shall be added an amount to support roads and grounds expenditures, which shall also be multiplied by the ratio of subsidy-eligible FTE students to total FTEs reported for each model. From this total amount, the amounts for Doctoral I and Doctoral II shall be subtracted to produce the square-foot-based POM subsidy.

(2) DETERMINATION OF THE ACTIVITY-BASED POM SUBSIDY

(a) The number of subsidy-eligible FTE students in each model shall be multiplied by the following rates for each campus for each fiscal year.

	FY 2006	FY 2007	
General Studies I	\$ 512	\$ 512	1789
General Studies II	\$ 662	\$ 662	1790
General Studies III	\$1,464	\$1,464	1791
Technical I	\$ 752	\$ 752	1792
Technical III	\$1,343	\$1,343	1793
Baccalaureate I	\$ 639	\$ 639	1794
Baccalaureate II	\$1,149	\$1,149	1795
Baccalaureate III	\$1,262	\$1,262	1796
Masters and Professional I	\$1,258	\$1,258	1797

Masters and Professional II	\$2,446	\$2,446	1799
Masters and Professional III	\$3,276	\$3,276	1800
Medical I	\$1,967	\$1,967	1801
Medical II	\$3,908	\$3,908	1802
MPD I	\$1,081	\$1,081	1803

(b) The sum of the products for each campus determined in 1804  
division (B)(2)(a) of this section for all models except Doctoral 1805  
I and Doctoral II for each fiscal year shall be weighted by a 1806  
factor to reflect sponsored research activity and job 1807  
training-related public services expenditures to determine the 1808  
total activity-based POM subsidy. 1809

(C) CALCULATION OF CORE SUBSIDY ENTITLEMENTS AND ADJUSTMENTS 1810

(1) CALCULATION OF CORE SUBSIDY ENTITLEMENTS 1811

The calculation of the core subsidy entitlement shall consist 1812  
of the following components: 1813

(a) For each campus in each fiscal year, the core subsidy 1814  
entitlement shall be determined by multiplying the amounts listed 1815  
above in divisions (A)(1) and (2) and (B)(2) of this section less 1816  
assumed local contributions, by (i) average subsidy-eligible FTEs 1817  
for the two-year period ending in the prior year for all models 1818  
except Doctoral I and Doctoral II; and (ii) average 1819  
subsidy-eligible FTEs for the five-year period ending in the prior 1820  
year for all models except Doctoral I and Doctoral II. 1821

(b) In calculating the core subsidy entitlements for Medical 1822  
II models only, the Board of Regents shall use the following count 1823  
of FTE students: 1824

(i) For those medical schools whose current year enrollment, 1825  
including students repeating terms, is below the base enrollment, 1826  
the Medical II FTE enrollment shall equal: 65 per cent of the base 1827  
enrollment plus 35 per cent of the current year enrollment 1828  
including students repeating terms, where the base enrollment is: 1829

The Ohio State University	1010	1830
University of Cincinnati	833	1831
<del>Medical University of Ohio at</del> Toledo	650	1832
Wright State University	433	1833
Ohio University	433	1834
Northeastern Ohio Universities College of Medicine	433	1835

(ii) For those medical schools whose current year enrollment, 1836  
excluding students repeating terms, is equal to or greater than 1837  
the base enrollment, the Medical II FTE enrollment shall equal the 1838  
base enrollment plus the FTE for repeating students. 1839

(iii) Students repeating terms may be no more than five per 1840  
cent of current year enrollment. 1841

(c) The Board of Regents shall compute the sum of the two 1842  
calculations listed in division (C)(1)(a) of this section and use 1843  
the greater sum as the core subsidy entitlement. 1844

The POM subsidy for each campus shall equal the greater of 1845  
the square-foot-based subsidy or the activity-based POM subsidy 1846  
component of the core subsidy entitlement. 1847

(d) The state share of instruction provided for doctoral 1848  
students shall be based on a fixed percentage of the total 1849  
appropriation. In each fiscal year of the biennium not more than 1850  
10.34 per cent of the total state share of instruction shall be 1851  
reserved to implement the recommendations of the Graduate Funding 1852  
Commission. It is the intent of the General Assembly that the 1853  
doctoral reserve not exceed 10.34 per cent of the total state 1854  
share of instruction to implement the recommendations of the 1855  
Graduate Funding Commission. The Board of Regents may reallocate 1856  
up to two per cent in each fiscal year of the reserve among the 1857  
state-assisted universities on the basis of a quality review as 1858  
specified in the recommendations of the Graduate Funding 1859

Commission. No such reallocation shall occur unless the Board of  
Regents, in consultation with representatives of state-assisted  
universities, determines that sufficient funds are available for  
this purpose.

The amount so reserved shall be allocated to universities in  
proportion to their share of the total number of Doctoral I  
equivalent FTEs as calculated on an institutional basis using the  
greater of the two-year or five-year FTEs for the period fiscal  
year 1994 through fiscal year 1998 with annualized FTEs for fiscal  
years 1994 through 1997 and all-term FTEs for fiscal year 1998 as  
adjusted to reflect the effects of doctoral review and subsequent  
changes in Doctoral I equivalent enrollments. For the purposes of  
this calculation, Doctoral I equivalent FTEs shall equal the sum  
of Doctoral I FTEs plus 1.5 times the sum of Doctoral II FTEs.

If a university participates in the Innovation Incentive  
Program outlined in appropriation item 235-433, Economic Growth  
Challenge, then the Board of Regents shall withhold 1.5 per cent  
in fiscal year 2006 and three per cent in fiscal year 2007 of the  
participating university's allocation of the doctoral reserve.  
This withholding is intended to increase incrementally with a goal  
of setting aside 15 per cent of the total doctoral reserve by  
fiscal year 2016.

The Board of Regents shall use the combined amount of each  
participating state-assisted university's set aside of the  
doctoral reserve that has been withheld, the state matching funds  
earmarked under appropriation item 235-433, Economic Growth  
Challenge, and the amount set aside by each accredited Ohio  
institution of higher education holding a certificate of  
authorization under section 1713.02 of the Revised Code electing  
to participate in the Innovation Incentive Program to make awards  
through a competitive process under the Innovation Incentive  
Program. Only universities electing to set aside the prescribed



amount shall be eligible to compete for and receive Innovation	1892
Incentive awards. The participating universities shall use these	1893
awards to restructure their array of doctoral programs.	1894
(2) ANNUAL STATE SHARE OF INSTRUCTION FUNDING STOP LOSS	1895
In addition to and after the other adjustment noted above, in	1896
each fiscal year, no campus shall receive a state share of	1897
instruction allocation that is less than 97 per cent of the prior	1898
year's state share of instruction amount.	1899
(3) REDUCTIONS IN EARNINGS	1900
If the total state share of instruction earnings in any	1901
fiscal year exceeds the total appropriations available for such	1902
purposes, the Board of Regents shall proportionately reduce the	1903
state share of instruction earnings for all campuses by a uniform	1904
percentage so that the system wide sum equals available	1905
appropriations.	1906
(4) CAPITAL COMPONENT DEDUCTION	1907
After all other adjustments have been made, state share of	1908
instruction earnings shall be reduced for each campus by the	1909
amount, if any, by which debt service charged in Am. H.B. <del>No.</del> 748	1910
of the 121st General Assembly, Am. Sub. H.B. <del>No.</del> 850 of the 122nd	1911
General Assembly, Am. Sub. H.B. <del>No.</del> 640 of the 123rd General	1912
Assembly, <del>and</del> H.B. <del>No.</del> 675 of the 124th General Assembly, and Am.	1913
Sub. H.B. 16 of the 126th General Assembly for that campus exceeds	1914
that campus's capital component earnings. The sum of the amounts	1915
deducted shall be transferred to appropriation item 235-552,	1916
Capital Component, in each fiscal year.	1917
(D) EXCEPTIONAL CIRCUMSTANCES	1918
Adjustments may be made to the state share of instruction	1919
payments and other subsidies distributed by the Board of Regents	1920
to state-assisted colleges and universities for exceptional	1921

circumstances. No adjustments for exceptional circumstances may be made without the recommendation of the Chancellor and the approval of the Controlling Board.

1922  
1923  
1924

(E) MID-YEAR APPROPRIATION REDUCTIONS TO THE STATE SHARE OF INSTRUCTION

1925  
1926

The standard provisions of the state share of instruction calculation as described in the preceding sections of temporary law shall apply to any reductions made to appropriation item 235-501, State Share of Instruction, before the Board of Regents has formally approved the final allocation of the state share of instruction funds for any fiscal year.

1927  
1928  
1929  
1930  
1931  
1932

Any reductions made to appropriation item 235-501, State Share of Instruction, after the Board of Regents has formally approved the final allocation of the state share of instruction funds for any fiscal year, shall be uniformly applied to each campus in proportion to its share of the final allocation.

1933  
1934  
1935  
1936  
1937

(F) DISTRIBUTION OF STATE SHARE OF INSTRUCTION

1938

The state share of instruction payments to the institutions shall be in substantially equal monthly amounts during the fiscal year, unless otherwise determined by the Director of Budget and Management pursuant to section 126.09 of the Revised Code. Payments during the first six months of the fiscal year shall be based upon the state share of instruction appropriation estimates made for the various institutions of higher education according to Board of Regents enrollment estimates. Payments during the last six months of the fiscal year shall be distributed after approval of the Controlling Board upon the request of the Board of Regents.

1939  
1940  
1941  
1942  
1943  
1944  
1945  
1946  
1947  
1948

(G) LAW SCHOOL SUBSIDY

1949

The state share of instruction to state-supported universities for students enrolled in law schools in fiscal year

1950  
1951

2006 and fiscal year 2007 shall be calculated by using the number  
of subsidy-eligible FTE law school students funded by state  
subsidy in fiscal year 1995 or the actual number of  
subsidy-eligible FTE law school students at the institution in the  
fiscal year, whichever is less.

(H) FUNDS REQUIRING CONTROLLING BOARD APPROVAL

Of the foregoing appropriation item 235-501, State Share of  
Instruction, \$30,000,000 in fiscal year 2007 shall not be  
disbursed without approval of the Controlling Board. Within ten  
days after the issuance of the report of the Higher Education  
Funding Study Council required by Section 209.63.58 of ~~this act~~  
Am. Sub. H.B. 66 of the 126th General Assembly, the Board of  
Regents shall seek the Controlling Board's approval to disburse  
the \$30,000,000 appropriation.

**Sec. 209.64.22. STATE UNIVERSITY CLINICAL TEACHING**

The foregoing appropriation items 235-536, The Ohio State  
University Clinical Teaching; 235-537, University of Cincinnati  
Clinical Teaching; 235-538, ~~Medical~~ University of ~~Ohio~~ at Toledo  
Clinical Teaching; 235-539, Wright State University Clinical  
Teaching; 235-540, Ohio University Clinical Teaching; and 235-541,  
Northeastern Ohio Universities College of Medicine Clinical  
Teaching, shall be distributed through the Board of Regents.

Of the foregoing appropriation item 235-539, Wright State  
University Clinical Teaching, \$124,644 in each fiscal year of the  
biennium shall be for the use of Wright State University's Ellis  
Institute for Clinical Teaching Studies to operate the clinical  
facility to serve the Greater Dayton area.

The Board of Regents, in consultation with representatives of  
each of the six state-assisted colleges of medicine, shall study  
and propose recommendations for a formula to allocate

appropriations for clinical teaching support. The consultation 1982  
shall consider factors that reward medical schools for serving 1983  
Ohio's health care needs in an equitable and efficient manner. 1984  
Recommendations shall be submitted to the Office of Budget and 1985  
Management and the General Assembly for consideration by November 1986  
15, 2006. A new method, approved by the Office of Budget and 1987  
Management and the General Assembly, shall be implemented in 1988  
fiscal years 2008 and 2009 for distributing funds for clinical 1989  
teaching support. 1990

**Section 6.** That existing Sections 209.63, 209.63.57, and 1991  
209.64.22 of Am. Sub. H.B. 66 of the 126th General Assembly are 1992  
hereby repealed. 1993

**Section 7.** Sections 1, 2, 3, 5, and 6 of this act take effect 1994  
July 1, 2006. Section 4 of this act shall take effect on the 1995  
earliest date permitted by law. 1996