

**As Reported by the House Finance and Appropriations
Committee**

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

Sub. H. B. No. 478

**Representatives Wagoner, Ujvagi, Brown, Perry, Latta, Webster, Miller, Core,
Hartnett, Evans, C., Hoops, McGregor, J., Sykes, Skindell, Coley**

—

A B I L L

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
state university to be known as the "university of Toledo."

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

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

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

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.

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.

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.

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.

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.

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

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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.

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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.

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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.

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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.

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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.

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(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

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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
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.

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(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.

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(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.

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(5) No person who has served as a voting member of the board

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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
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.

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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.

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(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.

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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

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official duties, shall give bond to the state for the faithful 175
performance of the treasurer's duties and the proper accounting 176
for all moneys coming into the treasurer's care. The amount of 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 209
institutions" means the university of Toledo, as authorized under 210
former Chapter 3360. of the Revised Code, and the medical 211
university of Ohio at Toledo, as authorized under former sections 212
3350.01 to 3350.05 of the Revised Code, which are combined as the 213
university of Toledo pursuant to section 3364.01 of the Revised 214
Code. 215

(B) When the combination of the constituent institutions 216
becomes effective, all of the following apply: 217

(1) The separate existence of each of the constituent 218
institutions shall cease, and the existence of each of the 219
constituent institutions shall be continued for all purposes as 220
the combined university of Toledo. The combination shall not cause 221
either of the constituent institutions to be extinguished, 222
terminated, dissolved, or liquidated and shall not constitute a 223
sale, assignment, conveyance, disposition, or transfer of any of 224
the rights or property of either of the constituent institutions. 225
Whenever an instrument of conveyance, assignment, or transfer or 226
deed or other act is necessary to vest property or rights in the 227
combined university, the officers, trustees, or other authorized 228
representatives of the respective constituent institutions shall 229
execute, acknowledge, and deliver such instruments and do such 230
acts. For these purposes, the existence of the respective 231
constituent institutions and the authority of their respective 232
officers, trustees, or other authorized representatives is 233
continued notwithstanding the combination. 234

(2) The combined university possesses all assets and property 235

of every description, and every interest in the assets and 236
property, wherever located, and the rights, privileges, 237
immunities, powers, franchises, and authority of each of the 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) Any person who elects to transfer from the school	268
employees retirement system to the public employees retirement	269
system under section 3309.312 of the Revised Code;	270
(C) Any person who is employed full-time on or after	271
September 16, 1998, pursuant to section 3345.04 of the Revised	272
Code by the university of Akron as a state university law	273
enforcement officer.	274
Such employees are included in the definition of member as	275
used in Chapter 145. of the Revised Code. The universities and	276
colleges shall be subject to the obligations imposed by Chapter	277
145. of the Revised Code.	278
Sec. 151.04. This section applies to obligations as defined	279
in this section.	280
(A) As used in this section:	281
(1) "Costs of capital facilities" include related direct	282
administrative expenses and allocable portions of direct costs of	283
the using institution.	284
(2) "Obligations" means obligations as defined in section	285
151.01 of the Revised Code issued to pay costs of capital	286
facilities for state-supported or state-assisted institutions of	287
higher education.	288
(3) "State-supported or state-assisted institutions of higher	289
education" means a state university or college, or community	290
college district, technical college district, university branch	291
district, or state community college, or other institution for	292
education, including technical education, beyond the high school,	293
receiving state support or assistance for its expenses of	294
operation. "State university or college" means each of the state	295

universities identified in section 3345.011 of the Revised Code, 296
and the northeastern Ohio universities college of medicine, ~~and~~ 297
~~the medical university of Ohio at Toledo.~~ 298

(4) "Using institution" means the state-supported or 299
state-assisted institution of higher education, or two or more 300
institutions acting jointly, that are the ultimate users of 301
capital facilities for state-supported and state-assisted 302
institutions of higher education financed with net proceeds of 303
obligations. 304

(B) The issuing authority shall issue obligations to pay 305
costs of capital facilities for state-supported and state-assisted 306
institutions of higher education pursuant to Section 2n of Article 307
VIII, Ohio Constitution, section 151.01 of the Revised Code, and 308
this section. 309

(C) Net proceeds of obligations shall be deposited into the 310
higher education improvement fund created by division (F) of 311
section 154.21 of the Revised Code. 312

(D) There is hereby created in the state treasury the "higher 313
education capital facilities bond service fund." All moneys 314
received by the state and required by the bond proceedings, 315
consistent with sections 151.01 and 151.04 of the Revised Code, to 316
be deposited, transferred, or credited to the bond service fund, 317
and all other moneys transferred or allocated to or received for 318
the purposes of that fund, shall be deposited and credited to the 319
bond service fund, subject to any applicable provisions of the 320
bond proceedings but without necessity for any act of 321
appropriation. During the period beginning with the date of the 322
first issuance of obligations and continuing during the time that 323
any obligations are outstanding in accordance with their terms, so 324
long as moneys in the bond service fund are insufficient to pay 325
debt service when due on those obligations payable from that fund 326

(except the principal amounts of bond anticipation notes payable 327
from the proceeds of renewal notes or bonds anticipated) and due 328
in the particular fiscal year, a sufficient amount of revenues of 329
the state is committed and, without necessity for further act of 330
appropriation, shall be paid to the bond service fund for the 331
purpose of paying that debt service when due. 332

Sec. 154.01. As used in this chapter: 333

(A) "Commission" means the Ohio public facilities commission 334
created in section 151.02 of the Revised Code. 335

(B) "Obligations" means bonds, notes, or other evidences of 336
obligation, including interest coupons pertaining thereto, issued 337
pursuant to Chapter 154. of the Revised Code. 338

(C) "Bond proceedings" means the order or orders, resolution 339
or resolutions, trust agreement, indenture, lease, and other 340
agreements, amendments and supplements to the foregoing, or any 341
combination thereof, authorizing or providing for the terms and 342
conditions applicable to, or providing for the security of, 343
obligations issued pursuant to Chapter 154. of the Revised Code, 344
and the provisions contained in such obligations. 345

(D) "State agencies" means the state of Ohio and officers, 346
boards, commissions, departments, divisions, or other units or 347
agencies of the state. 348

(E) "Governmental agency" means state agencies, state 349
supported and assisted institutions of higher education, municipal 350
corporations, counties, townships, school districts, and any other 351
political subdivision or special district in this state 352
established pursuant to law, and, except where otherwise 353
indicated, also means the United States or any department, 354
division, or agency thereof, and any agency, commission, or 355
authority established pursuant to an interstate compact or 356

agreement.

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

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(G) "Governing body" means:

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

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

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

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

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(I) "Bond service charges" means principal, including
mandatory sinking fund requirements for retirement of obligations,

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and interest, and redemption premium, if any, required to be paid 387
by the state on obligations. If not prohibited by the applicable 388
bond proceedings, bond service charges may include costs relating 389
to credit enhancement facilities that are related to and 390
represent, or are intended to provide a source of payment of or 391
limitation on, other bond service charges. 392

(J) "Capital facilities" means buildings, structures, and 393
other improvements, and equipment, real estate, and interests in 394
real estate therefor, within the state, and any one, part of, or 395
combination of the foregoing, to serve the general purposes for 396
which the issuing authority is authorized to issue obligations 397
pursuant to Chapter 154. of the Revised Code, including, but not 398
limited to, drives, roadways, parking facilities, walks, lighting, 399
machinery, furnishings, utilities, landscaping, wharves, docks, 400
piers, reservoirs, dams, tunnels, bridges, retaining walls, 401
riprap, culverts, ditches, channels, watercourses, retention 402
basins, standpipes and water storage facilities, waste treatment 403
and disposal facilities, heating, air conditioning and 404
communications facilities, inns, lodges, cabins, camping sites, 405
golf courses, boat and bathing facilities, athletic and 406
recreational facilities, and site improvements. 407

(K) "Costs of capital facilities" means the costs of 408
acquiring, constructing, reconstructing, rehabilitating, 409
remodeling, renovating, enlarging, improving, equipping, or 410
furnishing capital facilities, and the financing thereof, 411
including the cost of clearance and preparation of the site and of 412
any land to be used in connection with capital facilities, the 413
cost of any indemnity and surety bonds and premiums on insurance, 414
all related direct administrative expenses and allocable portions 415
of direct costs of the commission or issuing authority and 416
department of administrative services, or other designees of the 417
commission under section 154.17 of the Revised Code, cost of 418

engineering and architectural services, designs, plans, 419
specifications, surveys, and estimates of cost, legal fees, fees 420
and expenses of trustees, depositories, and paying agents for the 421
obligations, cost of issuance of the obligations and financing 422
charges and fees and expenses of financial advisers and 423
consultants in connection therewith, interest on obligations from 424
the date thereof to the time when interest is to be covered from 425
sources other than proceeds of obligations, amounts necessary to 426
establish reserves as required by the bond proceedings, costs of 427
audits, the reimbursement of all moneys advanced or applied by or 428
borrowed from any governmental agency, whether to or by the 429
commission or others, from whatever source provided, for the 430
payment of any item or items of cost of the capital facilities, 431
any share of the cost undertaken by the commission pursuant to 432
arrangements made with governmental agencies under division (H) of 433
section 154.06 of the Revised Code, and all other expenses 434
necessary or incident to planning or determining feasibility or 435
practicability with respect to capital facilities, and such other 436
expenses as may be necessary or incident to the acquisition, 437
construction, reconstruction, rehabilitation, remodeling, 438
renovation, enlargement, improvement, equipment, and furnishing of 439
capital facilities, the financing thereof and the placing of the 440
same in use and operation, including any one, part of, or 441
combination of such classes of costs and expenses. 442

(L) "Public service facilities" means inns, lodges, hotels, 443
cabins, camping sites, scenic trails, picnic sites, restaurants, 444
commissaries, golf courses, boating and bathing facilities and 445
other similar facilities in state parks. 446

(M) "State parks" means: 447

(1) State reservoirs described and identified in section 448
1541.06 of the Revised Code; 449

(2) All lands or interests therein of the state identified as 450
administered by the division of parks and recreation in the 451
"inventory of state owned lands administered by the department of 452
natural resources as of June 1, 1963," as recorded in the journal 453
of the director, which inventory was prepared by the real estate 454
section of the department and is supported by maps now on file in 455
said real estate section; 456

(3) All lands or interests in lands of the state designated 457
after June 1, 1963, as state parks in the journal of the director 458
with the approval of the recreation and resources council. 459

State parks do not include any lands or interest in lands of 460
the state administered jointly by two or more divisions of the 461
department of natural resources. The designation of lands as state 462
parks under divisions (M)(1) to (3) of this section is conclusive 463
and such lands shall be under the control of and administered by 464
the division of parks and recreation. No order or proceeding 465
designating lands as state parks or park purchase areas is subject 466
to any appeal or review by any officer, board, commission, or 467
court. 468

(N) "Bond service fund" means the applicable fund created for 469
and pledged to the payment of bond service charges under section 470
154.20, 154.21, 154.22, or 154.23 of the Revised Code, including 471
all moneys and investments, and earnings from investments, 472
credited and to be credited thereto. 473

(O) "Improvement fund" means the applicable fund created for 474
the payment of costs of capital facilities under section 154.20, 475
154.21, 154.22, or 3383.09 of the Revised Code, including all 476
moneys and investments, and earnings from investments, credited 477
and to be credited thereto. 478

(P) "Special funds" or "funds" means, except where the 479
context does not permit, the bond service funds, the improvements 480

funds, and any other funds for similar or different purposes 481
created under bond proceedings, including all moneys and 482
investments, and earnings from investments, credited and to be 483
credited thereto. 484

(Q) "Year" unless the context indicates a different meaning 485
or intent, means a calendar year beginning on the first day of 486
January and ending on the thirty-first day of December. 487

(R) "Fiscal year" means the period of twelve months beginning 488
on the first day of July and ending on the thirtieth day of June. 489

(S) "Issuing authority" means the treasurer of state or the 490
officer or employee who by law performs the functions of that 491
office. 492

(T) "Credit enhancement facilities" has the same meaning as 493
in section 133.01 of the Revised Code. 494

(U) "Ohio cultural facility" and "Ohio sports facility" have 495
the same meanings as in section 3383.01 of the Revised Code. 496

Sec. 3305.01. As used in this chapter: 497

(A) "Public institution of higher education" means a state 498
university as defined in section 3345.011 of the Revised Code, ~~the~~ 499
~~medical university of Ohio at Toledo,~~ the northeastern Ohio 500
universities college of medicine, or a university branch, 501
technical college, state community college, community college, or 502
municipal university established or operating under Chapter 3345., 503
3349., 3354., 3355., 3357., or 3358. of the Revised Code. 504

(B) "State retirement system" means the public employees 505
retirement system created under Chapter 145. of the Revised Code, 506
the state teachers retirement system created under Chapter 3307. 507
of the Revised Code, or the school employees retirement system 508
created under Chapter 3309. of the Revised Code. 509

(C) "Eligible employee" means any person employed as a 510
full-time employee of a public institution of higher education. 511

In all cases of doubt, the board of trustees of the public 512
institution of higher education shall determine whether any person 513
is an eligible employee for purposes of this chapter, and the 514
board's decision shall be final. 515

(D) "Electing employee" means any eligible employee who 516
elects, pursuant to section 3305.05 or 3305.051 of the Revised 517
Code, to participate in an alternative retirement plan provided 518
pursuant to this chapter or an eligible employee who is required 519
to participate in an alternative retirement plan pursuant to 520
division (C)(4) of section 3305.05 or division (F) of section 521
3305.051 of the Revised Code. 522

(E) "Compensation," for purposes of an electing employee, has 523
the same meaning as the applicable one of the following: 524

(1) If the electing employee would be subject to Chapter 145. 525
of the Revised Code had the employee not made an election pursuant 526
to section 3305.05 or 3305.051 of the Revised Code, "earnable 527
salary" as defined in division (R) of section 145.01 of the 528
Revised Code; 529

(2) If the electing employee would be subject to Chapter 530
3307. of the Revised Code had the employee not made an election 531
pursuant to section 3305.05 or 3305.051 of the Revised Code, 532
"compensation" as defined in division (L) of section 3307.01 of 533
the Revised Code; 534

(3) If the electing employee would be subject to Chapter 535
3309. of the Revised Code had the employee not made an election 536
pursuant to section 3305.05 or 3305.051 of the Revised Code, 537
"compensation" as defined in division (V) of section 3309.01 of 538
the Revised Code. 539

(F) "Provider" means an entity designated under section 540
3305.03 of the Revised Code as a provider of investment options 541
for an alternative retirement plan. 542

Sec. 3307.01. As used in this chapter: 543

(A) "Employer" means the board of education, school district, 544
governing authority of any community school established under 545
Chapter 3314. of the Revised Code, college, university, 546
institution, or other agency within the state by which a teacher 547
is employed and paid. 548

(B) "Teacher" means all of the following: 549

(1) Any person paid from public funds and employed in the 550
public schools of the state under any type of contract described 551
in section 3319.08 of the Revised Code in a position for which the 552
person is required to have a license issued pursuant to sections 553
3319.22 to 3319.31 of the Revised Code; 554

(2) Any person employed as a teacher by a community school 555
pursuant to Chapter 3314. of the Revised Code; 556

(3) Any person having a license issued pursuant to sections 557
3319.22 to 3319.31 of the Revised Code and employed in a public 558
school in this state in an educational position, as determined by 559
the state board of education, under programs provided for by 560
federal acts or regulations and financed in whole or in part from 561
federal funds, but for which no licensure requirements for the 562
position can be made under the provisions of such federal acts or 563
regulations; 564

(4) Any other teacher or faculty member employed in any 565
school, college, university, institution, or other agency wholly 566
controlled and managed, and supported in whole or in part, by the 567
state or any political subdivision thereof, including Central 568
state university, Cleveland state university, and the university 569

of Toledo, ~~and the medical university of Ohio at Toledo;~~ 570

(5) The educational employees of the department of education, 571
as determined by the state superintendent of public instruction. 572

In all cases of doubt, the state teachers retirement board 573
shall determine whether any person is a teacher, and its decision 574
shall be final. 575

"Teacher" does not include any eligible employee of a public 576
institution of higher education, as defined in section 3305.01 of 577
the Revised Code, who elects to participate in an alternative 578
retirement plan established under Chapter 3305. of the Revised 579
Code. 580

(C) "Member" means any person included in the membership of 581
the state teachers retirement system, which shall consist of all 582
teachers and contributors as defined in divisions (B) and (D) of 583
this section and all disability benefit recipients, as defined in 584
section 3307.50 of the Revised Code. However, for purposes of this 585
chapter, the following persons shall not be considered members: 586

(1) A student, intern, or resident who is not a member while 587
employed part-time by a school, college, or university at which 588
the student, intern, or resident is regularly attending classes; 589

(2) A person denied membership pursuant to section 3307.24 of 590
the Revised Code; 591

(3) An other system retirant, as defined in section 3307.35 592
of the Revised Code, or a superannuate; 593

(4) An individual employed in a program established pursuant 594
to the "Job Training Partnership Act," 96 Stat. 1322 (1982), 29 595
U.S.C.A. 1501. 596

(D) "Contributor" means any person who has an account in the 597
teachers' savings fund or defined contribution fund. 598

(E) "Beneficiary" means any person eligible to receive, or in 599

receipt of, a retirement allowance or other benefit provided by 600
this chapter. 601

(F) "Year" means the year beginning the first day of July and 602
ending with the thirtieth day of June next following, except that 603
for the purpose of determining final average salary under the plan 604
described in sections 3307.50 to 3307.79 of the Revised Code, 605
"year" may mean the contract year. 606

(G) "Local district pension system" means any school teachers 607
pension fund created in any school district of the state in 608
accordance with the laws of the state prior to September 1, 1920. 609

(H) "Employer contribution" means the amount paid by an 610
employer, as determined by the employer rate, including the normal 611
and deficiency rates, contributions, and funds wherever used in 612
this chapter. 613

(I) "Five years of service credit" means employment covered 614
under this chapter and employment covered under a former 615
retirement plan operated, recognized, or endorsed by a college, 616
institute, university, or political subdivision of this state 617
prior to coverage under this chapter. 618

(J) "Actuary" means the actuarial consultant to the state 619
teachers retirement board, who shall be either of the following: 620

(1) A member of the American academy of actuaries; 621

(2) A firm, partnership, or corporation of which at least one 622
person is a member of the American academy of actuaries. 623

(K) "Fiduciary" means a person who does any of the following: 624

(1) Exercises any discretionary authority or control with 625
respect to the management of the system, or with respect to the 626
management or disposition of its assets; 627

(2) Renders investment advice for a fee, direct or indirect, 628
with respect to money or property of the system; 629

(3) Has any discretionary authority or responsibility in the 630
administration of the system. 631

(L)(1) Except as provided in this division, "compensation" 632
means all salary, wages, and other earnings paid to a teacher by 633
reason of the teacher's employment, including compensation paid 634
pursuant to a supplemental contract. The salary, wages, and other 635
earnings shall be determined prior to determination of the amount 636
required to be contributed to the teachers' savings fund or 637
defined contribution fund under section 3307.26 of the Revised 638
Code and without regard to whether any of the salary, wages, or 639
other earnings are treated as deferred income for federal income 640
tax purposes. 641

(2) Compensation does not include any of the following: 642

(a) Payments for accrued but unused sick leave or personal 643
leave, including payments made under a plan established pursuant 644
to section 124.39 of the Revised Code or any other plan 645
established by the employer; 646

(b) Payments made for accrued but unused vacation leave, 647
including payments made pursuant to section 124.13 of the Revised 648
Code or a plan established by the employer; 649

(c) Payments made for vacation pay covering concurrent 650
periods for which other salary, compensation, or benefits under 651
this chapter are paid; 652

(d) Amounts paid by the employer to provide life insurance, 653
sickness, accident, endowment, health, medical, hospital, dental, 654
or surgical coverage, or other insurance for the teacher or the 655
teacher's family, or amounts paid by the employer to the teacher 656
in lieu of providing the insurance; 657

(e) Incidental benefits, including lodging, food, laundry, 658
parking, or services furnished by the employer, use of the 659

employer's property or equipment, and reimbursement for 660
job-related expenses authorized by the employer, including moving 661
and travel expenses and expenses related to professional 662
development; 663

(f) Payments made by the employer in exchange for a member's 664
waiver of a right to receive any payment, amount, or benefit 665
described in division (L)(2) of this section; 666

(g) Payments by the employer for services not actually 667
rendered; 668

(h) Any amount paid by the employer as a retroactive increase 669
in salary, wages, or other earnings, unless the increase is one of 670
the following: 671

(i) A retroactive increase paid to a member employed by a 672
school district board of education in a position that requires a 673
license designated for teaching and not designated for being an 674
administrator issued under section 3319.22 of the Revised Code 675
that is paid in accordance with uniform criteria applicable to all 676
members employed by the board in positions requiring the licenses; 677

(ii) A retroactive increase paid to a member employed by a 678
school district board of education in a position that requires a 679
license designated for being an administrator issued under section 680
3319.22 of the Revised Code that is paid in accordance with 681
uniform criteria applicable to all members employed by the board 682
in positions requiring the licenses; 683

(iii) A retroactive increase paid to a member employed by a 684
school district board of education as a superintendent that is 685
also paid as described in division (L)(2)(h)(i) of this section; 686

(iv) A retroactive increase paid to a member employed by an 687
employer other than a school district board of education in 688
accordance with uniform criteria applicable to all members 689

employed by the employer. 690

(i) Payments made to or on behalf of a teacher that are in 691
excess of the annual compensation that may be taken into account 692
by the retirement system under division (a)(17) of section 401 of 693
the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 694
401(a)(17), as amended. For a teacher who first establishes 695
membership before July 1, 1996, the annual compensation that may 696
be taken into account by the retirement system shall be determined 697
under division (d)(3) of section 13212 of the "Omnibus Budget 698
Reconciliation Act of 1993," Pub. L. No. 103-66, 107 Stat. 472. 699

(j) Payments made under division (B), (C), or (E) of section 700
5923.05 of the Revised Code, Section 4 of Substitute Senate Bill 701
No. 3 of the 119th general assembly, Section 3 of Amended 702
Substitute Senate Bill No. 164 of the 124th general assembly, or 703
Amended Substitute House Bill No. 405 of the 124th general 704
assembly; 705

(k) Anything of value received by the teacher that is based 706
on or attributable to retirement or an agreement to retire. 707

(3) The retirement board shall determine by rule both of the 708
following: 709

(a) Whether particular forms of earnings are included in any 710
of the categories enumerated in this division; 711

(b) Whether any form of earnings not enumerated in this 712
division is to be included in compensation. 713

Decisions of the board made under this division shall be 714
final. 715

(M) "Superannuate" means both of the following: 716

(1) A former teacher receiving from the system a retirement 717
allowance under section 3307.58 or 3307.59 of the Revised Code; 718

(2) A former teacher receiving a benefit from the system 719

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. 720
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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. 724
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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. 729
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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. 737
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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. 746
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Sec. 3334.01. As used in this chapter: 749

(A) "Aggregate original principal amount" means the aggregate 750
of the initial offering prices to the public of college savings 751
bonds, exclusive of accrued interest, if any. "Aggregate original 752
principal amount" does not mean the aggregate accreted amount 753
payable at maturity or redemption of such bonds. 754

(B) "Beneficiary" means: 755

(1) An individual designated by the purchaser under a tuition 756
payment contract or through a scholarship program as the 757
individual on whose behalf tuition units purchased under the 758
contract or awarded through the scholarship program will be 759
applied toward the payment of undergraduate, graduate, or 760
professional tuition; or 761

(2) An individual designated by the contributor under a 762
variable college savings program contract as the individual whose 763
tuition and other higher education expenses will be paid from a 764
variable college savings program account. 765

(C) "Capital appreciation bond" means a bond for which the 766
following is true: 767

(1) The principal amount is less than the amount payable at 768
maturity or early redemption; and 769

(2) No interest is payable on a current basis. 770

(D) "Tuition unit" means a credit of the Ohio tuition trust 771
authority purchased under section 3334.09 of the Revised Code. 772
"Tuition unit" includes a tuition credit purchased prior to July 773
1, 1994. 774

(E) "College savings bonds" means revenue and other 775
obligations issued on behalf of the state or any agency or issuing 776
authority thereof as a zero-coupon or capital appreciation bond, 777
and designated as college savings bonds as provided in this 778
chapter. "College savings bond issue" means any issue of bonds of 779

which any part has been designated as college savings bonds. 780

(F) "Institution of higher education" means a state 781
institution of higher education, a private college, university, or 782
other postsecondary institution located in this state that 783
possesses a certificate of authorization issued by the Ohio board 784
of regents pursuant to Chapter 1713. of the Revised Code or a 785
certificate of registration issued by the state board of career 786
colleges and schools under Chapter 3332. of the Revised Code, or 787
an accredited college, university, or other postsecondary 788
institution located outside this state that is accredited by an 789
accrediting organization or professional association recognized by 790
the authority. To be considered an institution of higher 791
education, an institution shall meet the definition of an eligible 792
educational institution under section 529 of the Internal Revenue 793
Code. 794

(G) "Issuing authority" means any authority, commission, 795
body, agency, or individual empowered by the Ohio Constitution or 796
the Revised Code to issue bonds or any other debt obligation of 797
the state or any agency or department thereof. "Issuer" means the 798
issuing authority or, if so designated under division (B) of 799
section 3334.04 of the Revised Code, the treasurer of state. 800

(H) "Tuition" means the charges imposed to attend an 801
institution of higher education as an undergraduate, graduate, or 802
professional student and all fees required as a condition of 803
enrollment, as determined by the Ohio tuition trust authority. 804
"Tuition" does not include laboratory fees, room and board, or 805
other similar fees and charges. 806

(I) "Weighted average tuition" means the tuition cost 807
resulting from the following calculation: 808

(1) Add the products of the annual undergraduate tuition 809
charged to Ohio residents at each four-year state university 810

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 842
accrued amount payable at maturity or redemption of an 843
obligation. 844

(N) "Scholarship program" means a program registered with the 845
Ohio tuition trust authority pursuant to section 3334.17 of the 846
Revised Code. 847

(O) "Internal Revenue Code" means the "Internal Revenue Code 848
of 1986," 100 Stat. 2085, 26 U.S.C.A. 1 et seq., as amended. 849

(P) "Other higher education expenses" means room and board 850
and books, supplies, equipment, and nontuition-related fees 851
associated with the cost of attendance of a beneficiary at an 852
institution of higher education, but only to the extent that such 853
expenses meet the definition of "qualified higher education 854
expenses" under section 529 of the Internal Revenue Code. "Other 855
higher education expenses" does not include tuition as defined in 856
division (H) of this section. 857

(Q) "Purchaser" means the person signing the tuition payment 858
contract, who controls the account and acquires tuition units for 859
an account under the terms and conditions of the contract. 860

(R) "Contributor" means a person who signs a variable college 861
savings program contract with the Ohio tuition trust authority and 862
contributes to and owns the account created under the contract. 863

(S) "Contribution" means any payment directly allocated to an 864
account for the benefit of the designated beneficiary of the 865
account. 866

Sec. 3345.04. (A) As used in this section, "felony" has the 867
same meaning as in section 109.511 of the Revised Code. 868

(B) Subject to division (C) of this section, the board of 869
trustees of a state university, ~~the board of trustees of the~~ 870
~~medical university of Ohio at Toledo,~~ the board of trustees of the 871

northeastern Ohio universities college of medicine, the board of 872
trustees of a state community college, and the board of trustees 873
of a technical college or community college district operating a 874
technical or a community college may designate one or more 875
employees of the institution, as a state university law 876
enforcement officer, in accordance with section 109.77 of the 877
Revised Code, and, as state university law enforcement officers, 878
those employees shall take an oath of office, wear the badge of 879
office, serve as peace officers for the college or university, and 880
give bond to the state for the proper and faithful discharge of 881
their duties in the amount that the board of trustees requires. 882

(C)(1) The board of trustees of an institution listed in 883
division (B) of this section shall not designate an employee of 884
the institution as a state university law enforcement officer 885
pursuant to that division on a permanent basis, on a temporary 886
basis, for a probationary term, or on other than a permanent basis 887
if the employee previously has been convicted of or has pleaded 888
guilty to a felony. 889

(2)(a) The board of trustees shall terminate the employment 890
as a state university law enforcement officer of an employee 891
designated as a state university law enforcement officer under 892
division (B) of this section if that employee does either of the 893
following: 894

(i) Pleads guilty to a felony; 895

(ii) Pleads guilty to a misdemeanor pursuant to a negotiated 896
plea agreement as provided in division (D) of section 2929.43 of 897
the Revised Code in which the employee agrees to surrender the 898
certificate awarded to the employee under section 109.77 of the 899
Revised Code. 900

(b) The board of trustees shall suspend from employment as a 901
state university law enforcement officer an employee designated as 902

a state university law enforcement officer under division (B) of 903
this section if that employee is convicted, after trial, of a 904
felony. If the state university law enforcement officer files an 905
appeal from that conviction and the conviction is upheld by the 906
highest court to which the appeal is taken or if the state 907
university law enforcement officer does not file a timely appeal, 908
the board of trustees shall terminate the employment of that state 909
university law enforcement officer. If the state university law 910
enforcement officer files an appeal that results in that officer's 911
acquittal of the felony or conviction of a misdemeanor, or in the 912
dismissal of the felony charge against that officer, the board of 913
trustees shall reinstate that state university law enforcement 914
officer. A state university law enforcement officer who is 915
reinstated under division (C)(2)(b) of this section shall not 916
receive any back pay unless that officer's conviction of the 917
felony was reversed on appeal, or the felony charge was dismissed, 918
because the court found insufficient evidence to convict the 919
officer of the felony. 920

(3) Division (C) of this section does not apply regarding an 921
offense that was committed prior to January 1, 1997. 922

(4) The suspension from employment, or the termination of the 923
employment, of a state university law enforcement officer under 924
division (C)(2) of this section shall be in accordance with 925
Chapter 119. of the Revised Code. 926

Sec. 3345.12. (A) As used in this section and sections 927
3345.07 and 3345.11 of the Revised Code, in other sections of the 928
Revised Code that make reference to this section unless the 929
context does not permit, and in related bond proceedings unless 930
otherwise expressly provided: 931

(1) "State university or college" means each of the state 932
universities identified in section 3345.011 of the Revised Code. 933

and the northeastern Ohio universities college of medicine,~~and~~ 934
~~the medical university of Ohio at Toledo,~~ and includes its board 935
of trustees. 936

(2) "Institution of higher education" or "institution" means 937
a state university or college, or a community college district, 938
technical college district, university branch district, or state 939
community college, and includes the applicable board of trustees 940
or, in the case of a university branch district, any other 941
managing authority. 942

(3) "Housing and dining facilities" means buildings, 943
structures, and other improvements, and equipment, real estate, 944
and interests in real estate therefor, to be used for or in 945
connection with dormitories or other living quarters and 946
accommodations, or related dining halls or other food service and 947
preparation facilities, for students, members of the faculty, 948
officers, or employees of the institution of higher education, and 949
their spouses and families. 950

(4) "Auxiliary facilities" means buildings, structures, and 951
other improvements, and equipment, real estate, and interests in 952
real estate therefor, to be used for or in connection with student 953
activity or student service facilities, housing and dining 954
facilities, dining halls, and other food service and preparation 955
facilities, vehicular parking facilities, bookstores, athletic and 956
recreational facilities, faculty centers, auditoriums, assembly 957
and exhibition halls, hospitals, infirmaries and other medical and 958
health facilities, research, and continuing education facilities. 959

(5) "Education facilities" means buildings, structures, and 960
other improvements, and equipment, real estate, and interests in 961
real estate therefor, to be used for or in connection with, 962
classrooms or other instructional facilities, libraries, 963
administrative and office facilities, and other facilities, other 964
than auxiliary facilities, to be used directly or indirectly for 965

or in connection with the conduct of the institution of higher 966
education. 967

(6) "Facilities" means housing and dining facilities, 968
auxiliary facilities, or education facilities, and includes any 969
one, part of, or any combination of such facilities, and further 970
includes site improvements, utilities, machinery, furnishings, and 971
any separate or connected buildings, structures, improvements, 972
sites, open space and green space areas, utilities or equipment to 973
be used in, or in connection with the operation or maintenance of, 974
or supplementing or otherwise related to the services or 975
facilities to be provided by, such facilities. 976

(7) "Obligations" means bonds or notes or other evidences of 977
obligation, including interest coupons pertaining thereto, 978
authorized to be issued under this section or section 3345.07, 979
3345.11, 3354.121, 3355.091, 3357.112, or 3358.10 of the Revised 980
Code. 981

(8) "Bond service charges" means principal, including any 982
mandatory sinking fund or redemption requirements for the 983
retirement of obligations, interest, or interest equivalent and 984
other accreted amounts, and any call premium required to be paid 985
on obligations. 986

(9) "Bond proceedings" means the resolutions, trust 987
agreement, indenture, and other agreements and credit enhancement 988
facilities, and amendments and supplements to the foregoing, or 989
any one or more or combination thereof, authorizing, awarding, or 990
providing for the terms and conditions applicable to, or providing 991
for the security or liquidity of, obligations, and the provisions 992
contained in those obligations. 993

(10) "Costs of facilities" means the costs of acquiring, 994
constructing, reconstructing, rehabilitating, remodeling, 995
renovating, enlarging, improving, equipping, or furnishing 996

facilities, and the financing thereof, including the cost of 997
clearance and preparation of the site and of any land to be used 998
in connection with facilities, the cost of any indemnity and 999
surety bonds and premiums on insurance, all related direct 1000
administrative expenses and allocable portions of direct costs of 1001
the institution of higher education or state agency, cost of 1002
engineering, architectural services, design, plans, specifications 1003
and surveys, estimates of cost, legal fees, fees and expenses of 1004
trustees, depositories, bond registrars, and paying agents for the 1005
obligations, cost of issuance of the obligations and financing 1006
costs and fees and expenses of financial advisers and consultants 1007
in connection therewith, interest on the obligations from the date 1008
thereof to the time when interest is to be covered by available 1009
receipts or other sources other than proceeds of the obligations, 1010
amounts necessary to establish reserves as required by the bond 1011
proceedings, costs of audits, the reimbursements of all moneys 1012
advanced or applied by or borrowed from the institution or others, 1013
from whatever source provided, including any temporary advances 1014
from state appropriations, for the payment of any item or items of 1015
cost of facilities, and all other expenses necessary or incident 1016
to planning or determining feasibility or practicability with 1017
respect to facilities, and such other expenses as may be necessary 1018
or incident to the acquisition, construction, reconstruction, 1019
rehabilitation, remodeling, renovation, enlargement, improvement, 1020
equipment, and furnishing of facilities, the financing thereof and 1021
the placing of them in use and operation, including any one, part 1022
of, or combination of such classes of costs and expenses. 1023

(11) "Available receipts" means all moneys received by the 1024
institution of higher education, including income, revenues, and 1025
receipts from the operation, ownership, or control of facilities, 1026
grants, gifts, donations, and pledges and receipts therefrom, 1027
receipts from fees and charges, and the proceeds of the sale of 1028

obligations, including proceeds of obligations issued to refund 1029
obligations previously issued, but excluding any special fee, and 1030
receipts therefrom, charged pursuant to division (D) of section 1031
154.21 of the Revised Code. 1032

(12) "Credit enhancement facilities" has the meaning given in 1033
division (H) of section 133.01 of the Revised Code. 1034

(13) "Financing costs" has the meaning given in division (K) 1035
of section 133.01 of the Revised Code. 1036

(14) "Interest" or "interest equivalent" has the meaning 1037
given in division (R) of section 133.01 of the Revised Code. 1038

(B) Obligations issued under section 3345.07 or 3345.11 of 1039
the Revised Code by a state university or college shall be 1040
authorized by resolution of its board of trustees. Obligations 1041
issued by any other institution of higher education shall be 1042
authorized by resolution of its board of trustees, or managing 1043
directors in the case of certain university branch districts, as 1044
applicable. Sections 9.96 and 9.98 to 9.983 of the Revised Code 1045
apply to obligations. Obligations may be issued to pay costs of 1046
facilities even if the institution anticipates the possibility of 1047
a future state appropriation to pay all or a portion of such 1048
costs. 1049

(C) Obligations shall be secured by a pledge of and lien on 1050
all or such part of the available receipts of the institution of 1051
higher education as it provides for in the bond proceedings, 1052
excluding moneys raised by taxation and state appropriations. Such 1053
pledge and lien may be made prior to all other expenses, claims, 1054
or payments, excepting any pledge of such available receipts 1055
previously made to the contrary and except as provided by any 1056
existing restrictions on the use thereof, or such pledge and lien 1057
may be made subordinate to such other expenses, claims, or 1058
payments, as provided in the bond proceedings. Obligations may be 1059

1060 additionally secured by covenants of the institution to make, fix,
1061 adjust, collect, and apply such charges, rates, fees, rentals, and
1062 other items of available receipts as will produce pledged
1063 available receipts sufficient to meet bond service charges,
1064 reserve, and other requirements provided for in the bond
1065 proceedings. Notwithstanding this and any other sections of the
1066 Revised Code, the holders or owners of the obligations shall not
1067 be given the right and shall have no right to have excises or
1068 taxes levied by the general assembly for the payment of bond
1069 service charges thereon, and each such obligation shall bear on
1070 its face a statement to that effect and to the effect that the
1071 right to such payment is limited to the available receipts and
1072 special funds pledged to such purpose under the bond proceedings.

1073 All pledged available receipts and funds and the proceeds of
1074 obligations are trust funds and, subject to the provisions of this
1075 section and the applicable bond proceedings, shall be held,
1076 deposited, invested, reinvested, disbursed, applied, and used to
1077 such extent, in such manner, at such times, and for such purposes,
1078 as are provided in the bond proceedings.

1079 (D) The bond proceedings for obligations shall provide for
1080 the purpose thereof and the principal amount or maximum principal
1081 amount, and provide for or authorize the manner of determining the
1082 principal maturity or maturities, the sale price including any
1083 permitted discount, the interest rate or rates, which may be a
1084 variable rate or rates, or the maximum interest rate, the date of
1085 the obligations and the date or dates of payment of interest
1086 thereon, their denominations, the manner of sale thereof, and the
1087 establishment within or without the state of a place or places of
1088 payment of bond service charges. The bond proceedings also shall
1089 provide for a pledge of and lien on available receipts of the
1090 institution of higher education as provided in division (C) of
1091 this section, and a pledge of and lien on such fund or funds

provided in the bond proceedings arising from available receipts, 1092
which pledges and liens may provide for parity with obligations 1093
theretofore or thereafter issued by the institution. The available 1094
receipts so pledged and thereafter received by the institution and 1095
the funds so pledged are immediately subject to the lien of such 1096
pledge without any physical delivery thereof or further act, and 1097
the lien of any such pledge is valid and binding against all 1098
parties having claims of any kind against the institution, 1099
irrespective of whether such parties have notice thereof, and 1100
shall create a perfected security interest for all purposes of 1101
Chapter 1309. of the Revised Code, without the necessity for 1102
separation or delivery of funds or for the filing or recording of 1103
the bond proceedings by which such pledge is created or any 1104
certificate, statement, or other document with respect thereto; 1105
and the pledge of such available receipts and funds shall be 1106
effective and the money therefrom and thereof may be applied to 1107
the purposes for which pledged without necessity for any act of 1108
appropriation. 1109

(E) The bond proceedings may contain additional provisions 1110
customary or appropriate to the financing or to the obligations or 1111
to particular obligations, including: 1112

(1) The acquisition, construction, reconstruction, equipment, 1113
furnishing, improvement, operation, alteration, enlargement, 1114
maintenance, insurance, and repair of facilities, and the duties 1115
of the institution of higher education with reference thereto; 1116

(2) The terms of the obligations, including provisions for 1117
their redemption prior to maturity at the option of the 1118
institution of higher education at such price or prices and under 1119
such terms and conditions as are provided in the bond proceedings; 1120

(3) Limitations on the purposes to which the proceeds of the 1121
obligations may be applied; 1122

(4) The rates or rentals or other charges for the use of or 1123
right to use the facilities financed by the obligations, or other 1124
properties the revenues or receipts from which are pledged to the 1125
obligations, and rules for assuring use and occupancy thereof, 1126
including limitations upon the right to modify such rates, 1127
rentals, other charges, or regulations; 1128

(5) The use and expenditure of the pledged available receipts 1129
in such manner and to such extent as shall be determined, which 1130
may include provision for the payment of the expenses of 1131
operation, maintenance, and repair of facilities so that such 1132
expenses, or part thereof, shall be paid or provided as a charge 1133
prior or subsequent to the payment of bond service charges and any 1134
other payments required to be made by the bond proceedings; 1135

(6) Limitations on the issuance of additional obligations; 1136

(7) The terms of any trust agreement or indenture securing 1137
the obligations or under which the same may be issued; 1138

(8) The deposit, investment, and application of funds, and 1139
the safeguarding of funds on hand or on deposit without regard to 1140
Chapter 131. or 135. of the Revised Code, and any bank or trust 1141
company or other financial institution that acts as depository of 1142
any moneys under the bond proceedings shall furnish such 1143
indemnifying bonds or pledge such securities as required by the 1144
bond proceedings or otherwise by the institution of higher 1145
education; 1146

(9) The binding effect of any or every provision of the bond 1147
proceedings upon such officer, board, commission, authority, 1148
agency, department, or other person or body as may from time to 1149
time have the authority under law to take such actions as may be 1150
necessary to perform all or any part of the duty required by such 1151
provision; 1152

(10) Any provision that may be made in a trust agreement or 1153

indenture; 1154

(11) Any other or additional agreements with respect to the 1155
facilities of the institution of higher education, their 1156
operation, the available receipts and funds pledged, and insurance 1157
of facilities and of the institution its officers and employees. 1158

(F) Such obligations may have the seal of the institution of 1159
higher education or a facsimile thereof affixed thereto or printed 1160
thereon and shall be executed by such officers as are designated 1161
in the bond proceedings, which execution may be by facsimile 1162
signatures. Any obligations may be executed by an officer who, on 1163
the date of execution, is the proper officer although on the date 1164
of such obligations such person was not the proper officer. In 1165
case any officer whose signature or a facsimile of whose signature 1166
appears on any such obligation ceases to be such officer before 1167
delivery thereof, such signature or facsimile is nevertheless 1168
valid and sufficient for all purposes as if the person had 1169
remained such officer until such delivery; and in case the seal of 1170
the institution has been changed after a facsimile of the seal has 1171
been imprinted on such obligations, such facsimile seal continues 1172
to be sufficient as to such obligations and obligations issued in 1173
substitution or exchange therefor. 1174

(G) All such obligations are negotiable instruments and 1175
securities under Chapter 1308. of the Revised Code, subject to the 1176
provisions of the bond proceedings as to registration. The 1177
obligations may be issued in coupon or in registered form, or 1178
both. Provision may be made for the registration of any 1179
obligations with coupons attached thereto as to principal alone or 1180
as to both principal and interest, their exchange for obligations 1181
so registered, and for the conversion or reconversion into 1182
obligations with coupons attached thereto of any obligations 1183
registered as to both principal and interest, and for reasonable 1184
charges for such registration, exchange, conversion, and 1185

reconversion. 1186

(H) Pending preparation of definitive obligations, the 1187
institution of higher education may issue interim receipts or 1188
certificates which shall be exchanged for such definitive 1189
obligations. 1190

(I) Such obligations may be secured additionally by a trust 1191
agreement or indenture between the institution of higher education 1192
and a corporate trustee, which may be any trust company or bank 1193
having the powers of a trust company within or without this state 1194
but authorized to exercise trust powers within this state. Any 1195
such agreement or indenture may contain the resolution authorizing 1196
the issuance of the obligations, any provisions that may be 1197
contained in the bond proceedings as authorized by this section, 1198
and other provisions which are customary or appropriate in an 1199
agreement or indenture of such type, including: 1200

(1) Maintenance of each pledge, trust agreement, and 1201
indenture, or other instrument comprising part of the bond 1202
proceedings until the institution of higher education has fully 1203
paid the bond service charges on the obligations secured thereby, 1204
or provision therefor has been made; 1205

(2) In the event of default in any payments required to be 1206
made by the bond proceedings, or any other agreement of the 1207
institution of higher education made as a part of the contract 1208
under which the obligations were issued, enforcement of such 1209
payments or agreement by mandamus, the appointment of a receiver, 1210
suit in equity, action at law, or any combination of the 1211
foregoing; 1212

(3) The rights and remedies of the holders of obligations and 1213
of the trustee, and provisions for protecting and enforcing them, 1214
including limitations on rights of individual holders of 1215
obligations; 1216

(4) The replacement of any obligations that become mutilated 1217
or are destroyed, lost, or stolen; 1218

(5) Such other provisions as the trustee and the institution 1219
of higher education agree upon, including limitations, conditions, 1220
or qualifications relating to any of the foregoing. 1221

(J) Each duty of the institution of higher education and its 1222
officers or employees, undertaken pursuant to the bond proceedings 1223
or any related agreement or lease made under authority of law, is 1224
hereby established as a duty of such institution, and of each such 1225
officer or employee having authority to perform such duty, 1226
specially enjoined by law resulting from an office, trust, or 1227
station within the meaning of section 2731.01 of the Revised Code. 1228
The persons who are at the time the members of the board of 1229
trustees or the managing directors of the institution or its 1230
officers or employees are not liable in their personal capacities 1231
on such obligations, or lease, or other agreement of the 1232
institution. 1233

(K) The authority to issue obligations includes authority to: 1234

(1) Issue obligations in the form of bond anticipation notes 1235
and to renew them from time to time by the issuance of new notes. 1236
Such notes are payable solely from the available receipts and 1237
funds that may be pledged to the payment of such bonds, or from 1238
the proceeds of such bonds or renewal notes, or both, as the 1239
institution of higher education provides in its resolution 1240
authorizing such notes. Such notes may be additionally secured by 1241
covenants of the institution to the effect that it will do such or 1242
all things necessary for the issuance of such bonds or renewal 1243
notes in appropriate amount, and either exchange such bonds or 1244
renewal notes therefor or apply the proceeds thereof to the extent 1245
necessary, to make full payment of the bond service charges on 1246
such notes at the time or times contemplated, as provided in such 1247

resolution. Subject to the provisions of this division, all 1248
references to obligations in this section apply to such 1249
anticipation notes. 1250

(2) Issue obligations to refund, including funding and 1251
retirement of, obligations previously issued to pay costs of 1252
facilities. Such obligations may be issued in amounts sufficient 1253
for payment of the principal amount of the obligations to be so 1254
refunded, any redemption premiums thereon, principal maturities of 1255
any obligations maturing prior to the redemption of any other 1256
obligations on a parity therewith to be so refunded, interest 1257
accrued or to accrue to the maturity date or dates of redemption 1258
of such obligations, and any expenses incurred or to be incurred 1259
in connection with such refunding or the issuance of the 1260
obligations. 1261

(L) Obligations are lawful investments for banks, societies 1262
for savings, savings and loan associations, deposit guarantee 1263
associations, trust companies, trustees, fiduciaries, insurance 1264
companies, including domestic for life and domestic not for life, 1265
trustees or other officers having charge of sinking and bond 1266
retirement or other special funds of political subdivisions and 1267
taxing districts of this state, the commissioners of the sinking 1268
fund, the administrator of workers' compensation in accordance 1269
with the investment policy established by the workers' 1270
compensation oversight commission pursuant to section 4121.12 of 1271
the Revised Code, the state teachers retirement system, the public 1272
employees retirement system, the school employees retirement 1273
system, and the Ohio police and fire pension fund, notwithstanding 1274
any other provisions of the Revised Code or rules adopted pursuant 1275
thereto by any state agency with respect to investments by them, 1276
and are also acceptable as security for the deposit of public 1277
moneys. 1278

(M) All facilities purchased, acquired, constructed, or owned 1279

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 1311
section 3345.07 or 3345.11 of the Revised Code, to permit the 1312
purchasers or lessees thereof to acquire, construct, equip, 1313
furnish, reconstruct, alter, enlarge, remodel, renovate, 1314
rehabilitate, improve, maintain, repair, or maintain and operate 1315
thereon and to provide by lease or otherwise to such institution, 1316
facilities authorized in section 3345.07 or 3345.11 of the Revised 1317
Code. Such land or interests therein shall be sold for such 1318
appraised value, or leased, and on such terms as the board of 1319
trustees determines. All deeds or other instruments relating to 1320
such sales or leases shall be executed by such officer of the 1321
state university or college as the board of trustees designates. 1322
The state university or college shall hold, invest, or use the 1323
proceeds of such sales or leases for the same purposes for which 1324
proceeds of borrowings may be used under sections 3345.07 and 1325
3345.11 of the Revised Code. 1326

(R) An institution of higher education may pledge available 1327
receipts, to the extent permitted by division (C) of this section 1328
with respect to obligations, to secure the payments to be made by 1329
it under any lease, lease with option to purchase, or 1330
lease-purchase agreement authorized under this section or section 1331
3345.07, 3345.11, 3354.121, 3355.091, 3357.112, or 3358.10 of the 1332
Revised Code. 1333

Sec. 3345.17. All property, personal, real, or mixed of the 1334
boards of trustees and of the housing commissions of the state 1335
universities, ~~the medical university of Ohio at Toledo,~~ the 1336
northeastern Ohio universities college of medicine, and of the 1337
state held for the use and benefit of any such institution, which 1338
is used for the support of such institution, is exempt from 1339
taxation so long as such property is used for the support of such 1340
university or college. 1341

Sec. 3345.31. The boards of trustees of a state university, 1342
~~the board of trustees of the medical university of Ohio at Toledo,~~ 1343
the board of trustees of the northeastern Ohio universities 1344
college of medicine, the board of trustees of a technical college 1345
or community college district, and the board of control of the 1346
Ohio agricultural research and development center may establish 1347
compensation plans, including schedules of hourly rates, for the 1348
compensation of all employees and may establish rules or policies 1349
for the administration of their respective compensation plans. 1350

The provisions of this section do not apply to employees for 1351
whom the state employment relations board establishes appropriate 1352
bargaining units pursuant to section 4117.06 of the Revised Code. 1353

Sec. 3345.32. (A) As used in this section: 1354

(1) "State university or college" means the institutions 1355
described in section 3345.27 of the Revised Code, and the 1356
northeastern Ohio universities college of medicine, ~~and the~~ 1357
~~medical university of Ohio at Toledo.~~ 1358

(2) "Resident" has the meaning specified by rule of the Ohio 1359
board of regents. 1360

(3) "Statement of selective service status" means a statement 1361
certifying one of the following: 1362

(a) That the individual filing the statement has registered 1363
with the selective service system in accordance with the "Military 1364
Selective Service Act," 62 Stat. 604, 50 U.S.C. App. 453, as 1365
amended; 1366

(b) That the individual filing the statement is not required 1367
to register with the selective service for one of the following 1368
reasons: 1369

(i) The individual is under eighteen or over twenty-six years 1370

of age~~+~~. 1371

(ii) The individual is on active duty with the armed forces 1372
of the United States other than for training in a reserve or 1373
national guard unit~~+~~. 1374

(iii) The individual is a nonimmigrant alien lawfully in the 1375
United States in accordance with section 101 (a)(15) of the 1376
"Immigration and Nationality Act," 8 U.S.C. 1101, as amended~~+~~. 1377

(iv) The individual is not a citizen of the United States and 1378
is a permanent resident of the Trust Territory of the Pacific 1379
Islands or the Northern Mariana Islands. 1380

(4) "Institution of higher education" means any eligible 1381
institution approved by the United States department of education 1382
pursuant to the "Higher Education Act of 1965," 79 Stat. 1219, as 1383
amended, or any institution whose students are eligible for 1384
financial assistance under any of the programs described by 1385
division (E) of this section. 1386

(B) The Ohio board of regents shall, by rule, specify the 1387
form of statements of selective service status to be filed in 1388
compliance with divisions (C) to (F) of this section. Each 1389
statement of selective service status shall contain a section 1390
wherein a male student born after December 31, 1959, certifies 1391
that the student has registered with the selective service system 1392
in accordance with the "Military Selective Service Act," 62 Stat. 1393
604, 50 U.S.C. App. 453, as amended. For those students not 1394
required to register with the selective service, as specified in 1395
divisions (A)(2)(b)(i) to (iv) of this section, a section shall be 1396
provided on the statement of selective service status for the 1397
certification of nonregistration and for an explanation of the 1398
reason for the exemption. The board of regents may require that 1399
such statements be accompanied by documentation specified by rule 1400
of the board. 1401

(C) A state university or college that enrolls in any course, 1402
class, or program a male student born after December 31, 1959, who 1403
has not filed a statement of selective service status with the 1404
university or college shall, regardless of the student's 1405
residency, charge the student any tuition surcharge charged 1406
students who are not residents of this state. 1407

(D) No male born after December 31, 1959, shall be eligible 1408
to receive any loan, grant, scholarship, or other financial 1409
assistance for educational expenses under section 3315.33, 1410
3333.12, 3333.122, 3333.21, 3333.22, 3333.26, 3333.27, 5910.03, 1411
5910.032, or 5919.34 of the Revised Code unless that person has 1412
filed a statement of selective service status with that person's 1413
institution of higher education. 1414

(E) If an institution of higher education receives a 1415
statement from an individual certifying that the individual has 1416
registered with the selective service system in accordance with 1417
the "Military Selective Service Act," 62 Stat. 604, 50 U.S.C. App. 1418
453, as amended or that the individual is exempt from registration 1419
for a reason other than that the individual is under eighteen 1420
years of age, the institution shall not require the individual to 1421
file any further statements. If it receives a statement certifying 1422
that the individual is not required to register because the 1423
individual is under eighteen years of age, the institution shall 1424
require the individual to file a new statement of selective 1425
service status each time the individual seeks to enroll for a new 1426
academic term or makes application for a new loan or loan 1427
guarantee or for any form of financial assistance for educational 1428
expenses, until it receives a statement certifying that the 1429
individual has registered with the selective service system or is 1430
exempt from registration for a reason other than that the 1431
individual is under eighteen years of age. 1432

Sec. 3345.50. Notwithstanding anything to the contrary in 1433
sections 123.01 and 123.15 of the Revised Code, a state 1434
university, ~~the medical university of Ohio at Toledo~~, a state 1435
community college, or the northeastern Ohio universities college 1436
of medicine not certified pursuant to section 123.17 of the 1437
Revised Code may administer any capital facilities project for the 1438
construction, reconstruction, improvement, renovation, 1439
enlargement, or alteration of a public improvement under its 1440
jurisdiction for which the total amount of funds expected to be 1441
appropriated by the general assembly does not exceed four million 1442
dollars without the supervision, control, or approval of the 1443
department of administrative services as specified in those 1444
sections, if both of the following occur: 1445

(A) Within sixty days after the effective date of the section 1446
of an act in which the general assembly initially makes an 1447
appropriation for the project, the board of trustees of the 1448
institution notifies the Ohio board of regents in writing of its 1449
intent to administer the capital facilities project; 1450

(B) The board of trustees complies with the guidelines 1451
established pursuant to section 153.16 of the Revised Code and all 1452
laws that govern the selection of consultants, preparation and 1453
approval of contract documents, receipt of bids, and award of 1454
contracts with respect to the project. 1455

The board of regents shall adopt rules in accordance with 1456
Chapter 119. of the Revised Code that establish criteria for the 1457
administration by any such institution of higher education of a 1458
capital facilities project for which the total amount of funds 1459
expected to be appropriated by the general assembly exceeds four 1460
million dollars. The criteria, to be developed with the department 1461
of administrative services and higher education representatives 1462
selected by the board of regents, shall include such matters as 1463

the adequacy of the staffing levels and expertise needed for the 1464
institution to administer the project, past performance of the 1465
institution in administering such projects, and the amount of 1466
institutional or other nonstate money to be used in financing the 1467
project. The board of regents and the department of administrative 1468
services shall approve the request of any such institution of 1469
higher education that seeks to administer any such capital 1470
facilities project and meets the criteria set forth in the rules 1471
and in the requirements of division (B) of this section. 1472

Sec. 3345.51. (A) Notwithstanding anything to the contrary in 1473
sections 123.01 and 123.15 of the Revised Code, a state 1474
university, ~~the medical university of Ohio at Toledo,~~ the 1475
northeastern Ohio universities college of medicine, or a state 1476
community college may administer any capital facilities project 1477
for the construction, reconstruction, improvement, renovation, 1478
enlargement, or alteration of a public improvement under its 1479
jurisdiction for which funds are appropriated by the general 1480
assembly without the supervision, control, or approval of the 1481
department of administrative services as specified in those 1482
sections, if all of the following occur: 1483

(1) The institution is certified by the state architect under 1484
section 123.17 of the Revised Code; 1485

(2) Within sixty days after the effective date of the section 1486
of an act in which the general assembly initially makes an 1487
appropriation for the project, the board of trustees of the 1488
institution notifies the Ohio board of regents in writing of its 1489
request to administer the capital facilities project and the board 1490
of regents approves that request pursuant to division (B) of this 1491
section; 1492

(3) The board of trustees passes a resolution stating its 1493
intent to comply with section 153.13 of the Revised Code and the 1494

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 1527
of the Revised Code appropriately. 1528

(D) The board of regents, in consultation with higher 1529
education representatives selected by the board, shall adopt rules 1530
in accordance with Chapter 119. of the Revised Code establishing 1531
criteria for monitoring capital facilities projects administered 1532
by institutions under this section. The criteria shall include the 1533
following: 1534

(1) Conditions under which the board of regents may revoke 1535
the authority of an institution to administer a capital facilities 1536
project under this section, including the failure of an 1537
institution to maintain a sufficient number of employees who have 1538
successfully completed the certification program under section 1539
123.17 of the Revised Code; 1540

(2) A process for institutions to remedy any problems found 1541
by an audit conducted pursuant to division (C) of this section, 1542
including the improper use of state funds or violations of Chapter 1543
9., 123., or 153. of the Revised Code. 1544

(E) If the board of regents revokes an institution's 1545
authority to administer a capital facilities project, the 1546
department of administrative services shall administer the capital 1547
facilities project. The board of regents also may require an 1548
institution, for which the board revoked authority to administer a 1549
capital facilities project, to acquire a new local administration 1550
competency certification pursuant to section 123.17 of the Revised 1551
Code. 1552

Sec. 3345.71. As used in sections 3345.72 to 3345.77 of the 1553
Revised Code: 1554

(A) "State university or college" means any state university 1555
listed in section 3345.011 of the Revised Code, the northeastern 1556

Ohio universities college of medicine, ~~the medical university of~~ 1557
~~Ohio at Toledo~~, any community college under Chapter 3354. of the 1558
Revised Code, any technical college under Chapter 3357. of the 1559
Revised Code, and any state community college under Chapter 3358. 1560
of the Revised Code. 1561

(B) "Fiscal watch" means the existence of a fiscal watch 1562
declared under section 3345.72 of the Revised Code. 1563

Section 3. That existing sections 145.011, 151.04, 154.01, 1564
3305.01, 3307.01, 3333.045, 3334.01, 3345.04, 3345.12, 3345.17, 1565
3345.31, 3345.32, 3345.50, 3345.51, and 3345.71 and sections 1566
3350.01, 3350.02, 3350.03, 3350.04, 3350.05, 3360.01, 3360.02, 1567
3360.03, 3360.04, and 3360.05 of the Revised Code are hereby 1568
repealed. 1569

Section 4. The boards of trustees of the University of Toledo 1570
and the Medical University of Ohio at Toledo are authorized to 1571
enter into a memorandum of understanding regarding the combination 1572
of the two institutions of higher education into a single state 1573
university as prescribed by section 3364.01 of the Revised Code. 1574
That memorandum may address such matters as the boards of trustees 1575
of the University of Toledo and the Medical University of Ohio at 1576
Toledo deem necessary and appropriate to provide for the 1577
transition of the two institutions into a combined institution, 1578
including, without limitation, the identification of the initial 1579
president of the combined institution, the process for selection 1580
of the initial chairperson of the board of trustees of the 1581
combined institution, the relationship to the combined institution 1582
of the existing foundations supporting the two separate 1583
institutions, accounting of funds, and administration of grants. 1584

Section 5. That Sections 209.63, 209.63.57, and 209.64.22 of 1585
Am. Sub. H.B. 66 of the 126th General Assembly be amended to read 1586

as follows:				1587
Sec. 209.63.	BOR BOARD OF REGENTS			1588
General Revenue Fund				1589
GRF 235-321	Operating Expenses	\$ 2,897,659	\$ 2,966,351	1590
GRF 235-401	Lease Rental Payments	\$ 200,619,200	\$ 200,795,300	1591
GRF 235-402	Sea Grants	\$ 231,925	\$ 231,925	1592
GRF 235-406	Articulation and Transfer	\$ 2,900,000	\$ 2,900,000	1593
GRF 235-408	Midwest Higher Education Compact	\$ 90,000	\$ 90,000	1594
GRF 235-409	Information System	\$ 1,146,510	\$ 1,175,172	1595
GRF 235-414	State Grants and Scholarship Administration	\$ 1,352,811	\$ 1,382,881	1596
GRF 235-415	Jobs Challenge	\$ 9,348,300	\$ 9,348,300	1597
GRF 235-417	Ohio Learning Network	\$ 3,119,496	\$ 3,119,496	1598
GRF 235-418	Access Challenge	\$ 73,513,302	\$ 73,004,671	1599
GRF 235-420	Success Challenge	\$ 52,601,934	\$ 52,601,934	1600
GRF 235-428	Appalachian New Economy Partnership	\$ 1,176,068	\$ 1,176,068	1601
GRF 235-433	Economic Growth Challenge	\$ 20,343,097	\$ 23,186,194	1602
GRF 235-434	College Readiness and Access	\$ 6,375,975	\$ 7,655,425	1603
GRF 235-435	Teacher Improvement Initiatives	\$ 2,697,506	\$ 2,697,506	1604
GRF 235-451	Eminent Scholars	\$ 0	\$ 1,370,988	1605
GRF 235-455	EnterpriseOhio Network	\$ 1,373,941	\$ 1,373,941	1606
GRF 235-474	Area Health Education Centers Program Support	\$ 1,571,756	\$ 1,571,756	1607

GRF 235-501	State Share of Instruction	\$ 1,559,096,031	\$ 1,589,096,031	1608
GRF 235-502	Student Support Services	\$ 795,790	\$ 795,790	1609
GRF 235-503	Ohio Instructional Grants	\$ 121,151,870	\$ 92,496,969	1610
GRF 235-504	War Orphans Scholarships	\$ 4,672,321	\$ 4,672,321	1611
GRF 235-507	OhioLINK	\$ 6,887,824	\$ 6,887,824	1612
GRF 235-508	Air Force Institute of Technology	\$ 1,925,345	\$ 1,925,345	1613
GRF 235-510	Ohio Supercomputer Center	\$ 4,271,195	\$ 4,271,195	1614
GRF 235-511	Cooperative Extension Service	\$ 25,644,863	\$ 25,644,863	1615
GRF 235-513	Ohio University Voinovich Center	\$ 336,082	\$ 336,082	1616
GRF 235-515	Case Western Reserve University School of Medicine	\$ 3,011,271	\$ 3,011,271	1617
GRF 235-518	Capitol Scholarship Program	\$ 125,000	\$ 125,000	1618
GRF 235-519	Family Practice	\$ 4,548,470	\$ 4,548,470	1619
GRF 235-520	Shawnee State Supplement	\$ 1,918,830	\$ 1,822,889	1620
GRF 235-521	The Ohio State University Glenn Institute	\$ 286,082	\$ 286,082	1621
GRF 235-524	Police and Fire Protection	\$ 171,959	\$ 171,959	1622
GRF 235-525	Geriatric Medicine	\$ 750,110	\$ 750,110	1623
GRF 235-526	Primary Care Residencies	\$ 2,245,688	\$ 2,245,688	1624

GRF 235-527	Ohio Aerospace Institute	\$	1,764,957	\$	1,764,957	1625
GRF 235-530	Academic Scholarships	\$	7,800,000	\$	7,800,000	1626
GRF 235-531	Student Choice Grants	\$	50,853,276	\$	52,985,376	1627
GRF 235-534	Student Workforce Development Grants	\$	2,137,500	\$	2,137,500	1628
GRF 235-535	Ohio Agricultural Research and Development Center	\$	35,955,188	\$	35,955,188	1629
GRF 235-536	The Ohio State University Clinical Teaching	\$	13,565,885	\$	13,565,885	1630
GRF 235-537	University of Cincinnati Clinical Teaching	\$	11,157,756	\$	11,157,756	1631
GRF 235-538	Medical University of Ohio at Toledo Clinical Teaching	\$	8,696,866	\$	8,696,866	1632
GRF 235-539	Wright State University Clinical Teaching		4,225,107	\$	4,225,107	1633
GRF 235-540	Ohio University Clinical Teaching	\$	4,084,540	\$	4,084,540	1634
GRF 235-541	Northeastern Ohio Universities College of Medicine Clinical Teaching	\$	4,200,945	\$	4,200,945	1635
GRF 235-543	Ohio College of Podiatric Medicine Clinic Subsidy	\$	250,000	\$	250,000	1636
GRF 235-547	School of International Business	\$	450,000	\$	450,000	1637
GRF 235-549	Part-time Student	\$	14,457,721	\$	10,534,617	1638

	Instructional Grants					
GRF 235-552	Capital Component	\$	19,058,863	\$	19,058,863	1639
GRF 235-553	Dayton Area Graduate Studies Institute	\$	2,806,599	\$	2,806,599	1640
GRF 235-554	Priorities in Collaborative Graduate Education	\$	2,355,548	\$	2,355,548	1641
GRF 235-555	Library Depositories	\$	1,696,458	\$	1,696,458	1642
GRF 235-556	Ohio Academic Resources Network	\$	3,727,223	\$	3,727,223	1643
GRF 235-558	Long-term Care Research	\$	211,047	\$	211,047	1644
GRF 235-561	Bowling Green State University Canadian Studies Center	\$	100,015	\$	100,015	1645
GRF 235-563	Ohio College Opportunity Grant	\$	0	\$	58,144,139	1646
GRF 235-572	The Ohio State University Clinic Support	\$	1,277,019	\$	1,277,019	1647
GRF 235-583	Urban University Program	\$	4,992,937	\$	4,992,937	1648
GRF 235-587	Rural University Projects	\$	1,147,889	\$	1,147,889	1649
GRF 235-596	Hazardous Materials Program	\$	360,435	\$	360,435	1650
GRF 235-599	National Guard Scholarship Program	\$	15,128,472	\$	16,611,063	1651
GRF 235-909	Higher Education General Obligation Debt Service	\$	137,600,300	\$	152,114,100	1652
TOTAL GRF	General Revenue Fund	\$	2,469,260,757	\$	2,548,147,869	1653
	General Services Fund Group					1654

220	235-614	Program Approval and Reauthorization	\$	400,000	\$	400,000	1655
456	235-603	Sales and Services	\$	700,000	\$	900,000	1656
TOTAL GSF General Services							1657
Fund Group			\$	1,100,000	\$	1,300,000	1658
Federal Special Revenue Fund Group							1659
3H2	235-608	Human Services Project	\$	1,500,000	\$	1,500,000	1660
3H2	235-622	Medical Collaboration Network	\$	3,346,143	\$	3,346,143	1661
3N6	235-605	State Student Incentive Grants	\$	2,196,680	\$	2,196,680	1662
3T0	235-610	National Health Service Corps - Ohio Loan Repayment	\$	150,001	\$	150,001	1663
312	235-609	Tech Prep	\$	183,850	\$	183,850	1664
312	235-611	Gear-up Grant	\$	1,370,691	\$	1,370,691	1665
312	235-612	Carl D. Perkins Grant/Plan Administration	\$	112,960	\$	112,960	1666
312	235-615	Professional Development	\$	523,129	\$	523,129	1667
312	235-617	Improving Teacher Quality Grant	\$	2,900,000	\$	2,900,000	1668
312	235-619	Ohio Supercomputer Center	\$	6,000,000	\$	6,000,000	1669
312	235-621	Science Education Network	\$	1,686,970	\$	1,686,970	1670
312	235-631	Federal Grants	\$	250,590	\$	250,590	1671
TOTAL FED Federal Special Revenue							1672
Fund Group			\$	20,221,014	\$	20,221,014	1673
State Special Revenue Fund Group							1674
4E8	235-602	Higher Educational	\$	55,000	\$	55,000	1675

		Facility Commission				
		Administration				
4P4	235-604	Physician Loan	\$	476,870	\$	476,870
		Repayment				1676
649	235-607	The Ohio State	\$	760,000	\$	760,000
		University				1677
		Highway/Transportation				
		Research				
682	235-606	Nursing Loan Program	\$	893,000	\$	893,000
						1678
		TOTAL SSR State Special Revenue				1679
		Fund Group	\$	2,184,870	\$	2,184,870
						1680
		TOTAL ALL BUDGET FUND GROUPS	\$	2,492,766,641	\$	2,571,853,753
						1681

Sec. 209.63.57. STATE SHARE OF INSTRUCTION 1683

As soon as practicable during each fiscal year of the 1684
 biennium ending June 30, 2007, in accordance with instructions of 1685
 the Board of Regents, each state-assisted institution of higher 1686
 education shall report its actual enrollment to the Board of 1687
 Regents. 1688

The Board of Regents shall establish procedures required by 1689
 the system of formulas set out below and for the assignment of 1690
 individual institutions to categories described in the formulas. 1691
 The system of formulas establishes the manner in which aggregate 1692
 expenditure requirements shall be determined for each of the three 1693
 components of institutional operations. In addition to other 1694
 adjustments and calculations described below, the subsidy 1695
 entitlement of an institution shall be determined by subtracting 1696
 from the institution's aggregate expenditure requirements income 1697
 to be derived from the local contributions assumed in calculating 1698
 the subsidy entitlements. The local contributions for purposes of 1699
 determining subsidy support shall not limit the authority of the 1700
 individual boards of trustees to establish fee levels. 1701

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 1715

(1) INSTRUCTION AND SUPPORT SERVICES 1716

MODEL	FY 2006	FY 2007	
General Studies I	\$ 4,655	\$ 4,655	1718
General Studies II	\$ 5,135	\$ 5,135	1719
General Studies III	\$ 6,365	\$ 6,365	1720
Technical I	\$ 5,926	\$ 5,926	1721
Technical III	\$ 9,107	\$ 9,107	1722
Baccalaureate I	\$ 7,160	\$ 7,160	1723
Baccalaureate II	\$ 8,235	\$ 8,235	1724
Baccalaureate III	\$11,841	\$11,841	1725
Masters and Professional I	\$19,088	\$19,088	1726
Masters and Professional II	\$20,984	\$20,984	1727
Masters and Professional III	\$27,234	\$27,234	1728
Medical I	\$29,143	\$29,143	1729
Medical II	\$37,172	\$37,172	1730
MPD I	\$13,645	\$13,645	1731

(2) STUDENT SERVICES 1732

For this purpose, FTE counts shall be weighted to reflect 1733
differences among institutions in the numbers of students enrolled 1734
on a part-time basis. The student services subsidy per FTE shall 1735
be \$890 in each fiscal year for all models. 1736

(B) PLANT OPERATION AND MAINTENANCE (POM) 1737

(1) DETERMINATION OF THE SQUARE-FOOT-BASED POM SUBSIDY 1738

Space undergoing renovation shall be funded at the rate 1739
allowed for storage space. 1740

In the calculation of square footage for each campus, square 1741
footage shall be weighted to reflect differences in space 1742
utilization. 1743

The space inventories for each campus shall be those 1744
determined in the fiscal year 2003 state share of instruction 1745
calculation, adjusted for changes attributable to the construction 1746
or renovation of facilities for which state appropriations were 1747
made or local commitments were made prior to January 1, 1995. 1748

Only 50 per cent of the space permanently taken out of 1749
operation in fiscal year 2006 or fiscal year 2007 that is not 1750
otherwise replaced by a campus shall be deleted from the plant 1751
operation and maintenance space inventory. 1752

The square-foot-based plant operation and maintenance subsidy 1753
for each campus shall be determined as follows: 1754

(a) For each standard room type category shown below, the 1755
subsidy-eligible net assignable square feet (NASF) for each campus 1756
shall be multiplied by the following rates, and the amounts summed 1757
for each campus to determine the total gross square-foot-based POM 1758
expenditure requirement: 1759

	FY 2006	FY 2007	
Classrooms	\$5.86	\$5.86	1761
Laboratories	\$7.31	\$7.31	1762

Offices	\$5.86	\$5.86	1763
Audio Visual Data Processing	\$7.31	\$7.31	1764
Storage	\$2.59	\$2.59	1765
Circulation	\$7.39	\$7.39	1766
Other	\$5.86	\$5.86	1767

(b) The total gross square-foot POM expenditure requirement 1768
shall be allocated to models in proportion to each campus's 1769
activity-based POM weight multiplied by the two- or five-year 1770
average subsidy-eligible FTEs for all models. 1771

(c) The amounts allocated to models in division (B)(1)(b) of 1772
this section shall be multiplied by the ratio of subsidy-eligible 1773
FTE students to total FTE students reported in each model, and the 1774
amounts summed for all models. To this total amount shall be added 1775
an amount to support roads and grounds expenditures, which shall 1776
also be multiplied by the ratio of subsidy-eligible FTE students 1777
to total FTEs reported for each model. From this total amount, the 1778
amounts for Doctoral I and Doctoral II shall be subtracted to 1779
produce the square-foot-based POM subsidy. 1780

(2) DETERMINATION OF THE ACTIVITY-BASED POM SUBSIDY 1781

(a) The number of subsidy-eligible FTE students in each model 1782
shall be multiplied by the following rates for each campus for 1783
each fiscal year. 1784

	FY 2006	FY 2007	
General Studies I	\$ 512	\$ 512	1786
General Studies II	\$ 662	\$ 662	1787
General Studies III	\$1,464	\$1,464	1788
Technical I	\$ 752	\$ 752	1789
Technical III	\$1,343	\$1,343	1790
Baccalaureate I	\$ 639	\$ 639	1791
Baccalaureate II	\$1,149	\$1,149	1792
Baccalaureate III	\$1,262	\$1,262	1793
Masters and Professional I	\$1,258	\$1,258	1794

Masters and Professional II	\$2,446	\$2,446	1795
Masters and Professional III	\$3,276	\$3,276	1796
Medical I	\$1,967	\$1,967	1797
Medical II	\$3,908	\$3,908	1798
MPD I	\$1,081	\$1,081	1799

(b) The sum of the products for each campus determined in 1800
division (B)(2)(a) of this section for all models except Doctoral 1801
I and Doctoral II for each fiscal year shall be weighted by a 1802
factor to reflect sponsored research activity and job 1803
training-related public services expenditures to determine the 1804
total activity-based POM subsidy. 1805

(C) CALCULATION OF CORE SUBSIDY ENTITLEMENTS AND ADJUSTMENTS 1806

(1) CALCULATION OF CORE SUBSIDY ENTITLEMENTS 1807

The calculation of the core subsidy entitlement shall consist 1808
of the following components: 1809

(a) For each campus in each fiscal year, the core subsidy 1810
entitlement shall be determined by multiplying the amounts listed 1811
above in divisions (A)(1) and (2) and (B)(2) of this section less 1812
assumed local contributions, by (i) average subsidy-eligible FTEs 1813
for the two-year period ending in the prior year for all models 1814
except Doctoral I and Doctoral II; and (ii) average 1815
subsidy-eligible FTEs for the five-year period ending in the prior 1816
year for all models except Doctoral I and Doctoral II. 1817

(b) In calculating the core subsidy entitlements for Medical 1818
II models only, the Board of Regents shall use the following count 1819
of FTE students: 1820

(i) For those medical schools whose current year enrollment, 1821
including students repeating terms, is below the base enrollment, 1822
the Medical II FTE enrollment shall equal: 65 per cent of the base 1823
enrollment plus 35 per cent of the current year enrollment 1824
including students repeating terms, where the base enrollment is: 1825

The Ohio State University	1010	1826
University of Cincinnati	833	1827
Medical University of Ohio at Toledo	650	1828
Wright State University	433	1829
Ohio University	433	1830
Northeastern Ohio Universities College of Medicine	433	1831

(ii) For those medical schools whose current year enrollment, 1832
excluding students repeating terms, is equal to or greater than 1833
the base enrollment, the Medical II FTE enrollment shall equal the 1834
base enrollment plus the FTE for repeating students. 1835

(iii) Students repeating terms may be no more than five per 1836
cent of current year enrollment. 1837

(c) The Board of Regents shall compute the sum of the two 1838
calculations listed in division (C)(1)(a) of this section and use 1839
the greater sum as the core subsidy entitlement. 1840

The POM subsidy for each campus shall equal the greater of 1841
the square-foot-based subsidy or the activity-based POM subsidy 1842
component of the core subsidy entitlement. 1843

(d) The state share of instruction provided for doctoral 1844
students shall be based on a fixed percentage of the total 1845
appropriation. In each fiscal year of the biennium not more than 1846
10.34 per cent of the total state share of instruction shall be 1847
reserved to implement the recommendations of the Graduate Funding 1848
Commission. It is the intent of the General Assembly that the 1849
doctoral reserve not exceed 10.34 per cent of the total state 1850
share of instruction to implement the recommendations of the 1851
Graduate Funding Commission. The Board of Regents may reallocate 1852
up to two per cent in each fiscal year of the reserve among the 1853
state-assisted universities on the basis of a quality review as 1854
specified in the recommendations of the Graduate Funding 1855

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
Incentive awards. The participating universities shall use these
awards to restructure their array of doctoral programs.

(2) ANNUAL STATE SHARE OF INSTRUCTION FUNDING STOP LOSS 1891

In addition to and after the other adjustment noted above, in
each fiscal year, no campus shall receive a state share of
instruction allocation that is less than 97 per cent of the prior
year's state share of instruction amount.

(3) REDUCTIONS IN EARNINGS 1896

If the total state share of instruction earnings in any
fiscal year exceeds the total appropriations available for such
purposes, the Board of Regents shall proportionately reduce the
state share of instruction earnings for all campuses by a uniform
percentage so that the system wide sum equals available
appropriations.

(4) CAPITAL COMPONENT DEDUCTION 1903

After all other adjustments have been made, state share of
instruction earnings shall be reduced for each campus by the
amount, if any, by which debt service charged in Am. H.B. ~~No.~~ 748
of the 121st General Assembly, Am. Sub. H.B. ~~No.~~ 850 of the 122nd
General Assembly, Am. Sub. H.B. ~~No.~~ 640 of the 123rd General
Assembly, ~~and~~ H.B. ~~No.~~ 675 of the 124th General Assembly, and Am.
Sub. H.B. 16 of the 126th General Assembly for that campus exceeds
that campus's capital component earnings. The sum of the amounts
deducted shall be transferred to appropriation item 235-552,
Capital Component, in each fiscal year.

(D) EXCEPTIONAL CIRCUMSTANCES 1914

Adjustments may be made to the state share of instruction
payments and other subsidies distributed by the Board of Regents
to state-assisted colleges and universities for exceptional

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

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

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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.

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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.

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(F) DISTRIBUTION OF STATE SHARE OF INSTRUCTION

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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.

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(G) LAW SCHOOL SUBSIDY

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

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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 1978
shall consider factors that reward medical schools for serving 1979
Ohio's health care needs in an equitable and efficient manner. 1980
Recommendations shall be submitted to the Office of Budget and 1981
Management and the General Assembly for consideration by November 1982
15, 2006. A new method, approved by the Office of Budget and 1983
Management and the General Assembly, shall be implemented in 1984
fiscal years 2008 and 2009 for distributing funds for clinical 1985
teaching support. 1986

Section 6. That existing Sections 209.63, 209.63.57, and 1987
209.64.22 of Am. Sub. H.B. 66 of the 126th General Assembly are 1988
hereby repealed. 1989

Section 7. The combination of the Medical University of Ohio 1990
at Toledo and the University of Toledo into the combined 1991
University of Toledo by this act does not change the status of any 1992
employee of either university in the Public Employees Retirement 1993
System. It is the intent of the General Assembly in amending 1994
section 145.011 of the Revised Code to ensure continued membership 1995
in the Public Employees Retirement System for nonteaching 1996
employees of the former Medical University of Ohio at Toledo and 1997
not to add to the category of employees eligible for membership in 1998
the system. 1999

Section 8. Sections 1, 2, 3, 5, 6, and 7 of this act take 2000
effect July 1, 2006. Section 4 of this act shall take effect on 2001
the earliest date permitted by law. 2002