

**As Introduced**

**127th General Assembly  
Regular Session  
2007-2008**

**H. B. No. 381**

**Representative Webster**

—

**A B I L L**

To amend Sections 375.10 and 375.20.40 of Am. Sub. 1  
H.B. 119 of the 127th General Assembly, to amend 2  
Section 235.10.40 of Am. Sub. H.B. 699 of the 3  
126th General Assembly, and to repeal Section 4  
375.20.80 of Am. Sub. H.B. 119 of the 127th 5  
General Assembly to increase the funds available 6  
for the Ohio Research Scholars Program and to 7  
permit a nonpublic four-year Ohio university to 8  
submit a proposal for the Ohio Research Scholars 9  
Program if the proposal is to be implemented in 10  
collaboration with a state college or university. 11

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

**Section 1.** That Sections 375.10 and 375.20.40 of Am. Sub. 12  
H.B. 119 of the 127th General Assembly be amended to read as 13  
follows: 14

**Sec. 375.10. BOR BOARD OF REGENTS** 15

General Revenue Fund 16  
GRF 235-321 Operating Expenses \$ 3,141,351 \$ 3,141,351 17  
GRF 235-401 Lease Rental Payments \$ 203,177,900 \$ 136,017,500 18  
GRF 235-402 Sea Grants \$ 300,000 \$ 300,000 19  
GRF 235-406 Articulation and \$ 2,900,000 \$ 2,900,000 20

	Transfer				
GRF 235-408	Midwest Higher Education Compact	\$	95,000	\$	95,000
					21
GRF 235-409	Information System	\$	1,175,172	\$	1,175,172
					22
GRF 235-414	State Grants and Scholarship Administration	\$	1,707,881	\$	1,707,881
					23
GRF 235-415	Jobs Challenge	\$	9,348,300	\$	9,348,300
					24
GRF 235-417	Ohio Learning Network	\$	3,119,496	\$	3,119,496
					25
GRF 235-418	Access Challenge	\$	66,585,769	\$	66,585,769
					26
GRF 235-420	Success Challenge	\$	53,653,973	\$	53,653,973
					27
GRF 235-428	Appalachian New Economy Partnership	\$	1,176,068	\$	1,176,068
					28
GRF 235-433	Economic Growth Challenge	\$	<del>17,186,194</del> <u>5,186,194</u>	\$	<del>17,186,194</del> <u>5,186,194</u>
					29
GRF 235-434	College Readiness and Access	\$	12,655,425	\$	12,655,425
					30
GRF 235-435	Teacher Improvement Initiatives	\$	4,797,506	\$	11,297,506
					31
GRF 235-436	AccelerateOhio	\$	1,250,000	\$	2,500,000
					32
GRF 235-438	Choose Ohio First Scholarship	\$	50,000,000	\$	50,000,000
					33
GRF 235-439	Ohio Research Scholars	\$	<del>30,000,000</del> <u>42,000,000</u>	\$	<del>0</del> <u>13,000,000</u>
					34
<del>GRF 235-451</del>	<del>Eminent Scholars</del>	\$	<del>0</del>	\$	<del>1,000,000</del>
					35
GRF 235-455	EnterpriseOhio Network	\$	1,373,941	\$	1,373,941
					36
GRF 235-474	Area Health Education Centers Program Support	\$	1,571,756	\$	1,571,756
					37
GRF 235-501	State Share of Instruction	\$	1,678,877,952	\$	1,842,965,747
					38
GRF 235-502	Student Support Services	\$	795,790	\$	795,790
					39

GRF 235-503	Ohio Instructional Grants	\$	42,533,966	\$	18,315,568	40
GRF 235-504	War Orphans Scholarships	\$	4,812,321	\$	4,812,321	41
GRF 235-507	OhioLINK	\$	7,387,824	\$	7,387,824	42
GRF 235-508	Air Force Institute of Technology	\$	2,050,345	\$	2,050,345	43
GRF 235-510	Ohio Supercomputer Center	\$	4,271,195	\$	4,271,195	44
GRF 235-511	Cooperative Extension Service	\$	26,273,260	\$	26,273,260	45
GRF 235-513	Ohio University Voinovich Center	\$	669,082	\$	669,082	46
GRF 235-514	Central State Supplement	\$	11,756,414	\$	12,109,106	47
GRF 235-515	Case Western Reserve University School of Medicine	\$	3,011,271	\$	3,011,271	48
GRF 235-518	Capitol Scholarship Program	\$	125,000	\$	125,000	49
GRF 235-519	Family Practice	\$	4,548,470	\$	4,548,470	50
GRF 235-520	Shawnee State Supplement	\$	2,502,323	\$	2,577,393	51
GRF 235-521	The Ohio State University John Glenn School of Public Affairs	\$	619,082	\$	619,082	52
GRF 235-524	Police and Fire Protection	\$	171,959	\$	171,959	53
GRF 235-525	Geriatric Medicine	\$	750,110	\$	750,110	54
GRF 235-526	Primary Care Residencies	\$	2,245,688	\$	2,245,688	55
GRF 235-527	Ohio Aerospace	\$	1,764,957	\$	1,764,957	56

	Institute				
GRF 235-530	Academic Scholarships	\$	7,800,000	\$	7,800,000
GRF 235-531	Student Choice Grants	\$	38,485,376	\$	38,485,376
GRF 235-535	Ohio Agricultural Research and Development Center	\$	37,174,292	\$	37,174,292
GRF 235-536	The Ohio State University Clinical Teaching	\$	13,565,885	\$	13,565,885
GRF 235-537	University of Cincinnati Clinical Teaching	\$	11,157,756	\$	11,157,756
GRF 235-538	University of Toledo Clinical Teaching	\$	8,696,866	\$	8,696,866
GRF 235-539	Wright State University Clinical Teaching	\$	4,225,107	\$	4,225,107
GRF 235-540	Ohio University Clinical Teaching	\$	4,084,540	\$	4,084,540
GRF 235-541	Northeastern Ohio Universities College of Medicine Clinical Teaching	\$	4,200,945	\$	4,200,945
GRF 235-543	Ohio College of Podiatric Medicine Clinic Subsidy	\$	100,000	\$	100,000
GRF 235-547	School of International Business	\$	450,000	\$	650,000
GRF 235-552	Capital Component	\$	19,306,442	\$	19,306,442
GRF 235-553	Dayton Area Graduate Studies Institute	\$	2,931,599	\$	2,931,599
GRF 235-554	Priorities in Collaborative Graduate	\$	2,355,548	\$	2,355,548

	Education				
GRF 235-555	Library Depositories	\$	1,696,458	\$	1,696,458
GRF 235-556	Ohio Academic	\$	3,727,223	\$	3,727,223
	Resources Network				
GRF 235-558	Long-term Care	\$	461,047	\$	461,047
	Research				
GRF 235-561	Bowling Green State	\$	100,015	\$	100,015
	University Canadian				
	Studies Center				
GRF 235-563	Ohio College	\$	139,974,954	\$	151,113,781
	Opportunity Grant				
GRF 235-567	Central State	\$	4,400,000	\$	3,800,000
	University Speed to				
	Scale				
GRF 235-571	James A. Rhodes	\$	10,000,000	\$	0
	Scholarship				
GRF 235-572	The Ohio State	\$	1,277,019	\$	1,277,019
	University Clinic				
	Support				
GRF 235-573	Ohio Humanities	\$	25,000	\$	25,000
	Council				
GRF 235-583	Urban University	\$	5,825,937	\$	5,825,937
	Program				
GRF 235-587	Rural University	\$	1,159,889	\$	1,159,889
	Projects				
GRF 235-596	Hazardous Materials	\$	360,435	\$	360,435
	Program				
GRF 235-599	National Guard	\$	16,611,063	\$	16,611,063
	Scholarship Program				
GRF 235-909	Higher Education	\$	172,722,400	\$	208,747,200
	General Obligation				
	Debt Service				
TOTAL GRF	General Revenue Fund	\$	2,773,258,537	\$	2,861,908,923

General Services Fund Group					86
220 235-614 Program Approval and Reauthorization	\$	800,000	\$	800,000	87
456 235-603 Sales and Services	\$	700,000	\$	700,000	88
TOTAL GSF General Services Fund Group	\$	1,500,000	\$	1,500,000	89 90
Federal Special Revenue Fund Group					91
3BG 235-626 Star Schools	\$	2,980,865	\$	2,990,746	92
3H2 235-608 Human Services Project	\$	3,000,000	\$	3,000,000	93
3H2 235-622 Medical Collaboration Network	\$	3,346,144	\$	3,346,144	94
3N6 235-605 State Student Incentive Grants	\$	2,196,680	\$	2,196,680	95
3T0 235-610 National Health Service Corps - Ohio Loan Repayment	\$	250,000	\$	250,000	96
312 235-609 Tech Prep	\$	183,850	\$	183,850	97
312 235-611 Gear-up Grant	\$	3,300,000	\$	3,300,000	98
312 235-612 Carl D. Perkins Grant/Plan Administration	\$	112,960	\$	112,960	99
312 235-617 Improving Teacher Quality Grant	\$	3,200,000	\$	3,200,000	100
312 235-621 Science Education Network	\$	1,686,970	\$	1,686,970	101
TOTAL FED Federal Special Revenue Fund Group	\$	20,257,469	\$	20,267,350	102 103
State Special Revenue Fund Group					104
4E8 235-602 Higher Educational Facility Commission Administration	\$	50,000	\$	45,000	105
4P4 235-604 Physician Loan	\$	476,870	\$	476,870	106

		Repayment				
649	235-607	The Ohio State	\$	760,000	\$	760,000
		University				107
		Highway/Transportation				
		Research				
682	235-606	Nursing Loan Program	\$	893,000	\$	893,000
5DT	235-627	American Diploma	\$	250,000	\$	0
		Project				109
		TOTAL SSR State Special Revenue				110
		Fund Group	\$	2,429,870	\$	2,174,870
		TOTAL ALL BUDGET FUND GROUPS	\$	2,797,445,876	\$	2,885,851,143

**Sec. 375.20.40. ECONOMIC GROWTH CHALLENGE** 114

The foregoing appropriation item 235-433, Economic Growth 115  
Challenge, shall be used to ~~enhance the basic research~~ 116  
~~capabilities of Ohio's public and private institutions of higher~~ 117  
~~education,~~ support improved doctor of philosophy degree programs 118  
throughout the state, and promote the transfer of technology 119  
developed by Ohio colleges and universities to private industry to 120  
further the economic goals of the state in collaboration with the 121  
Third Frontier Project. 122

~~Of the foregoing appropriation item 235-433, Economic Growth~~ 123  
~~Challenge, \$12,000,000 in each fiscal year shall be used for the~~ 124  
~~Research Incentive Program to enhance the basic research~~ 125  
~~capabilities of public colleges and universities and accredited~~ 126  
~~Ohio institutions of higher education holding certificates of~~ 127  
~~authorization issued under section 1713.02 of the Revised Code, in~~ 128  
~~order to strengthen academic research for pursuing Ohio's economic~~ 129  
~~development goals. The Board of Regents, in consultation with the~~ 130  
~~colleges and universities, shall administer the Research Incentive~~ 131  
~~Program and utilize a means of matching, on a fractional basis,~~ 132  
~~external funds attracted in the previous year by institutions for~~ 133  
~~basic research. The program may include incentives for increasing~~ 134

~~the amount of external research funds coming to eligible 135  
institutions and for focusing research efforts upon critical state 136  
needs. Colleges and universities shall submit for review and 137  
approval to the Board of Regents plans for the institutional 138  
allocation of state dollars received through the program. The 139  
institutional plans shall provide the rationale for the allocation 140  
in terms of the strategic targeting of funds for academic and 141  
state purposes, for strengthening research programs, for 142  
increasing the amount of external research funds, and shall 143  
include an evaluation process to provide results of the increased 144  
support. Institutional plans for the use of Research Incentive 145  
funding must demonstrate a significant investment in Third 146  
Frontier activities funded at the institution. For a college or 147  
university with multiple Third Frontier grants, as much as ten per 148  
cent of that institution's Research Incentive funding may be 149  
invested in Third Frontier Project related activities. Each 150  
institutional plan for the investment of Research Incentive moneys 151  
shall report on existing, planned, or possible relationships with 152  
other state science and technology programs and funding recipients 153  
in order to further ongoing statewide science and technology 154  
collaboration objectives. The Board of Regents shall submit a 155  
biennial report of progress to the General Assembly. 156~~

In each fiscal year, both those state-assisted doctor of 157  
philosophy degree-granting universities and those accredited 158  
doctor of philosophy degree-granting Ohio institutions of higher 159  
education holding certificates of authorization under section 160  
1713.02 of the Revised Code may elect to participate in the 161  
Innovation Incentive Program and may continue to implement their 162  
comprehensive plans that are designed to enhance doctor of 163  
philosophy degree programs and areas of research that have the 164  
greatest potential to attract preeminent researchers and build 165  
research capacity; enhance regional or state economic growth by 166  
creating new products and services to be commercialized; and 167



complement Ohio's Third Frontier Project. 168

In each fiscal year, funding for the Innovation Incentive 169  
Program shall be generated from the funds reallocated by those 170  
participating state-assisted doctor of philosophy degree-granting 171  
universities and state matching funds provided in appropriation 172  
item 235-433, Economic Growth Challenge. In each fiscal year, the 173  
amount of funds each participating state-assisted university is 174  
required to internally reallocate shall equal the sum of the funds 175  
it was required to reallocate in the prior fiscal year plus one 176  
and one-half per cent of current fiscal year's doctoral reserve 177  
allocation as attributed by the Board of Regents. Additionally, 178  
those participating accredited Ohio institutions of higher 179  
education holding certificates of authorization under section 180  
1713.02 of the Revised Code shall be required to set aside an 181  
amount comparable to the participating state-assisted universities 182  
as determined by the Board of Regents. 183

Of the foregoing appropriation item 235-433, Economic Growth 184  
Challenge, \$4,686,194 in each fiscal year shall match a portion of 185  
the funds set aside by all participating universities for the 186  
Innovation Incentive Program. The Controlling Board may increase 187  
the set-aside amount in each fiscal year if the Chancellor of the 188  
Board of Regents, after meeting all other obligations, identifies 189  
unspent and unencumbered General Revenue Fund money within the 190  
Board of Regents budget and requests the Controlling Board to 191  
increase the set-aside for the Innovation Incentive Program. The 192  
amount of the set-aside increased by the Controlling Board shall 193  
not exceed the amount of available funds identified by the 194  
Chancellor of the Board of Regents. 195

The participating universities shall use state matching funds 196  
and the funds they internally reallocated to restructure their 197  
array of doctor of philosophy degree programs. 198

The Board of Regents, in consultation with participating 199

universities and the Office of Budget and Management, shall 200  
develop guidelines for the length of a transition period and 201  
criteria for determining the acceptable level of participation in 202  
the Innovation Incentive Program. After completion of the 203  
transition period during implementation of the Innovation 204  
Incentive Program, in each fiscal year the Board of Regents may 205  
withhold up to fifty per cent of the funds each participating 206  
state-assisted doctor of philosophy degree-granting university is 207  
required to reallocate for that year if the university is not 208  
internally reallocating the required amount or does not meet the 209  
criteria established by the Board of Regents. 210

Of the foregoing appropriation item 235-433, Economic Growth 211  
Challenge, \$500,000 in each fiscal year shall be distributed for 212  
the Technology Commercialization Incentive. The purpose of the 213  
Technology Commercialization Incentive is to reward public and 214  
private colleges and universities for successful technology 215  
transfer to Ohio-based business and industry resulting in the 216  
commercialization of new products, processes, and services and the 217  
establishment of new business start-ups within the state. The 218  
Third Frontier Commission, with counsel from the Third Frontier 219  
Advisory Board, shall establish the eligibility criteria for 220  
public and private colleges and universities interested in 221  
applying for Technology Commercialization Incentive funding. To 222  
qualify for the funds, public and private colleges and 223  
universities must maintain a significant investment in their own 224  
technology-transfer and commercialization operation and 225  
capabilities, and possess a significant history of successful 226  
research partnerships with Ohio-based business and industry. 227

The Board of Regents, in consultation with the colleges and 228  
universities, shall administer the Research Incentive Program to 229  
enhance the basic research capabilities of public colleges and 230  
universities and accredited Ohio institutions of higher education 231

holding certificates of authorization issued under section 1713.02 232  
of the Revised Code, and strengthen academic research for pursuing 233  
Ohio's economic development goals. The Board of Regents shall 234  
utilize a means of matching, on a fractional basis, external funds 235  
attracted in the previous year by institutions for basic research. 236  
The program may include incentives for increasing the amount of 237  
external research funds coming to eligible institutions and for 238  
focusing research efforts upon critical state needs. Colleges and 239  
universities shall submit for review and approval to the Board of 240  
Regents plans for the institutional allocation of state dollars 241  
received through the program. The institutional plans shall 242  
provide the rationale for the allocation in terms of the strategic 243  
targeting of funds for academic and state purposes, for 244  
strengthening research programs, for increasing the amount of 245  
external research funds, and shall include an evaluation process 246  
to provide results of the increased support. Institutional plans 247  
for the use of Research Incentive funding must demonstrate a 248  
significant investment in Third Frontier activities funded at the 249  
institution. For a college or university with multiple Third 250  
Frontier grants, as much as ten per cent of that institution's 251  
Research Incentive funding may be invested in Third Frontier 252  
Project-related activities. Each institutional plan for the 253  
investment of Research Incentive moneys shall report on existing, 254  
planned, or possible relationships with other state science and 255  
technology programs and funding recipients in order to further 256  
ongoing statewide science and technology collaboration objectives. 257  
The Board of Regents shall submit a biennial report of progress to 258  
the General Assembly. 259

**Section 2.** That existing Sections 375.10 and 375.20.40 of Am. 260  
Sub. H.B. 119 of the 127th General Assembly are hereby repealed. 261

**Section 3.** That Section 235.10.40 of Am. Sub. H.B. 699 of the 262

126th General Assembly be amended to read as follows: 263

**Sec. 235.10.40.** RESEARCH FACILITY ACTION AND INVESTMENT FUNDS 264

The Of the foregoing appropriation item CAP-032, Research 265  
Facility Action and Investment Funds, up to \$3,000,000 shall be 266  
used to support the Ohio Research Scholars Program. Any money from 267  
this earmark used for capital projects under the Ohio Research 268  
Scholars Program shall not be subject to rule 3333-1-21 of the 269  
Administrative Code, but shall be subject to any rule adopted to 270  
administer the Ohio Research Scholars Program. 271

The remainder of foregoing appropriation item CAP-032, 272  
Research Facility Action and Investment Funds, shall be used for a 273  
program of grants to be administered by the Board of Regents to 274  
provide timely availability of capital facilities for research 275  
programs and research-oriented instructional programs at or 276  
involving state-supported and state-assisted institutions of 277  
higher education. 278

**Section 4.** That existing Section 235.10.40 of Am. Sub. H.B. 279  
699 of the 126th General Assembly is hereby repealed. 280

**Section 5.** That Section 375.20.80 of Am. Sub. H.B. 119 of the 281  
127th General Assembly is hereby repealed. 282

**Section 6.** Notwithstanding section 3333.67 of the Revised 283  
Code, an institution of higher education shall not be required to 284  
deposit into an endowment fund the grants awarded under the Ohio 285  
Research Scholars Program other than those funded by GRF 286  
appropriation item 235-439, Ohio Research Scholars, as originally 287  
appropriated in Am. Sub. H.B. 119 of the 127th General Assembly. 288  
The grant agreement for an Ohio Research Scholars award shall 289  
specify, if applicable, the portion of the award that is required 290  
to be deposited in an endowment fund and the portion that is 291

restricted for capital projects. 292

Notwithstanding sections 3333.61 to 3333.70 of the Revised 293  
Code, a nonpublic four-year Ohio institution of higher education 294  
may submit a proposal for the Ohio Research Scholars Program to 295  
recruit scientists to the faculty of the nonpublic institution if 296  
the proposal is to be implemented in collaboration with a state 297  
university or college, as defined in section 3333.60 of the 298  
Revised Code. If the Chancellor of the Board of Regents grants a 299  
nonpublic institution an award under the Ohio Research Scholars 300  
Program, the nonpublic institution shall comply with all 301  
requirements of sections 3333.61 to 3333.70 of the Revised Code 302  
and the rules adopted under section 3333.61 of the Revised Code 303  
that apply to state universities or colleges awarded grants under 304  
the Ohio Research Scholars Program. 305

**Section 7.** The sections of law contained in this act, and the 306  
items of which they are composed, are not subject to referendum. 307  
Therefore, under Ohio Constitution, Article II, Section 1d and 308  
section 1.471 of the Revised Code, the sections and items of law 309  
go into immediate effect when this act becomes law. 310