



**Sub. H.B. 478**

126th General Assembly  
(As Passed by the General Assembly)

**Reps.** Wagoner, Ujvagi, Brown, Perry, Latta, Webster, Miller, Core, Hartnett, Evans, C., Hoops, McGregor, J., Sykes, Skindell, Coley, Barrett, Beatty, Blessing, Book, Buehrer, Calvert, Carano, Cassell, Collier, Combs, DeBose, DeGeeter, Distel, Dolan, Domenick, Evans, D., Fende, Flowers, Gilb, Hughes, Key, Martin, Mason, Mitchell, Otterman, Patton, S., Patton, T., Raga, Redfern, Reidelbach, Seitz, Setzer, Smith, G., Smith, S., Stewart, J., Willamowski, Williams, Woodard, Yates, Yuko

**Sens.** Gardner, Amstutz, Armbruster, Carey, Clancy, Coughlin, Fedor, Fingerhut, Harris, Kearney, Miller, R., Mumper, Padgett, Prentiss, Spada, Wachtmann, Zurz, Austria, Grendell, Jacobson, Miller, D.

Effective date: \*

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**ACT SUMMARY**

- Provides for the consolidation of the University of Toledo and the Medical University of Ohio at Toledo into the combined University of Toledo on July 1, 2006.
- Permits the boards of trustees of those two institutions to enter into an agreement of understanding to govern the transition to the combined university.
- Establishes a new board of trustees to govern the combined university from the membership of the existing boards, and provides the new board the same powers and authority enjoyed by the existing boards.
- Enacts provisions governing the effect of the consolidation on the two institutions and their employees, status of property and assets, liability for

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\* *The Legislative Service Commission had not received formal notification of the effective date at the time this analysis was prepared. Additionally, the analysis may not reflect action taken by the Governor.*

existing claims and obligations, rights of creditors, and various other related matters.

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## **CONTENT AND OPERATION**

### **Background**

(R.C. 3350.01 to 3350.05 and Chapter 3360., repealed by the act)

Prior law established the University of Toledo and the Medical University of Ohio at Toledo and provided for their governance through appointed boards of trustees for each school. The boards were granted authority to appoint their officers, make or enter into contracts and agreements necessary or incidental to each school's operation, accept gifts and property, appoint employees, including professors and teachers, and do all things necessary for the proper maintenance and successful and continuous operation of each school. The law also required the General Assembly to financially support both schools.

### **Consolidation of the University of Toledo and the Medical University of Ohio at Toledo**

(R.C. 3364.01(A))

The act provides for the consolidation of the University of Toledo and the Medical University of Ohio at Toledo into one state university known as the "University of Toledo." The authority exercised under prior law for each school generally will be maintained in the resulting combined university.

### **Board of Trustees**

**Membership and terms** (R.C. 3364.01(B)(1) to (3)). Under the act, the government of the combined University of Toledo is to be vested in its Board of Trustees, which is to consist of an initial board and successor boards.

**Initial board.** Initially, the board is to consist of 19 members, including 17 voting members who are: (1) the eight members who made up the Board of Trustees of the Medical University of Ohio at Toledo prior to May 1, 2006, and whose terms expire after that date, (2) the eight voting members who made up the Board of Trustees of the University of Toledo and whose terms expire after July 1, 2006, and (3) one additional member appointed by the Governor with the advice and consent of the Senate. The initial board also includes two nonvoting members who are students of the combined university.

The terms of office of the voting members of the initial board described in (1) and (2) above will expire on July 1 of the year they otherwise would expire under the prior law governing their terms. On their expiration dates, of those 16 voting member offices, half will be abolished and the other half will be filled by the Governor's appointment, with the advice and consent of the Senate, for nine-year terms beginning on July 2 of the year of appointment (one in each of the following years: 2007, 2008, 2009, 2010, 2011, 2012, 2013, and 2014).

The term of office of the additional voting member of the initial board described in (3) above is nine years, beginning on July 2, 2006, and ending on July 1, 2015. The Governor, with the advice and consent of the Senate, must appoint a successor to that member's office for a nine-year term beginning July 2, 2015.

Of the two student members of the initial board, one must be the student member of the former University of Toledo board whose term would expire under prior law on July 1, 2007. The act requires that student member term on the combined board to also expire on July 1, 2007.

The other student member must 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 July 2, 2006, and ending July 1, 2008. That student trustee must 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.

**Successor boards.** After the abolishment of offices and the appointments made as described above for the initial board, which brings the total membership to nine voting members and two student nonvoting members for the combined University of Toledo, the voting members are to serve for nine-year terms and the student members are to serve for two-year terms. Terms of office for all voting members are to begin on the second day of July and end on the first day of July. A term of office for a student member shall end on the same day of the same month of the year as the term it succeeds.

All members are to be appointed by the Governor with the advice and consent of the Senate. The student members are to be appointed 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.

**Service of term and vacancies** (R.C. 3364.01(B)(3) and (4)). Each trustee is to 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, is

to hold office for the remainder of that term. In the event that a student member cannot fulfill a two-year term, a replacement must be selected to fill the unexpired term in the same manner used to make the original selection. A trustee is required to 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 60 days has elapsed, whichever occurs first.

**Eligibility to serve** (R.C. 3364.01(B)(5)). The act prohibits a person (1) who has served as a voting member of the board of trustees for a full nine-year term or more than six years of such a term, or (2) who is a voting member of the initial board of trustees as described above, from being eligible for reappointment to the board for four years after the last day of the term for which the person previously served.

In addition, the act prohibits a person (1) who served as a voting member of the board of trustees of the former University of Toledo for a full nine-year term or more than six years of such a term, or (2) who served on the board of trustees of the former Medical University of Ohio at Toledo for a full nine-year term or more than six years of such a term, from being eligible for appointment to the board of trustees of the combined university for four years after the last day of the term for which the person previously served.

**Compensation** (R.C. 3364.01(C)). The trustees are not to receive compensation for their services, but instead must be paid their reasonable necessary expenses while engaged in the discharge of their official duties.

**Quorum and related requirements** (R.C. 3364.01(C)). A majority of the board constitutes a quorum. Because student members cannot vote, they are not to be considered as members of the board in determining whether a quorum is present. Also, student members are not entitled to attend executive sessions of the board.

**Officers; treasurer requirements** (R.C. 3364.02). The board must annually elect from among its members a chairperson and a vice-chairperson, and also may appoint a secretary of the board, a treasurer, and such other officers of the university as the interest of the university requires, who may be members of the board. The treasurer, before entering upon the discharge of official duties, must give bond to the state for the faithful performance of the treasurer's duties and the proper accounting for all moneys coming into the treasurer's care. The amount of that bond is to be determined by the board, but cannot be for a sum less than the estimated amount that may come into the treasurer's control at any time, less any reasonable deductible.

**Authority** (R.C. 3364.03 and 3364.04). The act requires the board to employ, fix the compensation of, and remove, the president and such number of professors, teachers, and other employees as may be deemed necessary. The board must do all things necessary for the creation, proper maintenance, and successful and continuous operation of the university, and may adopt and from time to time amend bylaws, rules, and regulations for the conduct of the board and the government and conduct of the university.

The act authorizes the board to receive and hold in trust, for the use and benefit of the university, any grant or devise of land, and any donation or bequest of money or other personal property, to be applied to the general or special use of the university, unless otherwise directed in the donation or bequest. The board also may make and enter into all contracts and agreements necessary or incidental to the acquisition of property for and the operation of the university. Title to any property taken in the name of the state for the benefit of the combined university, the board, the university, the Medical College of Ohio at Toledo, or the Toledo State College of Medicine is deemed to have been taken in the name of the board of the combined university.

**State support**

(R.C. 3364.05)

The act requires the General Assembly to support the combined University of Toledo by such sums and in such manner as it may provide, but specifies that support may also come from other sources.

**Preparation for the combination**

(Section 4)

The act authorizes the Boards of Trustees of the University of Toledo and the Medical University of Ohio at Toledo to enter into a memorandum of understanding regarding the combination of the two institutions into a single state university as prescribed by the act. The memorandum may address such matters as the boards deem necessary and appropriate to provide for the transition of the two institutions into a combined institution, including (1) the identification of the initial president of the combined institution, (2) the process for selection of the initial chairperson of the board of trustees of the combined institution, (3) the relationship to the combined institution of the existing foundations supporting the two separate institutions, (4) accounting of funds, and (5) administration of grants.

### **Effect of the combination**

(R.C. 3364.06; auxiliary sections 151.04, 154.01, 3305.01, 3307.01, 3333.045, 3334.01, 3345.04, 3345.12, 3345.17, 3345.31, 3345.32, 3345.50, 3345.51, and 3345.71)

When the combination of the two institutions becomes effective, all of the following apply:

(1) The separate existence of each of the institutions will cease, and the existence of each of the institutions will continue for all purposes as the combined University of Toledo. All laws that address or govern the former University of Toledo will continue to apply to the combined university. Additionally, the appropriations and related language for Fiscal Years 2006 and 2007 enacted in the biennial operating budget (Am. Sub. H.B. 66) that apply to the Medical University of Ohio at Toledo will apply to the combined university. The combination will not cause either of the institutions to be extinguished, terminated, dissolved, or liquidated and will not constitute a sale, assignment, conveyance, disposition, or transfer of any of the rights or property of either of the institutions. Whenever an instrument of conveyance, assignment, or transfer or deed or other act is necessary to vest property or rights in the combined university, the officers, trustees, or other authorized representatives of the former institutions are required to execute, acknowledge, and deliver such instruments and do such acts. For these purposes, the existence of the former institutions and the authority of their respective officers, trustees, or other authorized representatives is continued notwithstanding the combination.

(2) The combined university possesses all assets and property of every description, and every interest in the assets and property, wherever located, and the rights, privileges, immunities, powers, franchises, and authority of each of the former institutions, all of which are vested in the combined university without further act or deed. Title to any real estate or any interest in the real estate vested in either of the institutions will not revert or in any way be impaired by reason of the combination.

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

(4) All the rights of creditors of each of the former institutions are preserved unimpaired, and all liens upon the property of either of the institutions

are preserved unimpaired, on only the property affected by such liens immediately prior to the effective date of the combination.

**Retirement system governing non-teaching employees of the combined university**

(R.C. 145.011; Section 7)

Under prior law governing the Public Employees Retirement System (PERS), non-teaching employees of the Medical University of Ohio at Toledo were designated as members of PERS instead of the School Employees Retirement System. The act provides that the combination of the Medical University of Ohio at Toledo and the University of Toledo into the combined University of Toledo does not change the status of any employee of either university in PERS. The act recites that it is the General Assembly's intent to ensure continued membership in PERS for nonteaching employees of the former Medical University of Ohio at Toledo and not to add to the category of employees eligible for membership in PERS.

**Effective dates**

(Section 8)

The act states that its provisions governing the combination of the University of Toledo and the Medical University of Ohio at Toledo into the combined University of Toledo are to take effect on July 1, 2006. The provision permitting the two universities to enter into a memorandum of understanding in preparation for the combination is to take effect on the 91st day after the act is filed with the Secretary of State after becoming law.

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## **HISTORY**

<b>ACTION</b>	<b>DATE</b>
Introduced	01-19-06
Reported, H. Finance & Appropriations	02-08-06
Passed House (96-0)	02-14-06
Reported, S. Finance & Financial Institutions	03-15-06
Passed Senate (32-0)	03-15-06

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