

126th General Assembly
Regular Session
2005-2006

. B. No.

Wagoner, Ujvagi, Brown, Perry, Latta, Webster

A BILL

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

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

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

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

(B) (1) The government of the combined university of Toledo is 21

vested in a board of trustees which, except as prescribed in
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.

(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.

(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 54
ending on July 1, 2015. 55

The terms of office of the sixteen other voting members of 56
the initial board of trustees shall expire on July 1 of the year 57
they otherwise would expire under former section 3350.01 or 58
3360.01 of the Revised Code. 59

The office of one voting member whose term expires on July 1, 60
2007, shall be abolished on that date. The governor, with the 61
advice and consent of the senate, shall appoint a successor to the 62
office of the other voting member whose term expires on that date 63
to a nine-year term beginning on July 2, 2007. 64

The office of one voting member whose term expires on July 1, 65
2008, shall be abolished on that date. The governor, with the 66
advice and consent of the senate, shall appoint a successor to the 67
office of the other voting member whose term expires on that date 68
to a nine-year term beginning on July 2, 2008. 69

The office of one voting member whose term expires on July 1, 70
2009, shall be abolished on that date. The governor, with the 71
advice and consent of the senate, shall appoint a successor to the 72
office of the other voting member whose term expires on that date 73
to a nine-year term beginning on July 2, 2009. 74

The office of one voting member whose term expires on July 1, 75
2010, shall be abolished on that date. The governor, with the 76
advice and consent of the senate, shall appoint a successor to the 77
office of the other voting member whose term expires on that date 78
to a nine-year term beginning on July 2, 2010. 79

The office of one voting member whose term expires on July 1, 80
2011, shall be abolished on that date. The governor, with the 81
advice and consent of the senate, shall appoint a successor to the 82
office of the other voting member whose term expires on that date 83
to a nine-year term beginning on July 2, 2011. 84

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

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.

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.

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.

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.

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

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of four years has elapsed since the last day of the term for which 148
the person previously served. 149

No person who served as a voting member of the board of 150
trustees of the former university of Toledo, as authorized under 151
former Chapter 3360. of the Revised Code, for a full nine-year 152
term or more than six years of such a term, and no person who 153
served on the board of trustees of the former medical university 154
of Ohio at Toledo, as authorized under former sections 3350.01 to 155
3350.05 of the Revised Code, for a full nine-year term or more 156
than six years of such a term is eligible for appointment to the 157
board of trustees of the combined university until a period of 158
four years has elapsed since the last day of the term for which 159
the person previously served. 160

(C) The trustees shall receive no compensation for their 161
services but shall be paid their reasonable necessary expenses 162
while engaged in the discharge of their official duties. A 163
majority of the board constitutes a quorum. The student members of 164
the board have no voting power on the board. Student members shall 165
not be considered as members of the board in determining whether a 166
quorum is present. Student members shall not be entitled to attend 167
executive sessions of the board. 168

Sec. 3364.02. The board of trustees of the university of 169
Toledo annually shall elect from among its members a chairperson 170
and a vice-chairperson, and also may appoint a secretary of the 171
board, a treasurer, and such other officers of the university as 172
the interest of the university requires, who may be members of the 173
board. The treasurer, before entering upon the discharge of 174
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) Nonteaching employees of the university of Toledo who 268
were employed as nonteaching employees of the former medical 269

university of Ohio at Toledo immediately prior to the effective 270
date of this amendment; 271

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

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

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

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

(A) As used in this section: 285

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

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

(3) "State-supported or state-assisted institutions of higher 293
education" means a state university or college, or community 294
college district, technical college district, university branch 295
district, or state community college, or other institution for 296
education, including technical education, beyond the high school, 297
receiving state support or assistance for its expenses of 298
operation. "State university or college" means each of the state 299

universities identified in section 3345.011 of the Revised Code, 300
and the northeastern Ohio universities college of medicine, ~~and~~ 301
~~the medical university of Ohio at Toledo.~~ 302

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

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

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

(D) There is hereby created in the state treasury the "higher 317
education capital facilities bond service fund." All moneys 318
received by the state and required by the bond proceedings, 319
consistent with sections 151.01 and 151.04 of the Revised Code, to 320
be deposited, transferred, or credited to the bond service fund, 321
and all other moneys transferred or allocated to or received for 322
the purposes of that fund, shall be deposited and credited to the 323
bond service fund, subject to any applicable provisions of the 324
bond proceedings but without necessity for any act of 325
appropriation. During the period beginning with the date of the 326
first issuance of obligations and continuing during the time that 327
any obligations are outstanding in accordance with their terms, so 328
long as moneys in the bond service fund are insufficient to pay 329
debt service when due on those obligations payable from that fund 330

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

Sec. 154.01. As used in this chapter: 337

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

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

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

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

(E) "Governmental agency" means state agencies, state 353
supported and assisted institutions of higher education, municipal 354
corporations, counties, townships, school districts, and any other 355
political subdivision or special district in this state 356
established pursuant to law, and, except where otherwise 357
indicated, also means the United States or any department, 358
division, or agency thereof, and any agency, commission, or 359
authority established pursuant to an interstate compact or 360

agreement. 361

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

(G) "Governing body" means: 373

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

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

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

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

(I) "Bond service charges" means principal, including 389
mandatory sinking fund requirements for retirement of obligations, 390

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

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

(K) "Costs of capital facilities" means the costs of 412
acquiring, constructing, reconstructing, rehabilitating, 413
remodeling, renovating, enlarging, improving, equipping, or 414
furnishing capital facilities, and the financing thereof, 415
including the cost of clearance and preparation of the site and of 416
any land to be used in connection with capital facilities, the 417
cost of any indemnity and surety bonds and premiums on insurance, 418
all related direct administrative expenses and allocable portions 419
of direct costs of the commission or issuing authority and 420
department of administrative services, or other designees of the 421
commission under section 154.17 of the Revised Code, cost of 422

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

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

(M) "State parks" means: 451

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

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

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

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

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

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

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

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

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

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

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

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

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

Sec. 3305.01. As used in this chapter: 501

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

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

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

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

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

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

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

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

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

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

Sec. 3307.01. As used in this chapter: 547

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

employed by the employer. 694

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

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

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

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

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

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

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

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

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

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

under a plan established under section 3307.81 of the Revised 724
Code, except that "superannuate" does not include a former teacher 725
who is receiving a benefit based on disability under a plan 726
established under section 3307.81 of the Revised Code. 727

For purposes of sections 3307.35 and 3307.353 of the Revised 728
Code, "superannuate" also means a former teacher receiving from 729
the system a combined service retirement benefit paid in 730
accordance with section 3307.57 of the Revised Code, regardless of 731
which retirement system is paying the benefit. 732

Sec. 3333.045. As used in this section, "state university or 733
college" means any state university listed in section 3345.011 of 734
the Revised Code, the northeastern Ohio universities college of 735
medicine, ~~the medical university of Ohio at Toledo~~, any community 736
college under Chapter 3354. of the Revised Code, any university 737
branch district under Chapter 3355. of the Revised Code, any 738
technical college under Chapter 3357. of the Revised Code, and any 739
state community college under Chapter 3358. of the Revised Code. 740

The Ohio board of regents shall work with the attorney 741
general, the auditor of state, and the Ohio ethics commission to 742
develop a model for training members of the boards of trustees of 743
all state universities and colleges and members of the board of 744
regents regarding the authority and responsibilities of a board of 745
trustees or the board of regents. This model shall include a 746
review of fiduciary responsibilities, ethics, and fiscal 747
management. Use of this model by members of boards of trustees and 748
the board of regents shall be voluntary. 749

This section does not apply to the three members of the board 750
of trustees of the northeastern Ohio universities college of 751
medicine who are presidents of state universities. 752

Sec. 3334.01. As used in this chapter: 753

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

(B) "Beneficiary" means: 759

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

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

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

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

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

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

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

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

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

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

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

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

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

multiplied by that institution's total number of undergraduate 815
fiscal year equated students; and 816

(2) Divide the gross total of the products from division 817
(I) (1) of this section by the total number of undergraduate fiscal 818
year equated students attending four-year state universities. 819

When making this calculation, the "annual undergraduate 820
tuition charged to Ohio residents" shall not incorporate any 821
tuition reductions that vary in amount among individual recipients 822
and that are awarded to Ohio residents based upon their particular 823
circumstances, beyond any minimum amount awarded uniformly to all 824
Ohio residents. In addition, any tuition reductions awarded 825
uniformly to all Ohio residents shall be incorporated into this 826
calculation. 827

(J) "Zero-coupon bond" means a bond which has a stated 828
interest rate of zero per cent and on which no interest is payable 829
until the maturity or early redemption of the bond, and is offered 830
at a substantial discount from its original stated principal 831
amount. 832

(K) "State institution of higher education" includes the 833
state universities listed in section 3345.011 of the Revised Code, 834
community colleges created pursuant to Chapter 3354. of the 835
Revised Code, university branches created pursuant to Chapter 836
3355. of the Revised Code, technical colleges created pursuant to 837
Chapter 3357. of the Revised Code, state community colleges 838
created pursuant to Chapter 3358. of the Revised Code, ~~the medical~~ 839
~~university of Ohio at Toledo,~~ and the northeastern Ohio 840
universities college of medicine. 841

(L) "Four-year state university" means those state 842
universities listed in section 3345.011 of the Revised Code. 843

(M) "Principal amount" refers to the initial offering price 844
to the public of an obligation, exclusive of the accrued interest, 845

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

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

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

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

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

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

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

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

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

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

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

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

(i) Pleads guilty to a felony; 899

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

indenture; 1158

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

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

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

reconversion. 1190

(H) Pending preparation of definitive obligations, the 1191
institution of higher education may issue interim receipts or 1192
certificates which shall be exchanged for such definitive 1193
obligations. 1194

(I) Such obligations may be secured additionally by a trust 1195
agreement or indenture between the institution of higher education 1196
and a corporate trustee, which may be any trust company or bank 1197
having the powers of a trust company within or without this state 1198
but authorized to exercise trust powers within this state. Any 1199
such agreement or indenture may contain the resolution authorizing 1200
the issuance of the obligations, any provisions that may be 1201
contained in the bond proceedings as authorized by this section, 1202
and other provisions which are customary or appropriate in an 1203
agreement or indenture of such type, including: 1204

(1) Maintenance of each pledge, trust agreement, and 1205
indenture, or other instrument comprising part of the bond 1206
proceedings until the institution of higher education has fully 1207
paid the bond service charges on the obligations secured thereby, 1208
or provision therefor has been made; 1209

(2) In the event of default in any payments required to be 1210
made by the bond proceedings, or any other agreement of the 1211
institution of higher education made as a part of the contract 1212
under which the obligations were issued, enforcement of such 1213
payments or agreement by mandamus, the appointment of a receiver, 1214
suit in equity, action at law, or any combination of the 1215
foregoing; 1216

(3) The rights and remedies of the holders of obligations and 1217
of the trustee, and provisions for protecting and enforcing them, 1218
including limitations on rights of individual holders of 1219
obligations; 1220

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

of age₇ 1375

(ii) The individual is on active duty with the armed forces 1376
of the United States other than for training in a reserve or 1377
national guard unit₇ 1378

(iii) The individual is a nonimmigrant alien lawfully in the 1379
United States in accordance with section 101 (a) (15) of the 1380
"Immigration and Nationality Act," 8 U.S.C. 1101, as amended₇ 1381

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

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

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

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

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

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

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

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

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

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

the adequacy of the staffing levels and expertise needed for the
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 and the department of administrative
services 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 in the requirements of division (B) of this section.

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

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

as follows: 1591

Sec. 209.63. BOR BOARD OF REGENTS 1592

General Revenue Fund 1593

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

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

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

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

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

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

Sec. 209.63.57. STATE SHARE OF INSTRUCTION 1687

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

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

The General Studies and Technical models shall be adjusted by 1706
the Board of Regents so that the share of state subsidy earned by 1707
those models is not altered by changes in the overall local share. 1708
A lower-division fee differential shall be used to maintain the 1709
relationship that would have occurred between these models and the 1710
baccalaureate models had an assumed share of 37.5 per cent been 1711
funded. 1712

In defining the number of full-time equivalent (FTE) students 1713
for state subsidy purposes, the Board of Regents shall exclude all 1714
undergraduate students who are not residents of Ohio, except those 1715
charged in-state fees in accordance with reciprocity agreements 1716
made under section 3333.17 of the Revised Code or employer 1717
contracts entered into under section 3333.32 of the Revised Code. 1718

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

(1) INSTRUCTION AND SUPPORT SERVICES 1720

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

(2) STUDENT SERVICES 1735

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

(B) PLANT OPERATION AND MAINTENANCE (POM) 1741

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

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

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

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

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

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

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

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

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

(b) The total gross square-foot POM expenditure requirement 1772
shall be allocated to models in proportion to each campus's 1773
activity-based POM weight multiplied by the two- or five-year 1774
average subsidy-eligible FTEs for all models. 1775

(c) The amounts allocated to models in division (B) (1) (b) of 1776
this section shall be multiplied by the ratio of subsidy-eligible 1777
FTE students to total FTE students reported in each model, and the 1778
amounts summed for all models. To this total amount shall be added 1779
an amount to support roads and grounds expenditures, which shall 1780
also be multiplied by the ratio of subsidy-eligible FTE students 1781
to total FTEs reported for each model. From this total amount, the 1782
amounts for Doctoral I and Doctoral II shall be subtracted to 1783
produce the square-foot-based POM subsidy. 1784

(2) DETERMINATION OF THE ACTIVITY-BASED POM SUBSIDY 1785

(a) The number of subsidy-eligible FTE students in each model 1786
shall be multiplied by the following rates for each campus for 1787
each fiscal year. 1788

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

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

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

(C) CALCULATION OF CORE SUBSIDY ENTITLEMENTS AND ADJUSTMENTS 1810

(1) CALCULATION OF CORE SUBSIDY ENTITLEMENTS 1811

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

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

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

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

The Ohio State University	1010	1830
University of Cincinnati	833	1831
Medical University of Ohio at Toledo	650	1832
Wright State University	433	1833
Ohio University	433	1834
Northeastern Ohio Universities College of Medicine	433	1835
(ii) For those medical schools whose current year enrollment, excluding students repeating terms, is equal to or greater than the base enrollment, the Medical II FTE enrollment shall equal the base enrollment plus the FTE for repeating students.		1836 1837 1838 1839
(iii) Students repeating terms may be no more than five per cent of current year enrollment.		1840 1841
(c) The Board of Regents shall compute the sum of the two calculations listed in division (C)(1)(a) of this section and use the greater sum as the core subsidy entitlement.		1842 1843 1844
The POM subsidy for each campus shall equal the greater of the square-foot-based subsidy or the activity-based POM subsidy component of the core subsidy entitlement.		1845 1846 1847
(d) The state share of instruction provided for doctoral students shall be based on a fixed percentage of the total appropriation. In each fiscal year of the biennium not more than 10.34 per cent of the total state share of instruction shall be reserved to implement the recommendations of the Graduate Funding Commission. It is the intent of the General Assembly that the doctoral reserve not exceed 10.34 per cent of the total state share of instruction to implement the recommendations of the Graduate Funding Commission. The Board of Regents may reallocate up to two per cent in each fiscal year of the reserve among the state-assisted universities on the basis of a quality review as specified in the recommendations of the Graduate Funding		1848 1849 1850 1851 1852 1853 1854 1855 1856 1857 1858 1859

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

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

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

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

amount shall be eligible to compete for and receive Innovation
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

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

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

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

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 1922
made without the recommendation of the Chancellor and the approval 1923
of the Controlling Board. 1924

(E) MID-YEAR APPROPRIATION REDUCTIONS TO THE STATE SHARE OF 1925
INSTRUCTION 1926

The standard provisions of the state share of instruction 1927
calculation as described in the preceding sections of temporary 1928
law shall apply to any reductions made to appropriation item 1929
235-501, State Share of Instruction, before the Board of Regents 1930
has formally approved the final allocation of the state share of 1931
instruction funds for any fiscal year. 1932

Any reductions made to appropriation item 235-501, State 1933
Share of Instruction, after the Board of Regents has formally 1934
approved the final allocation of the state share of instruction 1935
funds for any fiscal year, shall be uniformly applied to each 1936
campus in proportion to its share of the final allocation. 1937

(F) DISTRIBUTION OF STATE SHARE OF INSTRUCTION 1938

The state share of instruction payments to the institutions 1939
shall be in substantially equal monthly amounts during the fiscal 1940
year, unless otherwise determined by the Director of Budget and 1941
Management pursuant to section 126.09 of the Revised Code. 1942
Payments during the first six months of the fiscal year shall be 1943
based upon the state share of instruction appropriation estimates 1944
made for the various institutions of higher education according to 1945
Board of Regents enrollment estimates. Payments during the last 1946
six months of the fiscal year shall be distributed after approval 1947
of the Controlling Board upon the request of the Board of Regents. 1948

(G) LAW SCHOOL SUBSIDY 1949

The state share of instruction to state-supported 1950
universities for students enrolled in law schools in fiscal year 1951

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

(H) FUNDS REQUIRING CONTROLLING BOARD APPROVAL

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

Sec. 209.64.22. STATE UNIVERSITY CLINICAL TEACHING

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

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

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

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

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

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