

**PATENT ASSIGNMENT**

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SUBMISSION TYPE:	NEW ASSIGNMENT
NATURE OF CONVEYANCE:	MERGER
EFFECTIVE DATE:	06/30/2006

**CONVEYING PARTY DATA**

Name	Execution Date
Medical University of Ohio at Toledo	06/30/2006

**RECEIVING PARTY DATA**

Name:	University of Toledo
Street Address:	3000 Arlington Avenue
City:	Toledo
State/Country:	OHIO
Postal Code:	43614-2598

**PROPERTY NUMBERS Total: 1**

Property Type	Number
Patent Number:	7262027

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Total Attachments: 68  
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**As Passed by the House**

**126th General Assembly**

**Regular Session**

**2005-2006**

**Sub. H. B. No. 478**

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

**A BILL**

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

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

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

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

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

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

board also shall consist of two nonvoting members who are students of the combined university, as prescribed in division (B)(2)(b) of this section.

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(a) The term of office of the voting member of the initial board of trustees of the combined university who was not formerly a member of either the board of trustees of the medical university of Ohio at Toledo or the board of trustees of the university of Toledo shall be for nine years, beginning on July 2, 2006, and ending on July 1, 2015.

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

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

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

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

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

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

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

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

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

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

(b) One of the student members of the initial board of 107

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

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date of the trustee's term until the trustee's successor takes 140  
office, or until a period of sixty days has elapsed, whichever 141  
occurs first. 142

(5) No person who has served as a voting member of the board 143  
of trustees for a full nine-year term or more than six years of 144  
such a term and no person who is a voting member of the initial 145  
board of trustees as prescribed in division (B) (2) (a) of this 146  
section is eligible for reappointment to the board until a period 147  
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  
the Toledo state college of medicine shall be deemed to have been  
taken in the name of the board of trustees of the university of  
Toledo. 202  
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Sec. 3364.05. The general assembly shall support the  
university of Toledo by such sums and in such manner as it may  
provide, but support may also come from other sources. 206  
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Sec. 3364.06. (A) As used in this section, "constituent  
institutions" means the university of Toledo, as authorized under  
former Chapter 3360. of the Revised Code, and the medical  
university of Ohio at Toledo, as authorized under former sections  
3350.01 to 3350.05 of the Revised Code, which are combined as the  
university of Toledo pursuant to section 3364.01 of the Revised  
Code. 209  
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(B) When the combination of the constituent institutions  
becomes effective, all of the following apply: 216  
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(1) The separate existence of each of the constituent  
institutions shall cease, and the existence of each of the  
constituent institutions shall be continued for all purposes as  
the combined university of Toledo. The combination shall not cause  
either of the constituent institutions to be extinguished,  
terminated, dissolved, or liquidated and shall not constitute a  
sale, assignment, conveyance, disposition, or transfer of any of  
the rights or property of either of the constituent institutions.  
Whenever an instrument of conveyance, assignment, or transfer or  
deed or other act is necessary to vest property or rights in the  
combined university, the officers, trustees, or other authorized  
representatives of the respective constituent institutions shall  
execute, acknowledge, and deliver such instruments and do such  
acts. For these purposes, the existence of the respective 218  
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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, <del>the medical university of Ohio at Toledo,</del> and the	266
northeastern Ohio universities college of medicine;	267
(B) Any person who elects to transfer from the school	268
employees retirement system to the public employees retirement	269
system under section 3309.312 of the Revised Code;	270
(C) Any person who is employed full-time on or after	271
September 16, 1998, pursuant to section 3345.04 of the Revised	272
Code by the university of Akron as a state university law	273
enforcement officer.	274
Such employees are included in the definition of member as	275
used in Chapter 145. of the Revised Code. The universities and	276
colleges shall be subject to the obligations imposed by Chapter	277
145. of the Revised Code.	278
<b>Sec. 151.04.</b> This section applies to obligations as defined	279
in this section.	280
(A) As used in this section:	281
(1) "Costs of capital facilities" include related direct	282
administrative expenses and allocable portions of direct costs of	283
the using institution.	284
(2) "Obligations" means obligations as defined in section	285
151.01 of the Revised Code issued to pay costs of capital	286
facilities for state-supported or state-assisted institutions of	287
higher education.	288
(3) "State-supported or state-assisted institutions of higher	289
education" means a state university or college, or community	290
college district, technical college district, university branch	291

district, or state community college, or other institution for  
education, including technical education, beyond the high school,  
receiving state support or assistance for its expenses of  
operation. "State university or college" means each of the state  
universities identified in section 3345.011 of the Revised Code,  
and the northeastern Ohio universities college of medicine,  
~~and~~  
~~the medical university of Ohio at Toledo.~~

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

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

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

(D) There is hereby created in the state treasury the "higher  
education capital facilities bond service fund." All moneys  
received by the state and required by the bond proceedings,  
consistent with sections 151.01 and 151.04 of the Revised Code, to  
be deposited, transferred, or credited to the bond service fund,  
and all other moneys transferred or allocated to or received for  
the purposes of that fund, shall be deposited and credited to the  
bond service fund, subject to any applicable provisions of the  
bond proceedings but without necessity for any act of  
appropriation. During the period beginning with the date of the

first issuance of obligations and continuing during the time that 323  
any obligations are outstanding in accordance with their terms, so 324  
long as moneys in the bond service fund are insufficient to pay 325  
debt service when due on those obligations payable from that fund 326  
(except the principal amounts of bond anticipation notes payable 327  
from the proceeds of renewal notes or bonds anticipated) and due 328  
in the particular fiscal year, a sufficient amount of revenues of 329  
the state is committed and, without necessity for further act of 330  
appropriation, shall be paid to the bond service fund for the 331  
purpose of paying that debt service when due. 332

Sec. 154.01. As used in this chapter: 333

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

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

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

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

(E) "Governmental agency" means state agencies, state 349  
supported and assisted institutions of higher education, municipal 350  
corporations, counties, townships, school districts, and any other 351  
political subdivision or special district in this state 352

established pursuant to law, and, except where otherwise  
indicated, also means the United States or any department,  
division, or agency thereof, and any agency, commission, or  
authority established pursuant to an interstate compact or  
agreement.

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

(G) "Governing body" means:

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

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

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

(H) "Person" means any person, firm, partnership,



association, or corporation. 384

(I) "Bond service charges" means principal, including 385  
mandatory sinking fund requirements for retirement of obligations, 386  
and interest, and redemption premium, if any, required to be paid 387  
by the state on obligations. If not prohibited by the applicable 388  
bond proceedings, bond service charges may include costs relating 389  
to credit enhancement facilities that are related to and 390  
represent, or are intended to provide a source of payment of or 391  
limitation on, other bond service charges. 392

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

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

of direct costs of the commission or issuing authority and 416  
department of administrative services, or other designees of the 417  
commission under section 154.17 of the Revised Code, cost of 418  
engineering and architectural services, designs, plans, 419  
specifications, surveys, and estimates of cost, legal fees, fees 420  
and expenses of trustees, depositories, and paying agents for the 421  
obligations, cost of issuance of the obligations and financing 422  
charges and fees and expenses of financial advisers and 423  
consultants in connection therewith, interest on obligations from 424  
the date thereof to the time when interest is to be covered from 425  
sources other than proceeds of obligations, amounts necessary to 426  
establish reserves as required by the bond proceedings, costs of 427  
audits, the reimbursement of all moneys advanced or applied by or 428  
borrowed from any governmental agency, whether to or by the 429  
commission or others, from whatever source provided, for the 430  
payment of any item or items of cost of the capital facilities, 431  
any share of the cost undertaken by the commission pursuant to 432  
arrangements made with governmental agencies under division (H) of 433  
section 154.06 of the Revised Code, and all other expenses 434  
necessary or incident to planning or determining feasibility or 435  
practicability with respect to capital facilities, and such other 436  
expenses as may be necessary or incident to the acquisition, 437  
construction, reconstruction, rehabilitation, remodeling, 438  
renovation, enlargement, improvement, equipment, and furnishing of 439  
capital facilities, the financing thereof and the placing of the 440  
same in use and operation, including any one, part of, or 441  
combination of such classes of costs and expenses. 442

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

(M) "State parks" means: 447

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

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

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

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

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

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

(P) "Special funds" or "funds" means, except where the  
context does not permit, the bond service funds, the improvements  
funds, and any other funds for similar or different purposes  
created under bond proceedings, including all moneys and  
investments, and earnings from investments, credited and to be  
credited thereto.

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

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

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

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

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

Sec. 3305.01. As used in this chapter:

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

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

created under Chapter 3309. of the Revised Code.

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

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

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

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

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

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

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

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the Revised Code.	539
(F) "Provider" means an entity designated under section 3305.03 of the Revised Code as a provider of investment options for an alternative retirement plan.	540 541 542
Sec. 3307.01. As used in this chapter:	543
(A) "Employer" means the board of education, school district, governing authority of any community school established under Chapter 3314. of the Revised Code, college, university, institution, or other agency within the state by which a teacher is employed and paid.	544 545 546 547 548
(B) "Teacher" means all of the following:	549
(1) Any person paid from public funds and employed in the public schools of the state under any type of contract described in section 3319.08 of the Revised Code in a position for which the person is required to have a license issued pursuant to sections 3319.22 to 3319.31 of the Revised Code;	550 551 552 553 554
(2) Any person employed as a teacher by a community school pursuant to Chapter 3314. of the Revised Code;	555 556
(3) Any person having a license issued pursuant to sections 3319.22 to 3319.31 of the Revised Code and employed in a public school in this state in an educational position, as determined by the state board of education, under programs provided for by federal acts or regulations and financed in whole or in part from federal funds, but for which no licensure requirements for the position can be made under the provisions of such federal acts or regulations;	557 558 559 560 561 562 563 564
(4) Any other teacher or faculty member employed in any school, college, university, institution, or other agency wholly controlled and managed, and supported in whole or in part, by the state or any political subdivision thereof, including Central	565 566 567 568

state university, Cleveland state university, and the university  
of Toledo, ~~and the medical university of Ohio at Toledo;~~

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

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

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

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

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

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

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

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

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

(E) "Beneficiary" means any person eligible to receive, or in receipt of, a retirement allowance or other benefit provided by this chapter.

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

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

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

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

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

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

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

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

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

(2) Renders investment advice for a fee, direct or indirect,



with respect to money or property of the system; 629

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

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

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

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

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

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

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

(e) Incidental benefits, including lodging, food, laundry, 658

parking, or services furnished by the employer, use of the  
employer's property or equipment, and reimbursement for  
job-related expenses authorized by the employer, including moving  
and travel expenses and expenses related to professional  
development; 659  
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(f) Payments made by the employer in exchange for a member's  
waiver of a right to receive any payment, amount, or benefit  
described in division (L) (2) of this section; 664  
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(g) Payments by the employer for services not actually  
rendered; 667  
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(h) Any amount paid by the employer as a retroactive increase  
in salary, wages, or other earnings, unless the increase is one of  
the following: 669  
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(i) A retroactive increase paid to a member employed by a  
school district board of education in a position that requires a  
license designated for teaching and not designated for being an  
administrator issued under section 3319.22 of the Revised Code  
that is paid in accordance with uniform criteria applicable to all  
members employed by the board in positions requiring the licenses; 672  
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(ii) A retroactive increase paid to a member employed by a  
school district board of education in a position that requires a  
license designated for being an administrator issued under section  
3319.22 of the Revised Code that is paid in accordance with  
uniform criteria applicable to all members employed by the board  
in positions requiring the licenses; 678  
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(iii) A retroactive increase paid to a member employed by a  
school district board of education as a superintendent that is  
also paid as described in division (L) (2) (h) (i) of this section; 684  
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(iv) A retroactive increase paid to a member employed by an  
employer other than a school district board of education in 687  
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accordance with uniform criteria applicable to all members employed by the employer.	689 690
(i) Payments made to or on behalf of a teacher that are in excess of the annual compensation that may be taken into account by the retirement system under division (a) (17) of section 401 of the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 401(a) (17), as amended. For a teacher who first establishes membership before July 1, 1996, the annual compensation that may be taken into account by the retirement system shall be determined under division (d) (3) of section 13212 of the "Omnibus Budget Reconciliation Act of 1993," Pub. L. No. 103-66, 107 Stat. 472.	691 692 693 694 695 696 697 698 699
(j) Payments made under division (B), (C), or (E) of section 5923.05 of the Revised Code, Section 4 of Substitute Senate Bill No. 3 of the 119th general assembly, Section 3 of Amended Substitute Senate Bill No. 164 of the 124th general assembly, or Amended Substitute House Bill No. 405 of the 124th general assembly;	700 701 702 703 704 705
(k) Anything of value received by the teacher that is based on or attributable to retirement or an agreement to retire.	706 707
(3) The retirement board shall determine by rule both of the following:	708 709
(a) Whether particular forms of earnings are included in any of the categories enumerated in this division;	710 711
(b) Whether any form of earnings not enumerated in this division is to be included in compensation.	712 713
Decisions of the board made under this division shall be final.	714 715
(M) "Superannuate" means both of the following:	716
(1) A former teacher receiving from the system a retirement allowance under section 3307.58 or 3307.59 of the Revised Code;	717 718

(2) A former teacher receiving a benefit from the system 719  
under a plan established under section 3307.81 of the Revised 720  
Code, except that "superannuate" does not include a former teacher 721  
who is receiving a benefit based on disability under a plan 722  
established under section 3307.81 of the Revised Code. 723

For purposes of sections 3307.35 and 3307.353 of the Revised 724  
Code, "superannuate" also means a former teacher receiving from 725  
the system a combined service retirement benefit paid in 726  
accordance with section 3307.57 of the Revised Code, regardless of 727  
which retirement system is paying the benefit. 728

Sec. 3333.045. As used in this section, "state university or 729  
college" means any state university listed in section 3345.011 of 730  
the Revised Code, the northeastern Ohio universities college of 731  
medicine, ~~the medical university of Ohio at Toledo~~, any community 732  
college under Chapter 3354. of the Revised Code, any university 733  
branch district under Chapter 3355. of the Revised Code, any 734  
technical college under Chapter 3357. of the Revised Code, and any 735  
state community college under Chapter 3358. of the Revised Code. 736

The Ohio board of regents shall work with the attorney 737  
general, the auditor of state, and the Ohio ethics commission to 738  
develop a model for training members of the boards of trustees of 739  
all state universities and colleges and members of the board of 740  
regents regarding the authority and responsibilities of a board of 741  
trustees or the board of regents. This model shall include a 742  
review of fiduciary responsibilities, ethics, and fiscal 743  
management. Use of this model by members of boards of trustees and 744  
the board of regents shall be voluntary. 745

This section does not apply to the three members of the board 746  
of trustees of the northeastern Ohio universities college of 747  
medicine who are presidents of state universities. 748

Sec. 3334.01. As used in this chapter:	749
(A) "Aggregate original principal amount" means the aggregate of the initial offering prices to the public of college savings bonds, exclusive of accrued interest, if any. "Aggregate original principal amount" does not mean the aggregate accreted amount payable at maturity or redemption of such bonds.	750 751 752 753 754
(B) "Beneficiary" means:	755
(1) An individual designated by the purchaser under a tuition payment contract or through a scholarship program as the individual on whose behalf tuition units purchased under the contract or awarded through the scholarship program will be applied toward the payment of undergraduate, graduate, or professional tuition; or	756 757 758 759 760 761
(2) An individual designated by the contributor under a variable college savings program contract as the individual whose tuition and other higher education expenses will be paid from a variable college savings program account.	762 763 764 765
(C) "Capital appreciation bond" means a bond for which the following is true:	766 767
(1) The principal amount is less than the amount payable at maturity or early redemption; and	768 769
(2) No interest is payable on a current basis.	770
(D) "Tuition unit" means a credit of the Ohio tuition trust authority purchased under section 3334.09 of the Revised Code. "Tuition unit" includes a tuition credit purchased prior to July 1, 1994.	771 772 773 774
(E) "College savings bonds" means revenue and other obligations issued on behalf of the state or any agency or issuing authority thereof as a zero-coupon or capital appreciation bond,	775 776 777

and designated as college savings bonds as provided in this 778  
chapter. "College savings bond issue" means any issue of bonds of 779  
which any part has been designated as college savings bonds. 780

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

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

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

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

(1) Add the products of the annual undergraduate tuition charged to Ohio residents at each four-year state university multiplied by that institution's total number of undergraduate fiscal year equated students; and	809 810 811 812
(2) Divide the gross total of the products from division (I) (1) of this section by the total number of undergraduate fiscal year equated students attending four-year state universities.	813 814 815
When making this calculation, the "annual undergraduate tuition charged to Ohio residents" shall not incorporate any tuition reductions that vary in amount among individual recipients and that are awarded to Ohio residents based upon their particular circumstances, beyond any minimum amount awarded uniformly to all Ohio residents. In addition, any tuition reductions awarded uniformly to all Ohio residents shall be incorporated into this calculation.	816 817 818 819 820 821 822 823
(J) "Zero-coupon bond" means a bond which has a stated interest rate of zero per cent and on which no interest is payable until the maturity or early redemption of the bond, and is offered at a substantial discount from its original stated principal amount.	824 825 826 827 828
(K) "State institution of higher education" includes the state universities listed in section 3345.011 of the Revised Code, community colleges created pursuant to Chapter 3354. of the Revised Code, university branches created pursuant to Chapter 3355. of the Revised Code, technical colleges created pursuant to Chapter 3357. of the Revised Code, state community colleges created pursuant to Chapter 3358. of the Revised Code, <del>the medical university of Ohio at Toledo,</del> and the northeastern Ohio universities college of medicine.	829 830 831 832 833 834 835 836 837
(L) "Four-year state university" means those state universities listed in section 3345.011 of the Revised Code.	838 839

- (M) "Principal amount" refers to the initial offering price to the public of an obligation, exclusive of the accrued interest, if any. "Principal amount" does not refer to the aggregate accreted amount payable at maturity or redemption of an obligation. 840-844
- (N) "Scholarship program" means a program registered with the Ohio tuition trust authority pursuant to section 3334.17 of the Revised Code. 845-847
- (O) "Internal Revenue Code" means the "Internal Revenue Code of 1986," 100 Stat. 2085, 26 U.S.C.A. 1 et seq., as amended. 848-849
- (P) "Other higher education expenses" means room and board and books, supplies, equipment, and nontuition-related fees associated with the cost of attendance of a beneficiary at an institution of higher education, but only to the extent that such expenses meet the definition of "qualified higher education expenses" under section 529 of the Internal Revenue Code. "Other higher education expenses" does not include tuition as defined in division (H) of this section. 850-857
- (Q) "Purchaser" means the person signing the tuition payment contract, who controls the account and acquires tuition units for an account under the terms and conditions of the contract. 858-860
- (R) "Contributor" means a person who signs a variable college savings program contract with the Ohio tuition trust authority and contributes to and owns the account created under the contract. 861-863
- (S) "Contribution" means any payment directly allocated to an account for the benefit of the designated beneficiary of the account. 864-866
- Sec. 3345.04. (A) As used in this section, "felony" has the same meaning as in section 109.511 of the Revised Code. 867-868
- (B) Subject to division (C) of this section, the board of 869



trustees of a state university, ~~the board of trustees of the~~ 870  
~~medical university of Ohio at Toledo,~~ the board of trustees of the 871  
northeastern Ohio universities college of medicine, the board of 872  
trustees of a state community college, and the board of trustees 873  
of a technical college or community college district operating a 874  
technical or a community college may designate one or more 875  
employees of the institution, as a state university law 876  
enforcement officer, in accordance with section 109.77 of the 877  
Revised Code, and, as state university law enforcement officers, 878  
those employees shall take an oath of office, wear the badge of 879  
office, serve as peace officers for the college or university, and 880  
give bond to the state for the proper and faithful discharge of 881  
their duties in the amount that the board of trustees requires. 882

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

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

(i) Pleads guilty to a felony; 895

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

(b) The board of trustees shall suspend from employment as a state university law enforcement officer an employee designated as a state university law enforcement officer under division (B) of this section if that employee is convicted, after trial, of a felony. If the state university law enforcement officer files an appeal from that conviction and the conviction is upheld by the highest court to which the appeal is taken or if the state university law enforcement officer does not file a timely appeal, the board of trustees shall terminate the employment of that state university law enforcement officer. If the state university law enforcement officer files an appeal that results in that officer's acquittal of the felony or conviction of a misdemeanor, or in the dismissal of the felony charge against that officer, the board of trustees shall reinstate that state university law enforcement officer. A state university law enforcement officer who is reinstated under division (C) (2) (b) of this section shall not receive any back pay unless that officer's conviction of the felony was reversed on appeal, or the felony charge was dismissed, because the court found insufficient evidence to convict the officer of the felony.

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

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

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

(1) "State university or college" means each of the state universities identified in section 3345.011 of the Revised Code, ~~and the northeastern Ohio universities college of medicine, and the medical university of Ohio at Toledo,~~ and includes its board of trustees.

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

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

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

(5) "Education facilities" means buildings, structures, and other improvements, and equipment, real estate, and interests in real estate therefor, to be used for or in connection with,

classrooms or other instructional facilities, libraries, 963  
administrative and office facilities, and other facilities, other 964  
than auxiliary facilities, to be used directly or indirectly for 965  
or in connection with the conduct of the institution of higher 966  
education. 967

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

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

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

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

(10) "Costs of facilities" means the costs of acquiring,	994
constructing, reconstructing, rehabilitating, remodeling,	995
renovating, enlarging, improving, equipping, or furnishing	996
facilities, and the financing thereof, including the cost of	997
clearance and preparation of the site and of any land to be used	998
in connection with facilities, the cost of any indemnity and	999
surety bonds and premiums on insurance, all related direct	1000
administrative expenses and allocable portions of direct costs of	1001
the institution of higher education or state agency, cost of	1002
engineering, architectural services, design, plans, specifications	1003
and surveys, estimates of cost, legal fees, fees and expenses of	1004
trustees, depositories, bond registrars, and paying agents for the	1005
obligations, cost of issuance of the obligations and financing	1006
costs and fees and expenses of financial advisers and consultants	1007
in connection therewith, interest on the obligations from the date	1008
thereof to the time when interest is to be covered by available	1009
receipts or other sources other than proceeds of the obligations,	1010
amounts necessary to establish reserves as required by the bond	1011
proceedings, costs of audits, the reimbursements of all moneys	1012
advanced or applied by or borrowed from the institution or others,	1013
from whatever source provided, including any temporary advances	1014
from state appropriations, for the payment of any item or items of	1015
cost of facilities, and all other expenses necessary or incident	1016
to planning or determining feasibility or practicability with	1017
respect to facilities, and such other expenses as may be necessary	1018
or incident to the acquisition, construction, reconstruction,	1019
rehabilitation, remodeling, renovation, enlargement, improvement,	1020
equipment, and furnishing of facilities, the financing thereof and	1021
the placing of them in use and operation, including any one, part	1022
of, or combination of such classes of costs and expenses.	1023
(11) "Available receipts" means all moneys received by the	1024
institution of higher education, including income, revenues, and	1025

receipts from the operation, ownership, or control of facilities, 1026  
grants, gifts, donations, and pledges and receipts therefrom, 1027  
receipts from fees and charges, and the proceeds of the sale of 1028  
obligations, including proceeds of obligations issued to refund 1029  
obligations previously issued, but excluding any special fee, and 1030  
receipts therefrom, charged pursuant to division (D) of section 1031  
154.21 of the Revised Code. 1032

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

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

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

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

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

existing restrictions on the use thereof, or such pledge and lien 1057  
may be made subordinate to such other expenses, claims, or 1058  
payments, as provided in the bond proceedings. Obligations may be 1059  
additionally secured by covenants of the institution to make, fix, 1060  
adjust, collect, and apply such charges, rates, fees, rentals, and 1061  
other items of available receipts as will produce pledged 1062  
available receipts sufficient to meet bond service charges, 1063  
reserve, and other requirements provided for in the bond 1064  
proceedings. Notwithstanding this and any other sections of the 1065  
Revised Code, the holders or owners of the obligations shall not 1066  
be given the right and shall have no right to have excises or 1067  
taxes levied by the general assembly for the payment of bond 1068  
service charges thereon, and each such obligation shall bear on 1069  
its face a statement to that effect and to the effect that the 1070  
right to such payment is limited to the available receipts and 1071  
special funds pledged to such purpose under the bond proceedings. 1072

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

(D) The bond proceedings for obligations shall provide for 1079  
the purpose thereof and the principal amount or maximum principal 1080  
amount, and provide for or authorize the manner of determining the 1081  
principal maturity or maturities, the sale price including any 1082  
permitted discount, the interest rate or rates, which may be a 1083  
variable rate or rates, or the maximum interest rate, the date of 1084  
the obligations and the date or dates of payment of interest 1085  
thereon, their denominations, the manner of sale thereof, and the 1086  
establishment within or without the state of a place or places of 1087  
payment of bond service charges. The bond proceedings also shall 1088

provide for a pledge of and lien on available receipts of the  
institution of higher education as provided in division (C) of  
this section, and a pledge of and lien on such fund or funds  
provided in the bond proceedings arising from available receipts,  
which pledges and liens may provide for parity with obligations  
theretofore or thereafter issued by the institution. The available  
receipts so pledged and thereafter received by the institution and  
the funds so pledged are immediately subject to the lien of such  
pledge without any physical delivery thereof or further act, and  
the lien of any such pledge is valid and binding against all  
parties having claims of any kind against the institution,  
irrespective of whether such parties have notice thereof, and  
shall create a perfected security interest for all purposes of  
Chapter 1309. of the Revised Code, without the necessity for  
separation or delivery of funds or for the filing or recording of  
the bond proceedings by which such pledge is created or any  
certificate, statement, or other document with respect thereto;  
and the pledge of such available receipts and funds shall be  
effective and the money therefrom and thereof may be applied to  
the purposes for which pledged without necessity for any act of  
appropriation.

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

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

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



(3) Limitations on the purposes to which the proceeds of the obligations may be applied;	1121 1122
(4) The rates or rentals or other charges for the use of or right to use the facilities financed by the obligations, or other properties the revenues or receipts from which are pledged to the obligations, and rules for assuring use and occupancy thereof, including limitations upon the right to modify such rates, rentals, other charges, or regulations;	1123 1124 1125 1126 1127 1128
(5) The use and expenditure of the pledged available receipts in such manner and to such extent as shall be determined, which may include provision for the payment of the expenses of operation, maintenance, and repair of facilities so that such expenses, or part thereof, shall be paid or provided as a charge prior or subsequent to the payment of bond service charges and any other payments required to be made by the bond proceedings;	1129 1130 1131 1132 1133 1134 1135
(6) Limitations on the issuance of additional obligations;	1136
(7) The terms of any trust agreement or indenture securing the obligations or under which the same may be issued;	1137 1138
(8) The deposit, investment, and application of funds, and the safeguarding of funds on hand or on deposit without regard to Chapter 131. or 135. of the Revised Code, and any bank or trust company or other financial institution that acts as depository of any moneys under the bond proceedings shall furnish such indemnifying bonds or pledge such securities as required by the bond proceedings or otherwise by the institution of higher education;	1139 1140 1141 1142 1143 1144 1145 1146
(9) The binding effect of any or every provision of the bond proceedings upon such officer, board, commission, authority, agency, department, or other person or body as may from time to time have the authority under law to take such actions as may be necessary to perform all or any part of the duty required by such	1147 1148 1149 1150 1151

provision; 1152

(10) Any provision that may be made in a trust agreement or 1153  
indenture; 1154

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

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

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

obligations with coupons attached thereto of any obligations 1183  
registered as to both principal and interest, and for reasonable 1184  
charges for such registration, exchange, conversion, and 1185  
reconversion. 1186

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

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

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

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

(3) The rights and remedies of the holders of obligations and 1213

of the trustee, and provisions for protecting and enforcing them, 1214  
including limitations on rights of individual holders of 1215  
obligations; 1216

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

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

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

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

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

renewal notes therefor or apply the proceeds thereof to the extent  
necessary, to make full payment of the bond service charges on  
such notes at the time or times contemplated, as provided in such  
resolution. Subject to the provisions of this division, all  
references to obligations in this section apply to such  
anticipation notes.

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

(L) Obligations are lawful investments for banks, societies  
for savings, savings and loan associations, deposit guarantee  
associations, trust companies, trustees, fiduciaries, insurance  
companies, including domestic for life and domestic not for life,  
trustees or other officers having charge of sinking and bond  
retirement or other special funds of political subdivisions and  
taxing districts of this state, the commissioners of the sinking  
fund, the administrator of workers' compensation in accordance  
with the investment policy established by the workers'  
compensation oversight commission pursuant to section 4121.12 of  
the Revised Code, the state teachers retirement system, the public  
employees retirement system, the school employees retirement  
system, and the Ohio police and fire pension fund, notwithstanding  
any other provisions of the Revised Code or rules adopted pursuant  
thereto by any state agency with respect to investments by them,

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and are also acceptable as security for the deposit of public  
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(M) All facilities purchased, acquired, constructed, or owned  
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. 1279  
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(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. 1293  
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(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. 1301  
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(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 1304  
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Revised Code do not apply to such facilities. 1308

(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 section 3345.07 or 3345.11 of the Revised Code, to permit the purchasers or lessees thereof to acquire, construct, equip, furnish, reconstruct, alter, enlarge, remodel, renovate, rehabilitate, improve, maintain, repair, or maintain and operate thereon and to provide by lease or otherwise to such institution, facilities authorized in section 3345.07 or 3345.11 of the Revised Code. Such land or interests therein shall be sold for such appraised value, or leased, and on such terms as the board of trustees determines. All deeds or other instruments relating to such sales or leases shall be executed by such officer of the state university or college as the board of trustees designates. The state university or college shall hold, invest, or use the proceeds of such sales or leases for the same purposes for which proceeds of borrowings may be used under sections 3345.07 and 3345.11 of the Revised Code. 1309  
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(R) An institution of higher education may pledge available receipts, to the extent permitted by division (C) of this section with respect to obligations, to secure the payments to be made by it under any lease, lease with option to purchase, or lease-purchase agreement authorized under this section or section 3345.07, 3345.11, 3354.121, 3355.091, 3357.112, or 3358.10 of the Revised Code. 1327  
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Sec. 3345.17. All property, personal, real, or mixed of the boards of trustees and of the housing commissions of the state universities, ~~the medical university of Ohio at Toledo,~~ the northeastern Ohio universities college of medicine, and of the state held for the use and benefit of any such institution, which 1334  
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is used for the support of such institution, is exempt from 1339  
taxation so long as such property is used for the support of such 1340  
university or college. 1341

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

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

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

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

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

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

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

(b) That the individual filing the statement is not required 1367



to register with the selective service for one of the following reasons: 1368  
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(i) The individual is under eighteen or over twenty-six years of age. 1370  
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(ii) The individual is on active duty with the armed forces of the United States other than for training in a reserve or national guard unit. 1372  
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(iii) The individual is a nonimmigrant alien lawfully in the United States in accordance with section 101 (a) (15) of the "Immigration and Nationality Act," 8 U.S.C. 1101, as amended. 1375  
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(iv) The individual is not a citizen of the United States and is a permanent resident of the Trust Territory of the Pacific Islands or the Northern Mariana Islands. 1378  
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(4) "Institution of higher education" means any eligible institution approved by the United States department of education pursuant to the "Higher Education Act of 1965," 79 Stat. 1219, as amended, or any institution whose students are eligible for financial assistance under any of the programs described by division (E) of this section. 1381  
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(B) The Ohio board of regents shall, by rule, specify the form of statements of selective service status to be filed in compliance with divisions (C) to (F) of this section. Each statement of selective service status shall contain a section wherein a male student born after December 31, 1959, certifies that the student has registered with the selective service system in accordance with the "Military Selective Service Act," 62 Stat. 604, 50 U.S.C. App. 453, as amended. For those students not required to register with the selective service, as specified in divisions (A) (2) (b) (i) to (iv) of this section, a section shall be provided on the statement of selective service status for the certification of nonregistration and for an explanation of the 1387  
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reason for the exemption. The board of regents may require that  
such statements be accompanied by documentation specified by rule  
of the board.

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

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

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

exempt from registration for a reason other than that the individual is under eighteen years of age. 1431  
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Sec. 3345.50. Notwithstanding anything to the contrary in 1433  
sections 123.01 and 123.15 of the Revised Code, a state 1434  
university, ~~the medical university of Ohio at Toledo,~~ a state 1435  
community college, or the northeastern Ohio universities college 1436  
of medicine not certified pursuant to section 123.17 of the 1437  
Revised Code may administer any capital facilities project for the 1438  
construction, reconstruction, improvement, renovation, 1439  
enlargement, or alteration of a public improvement under its 1440  
jurisdiction for which the total amount of funds expected to be 1441  
appropriated by the general assembly does not exceed four million 1442  
dollars without the supervision, control, or approval of the 1443  
department of administrative services as specified in those 1444  
sections, if both of the following occur: 1445

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

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

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

of administrative services and higher education representatives 1462  
selected by the board of regents, shall include such matters as 1463  
the adequacy of the staffing levels and expertise needed for the 1464  
institution to administer the project, past performance of the 1465  
institution in administering such projects, and the amount of 1466  
institutional or other nonstate money to be used in financing the 1467  
project. The board of regents and the department of administrative 1468  
services shall approve the request of any such institution of 1469  
higher education that seeks to administer any such capital 1470  
facilities project and meets the criteria set forth in the rules 1471  
and in the requirements of division (B) of this section. 1472

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

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

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

(3) The board of trustees passes a resolution stating its 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  
of the Revised Code appropriately. 1525  
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(D) 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 establishing  
criteria for monitoring capital facilities projects administered  
by institutions under this section. The criteria shall include the  
following: 1529  
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(1) Conditions under which the board of regents may revoke  
the authority of an institution to administer a capital facilities  
project under this section, including the failure of an  
institution to maintain a sufficient number of employees who have  
successfully completed the certification program under section  
123.17 of the Revised Code; 1535  
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(2) A process for institutions to remedy any problems found  
by an audit conducted pursuant to division (C) of this section,  
including the improper use of state funds or violations of Chapter  
9., 123., or 153. of the Revised Code. 1541  
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(E) If the board of regents revokes an institution's  
authority to administer a capital facilities project, the  
department of administrative services shall administer the capital  
facilities project. The board of regents also may require an  
institution, for which the board revoked authority to administer a  
capital facilities project, to acquire a new local administration  
competency certification pursuant to section 123.17 of the Revised  
Code. 1545  
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Sec. 3345.71. As used in sections 3345.72 to 3345.77 of the  
Revised Code: 1553  
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(A) "State university or college" means any state university listed in section 3345.011 of the Revised Code, the northeastern Ohio universities college of medicine, ~~the medical university of Ohio at Toledo~~, any community college under Chapter 3354. of the Revised Code, any technical college under Chapter 3357. of the Revised Code, and any state community college under Chapter 3358. of the Revised Code.

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

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

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

Section 5. That Sections 209.63, 209.63.57, and 209.64.22 of 1585  
Am. Sub. H.B. 66 of the 126th General Assembly be amended to read 1586  
as follows: 1587

Sec. 209.63. BOR BOARD OF REGENTS 1588

General Revenue Fund 1589

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



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

GRF 235-526	Primary Care Residencies	\$	2,245,688	\$	2,245,688	1624
GRF 235-527	Ohio Aerospace Institute	\$	1,764,957	\$	1,764,957	1625
GRF 235-530	Academic Scholarships	\$	7,800,000	\$	7,800,000	1626
GRF 235-531	Student Choice Grants	\$	50,853,276	\$	52,985,376	1627
GRF 235-534	Student Workforce Development Grants	\$	2,137,500	\$	2,137,500	1628
GRF 235-535	Ohio Agricultural Research and Development Center	\$	35,955,188	\$	35,955,188	1629
GRF 235-536	The Ohio State University Clinical Teaching	\$	13,565,885	\$	13,565,885	1630
GRF 235-537	University of Cincinnati Clinical Teaching	\$	11,157,756	\$	11,157,756	1631
GRF 235-538	<del>Medical</del> University of <del>Ohio at</del> Toledo Clinical Teaching	\$	8,696,866	\$	8,696,866	1632
GRF 235-539	Wright State University Clinical Teaching		4,225,107	\$	4,225,107	1633
GRF 235-540	Ohio University Clinical Teaching	\$	4,084,540	\$	4,084,540	1634
GRF 235-541	Northeastern Ohio Universities College of Medicine Clinical Teaching	\$	4,200,945	\$	4,200,945	1635
GRF 235-543	Ohio College of Podiatric Medicine Clinic Subsidy	\$	250,000	\$	250,000	1636
GRF 235-547	School of	\$	450,000	\$	450,000	1637

	International Business					
GRF 235-549	Part-time Student	\$	14,457,721	\$	10,534,617	1638
	Instructional Grants					
GRF 235-552	Capital Component	\$	19,058,863	\$	19,058,863	1639
GRF 235-553	Dayton Area Graduate	\$	2,806,599	\$	2,806,599	1640
	Studies Institute					
GRF 235-554	Priorities in	\$	2,355,548	\$	2,355,548	1641
	Collaborative Graduate					
	Education					
GRF 235-555	Library Depositories	\$	1,696,458	\$	1,696,458	1642
GRF 235-556	Ohio Academic	\$	3,727,223	\$	3,727,223	1643
	Resources Network					
GRF 235-558	Long-term Care	\$	211,047	\$	211,047	1644
	Research					
GRF 235-561	Bowling Green State	\$	100,015	\$	100,015	1645
	University Canadian					
	Studies Center					
GRF 235-563	Ohio College	\$	0	\$	58,144,139	1646
	Opportunity Grant					
GRF 235-572	The Ohio State	\$	1,277,019	\$	1,277,019	1647
	University Clinic					
	Support					
GRF 235-583	Urban University	\$	4,992,937	\$	4,992,937	1648
	Program					
GRF 235-587	Rural University	\$	1,147,889	\$	1,147,889	1649
	Projects					
GRF 235-596	Hazardous Materials	\$	360,435	\$	360,435	1650
	Program					
GRF 235-599	National Guard	\$	15,128,472	\$	16,611,063	1651
	Scholarship Program					
GRF 235-909	Higher Education	\$	137,600,300	\$	152,114,100	1652
	General Obligation					
	Debt Service					

**Sub. H. B. No. 478  
As Passed by the House**

TOTAL GRF General Revenue Fund	\$ 2,469,260,757	\$ 2,548,147,869	1653
General Services Fund Group			1654
220 235-614 Program Approval and Reauthorization	\$ 400,000	\$ 400,000	1655
456 235-603 Sales and Services	\$ 700,000	\$ 900,000	1656
TOTAL GSF General Services Fund Group	\$ 1,100,000	\$ 1,300,000	1657 1658
Federal Special Revenue Fund Group			1659
3H2 235-608 Human Services Project	\$ 1,500,000	\$ 1,500,000	1660
3H2 235-622 Medical Collaboration Network	\$ 3,346,143	\$ 3,346,143	1661
3N6 235-605 State Student Incentive Grants	\$ 2,196,680	\$ 2,196,680	1662
3T0 235-610 National Health Service Corps - Ohio Loan Repayment	\$ 150,001	\$ 150,001	1663
312 235-609 Tech Prep	\$ 183,850	\$ 183,850	1664
312 235-611 Gear-up Grant	\$ 1,370,691	\$ 1,370,691	1665
312 235-612 Carl D. Perkins Grant/Plan Administration	\$ 112,960	\$ 112,960	1666
312 235-615 Professional Development	\$ 523,129	\$ 523,129	1667
312 235-617 Improving Teacher Quality Grant	\$ 2,900,000	\$ 2,900,000	1668
312 235-619 Ohio Supercomputer Center	\$ 6,000,000	\$ 6,000,000	1669
312 235-621 Science Education Network	\$ 1,686,970	\$ 1,686,970	1670
312 235-631 Federal Grants	\$ 250,590	\$ 250,590	1671
TOTAL FED Federal Special Revenue Fund Group	\$ 20,221,014	\$ 20,221,014	1672 1673

State Special Revenue Fund Group				1674
4E8 235-602 Higher Educational	\$	55,000	\$ 55,000	1675
Facility Commission				
Administration				
4P4 235-604 Physician Loan	\$	476,870	\$ 476,870	1676
Repayment				
649 235-607 The Ohio State	\$	760,000	\$ 760,000	1677
University				
Highway/Transportation				
Research				
682 235-606 Nursing Loan Program	\$	893,000	\$ 893,000	1678
TOTAL SSR State Special Revenue				1679
Fund Group	\$	2,184,870	\$ 2,184,870	1680
TOTAL ALL BUDGET FUND GROUPS	\$	2,492,766,641	\$ 2,571,853,753	1681

Sec. 209.63.57. STATE SHARE OF INSTRUCTION 1683

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

The Board of Regents shall establish procedures required by 1689  
 the system of formulas set out below and for the assignment of 1690  
 individual institutions to categories described in the formulas. 1691  
 The system of formulas establishes the manner in which aggregate 1692  
 expenditure requirements shall be determined for each of the three 1693  
 components of institutional operations. In addition to other 1694  
 adjustments and calculations described below, the subsidy 1695  
 entitlement of an institution shall be determined by subtracting 1696  
 from the institution's aggregate expenditure requirements income 1697  
 to be derived from the local contributions assumed in calculating 1698  
 the subsidy entitlements. The local contributions for purposes of 1699

determining subsidy support shall not limit the authority of the individual boards of trustees to establish fee levels. 1700  
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The General Studies and Technical models shall be adjusted by the Board of Regents so that the share of state subsidy earned by those models is not altered by changes in the overall local share. A lower-division fee differential shall be used to maintain the relationship that would have occurred between these models and the baccalaureate models had an assumed share of 37.5 per cent been funded. 1702  
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In defining the number of full-time equivalent (FTE) students for state subsidy purposes, the Board of Regents shall exclude all undergraduate students who are not residents of Ohio, except those charged in-state fees in accordance with reciprocity agreements made under section 3333.17 of the Revised Code or employer contracts entered into under section 3333.32 of the Revised Code. 1709  
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(A) AGGREGATE EXPENDITURE PER FULL-TIME EQUIVALENT STUDENT 1715

(1) INSTRUCTION AND SUPPORT SERVICES 1716

MODEL	FY 2006	FY 2007	
General Studies I	\$ 4,655	\$ 4,655	1717
General Studies II	\$ 5,135	\$ 5,135	1718
General Studies III	\$ 6,365	\$ 6,365	1719
Technical I	\$ 5,926	\$ 5,926	1720
Technical III	\$ 9,107	\$ 9,107	1721
Baccalaureate I	\$ 7,160	\$ 7,160	1722
Baccalaureate II	\$ 8,235	\$ 8,235	1723
Baccalaureate III	\$11,841	\$11,841	1724
Masters and Professional I	\$19,088	\$19,088	1725
Masters and Professional II	\$20,984	\$20,984	1726
Masters and Professional III	\$27,234	\$27,234	1727
Medical I	\$29,143	\$29,143	1728
Medical II	\$37,172	\$37,172	1729
			1730

MPD I	\$13,645	\$13,645	1731
(2) STUDENT SERVICES			1732
For this purpose, FTE counts shall be weighted to reflect differences among institutions in the numbers of students enrolled on a part-time basis. The student services subsidy per FTE shall be \$890 in each fiscal year for all models.			1733 1734 1735 1736
(B) PLANT OPERATION AND MAINTENANCE (POM)			1737
(1) DETERMINATION OF THE SQUARE-FOOT-BASED POM SUBSIDY			1738
Space undergoing renovation shall be funded at the rate allowed for storage space.			1739 1740
In the calculation of square footage for each campus, square footage shall be weighted to reflect differences in space utilization.			1741 1742 1743
The space inventories for each campus shall be those determined in the fiscal year 2003 state share of instruction calculation, adjusted for changes attributable to the construction or renovation of facilities for which state appropriations were made or local commitments were made prior to January 1, 1995.			1744 1745 1746 1747 1748
Only 50 per cent of the space permanently taken out of operation in fiscal year 2006 or fiscal year 2007 that is not otherwise replaced by a campus shall be deleted from the plant operation and maintenance space inventory.			1749 1750 1751 1752
The square-foot-based plant operation and maintenance subsidy for each campus shall be determined as follows:			1753 1754
(a) For each standard room type category shown below, the subsidy-eligible net assignable square feet (NASF) for each campus shall be multiplied by the following rates, and the amounts summed for each campus to determine the total gross square-foot-based POM expenditure requirement:			1755 1756 1757 1758 1759
	FY 2006	FY 2007	1760

Classrooms	\$5.86	\$5.86	1761
Laboratories	\$7.31	\$7.31	1762
Offices	\$5.86	\$5.86	1763
Audio Visual Data Processing	\$7.31	\$7.31	1764
Storage	\$2.59	\$2.59	1765
Circulation	\$7.39	\$7.39	1766
Other	\$5.86	\$5.86	1767

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

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

(2) DETERMINATION OF THE ACTIVITY-BASED POM SUBSIDY

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

	FY 2006	FY 2007	
General Studies I	\$ 512	\$ 512	1785
General Studies II	\$ 662	\$ 662	1786
General Studies III	\$1,464	\$1,464	1787
Technical I	\$ 752	\$ 752	1788
Technical III	\$1,343	\$1,343	1789
Baccalaureate I	\$ 639	\$ 639	1790
Baccalaureate II	\$1,149	\$1,149	1791



Baccalaureate III	\$1,262	\$1,262	1793
Masters and Professional I	\$1,258	\$1,258	1794
Masters and Professional II	\$2,446	\$2,446	1795
Masters and Professional III	\$3,276	\$3,276	1796
Medical I	\$1,967	\$1,967	1797
Medical II	\$3,908	\$3,908	1798
MPD I	\$1,081	\$1,081	1799

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

(C) CALCULATION OF CORE SUBSIDY ENTITLEMENTS AND ADJUSTMENTS 1806

(1) CALCULATION OF CORE SUBSIDY ENTITLEMENTS 1807

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

(a) For each campus in each fiscal year, the core subsidy  
entitlement shall be determined by multiplying the amounts listed  
above in divisions (A) (1) and (2) and (B) (2) of this section less  
assumed local contributions, by (i) average subsidy-eligible FTEs  
for the two-year period ending in the prior year for all models  
except Doctoral I and Doctoral II; and (ii) average  
subsidy-eligible FTEs for the five-year period ending in the prior  
year for all models except Doctoral I and Doctoral II. 1810  
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(b) In calculating the core subsidy entitlements for Medical  
II models only, the Board of Regents shall use the following count  
of FTE students: 1818  
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(i) For those medical schools whose current year enrollment,  
including students repeating terms, is below the base enrollment,  
the Medical II FTE enrollment shall equal: 65 per cent of the base 1821  
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enrollment plus 35 per cent of the current year enrollment	1824
including students repeating terms, where the base enrollment is:	1825
The Ohio State University	1010 1826
University of Cincinnati	833 1827
<del>Medical</del> University of Ohio <del>at</del> Toledo	650 1828
Wright State University	433 1829
Ohio University	433 1830
Northeastern Ohio Universities College of Medicine	433 1831
(ii) For those medical schools whose current year enrollment,	1832
excluding students repeating terms, is equal to or greater than	1833
the base enrollment, the Medical II FTE enrollment shall equal the	1834
base enrollment plus the FTE for repeating students.	1835
(iii) Students repeating terms may be no more than five per	1836
cent of current year enrollment.	1837
(c) The Board of Regents shall compute the sum of the two	1838
calculations listed in division (C) (1) (a) of this section and use	1839
the greater sum as the core subsidy entitlement.	1840
The POM subsidy for each campus shall equal the greater of	1841
the square-foot-based subsidy or the activity-based POM subsidy	1842
component of the core subsidy entitlement.	1843
(d) The state share of instruction provided for doctoral	1844
students shall be based on a fixed percentage of the total	1845
appropriation. In each fiscal year of the biennium not more than	1846
10.34 per cent of the total state share of instruction shall be	1847
reserved to implement the recommendations of the Graduate Funding	1848
Commission. It is the intent of the General Assembly that the	1849
doctoral reserve not exceed 10.34 per cent of the total state	1850
share of instruction to implement the recommendations of the	1851
Graduate Funding Commission. The Board of Regents may reallocate	1852
up to two per cent in each fiscal year of the reserve among the	1853

state-assisted universities on the basis of a quality review as  
specified in the recommendations of the Graduate Funding  
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	1886
Program. Only universities electing to set aside the prescribed	1887
amount shall be eligible to compete for and receive Innovation	1888
Incentive awards. The participating universities shall use these	1889
awards to restructure their array of doctoral programs.	1890
(2) ANNUAL STATE SHARE OF INSTRUCTION FUNDING STOP LOSS	1891
In addition to and after the other adjustment noted above, in	1892
each fiscal year, no campus shall receive a state share of	1893
instruction allocation that is less than 97 per cent of the prior	1894
year's state share of instruction amount.	1895
(3) REDUCTIONS IN EARNINGS	1896
If the total state share of instruction earnings in any	1897
fiscal year exceeds the total appropriations available for such	1898
purposes, the Board of Regents shall proportionately reduce the	1899
state share of instruction earnings for all campuses by a uniform	1900
percentage so that the system wide sum equals available	1901
appropriations.	1902
(4) CAPITAL COMPONENT DEDUCTION	1903
After all other adjustments have been made, state share of	1904
instruction earnings shall be reduced for each campus by the	1905
amount, if any, by which debt service charged in Am. H.B. No. 748	1906
of the 121st General Assembly, Am. Sub. H.B. No. 850 of the 122nd	1907
General Assembly, Am. Sub. H.B. No. 640 of the 123rd General	1908
Assembly, and H.B. No. 675 of the 124th General Assembly, and Am.	1909
Sub. H.B. 16 of the 126th General Assembly for that campus exceeds	1910
that campus's capital component earnings. The sum of the amounts	1911
deducted shall be transferred to appropriation item 235-552,	1912
Capital Component, in each fiscal year.	1913
(D) EXCEPTIONAL CIRCUMSTANCES	1914
Adjustments may be made to the state share of instruction	1915

payments and other subsidies distributed by the Board of Regents 1916  
to state-assisted colleges and universities for exceptional 1917  
circumstances. No adjustments for exceptional circumstances may be 1918  
made without the recommendation of the Chancellor and the approval 1919  
of the Controlling Board. 1920

(E) MID-YEAR APPROPRIATION REDUCTIONS TO THE STATE SHARE OF 1921  
INSTRUCTION 1922

The standard provisions of the state share of instruction 1923  
calculation as described in the preceding sections of temporary 1924  
law shall apply to any reductions made to appropriation item 1925  
235-501, State Share of Instruction, before the Board of Regents 1926  
has formally approved the final allocation of the state share of 1927  
instruction funds for any fiscal year. 1928

Any reductions made to appropriation item 235-501, State 1929  
Share of Instruction, after the Board of Regents has formally 1930  
approved the final allocation of the state share of instruction 1931  
funds for any fiscal year, shall be uniformly applied to each 1932  
campus in proportion to its share of the final allocation. 1933

(F) DISTRIBUTION OF STATE SHARE OF INSTRUCTION 1934

The state share of instruction payments to the institutions 1935  
shall be in substantially equal monthly amounts during the fiscal 1936  
year, unless otherwise determined by the Director of Budget and 1937  
Management pursuant to section 126.09 of the Revised Code. 1938  
Payments during the first six months of the fiscal year shall be 1939  
based upon the state share of instruction appropriation estimates 1940  
made for the various institutions of higher education according to 1941  
Board of Regents enrollment estimates. Payments during the last 1942  
six months of the fiscal year shall be distributed after approval 1943  
of the Controlling Board upon the request of the Board of Regents. 1944

(G) LAW SCHOOL SUBSIDY 1945

The state share of instruction to state-supported universities for students enrolled in law schools in fiscal year 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 1976  
and propose recommendations for a formula to allocate 1977  
appropriations for clinical teaching support. The consultation 1978  
shall consider factors that reward medical schools for serving 1979  
Ohio's health care needs in an equitable and efficient manner. 1980  
Recommendations shall be submitted to the Office of Budget and 1981  
Management and the General Assembly for consideration by November 15, 2006. A new method, approved by the Office of Budget and 1982  
Management and the General Assembly, shall be implemented in 1983  
fiscal years 2008 and 2009 for distributing funds for clinical 1984  
teaching support. 1985  
1986

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

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

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