
OHIO BOARD OF REGENTS

Cap on undergraduate tuition increases

- For fiscal years 2014 and 2015, limits the increases of in-state undergraduate instructional and general fees for:
 - (1) State universities and the Northeast Ohio Medical University to 2% or \$188, whichever is higher, over the previous year;
 - (2) Regional campuses to 2% or \$114, whichever is higher, over the previous year; and
 - (3) Community colleges, state community colleges, and technical colleges to \$100 over the previous year.

Undergraduate tuition guarantee program

- Authorizes boards of trustees of state universities to establish an undergraduate tuition guarantee program under which a state university guarantees a cohort of students a set rate for general and instructional fees for four years.
- Allows a one-time increase of not more than 6% of general and instructional fees for the first cohort under the program unless a higher percentage is approved by the Chancellor of the Board of Regents.
- Requires the Chancellor to publish a report on the undergraduate tuition guarantee programs established under the bill within five years after the bill's effective date.
- Suspends the bill's temporary tuition caps for a university that establishes an undergraduate tuition guarantee program.

Campus completion plans

- Requires each state institution of higher education, by May 1, 2014, and biennially thereafter, to submit to the Chancellor of the Board of Regents a campus-specific completion plan designed to increase college completion rates.

Certificates of value

- Authorizes the Chancellor to designate "certificates of value" for certificate programs at adult career-technical education institutions and state institutions of higher education and requires the Chancellor to develop quality standards for those designations.



Residency status for students who vote in Ohio

- Requires that, if a state institution of higher education issues a student a letter or utility bill to use as proof for voting purposes in Ohio, the student must be granted residency status by rule of the Chancellor of the Board of Regents for the purpose of state subsidy and tuition surcharges.

Northeast Ohio Medical University Partnership

- Allows the Northeast Ohio Medical University to enter into a partnership with Cleveland State University to establish an academic campus at Cleveland State University to enable students enrolled under the partnership to receive at least 50% of their training in the Cleveland area.

Scholarship funds

- Creates the Ohio College Opportunity Grant Program Reserve Fund in the state treasury.
- Creates the Choose Ohio First Scholarship Reserve Fund in the state treasury.
- Creates the War Orphans Scholarship Reserve Fund in the state treasury.
- Creates the National Guard Scholarship Donation Fund within the state treasury.
- Renames the Ohio War Orphans Scholarship Fund within the state treasury to the Ohio War Orphans Scholarship Donation Fund.

Alternative retirement plan investment entities

- Includes as entities that may offer investment options under an alternative retirement plan (ARP) maintained by a public institution of higher education entities that have provided investment options for at least ten years under ARPs at Ohio public institutions of higher education.

Other provisions

- Authorizes the Chancellor to contract with an entity to perform any or all of the Chancellor's duties related to the Distance Learning Clearinghouse.
- Authorizes a state university to admit resident individuals for enrollment who have graduated from high school after 2014 without completing the Ohio Core Curriculum, if they successfully complete topics or courses lacked from the Ohio Core Curriculum either at any post-secondary institution or at a summer program offered by the state university.



- Creates the Youth STEM Commercialization and Entrepreneurship Program to develop new entrepreneurs; to create jobs through the application of science, technology, engineering, and mathematics; and to innovate new products and services.
- Exempts from liability for breach of confidentiality a nonprofit private university or college for submitting student information to the Board of Regents or any other state agency under certain specified circumstances.
- Eliminates the requirement that the Chancellor submit an annual report to the Governor and the General Assembly on (1) the status of implementation of faculty improvement programs, (2) the number and types of biobased products purchased by state institutions of higher education, as well as the amount of money spent on these products, and (3) the academic and economic impact of the Ohio Innovation Partnership.
- Eliminates a provision of law that required the Chancellor by August 15, 2011, to develop a plan for designating public institutions of higher education as charter universities.
- Changes references to the Ohio Cooperative Extension to OSU Extension throughout the Revised Code, and defines "OSU Extension."

Cap on undergraduate tuition increases

(Section 363.220)

For fiscal years 2014 and 2015 (the 2013-2014 and 2014-2015 academic years), the bill requires the board of trustees of each state institution of higher education to limit its increases of in-state undergraduate instructional and general fees as follows:

(1) For each state university and the Northeast Ohio Medical University, not more than 2% or \$188, whichever is higher, over what the institution charged the previous year;

(2) For each university regional campus, not more than 2% or \$114, whichever is higher, over what the institution charged the previous year; and

(3) For each community college, state community college, and technical college, not more than \$100 over what the institution charged the previous year.



As in previous biennia when the General Assembly capped tuition increases, the bill's limits do not apply to increases required to comply with institutional covenants related to the institution's obligations or to meet unfunded legal mandates or legally binding obligations incurred or commitments made prior to the bill's effective date, such as bond obligations. Further, the Chancellor of the Board of Regents may modify the limitations, with Controlling Board approval, to respond to exceptional circumstances as the Chancellor identifies.

Undergraduate tuition guarantee program

(R.C. 3345.48 and Section 363.220)

The bill authorizes the board of trustees of a state university¹⁵⁴ to establish an undergraduate tuition guarantee program, which affords eligible students in the same cohort a guarantee to pay a fixed rate for general and instructional fees for four years, in exchange for the possibility of a one-time 6% increase in those fees. The bill allows a board of trustees to include room and board and any additional fees in the program. A "cohort" is a group of students who will complete their bachelor's degree at the same time, and may include transfer students and other selected undergraduate student academic programs as determined by the board of trustees of the state university. In order to participate in the program, a student must be a resident of the state who is enrolled full-time in a bachelor's degree program at a state university. The bill also allows a board of trustees to establish an undergraduate tuition guarantee program for nonresident students.

If a university board of trustees decides to establish an undergraduate tuition guarantee program, the board must adopt rules for the program. Those rules must include at least (1) the number of credit hours required to earn an undergraduate degree in each major, (2) a "benchmark" by which the board sets an increase in general and instructional fees (if applicable),¹⁵⁵ (3) additional eligibility requirements for students to participate in the program, (4) student rights and privileges under the program, and (5) a requirement that the rules the board adopts be published or posted in the university handbook, course catalog, and web site.

A board of trustees must also adopt a rule that guarantees that the general and instructional fees for each student in a cohort remain constant for four years so long as

¹⁵⁴ State university includes University of Akron, Bowling Green State University, Central State University, University of Cincinnati, Cleveland State University, Kent State University, Miami University, Ohio University, Ohio State University, Shawnee State University, University of Toledo, Wright State University, and Youngstown State University. (R.C. 3345.011, not in the bill.)

¹⁵⁵ Benchmarks are subject to approval by the Chancellor of the Board of Regents.



the student complies with the requirements of the program, except that the board may increase the guaranteed amount by up to six per cent above what has been charged in the previous academic year one time for the first cohort of the tuition guarantee program. If the board of trustees determines that economic conditions or other circumstances require that the increase be higher than six per cent, the board must submit a request to increase that amount to the Chancellor. The Chancellor, based on the information submitted by the board, must approve or disapprove the request. The board may not increase general and instructional fees for that cohort or any subsequent cohorts under the program unless the General Assembly approves such an increase for all tuition guarantee programs.

Finally, the rules must include consequences to the university for students unable to complete a degree program within four years. Rules must specify that if a student could not complete the degree program in four years due to a lack of available classes or space in classes provided by the university, the university will provide the necessary course or courses for completion to the student free of charge. If a student could not complete the degree program in four years because of military service or other circumstances beyond the student's control, the university must provide the necessary course or courses to the student at the student's initial cohort rate. The board of trustees determines what constitutes a circumstance beyond a student's control. If a student did not complete the program in four years for any other reason, as determined by the board of trustees, the university must provide the necessary course or courses at a rate determined using guidelines adopted by the board under rule for adjusting a student's annual charges.

A board of trustees must submit the rules adopted to implement the program to the Chancellor for approval before implementing a tuition guarantee program. The bill specifies that the Chancellor not "unreasonably withhold" approval of a program that conforms in principle with the parameters and guidelines of the requirements enacted by the bill.

Within five years of the bill's effective date, the Chancellor must publish on the Board of Regents web site a report that lists the state universities that have adopted an undergraduate tuition guarantee program with the details of each program. The report must also include comparative data, including general and instructional fees, room and board, graduation rates, and retention rates from all state universities.

The bill also specifically exempts state universities that establish an undergraduate tuition guarantee program from the tuition caps set by the bill for the 2013-2014 and 2014-2015 academic years, as described above.



Campus completion plans for institutions of higher education

(New R.C. 3345.81)

The bill requires each state institution of higher education by May 1, 2014, and biennially thereafter, to submit to the Chancellor of the Board of Regents, for each campus under the authority of that institution, a campus-specific completion plan designed to increase college completion rates. Each plan must be consistent with the mission and priorities of that specific campus and promote student access, retention, progression, and completion of each student's program of study at the respective campus.

The bill also requires that the Chancellor prescribe a format for the college completion plans and determine their required content. At a minimum, plans must examine and, as appropriate, include (1) increased alignment between institutions of higher education, (2) a communications strategy, (3) a guidance plan for current and potential students that includes a broadened awareness of dual enrollment opportunities and financial literacy and planning, (4) increased support to ensure success for first-year students, such as mentoring and career counseling, (5) the development of systems to streamline and accelerate course and degree completion, and (6) incentives and rewards for successful student progression within, and completion of, the student's program.

Certificates of value

(R.C. 3333.342)

The bill authorizes the Chancellor of the Board of Regents to issue the designation as a "certificate of value" to a certificate program at any adult career-technical education institution or state institution of higher education. A certificate program is a series of one or more non-degree courses that focus on a particular area specifically designed for employment in that area. Under the bill, a certificate of value expires six years after its designation date and may be revoked prior to its expiration date if the Chancellor determines that the certificate program no longer complies with the standards used for issuing a designation of "certificate of value" (see below). The revocation of a certificate of value becomes effective 180 days after the declaration of revocation.

Any institution that desires to be eligible to receive a designation of "certificate of value" must comply with all records and data requests that the Chancellor requires.



Certificate of value standards

The bill requires the Chancellor to develop quality standards for designating certificates of value to certificate programs at adult career-technical education institutions and state institutions of higher education. Those standards must include the following considerations: (1) the certificate program's quality, (2) the ability to transfer agreed-upon technical courses completed through an adult career-technical education institution to a state institution of higher education "without unnecessary duplication or institutional barriers," (3) the extent to which the certificate program encourages a student to obtain an associate's or bachelor's degree, (4) the extent to which the certificate program increases a student's likelihood to complete other certificate programs or an associate's or bachelor's degree, (5) the certificate program's ability to meet the expectations of the workplace and higher education, (6) the extent to which the certificate program is aligned with the strengths of the regional economy, (7) the extent to which the certificate program increases the amount of individuals who remain in or enter Ohio's workforce, and (8) the extent of a certificate program's relationship with private companies in Ohio to fill potential job growth.

Northeast Ohio Medical University Partnership

(R.C. 3350.15)

The bill allows the Northeast Ohio Medical University (NEOMED) to enter into a partnership with Cleveland State University to establish the Northeast Ohio Medical University Academic Campus at Cleveland State University. The campus at Cleveland State University enables students enrolled under the partnership to be based in Cleveland and to take 50% or more of the medical curriculum at Cleveland State, local hospitals, and community- and neighborhood-based primary care clinics.

The bill also states that Cleveland State University may not receive state capital appropriations to pay for facilities for the NEOMED academic campus.¹⁵⁶

Residency status for students who vote in Ohio

(R.C. 3333.31)

The bill requires that the Chancellor's rules on granting residency status to students for purposes of granting a state subsidy and surcharge grants residency to students to whom a state institution of higher education issues a letter or utility bill to use as proof of residency to vote in the state. Thus, if a student is able to vote in the state

¹⁵⁶ A similar temporary provision, applicable only to the 2011-2013 biennium, was enacted in H.B. 153 of the 129th General Assembly as temporary law. (See Section 371.20.50(C) of that act.)



because of the letter or utility bill provided by the state institution, then the state institution must charge that student the "in-state" tuition rate of that institution. A student granted residency under the bill is not considered a resident for any other purpose, such as state scholarships or grant eligibility.

Under current law, the Chancellor of the Board of Regents has the authority to establish, by rule, who qualifies for in-state tuition as a resident for all state institutions of higher education. This rule applies to both undergraduate and graduate students. Generally, the rule requires that a person has lived in the state for at least 12 consecutive months preceding enrollment. The rule also contains a general stipulation that a person who moves out of Ohio does not relinquish residency status for 12 months.¹⁵⁷ There are several exceptions to the residency requirement, including exceptions for certain veterans and their spouses and dependents and members of the National Guard and their spouses and dependents.¹⁵⁸

Creation of Higher Education Scholarship and Grant Reserve Funds

The bill creates four funds related to higher education scholarship and grant programs. The details of each fund may be found below:

Ohio College Opportunity Grant Program Reserve Fund

(R.C. 3333.124)

The bill creates the Ohio College Opportunity Grant Program Reserve Fund in the state treasury. Under the bill, the Chancellor of the Board of Regents is required to certify to the Director of Budget and Management by July 1 of each fiscal year the unencumbered balance of the GRF appropriations made in the immediately preceding fiscal year for purposes of the Ohio College Opportunity Grant Program. Upon receipt of the certification, the bill permits the Director to transfer an amount not exceeding the certified amount from the GRF to the Ohio College Opportunity Grant Program Reserve Fund. Moneys in the Fund must be used to pay grant obligations in excess of the GRF appropriations made for that purpose. The bill also permits the Director to transfer any unencumbered balance from the Fund to GRF.

¹⁵⁷ O.A.C. 3333-1-10(C)(1) and (2) and (F)(2).

¹⁵⁸ R.C. 3333.42, not in the bill.



Choose Ohio First Scholarship Reserve Fund

(R.C. 3333.613)

The bill creates the Choose Ohio First Scholarship Reserve Fund in the state treasury. Under the bill, the Chancellor is required to certify to the Director of Budget and Management by July 1 of each fiscal year the unencumbered balance of the GRF appropriations made in the immediately preceding fiscal year for purposes of the Choose Ohio First Scholarship Program. Upon receipt of the certification, the bill permits the Director to transfer an amount not exceeding the certified amount from the GRF to the Choose Ohio First Scholarship Reserve Fund. Moneys in the Fund must be used to pay scholarship obligations in excess of the GRF appropriations made for that purpose. The bill also permits the Director to transfer any unencumbered balance from the Fund to GRF.

War Orphans Scholarship Reserve Fund

(R.C. 5910.08)

The bill creates the War Orphans Scholarship Reserve Fund in the state treasury. Under the bill, the Chancellor is required to certify to the Director of Budget and Management by July 1 of each fiscal year the unencumbered balance of the GRF appropriations made in the immediately preceding fiscal year for purposes of the War Orphans Scholarship Program. Upon receipt of the certification, the bill permits the Director to transfer an amount not exceeding the certified amount from the GRF to the War Orphans Scholarship Reserve Fund. Moneys in the Fund must be used to pay scholarship obligations in excess of the GRF appropriations made for that purpose. The bill also permits the Director to transfer any unencumbered balance from the Fund to GRF.

National Guard Scholarship Donation Fund

(R.C. 5919.34 and 5919.342)

The bill creates the National Guard Scholarship Donation Fund within the state treasury for the purpose of operating the existing Ohio National Guard Scholarship Program. The bill requires any gifts, bequests, grants, and contributions from public or private sources be deposited into the National Guard Scholarship Donation Fund instead of into the existing National Guard Scholarship Reserve Fund. Investment earnings of the fund are to be deposited into the fund. The bill also requires amounts in the new fund to be counted when calculating whether amounts appropriated for the Ohio National Guard Scholarship Program and amounts in the National Guard Scholarship Reserve Fund are adequate to provide scholarships under the Program.



Ohio War Orphans Scholarship Donation Fund

(R.C. 5910.02 and 5910.07)

The bill renames the existing Ohio War Orphans Scholarship Fund within the state treasury to the Ohio War Orphans Scholarship Donation Fund.

Alternative retirement plan investment entities

(R.C. 3305.03)

Designation

The bill includes as entities that may offer investment options under an alternative retirement plan (ARP) maintained by a public institution of higher education entities that have provided investment options for at least ten years under ARPs at Ohio public institutions of higher education. ARPs are available to full-time employees of public institutions of higher education who elect to participate in an ARP rather than the public retirement system that would otherwise cover the employment.

Continuing law requires the Board of Regents (presumably meaning the Chancellor) to designate entities (referred to as "vendors") to offer ARP investment options. To be eligible for designation as a vendor, an entity must meet certain requirements. One of the requirements is that the entity must offer the same or similar investment options as ARPs, optional retirement plans, or similar types of plans that meet all of the following requirements: (a) are offered as defined contribution plans¹⁵⁹ that are qualified plans under the U.S. Internal Revenue Code, (b) are maintained by institutions of higher education in at least ten other states, and (c) are established as primary retirement plans that are alternatives to or a component of the applicable public retirement system.

As an alternative to meeting the requirement described above, the bill permits an entity to be designated to offer ARP investment options if it has provided investment options for at least ten years under ARPs at public institutions of higher education in Ohio.

¹⁵⁹ Defined contribution plans are those that provide for an individual account and benefits based solely on the amount contributed to the account and any earnings or losses on that amount. This differs from a defined benefit plan, which provides a set benefit (such as a monthly pension) on retirement based typically on a formula including years of service, age, and salary.



Criteria for consideration

When designating an entity, continuing law requires the Board to identify, consider, and evaluate a number of criteria concerning the experience of the entity in other states. The bill modifies one of the criteria by requiring the Board to identify, consider, and evaluate the experience of an entity in providing *in this state* or other states investment options under ARPs, optional retirement plans, or similar types of plans.

Distance Learning Clearinghouse

(R.C. 3333.82)

The bill authorizes the Chancellor of the Board of Regents to contract with an entity to perform any or all of the Chancellor's duties related to the Distance Learning Clearinghouse, including administering and maintaining the clearinghouse, reviewing applications for courses, approving or disproving course applications, negotiating changes in course proposals, and cataloging each approved course. The bill's language is similar to a provision of former law that was removed in 2011.

Background

Under the clearinghouse program, school districts, community schools, STEM schools, public and private colleges and universities, and other nonprofit and for-profit course providers may offer on-line or other distance learning courses for sharing with other school districts, community schools, STEM schools, public and private colleges and universities, and individuals. In operating the clearinghouse, the Chancellor or the entity with which the Chancellor contracts must use a "common statewide platform" to support the delivery of courses, but the provider is solely responsible for the course content. The Chancellor has maintained the clearinghouse as the "OhioLearns! Gateway," including an online searchable database of both primary-secondary and higher education courses offered through the program (see www.ohiolearns.org).

State university enrollment for non-Ohio Core high school graduates

(R.C. 3313.603(C) and 3345.06)

The bill allows a state university to admit resident students who have graduated from high school after 2014 without completing the Ohio Core Curriculum if they successfully complete topics or courses that a student lacked from the Ohio Core Curriculum. The topics or courses must be completed at a post-secondary institution or at a summer program offered by the state university that accepts the student. Admission may also be contingent upon completion of such topics or courses.



Background

Beginning with the 2014-2015 academic year, current law generally prohibits a state university, except Central State University, Shawnee State University, and Youngstown State University, from admitting a resident high school graduate who did not complete the Ohio Core Curriculum. The Ohio Core Curriculum requires students to complete 20 "units" of study in specified subject areas, including Algebra II, to qualify for a high school diploma. The law does provide specific exceptions to this prohibition, including exceptions for (1) students who earn at least 10 semester hours, or the equivalent, at a community college, state community college, university branch, technical college, or another post-secondary institution except a state university, in courses that are college-credit-bearing and may be applied toward the requirements for a degree, (2) students who met the high school graduation requirements by successfully completing an individualized education program (for students with disabilities), (3) home-instructed students or students who graduate from nonchartered nonpublic schools and who demonstrate mastery of the academic content and skills in reading, writing, and mathematics, and (4) students participating in the Post-Secondary Enrollment Options Program.

The bill prescribes the additional exception as described above.

Youth STEM Commercialization and Entrepreneurship Program

(Section 363.333)

The bill creates the Youth STEM Commercialization and Entrepreneurship Program with the purpose of (1) developing new entrepreneurs, (2) creating jobs through the practical application of science, technology, engineering, and mathematics (STEM including medicine and health fields), and (3) innovating new products and services. The Chancellor of the Board of Regents is required to administer the program with funds appropriated by the General Assembly (\$2 million in FY 2014 and \$3 million in FY 2015) and must collaborate with institutions of higher education and other STEM-related programs and associations to implement programmatic activities. The activities must include (1) conducting regional STEM forums for students and educators, (2) developing online content and courses on STEM commercialization and entrepreneurship, (3) creating a statewide STEM commercialization and entrepreneurship mentoring network, and (4) conducting a statewide STEM Commercialization and Entrepreneurship Plan competition for high school students.



Private university exempt from liability for certain breach of confidentiality

(R.C. 3333.049)

The bill exempts from liability for breach of confidentiality a private university or college that submits student information to the Board of Regents or any other state agency, provided that the breach occurs as a result of (1) an action by the recipient, or (2) an action by a third party after the information has left the possession of the private university or college but has not been received by the Board of Regents or the other state agency.

Annual reports by the Chancellor

(R.C. 3333.041)

Currently, the Chancellor of the Board of Regents is required to submit various annual reports to the Governor and the General Assembly. The bill removes three of the Chancellor's reporting requirements, including reports on the following:

- (1) The status of implementation of faculty improvement programs;
- (2) The number and types of biobased products purchased by state institutions of higher education, as well as the amount of money spent on these products; and
- (3) The academic and economic impact of the Ohio Innovation Partnership.

However, while the bill no longer requires the Chancellor to report on the Ohio Innovation Partnership (see above), the bill does maintain current law requiring the Chancellor to report on the assignment and strategy of the Choose Ohio First Scholarships, which are part of the larger Ohio Innovation Partnership. The bill also maintains all other reporting requirements of the Chancellor, including reports on (1) the status of graduates of Ohio school districts at state institutions of higher education, (2) aggregate academic growth data for students assigned to graduates of teacher preparation programs who teach certain subjects and grade levels, (3) specified information regarding the Ohio Tuition Trust Authority, (4) a description of dual enrollment programs offered by secondary schools, and (5) the academic and economic impact of the Ohio Co-op/Internship Program.

Repeal of provision for charter university proposal

(Repealed R.C. 3345.81)

The bill repeals a provision that required the Chancellor of the Board of Regents by August 15, 2011, to develop a plan for designating public institutions of higher



education as charter universities for consideration by the General Assembly. The Chancellor issued the report required by this provision.

OSU Extension

(R.C. 1.611, 124.57, 307.07, 903.11, 905.06, 1511.02, 1511.022, 1711.07, 3335.35, 3335.36, 3335.37, 3335.38, 3345.05, 3717.08, 4123.32, and 5705.19)

The bill changes references to the Ohio Cooperative Extension to OSU Extension throughout the Revised Code. In addition, the bill defines "OSU Extension" as the Cooperative Extension Service established by the federal Smith-Lever Act and administered in Ohio by The Ohio State University. Current law does not define "Ohio Cooperative Extension."

