

Board of Regents

- An increase of \$380 million (7.6%) for the biennium
- A 2% increase in each fiscal year for the State Share of Instruction (Instructional Subsidy)
- SSI hold-harmless levels: 100% of previous year's SSI
- Sizable increases for the major Challenges
- Access campuses: tuitions frozen at the FY 2001 level

OVERVIEW

Summary of the Executive Budget

The appropriations

For the FY 2002-FY 2003 biennium the Executive Budget recommends a 7.6 percent increase in the Board of Regents' budget. The \$380.2 million increase brings the agency's total biennial budget to \$5.386 billion.

The recommended annual increases for the agency are 2.99 percent and 3.67 percent for FY 2002 and FY 2003, respectively to appropriation levels of \$2.645 billion and \$2.742 billion. The gains amount to \$76.9 million and \$97.0 million.

After these increases, the annual appropriations for FY 2002 and FY 2003 are \$2.645 billion and \$2.742 billion, respectively.

As in the current biennium, 99.7% of the Regents' budget is supported by General Revenue Fund Group (GRF) appropriations.

The major components

Of the \$380.2 million total increase in the biennial budget, 95 percent (\$361.7 million) is accounted for by major increases in just three of the budget's eleven program series (see Table 1, below). They are Program Series 1, Core Institutional Support (with a \$274.0 million increase, or 72 percent of the total); Program Series 4, Student Financial Aid (\$45.2 million, or 11.9 percent); and the new Program Series 10, Breakthrough Investments (\$42.5 million, or 11.2 percent).

Among the line items, the annual increases are, as usual, led by Regents' largest appropriation line item, the newly renamed State Share of Instruction, or SSI (formerly called the Instructional Subsidy), one of the members of Program Series 1. Its appropriation increases by 1.98 percent (\$32.6 million) and 2.01

percent (\$33.8 million) in FY 2002 and FY 2003, respectively. The line item's biennial increase is \$146.6 million (4.5 percent), or 39 percent of Regents' total budget increase. The FY 2003 level for the SSI will be \$1.715 billion.

These and the other program series' and line item's appropriations are discussed in detail in the Analysis of Executive Proposal section in this Redbook.

Other budget features

Annual guarantee: The Executive Budget reduces the annual guaranteed increase in each campus's share of the SSI subsidy. The guarantee, now renamed the Annual Hold Harmless Provision, limits each campus's guaranteed subsidy amount in each year to 100 percent of the previous year's allocation. This compares to the 103 percent and 101 percent guarantees for FY 2000 and FY 2001, respectively.

Tuition caps: The six-percent annual in-state undergraduate tuition cap for university main campuses remains for the biennium. But the three-percent tuition cap on two-year institutions is removed because it is rendered superfluous by the Access Challenge's imposition of a tuition freeze at FY 2001 levels for both years of the biennium.

Breakthrough investments: The new Program Series 10 begins with two new line items that will support targeted spending for projects and programs of research, development and commercialization in several areas considered crucial to Ohio's near- and long-term economy. The investments will normally involve partnerships among higher education institutions, state government agencies, and the business and industrial community. The new line items in this program series are the statewide Ohio Plan and the Appalachian New Economy Partnership, serving the 29 counties of Appalachia.

Ohio Instructional Grants: The OIG program provides college tuition grants to lower-income Ohioans. The bill raises the maximum gross income thresholds below which a families and individuals qualify for the grants. Further, the grant amounts are increased for given income levels, and the smallest non-zero grants are raised.

Ohio State's tuition cap exemption: The budget exempts the Ohio State University from the six-percent annual tuition increase cap by allowing it to increase tuitions by an additional \$4 per credit hour per full-time student for an academic year. The exemption applies to both years of the biennium.

Central State's controls: The bill retains the current fiscal standards and monitoring of the university's operations as stipulated in the FY 2000-FY 2001 budget.

New and eliminated line items: The budget eliminates three line items (see Table 5, below) and adds six new ones (Table 4). The added lines are led by the two Breakthrough Investments programs and the new debt service line item for general obligation debt (in Program Series 11). The G.O. bonds became available for the higher education institutions' capital construction projects upon the passage of State Issue 1 in 1999. All six new line items are so marked in the line-item tables in the section Analysis of Executive Proposal.

The net effect of the deleted and added line items on the total agency appropriation is significant, as can be seen by comparing the total appropriations of Tables 4 and 5 below. The significant additional appropriation brought by these new line items is led by the Higher Education General Obligation Debt Service line and by the Ohio Plan.

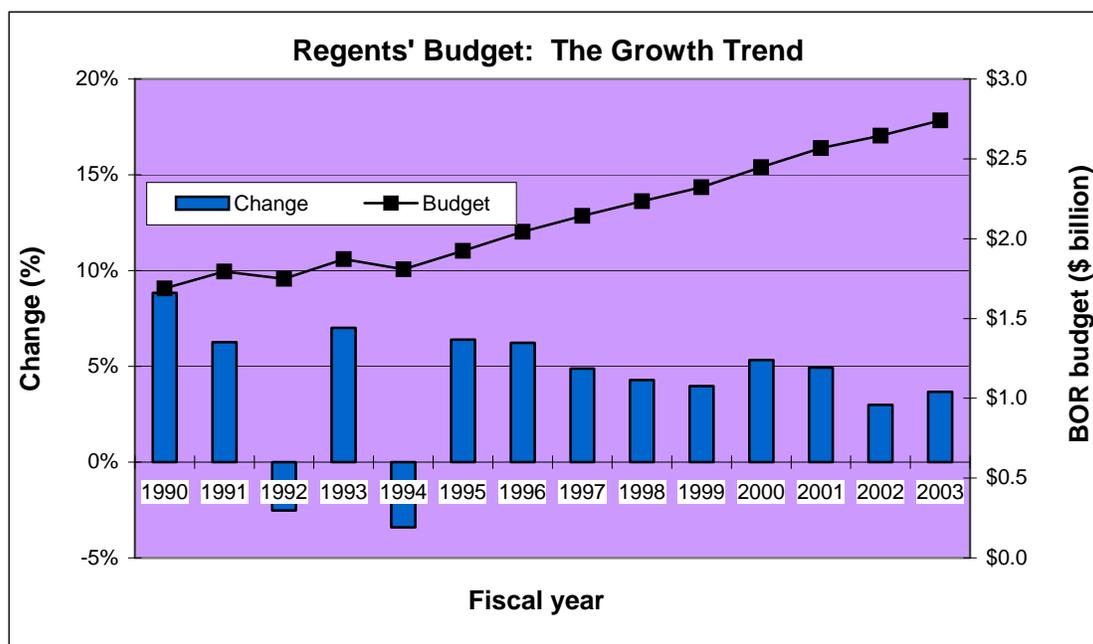
Some budget trends

The budget's rates of growth:

The Executive Budget's appropriation for Regents continues a general trend of declining budget increases that began in the early 1990s. The following chart illustrates that trend.

Early in the nineties, with the exception of two recession-influenced reductions in the first fiscal years of two bienniums, the increases ranged from six to nine percent. However, in the second half of the decade the increases fell below five percent and have remained near or below that level since.

This trend is also illustrated by the budget line. Although the appropriation itself has been increasing, it has been doing so at a slowing rate; thus, the curve sags slightly as it moves to the right.

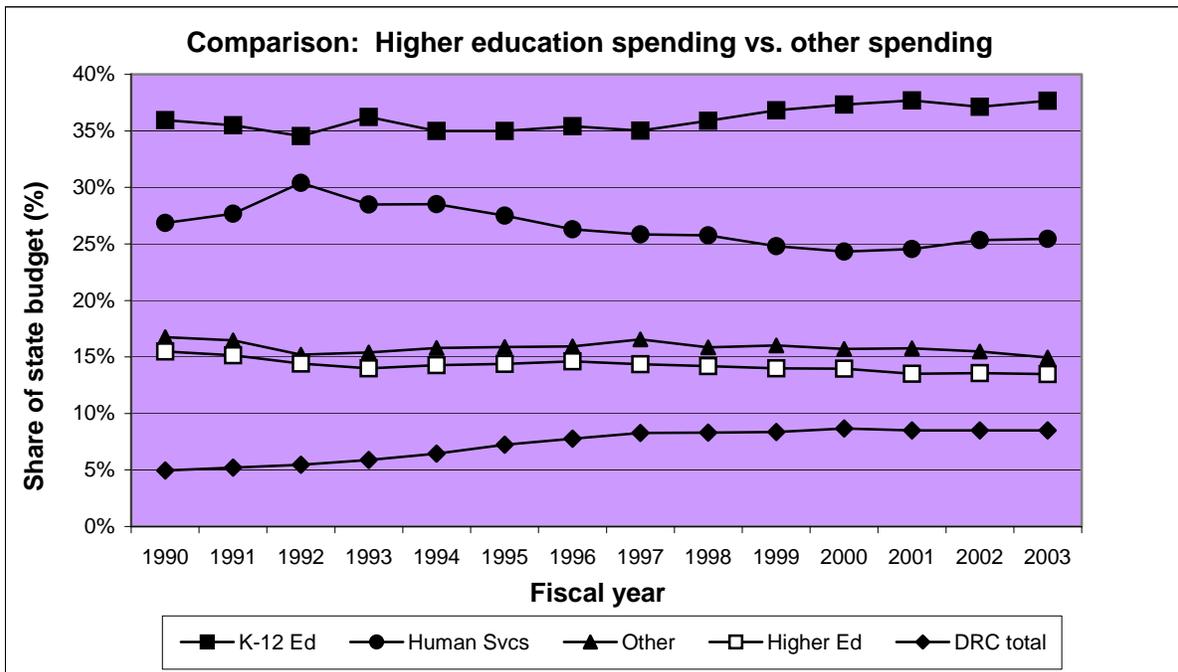


Higher education vs. other areas

Another trend to consider is the change in higher education's share of the state's total GRF-funded budget over time, in comparison to the shares of other agencies. This trend is illustrated by the following chart, which shows that the higher education portion of the total budget has declined from 16 percent in 1990 to approximately 13.5 percent for FY 2002 and FY 2003, a decline in share of roughly 2.5 percentage points.

While the percentage decline appears small, the dollar effect can be considerable. For example, 2.5 percentage points applied to the state's total GRF (plus lottery) budget of \$20.294 billion for FY 2003 would produce approximately \$507 million in appropriations.

The chart also illustrates the trade-offs between one agency's budget and another's. Over the years the state budgets have emphasized different areas in different years. However, several secular trends, such as those for K-12 education, the Department of Rehabilitation and Corrections, and higher education, are apparent.



Inside the budget

The program series and line items

The Executive Budget for Regents for FY 2002-FY 2003 provides funding for 82 appropriation line items, including 76 existing items and six new ones. Three other existing line items are not recommended for funding in the new biennium.

The budget's line items are organized into eleven groups called program series, each of which is oriented toward a general type of agency activity. For the most part, these program series have retained their identities over time, although they have gained and lost individual line items.

Program Series 1, Core Institutional Support, is, by far, the highest-funded series in the Executive Budget; it is composed of the main subsidy line items for higher education. The budget breakout described below provides the main program series' shares of the budget.

Summary listings of the budget's program series and significant line items and their recommended appropriations can be found in several tables located at the end of this section:

Table 1: A listing of the eleven program series (groups of line items)

Table 2: A breakout of the budget by fund groups

Table 3: A listing of the budget's major existing GRF line items

Table 4: A listing of the recommended new budget line items

Table 5: A listing of the budget line items recommended for elimination

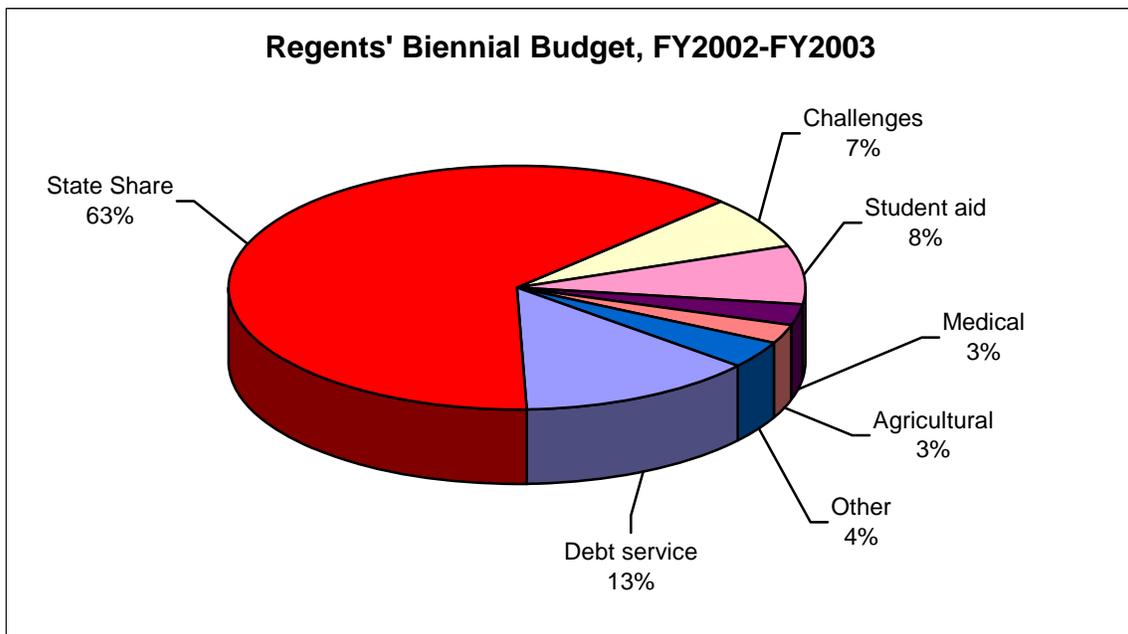
In addition, complete listings of the line items in all of the budget's eleven program series are provided in the next section of this Redbook, the Analysis of Executive Proposal. That section also provides discussions of selected line items' appropriations.

A description of each line item, including its purpose, legal basis, funding source and recent appropriations, is available in the Catalog of Budget Line Items (COBLI), of which the pages relevant to Regents are included in this Redbook.

The budget breakout

A graphic breakout of Regents' FY 2002-FY 2003 biennial budget is provided by the following pie chart, which shows the proportions of the budget taken by the major program series and/or line items.

The State Share of Instruction (SSI) remains the dominant line item; and the combination of the SSI and the Challenges, which constitutes Program Series 1, takes 70 percent, almost three-quarters of the pie. Add debt service (Program Series 11) and the share rises to 83 percent. Note that these two program series contain just nine line items, so that the remaining nine program series, which contain the remaining 72 funded line items, receive just 17 percent of the total appropriation.



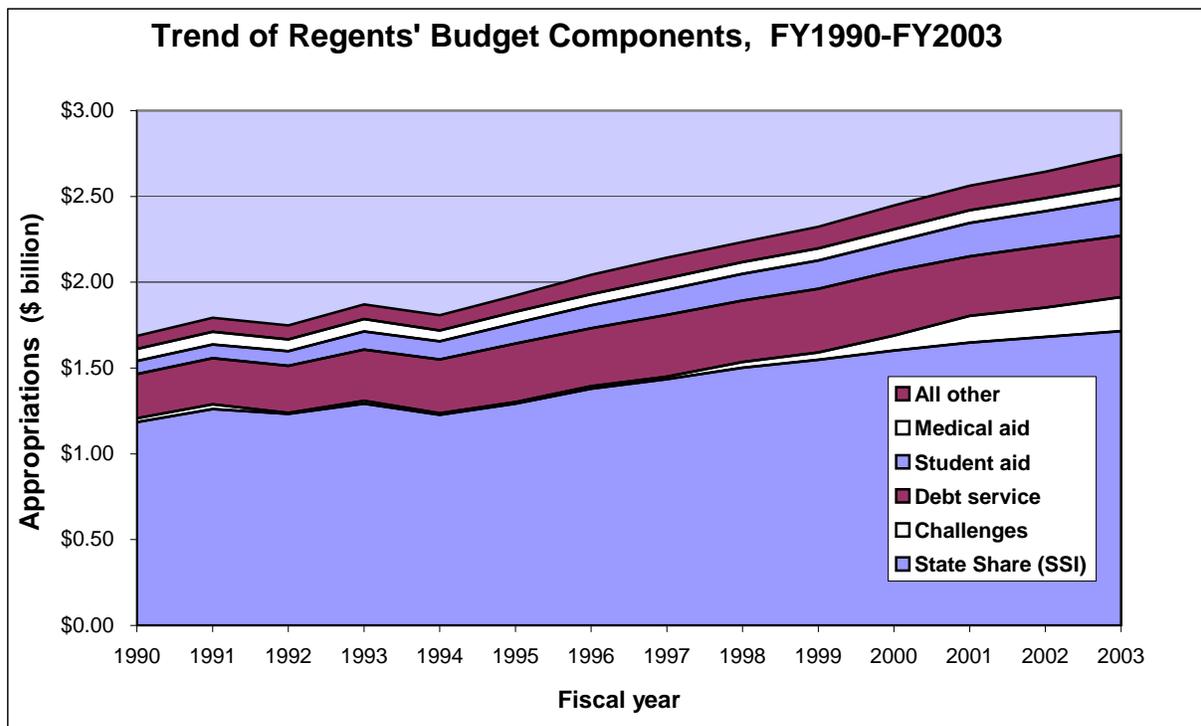
Further, if the two big Program Series 3 (Medical Support) and Program Series 4 (Student Financial Aid) are combined with Program Series 1 and 11, they add another 27 line items. Then these four program series, containing fewer than half (36) of the 81 line items, account for fully 88 percent of the budget, leaving 12 percent to be divided among the remaining seven program series with 45 items.

This division of the Regents' budget has remained fairly stable for the past few bienniums. However, in the section Analysis of Executive Proposal there is another chart showing that Program Series 1 is slowly taking a bigger share of the Regents' budget.

The budget components' growth trends

This Executive Budget continues the past several years' growth trends of several components of the Regents' budget. However, the budget does slow this growth somewhat, as can be seen in the chart below, which displays the budget appropriations for the past fourteen years.

Note that the FY 2002 and FY 2003 appropriations accentuate a slight reduction in the growth rate of the total budget that began after FY 1996. More dramatic, however, is the reduced growth of the State Share of Instruction (SSI) and the increased growth of the Challenge line items since FY 1999. Also note that the debt service appropriation has remained relatively flat since around FY 1994, as has medical aid.



Budget planning guidelines

The Executive Budget assumes inflation rates of 2.5 percent and 2.8 percent, respectively. These were obtained from analysis of the Consumer Price Index (CPI).

However, these assumptions are not shared by Regents, whose overall inflation estimate is 4.25 percent for each fiscal year. This rate was obtained through analysis of the Employers Cost Index rather than the CPI. Regents has indicated that the CPI is inappropriate for the forecasting of higher education costs, since upwards of 80 percent of these costs are salaries and benefits, mainly to highly-paid professional personnel not typical of the general population.

In addition to its inflation estimates, Regents has forecast that full-time-equivalent (FTE) student enrollments will increase by 1.0 percent in each of the fiscal years 2002 and 2003. However, these assumptions do not apply to the Executive Budget's appropriations for Regents since, for almost all line items, the recommended amounts are lower than the budget request figures obtained from them.

The combination of one-percent enrollment increases and 4.25-percent inflation over the two fiscal years are the key assumptions that drove Regents' budget request. The Executive Budget's appropriations, however, do not reflect those assumptions.

The biennial increase: the budget request effect

The Executive Budget's appropriations fall considerably short of those in the Regents' budget request for the FY 2002-FY 2003 biennium. Regents had requested a biennial appropriation of some \$5.697 billion, representing a funding increase of \$690.9 million, or 13.8 percent. Instead, the Executive Budget recommends the \$380.2 million (7.6 percent) increase to the \$5.386 billion level, as indicated in the summary above. A brief discussion of the agency's request and its differences from the recommended budget is provided in another section of this Redbook, Requests Not Funded.

Considering the State Share of Instruction line item in particular, Regents notes that the 2.0 percent increases for this subsidy fall far short of what it regards as necessary to maintain the campuses at their current levels of operation. Using Regents' planning assumptions of enrollment increases of 1.0 percent in both fiscal years and higher-education inflation rates of 4.25 percent per year, the raises that the agency originally requested for the SSI were 5.25 percent (\$86.6 million) and 6.25 percent (\$108.5 million) in FY 2002 and FY 2003, respectively. These increases, if implemented, would have produced a biennial increase of \$329 million (10.1 percent) for this line item. That is, they would have added another \$182 million to the current Executive Budget's appropriation and would have more than doubled the recommended \$146.6 million biennial increase for the SSI.

Further, it should be noted that the comparisons used in this Redbook do not reflect Regents' original request but, rather, the revised request that it subsequently submitted in order to keep the total budget increase below the Executive's 10-percent-per-year guideline increase cap. Comparison of the Executive Budget with those original request figures would increase the above shortfall considerably.

The FY 2002 increase: the debt service effect

Still another revision was made that affects the increases cited in the Executive Budget. While the 2.99 percent increase for FY 2002 is less than the annual increases of the recent past, it would have been even lower, at 1.59 percent, if the FY 2001 appropriation used as the basis for the year-to-year comparison were the original \$2.603 billion appropriated for that fiscal year, rather than the lower \$2.568 billion figure used here. (A reduction in a given year's appropriation, of course, causes the following year's appropriation to represent a higher annual increase.)

The reduced FY 2001 total appropriation reflects revisions to certain FY 2001 line-item appropriations, mainly in the debt service line item 235-401, Lease Rental Payments to the Ohio Public Facilities Commission. This line item was reduced by some \$41.7 million following the switch to general obligation bonding for campus capital construction. Although the effect of this reduction was mitigated somewhat by the addition of \$6.2 million to other line items' appropriations, the result was still a \$35.5 million decrease in the total appropriation for FY 2001. This reduction of the base year's level caused what would have been a 1.59 percent increase for FY 2002 to rise to the 2.99 percent increase indicated in the Executive Budget.

Budget issues in brief

As compared to FY 2001, the essentially flat funding in many line items and the 2.0 percent increases in others have caused Regents to express some concerns not only about its ability to pursue desired new initiatives but even about the maintenance of some current operations.

In fact, the increases of 2.0 percent or below are less than the CPI inflation estimates determined by the Office Of Budget and Management (see above under Budget Planning Guidelines).

Two line items, in particular, raise this question. The annual increases in the State Share of Instruction subsidy is set at 2.0 percent per fiscal year vs. Regents' indicated approximate maintenance-level requirement of 5.25 percent per year. And the Access Challenge's requirement of a freeze in the two-year institutions' undergraduate tuitions at their FY 2001 levels in return for their shares of this appropriation might be problematic for some campuses given the shortfalls of this line item's appropriations from the requested levels.

Another issue raised by Regents concerns its Breakthrough Investments initiative, for which the agency sees the need for much more funding than was appropriated in the Executive Budget. Regents has stressed these commercially oriented collaborations among higher education, state government and the business/industrial as necessary investments in Ohio's economic, and educational, future.

Description of the agency

The Ohio Board of Regents (BOR) coordinates higher education in Ohio. Its primary missions are to distribute funds to state-assisted higher education institutions and to promote Ohioans' access to higher education for career preparation and advancement, economic and social mobility and personal intellectual development. Higher education is considered to help provide the educated labor force necessary for a vigorous economy. In higher education, citizens and industry are provided access to an array of research and technological knowledge, medical care and cultural and artistic events. The regents are ultimately responsible for ensuring that the state's higher education enterprise has the resources, direction, and incentives to efficiently and effectively create, disseminate, and apply knowledge.

The BOR is governed by a nine-member board appointed to nine-year terms by the governor, with the advice and consent of the Senate. Two additional (non-voting) members of the board are the chairmen of the education committees of the senate and House of Representatives. Day-to-day administration of the BOR is the responsibility of a chancellor, who is appointed by the board and is the regents' chief administrative officer.

The BOR is responsible for a total of 62 state-assisted college and university campuses throughout Ohio. These institutions are of the following types and numbers:

- Universities: 13
- University regional (branch) campuses: 24
- Separate medical colleges: 2
- Community colleges: 15
- Technical colleges: 8

For these institutions, the regents have statutory authority to coordinate, recommend, advise, and direct state higher education policy. Their powers and responsibilities include the following:

- Making recommendations to the governor and the Ohio General Assembly concerning higher education capital plans and biennial appropriations for the colleges and universities
- Approving or disapproving the establishment of technical colleges, community colleges and new branches and academic centers of state universities (in 1998: nine institutional re-authorizations)
- Approving or disapproving all new degrees and new degree programs at all higher education institutions, both public and private (in 1998: thirty new programs in public institutions and 14 in independent institutions)
- Making recommendations to the governor and the Ohio General Assembly concerning the design and funding of student financial aid programs
- Promoting research and public service at Ohio's institutions of higher education
- Fiscal oversight of all public campuses, including the authority to declare a fiscal watch for campuses deemed to be in financial difficulty
- For campuses in very serious financial straits, the responsibility to recommend to the governor that the campuses be placed in conservatorship

The Board of Regents is responsible for an annual budget of some \$2.7 billion (FY 2003), appropriated across some 82 line items, 69 of which are funded by the state's General Revenue Fund (GRF). Of that amount, approximately \$3.3 million supports Regents' own operations. The budget's appropriation line items are organized into eleven program series. The great majority of the budget is spent in Program Series 1, Core Institutional Support, which is listed first in the agency's budget; its FY 2003 appropriation is \$1.91 billion. The second-largest program series (other than debt service) is Program Series 4, Student Financial Aid, with \$217 million appropriated for FY 2003.

Within the Core Institutional Support program series is Regents' largest single appropriation line item, ALI 235-501, State Share of Instruction, which provides general operating support to all state-assisted colleges and universities. With an appropriation of \$1.72 billion in FY 2003, it is the largest single source of state support for public higher education; in FY 2000, this line item provided subsidies for 305,454 subsidy-eligible full-time-equivalent students. In recent years the state has subsidized roughly half of the campuses' operating costs.

Besides the State Share of Instruction, additional subsidy funding is provided to campuses by means of special mission-oriented, performance-based Challenge line items. Two Challenges, Research and Productivity Improvement, were established in 1985; the current six items (including Jobs, Access, Success and Research) began appearing in the budget in the mid-nineties. These line items are intended to support campuses' efforts to improve student access and success, strengthen research and job training, enhance applications of technology to instruction, and improve efficiency and services. The combined appropriation for the Challenge items has been growing significantly the past several years; it reached a

total of \$155 million in FY 2001, an amount that is recommended to increase significantly in the next biennium to \$199 million in FY 2003.

Within the Financial Aid program series, there are several line items that provide student aid, of which the two with the largest appropriations are, Ohio Instructional Grants and Student Choice Grants. Five programs support students based on need, academic ability and type of institution. Most financial aid funds are available to students attending any type of higher education institution in the state. The board oversees a number of other subsidies to promote research and public service. Subsidies are also provided for medical education and specific initiatives at various campuses. In sum, in FY 1998 this program series supported 158,847 state financial aid awards.

Current goals and challenges

In advocating a significant increase in the state's spending for higher education, Regents' stresses the increasing dependency of the state's economic competitiveness and prosperity upon higher education. The agency cites several specific factors, including the education level of Ohio's people, the availability of continuing education and training to its workforce, and innovations provided by university research. It indicates that Ohio has fallen behind many other states in the New Economy, partly as a result of inadequate investment in these and other areas of higher education.

Regents presents itself as a key player in the state's effort to reverse what it perceives as Ohio's adverse economic and education trends. It envisions its mission as contributing to the progress of Ohio's economy by establishing three main goals, the attainment of which would help to "create Ohio's 21st century economy with an educated citizenry and technologically competent workforce". These goals would include "breakthrough results" to secure economic growth, improvements in student and teacher achievement, and better educations for more Ohioans. The goals would be achieved by (1) breakthrough investments in research and technology, as well as in information-technology workforce training; (2) investments in both teacher preparation and students' readiness for college; and (3) building on current efforts to improve students' access to higher education and their success while in college (i.e., increasing investment in the Challenge subsidies).

Staffing and organization

The BOR is currently staffed by 80 persons. This number is close to the level of 81 in FY 1997, although changes of one or two persons have occurred since then. The agency plans to add three personnel during the FY 2002-FY2003 biennium and is projecting an estimate of 83 for FY 2003.

The BOR has also changed the way these personnel are organized. It is currently implemented a matrix-type organization, in which the standard table of organization, (the process organization) is augmented by a project-type organization. The latter utilizes persons from the standard table, as well as personnel from other agencies and campuses, to create short-term, project-oriented task groups. In addition, the standard table was revised to create the new operations component, headed by a director in a newly created staff position.

Regents reports that several project-type tasks have been completed under the matrix system and considers that this approach has worked well, realizing such benefits as improved customer service, improved efficiency and additional cross-training. The project to design and implement the Higher Education Information system (HEI) is an example of such an approach.

TABLE 1. BOR: Budget Program Series, FY 2001 – FY 2003

Program Series	Title/Description	FY 2001 est.	FY 2002	FY 2003
1	Core Institutional Support	\$1,804,157,511	\$1,853,160,017	\$1,914,275,316\$
2	Other Institutional Support	15,931,028	15,812,476	15,757,126
3	Medical Support	74,654,676	76,371,550	77,878,980
4	Student Financial Aid	199,515,684	201,007,929	216,854,039
5	Public Service – Statewide	74,724,314	76,053,103	77,408,466
6	Public Service – Institutional	4,603,708	4,614,708	4,627,483
7	Statewide Initiatives	19,129,709	18,476,085	16,554,592
8	Statewide Coordination	10,823,114	10,998,211	11,190,392
9	Infrastructure Investments	28,323,968	31,982,171	32,251,081
10	Breakthrough Investments	0	11,000,000	31,500,000
11	Debt Service Payments	335,829,900	345,113,600	343,254,600
<i>Total BOR</i>		\$2,567,693,612	\$2,644,589,830	\$2,741,552,055
<i>Change from prior year</i>		5.3%	3.0%	3.7%

* The appropriation amounts include funds from all fund groups: General Revenue Fund (GRF), General Services Fund (GSF), State Special Revenue Fund (SSRF) and Federal Special Revenue Fund (FSRF).

TABLE 2. BOR: Budget Breakout by Fund Groups, FY 2001 – FY 2003

Fund Group	No. of ALI's	Description	FY 2001 est.	FY 2002	FY 2003
GRF	77	General Revenue Fund	\$2,558,468,269	\$2,635,550,021	\$2,734,410,439
		<i>Change from prior year</i>	5.2%	3.0%	3.8%
GSF	2	General Services Fund	179,383	187,433	188,725
FSRF	7	Federal Special Revenue Fund	7,526,464	7,043,309	5,087,246
SSRF	4	State Special Revenue Fund	1,519,496	1,809,067	1,865,645
All	90	<i>Total BOR</i>	\$2,567,693,612	\$2,644,589,830	\$2,741,552,055
		<i>Change from prior year</i>	5.31%	2.99%	3.67%

TABLE 3. BOR: Breakout of Major Existing GRF Line Items, FY 2001 – FY 2003						
Program Series	Fund Group	ALI	Description	FY 2001 est.	FY 2002	FY 2003
Major existing GRF line items:						
1	GRF	235-415	Jobs Challenge	\$10,979,694	\$13,548,125	\$14,891,302
1	GRF	235-418	Access Challenge	65,268,000	77,268,000	90,268,000
1	GRF	235-420	Success Challenge	48,741,000	53,615,100	58,976,610
1	GRF	235-454	Research Challenge	21,568,440	23,725,284	26,097,812
1	GRF	235-501	State Share of Instruction (Instructional Subsidy)	1,648,846,940	1,681,450,071	1,715,288,155
4	GRF	235-503	Ohio Instructional Grants	88,031,000	101,000,000	114,500,000
4	GRF	235-531	Student Choice Grants	51,400,000	52,428,000	53,476,560
5	GRF	235-511	Cooperative Extension Service	27,708,525	28,262,696	28,827,949
5	GRF	235-535	Agricultural Research and Development Center	38,730,884	39,505,502	40,295,612
8	GRF	235-404	College Readiness Initiatives	3,066,040	3,127,361	3,189,908
9	GRF	235-507	OhioLINK	7,668,731	7,822,106	7,978,548
9	GRF	235-552	Capital Component	11,143,055,	14,537,639	14,537,639
11	GRF	235-401	Rental Payments to the Ohio Public Facilities Commission	335,829,900	295,058,500	268,910,500
	GRF	13 line items	<i>Subtotal, major existing GRF line items</i>	\$2,358,982,209	\$2,391,348,384	\$2,437,238,595
	GRF	61 line items	<i>Other existing GRF line items</i>	199,486,060	183,146,537	191,327,744
	GRF	74 line items	<i>Total existing GRF line items</i>	\$2,558,468,269	\$2,574,494,921	\$2,628,566,339
<i>Change from prior year</i>				5.2%	0.63%	2.1%

TABLE 4. BOR: <u>New</u> Line Items Recommended for Funding,* FY 2001 – FY 2003						
Program Series	Fund Group	ALI	Description	FY 2001 est.	FY 2002	FY 2003
10	GRF	235-426	Ohio Plan	0	10,000,000	30,000,000
10	GRF	235-428	Appalachian New Economy Partnership	0	1,000,000	1,500,000
11	GRF	235-909	Higher Education General Obligation Debt Service	0	50,055,100	74,344,100
8	GSF	235-613	Job Preparation Initiative	144,383	144,383	144,383
7	FED	235-611	Gear-up Grant	\$1,275,689	\$1,590,986	\$1,690,434
7	FED	235-612	Carl D. Perkins Grant/Plan Administration	112,960	112,960	112,960
Total, new line items				\$1,533,032	\$62,903,429	\$107,791,877
Total BOR				\$2,567,693,612	\$2,644,589,830	\$2,741,552,055
Total, new line items as percentage of total BOR				0.06%	2.4%	3.9%

* These line items were not included in the FY 2000-FY2001 budget (Am. Sub. H.B. 282, 123rd General Assembly), although three of them were created subsequently and, hence, have expenditures for FY 2001.

TABLE 5. BOR: Budget Items Recommended for Non-funding, FY 2001 – FY 2003

Program Series	Fund Group	ALI	Description	FY 2001 est.	FY 2002	FY 2003
7	GRF	235-421	Higher Education Efficiency Challenge*	\$0	\$0	\$0
4	GRF	235-534	Student Workforce Development Grants**	2,250,000	0	0
4	GRF	235-590	Twelfth-grade Proficiency Stipend	14,500,000	0	0
<i>Total recommended for non-funding</i>				\$16,750,000	\$0	\$0
<i>Total, Board of Regents</i>				\$2,567,693,612	\$2,644,589,830	\$2,741,552,055
<i>Total for non-funding as percentage of Total, BOR</i>				0.65%	0%	0%

* The last fiscal year for which funds were appropriated was FY 2000.

** The last fiscal year for which funds were appropriated was FY 2001.

ADDITIONAL FACTS AND FIGURES

Staffing levels

Following is a table showing the recent staffing trend at Regents. The agency is currently staffed by 80 persons. This number is close to the level of 81 in FY 1997. The agency plans to add three persons during the FY 2002-FY2003 biennium; they will serve in administrative and program-direction positions.

A major increase in staff level occurred from fiscal years 1996 to 1997 chiefly as a result of the closing of the Student Aid Commission. Regents gained upwards of 15 persons, who came to the agency to staff the Grants and Scholarships division, which now administers the aid programs in the budget's Program Series 4, Student Financial Aid.

Ohio Board of Regents: Staffing Levels						
Fiscal year	1998	1999	2000	2001	2002 est.	2003 est.
Agency personnel	78	78	80*	80*	83	83

Enrollment levels

The enrollments at Ohio's state-assisted institutions of higher education have declined slightly for several years but have been increasing recently. Following is a table of the enrollment levels from FY 1994 to FY 1999; complete data for the subsequent fiscal years are not yet available.

Ohio Board of Regents: Statewide Enrollment Levels						
Fiscal year	1994	1995	1996	1997	1998	1999
Enrollment level: Fall terms	428,586	414,802	410,745	408,648	424,092	429,276

Graduation rates

The U.S. Department of Education Data has begun to survey university main campuses for graduation rate data. The first cohort surveyed was the class that began college in 1993. The results indicate the graduation rates of the students who started as freshmen in the autumn of that year. The criterion for comparison is the percentage of those students who received baccalaureate degrees from the same institutions within six years. Thus, the cutoff for this first cohort is 1999.

The results for Ohio indicate that, statewide, 50 percent of first-time students who began their studies as freshmen in 1993 as full-time degree-seeking students completed their baccalaureate degrees within six years.

Analogous completion percentages for individual institutions in the survey are as follows:

- Bowling Green State University: 82 percent
- Kent State University: 64 percent
- The Ohio State University: 76 percent

- Ohio University: 86 percent
- Shawnee State University: 45 percent
- University of Cincinnati: 59 percent
- Wright State University: 38 percent

Regents stresses that this survey is greatly affected by the fact that students who transfer to other institutions are included in the analysis as students who fail to graduate within six years. Regents further indicates that the agency's Higher Education Information (HEI) system will be used in future to track students who transfer elsewhere and record their subsequent degree attainments. The Regents' graduation rate measures should, therefore, be more reliable than the results of the federal survey.

Statistical and other information

To support its emphasis on the relationship between higher education and the state's economy and to support its call for more state spending for higher education, Regents has in recent months cited various statistics and other data concerning higher education and economic development. Some of these items are provided in the table below:

Table 1. Higher education and economic development: statistical data and other information	
Item no.	Item
1	Ohio ranks 40 th in the nation in state investment in higher education per full-time student.
2	Ohio's per-capita annual income has fallen below the U.S. average for 23 consecutive years (a five-percent lag in 1999).
3	Ohio's growth in total personal income (four percent in 1999) continues to lag behind the national rate of growth (5.8 percent).
4	Only twelve percent of the U.S. workforce will be employed in industrial labor jobs in the year 2001, while high-technology jobs will account for almost eight of every ten new jobs created.
5	Manufacturing employs just 20 percent of Ohio's workers.
6	In North Carolina, for every \$1 million spent on research and development, more than 40 jobs were created.
7	The fastest-growing job sectors in the new century will require bachelor's degrees or higher.
8	The average high-tech wage (\$58,000 per year in 1998) is 82 percent higher than the average private-sector wage.
9	Ohio lags behind the nation in several areas of Internet use.
10	Of the 1.3 million new information technology jobs to be created in the U.S. in the next ten years, 50,000 will be in Ohio.
11	Two-thirds of Ohio's new jobs now require advanced information-technology skills.
12	Ohio ranks 38 th in the nation in the percentage of the population that holds bachelor's degrees.
13	39 percent of Ohioans have completed at least some college, compared to the national average of 45 percent.

Table 1. Higher education and economic development: statistical data and other information	
Item no.	Item
14	17 percent of Ohioans hold bachelor's degrees, compared to the national average of 20 percent.
15	46 percent of U.S. college graduates indicate that they will take college-level continuing education in the next three to five years.
16	Ohio's half-century decline in per-capita income correlates closely with the decline in its attainment of bachelor's degrees.
17	Not one Ohio city is ranked among the nation's top 50 metropolitan areas with high-tech economies.
18	Ohio's metropolitan areas are rated low in workforce education levels.
19	Ohio is in the lower quarter nationally in its ability to retain and attract individuals with bachelor's and master's degrees.
20	Ohio has the 11 th -highest public tuition rates in the U.S.
21	Tuitions at Ohio's two-year campuses remain 76 percent higher than the national average for similar institutions (the five percent reduction for FY 2001 should reduce the gap to 60 percent).
22	Ohio ranks 36 th in the U.S. in federal research and development dollars.
23	55 percent of Ohio high school graduates continue to college, vs. the national average 59 percent.

Allocation of the State Share of Instruction

The Regents' allocation of the appropriation in the line item 235-501, State Share of Instruction, to the 62 public-assisted campuses is achieved through a complex formula, whose results were not available for inclusion in this Redbook at the time it was published.

Normally included in this section are four tables that list the allocation of the SSI among the state-assisted higher education campuses arranged in their four groups: university main campuses, university branch campuses, community colleges and technical colleges. The amounts are provided for the current fiscal year 2001 and for each of the budget fiscal years 2002 and 2003.

In the tables, the allocation amount for each campus is net of that campus's capital adjustment, if any. The total amount allocated among the campuses equals the total amount appropriated for the line item 235-501, State Share of Instruction, for that fiscal year.

ANALYSIS OF EXECUTIVE PROPOSAL

CORE INSTITUTIONAL SUPPORT

Program Series 1

Purpose This program series provides basic state support for instruction and general activities on campuses. It also supports several other activities not funded through the State Share of Instruction.

The following table shows the line items that are used to fund the Core Institutional Support program series, as well as the Executive Budget's recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	235-415	Jobs Challenge	\$13,548,125	\$14,891,302
GRF	235-416	Performance Challenge *	0	0
GRF	235-418	Access Challenge	77,268,000	90,268,000
GRF	235-420	Success Challenge	53,615,100	58,976,610
GRF	235-451	Eminent Scholars	0	5,200,000
GRF	235-454	Research Challenge	23,725,284	26,097,812
GRF	235-501	State Share of Instruction	1,681,450,071	1,715,288,165
GRF	235-512	Performance Funding **	0	0
GRF	235-554	Computer Science Graduate Education ***	3,553,437	3,553,437
Total funding: CORE INSTITUTIONAL SUPPORT			\$1,853,160,017	\$1,914,275,316

* Last appropriation: FY 1999

** Last appropriation: FY 1997

*** Formerly: Priorities in Graduate Education

Program Series 1: Core Institutional Support

Program series description

Features: This program series serves as the state's primary financial support to higher education in Ohio. The seven funded line items provide approximately \$1.9 billion annually in state subsidies to 38 institutions on 62 campuses, serving more than 400,000 students.

Compared to Regents' entire budget, this program series is a big one: although it is just one of eleven program series and comprises just seven line items of the agency's current total of 81, its recommended appropriation of \$3.767 billion constitutes some 70 percent of Regents' biennial budget of \$5.386 billion.

By far the largest line item in the series is the State Share of Instruction, or SSI (formerly called the Instructional Subsidy), which has been in existence since the founding of the Board of Regents in the mid-1960s. It allocates aid to all of Ohio's public-supported institutions of higher education and is intended to meet the need for financial stability among all institutions. Its funds are allocated to the campuses by means of a complex formula utilizing full-time-equivalent enrollments, building square-footages and other factors. This formula has lately come under continual review by the Higher Education

Funding Commission, comprised of officials from the colleges, universities as well as from state government, including Regents. The SSI's appropriation is discussed further below.

The other items in the series are the challenges, the main ones being the Jobs, Access, Success, and Research Challenges. The challenge concept began with the budgets of the late 1980's. More line items were added over time, a result of the Board of Regents' conclusion that such challenges as Jobs, Access, Success, and Research are key efforts serving the four important goals of employee training, affordable access, academic success, and research and, consequently, that the state's attention should be focused on them.

The challenges began receiving significant appropriations in the FY 1996-FY 1997 budget. These amounts have served to augment the State Share of Instruction's basic support of higher education. However, in contrast to the SSIs formulaic allocation of major basic support to all campuses, each challenge provides mission-oriented funding based on a different performance incentive and is targeted to a specific activity, sector or type of campus. Regents' current intention for the challenges is to maintain their combined appropriation level at approximately 10 percent of the total subsidy provided by the program series. In effect, then, a portion of the total state subsidy is taken up by the challenges, at the expense of the State Share of Instruction.

Regents points out that appropriations for the State Share of Instruction and the challenges form an integrated and balanced set of budget recommendations; i.e., they balance the need for financial stability with the need for targeted growth funding in order to provide incentives in specific areas. It maintains that any reallocation of funds might upset this balance.

Funding Sources: This program series is funded entirely by GRF funds.

Line Items: This program series' line items are those shown in the above table. A description of each line item, including its purpose, legal basis, funding source and recent fundings, is available in the Catalog of Budget Line Items (COBLI), the relevant pages of which are included in this Redbook.

Executive recommendation: Overall Implications

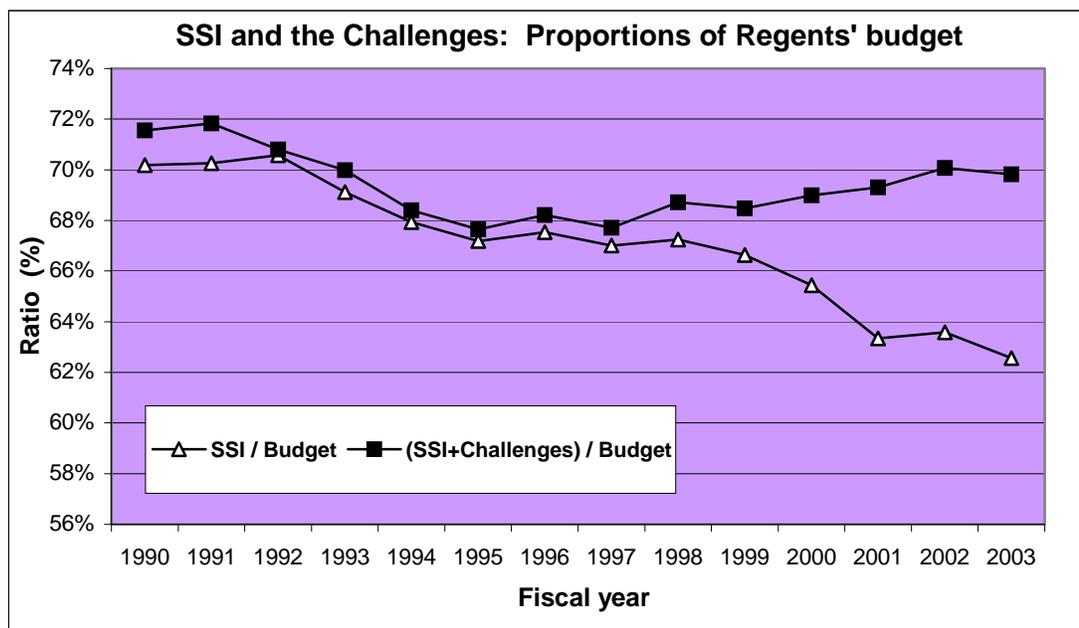
The two years: Besides comprising the lion's share of the Regents' budget, this program series receives the lion's share of appropriation increases for the new biennium. The budget adds \$49 million (2.7 percent) and \$61 million (3.3 percent) for the fiscal years 2002 and 2003, respectively. Although these percentage increases are smaller than those for the Regents' total budget (2.99 and 3.67 percent), they comprise a significant 64 percent and 63 percent of the agency's \$76.9 million and \$97.0 million fiscal-year increases.

The biennium: For the biennium, the series' funding rises by 7.8 percent, or \$274 million, an amount that takes up 72 percent of the agency's \$380 million total increase. [Most of the remaining \$106 million of increase is accounted for by Student Financial Aid (Program Series 4) and the Breakthrough Investments (Program Series 10).] The effect of this series on Regents' total budget can be seen by considering that the series' biennial percentage increase is close to the agency's overall increase of 7.6 percent.

The tuition effect: The appropriations for this program series are a major determinant of the public-assisted colleges' and universities' tuition policies for the biennium. This happens because the state's subsidies provide roughly half of the institutions' operating funds. Therefore, the higher the state's subsidy to the campuses through these line items, the less the pressure to increase tuition and fees; and vice versa. The campuses will shortly determine the tuition increases that correspond to this budget's appropriations. Given the shortfall from the amounts that Regents considers necessary (see the section Requests Not Funded, in this Redbook), the upward pressure on tuitions might be significant. Two-year campuses, in particular, will feel the most pressure, since they are affected by the Access Challenge's required freeze on tuitions for the biennium

In a separate example of tuition adjustment, one not directly related to the level of the SSI appropriation, the Ohio State University is seeking an exemption from the 6-percent cap on annual tuition increases for university main campuses. This action stems from the university's plan to achieve overall academic excellence, an effort that, according to Regents, cannot be supported at current tuition levels. (Note that the tuition at Ohio State is lower than the statewide tuition average for Ohio's public-assisted higher-education institutions; in most other states, the flagship state universities' tuitions are at or above the state averages.) To provide this tuition exemption, the budget includes temporary-law language giving OSU a special exception from the continuing 6-percent-per-year tuition cap for each year of the biennium (see the section Permanent and Temporary Law, section 7.03).

The SSI vs. the challenges: A trend worthy of note is presented by the chart below, which illustrates the effect of the challenges on the State Share of Instruction as components of the Regents' budget. As the chart shows, since the mid-nineties the SSI's portion of the budget has declined as the challenges have taken up more of the basic subsidy funds. However, also note that, since the same time, the combination of SSI and the challenges has taken up a larger and larger portion of the agency's budget. Since the agency's total appropriation has itself been growing, the result has been a significant rise in the funds flowing to the campuses through this single program series.



Executive recommendation: Selected Line Items

The Challenges: The appropriation increases for the challenges, at 10.6 percent and 15.9 percent for FY 2002 and FY 2003, are more down-to-earth than in FY 2001, which saw a 76-percent rise in these combined line items. Given the Regents' overall increases of 2.99 percent and 3.67 percent, however, these rates loom large. Further, for the biennium the increase is a sizable 52 percent (\$127.4 million), or one-third of the total budget increase of \$380 million.

The Access Challenge appropriation is being raised by 18 percent and 16 percent for the two years, to \$90.3 million in FY 2003. While this program is intended to help the two-year campuses resist tuition increases, the funding levels, lower than requested, might not enable all of them to obey the tuition freeze that is mandated for both fiscal years in new temporary-law language (see the section Permanent and Temporary Law, sections 7.02 and 7.03; and the section Requests not Funded).

It might be noted that Regents' requested appropriation for the Access Challenge was considered large enough enable the Access campuses to reduce fees by five percent each year. While these reductions are desired by Regents as a further means to increase students' access to the two-year campuses and selected universities, they would not be feasible under the recommended budget appropriations for the Access Challenge line item.

The Jobs Challenge appropriation increases by 23 percent and 10 percent for the two years, to \$14.9 million in FY 2003. The programs served by this line item are being reorganized, although its main purpose, the distribution of financial rewards to two-year campuses for increasing non-credit job training of Ohio employees, is maintained. (See the section Permanent and Temporary Law, section 7.02.)

The Success Challenge, supporting university main campuses' efforts to increase graduation rates, receives more modest increases of 10 percent in both fiscal years, to \$59.0 million in FY 2003. The amounts are not much lower than requested, although the lesser amounts might thwart the agency's intention to increase the funding of the portion of the program dealing with at-risk students.

The Research Challenge, which provides competitive matching grants for research projects, also receives increases of 10 percent in both fiscal years, to \$26.1 million in FY 2003. No significant changes are planned.

The Performance Challenge line item, ALI 235-416 is not being funded this biennium. Regents had requested this program's elimination in favor of increased funding for the Jobs Challenge.

State Share of Instruction: (ALI 235-501): Somewhat more than half of the biennial budget increase in Program Series 1 would go to this, the agency's biggest line item, which typically comprises some two-thirds of the agency's total budget (although this proportion is declining, as can be seen from the chart above).

The recommended increases in the SSI subsidy for FY 2002 and FY 2003 are \$33 million and \$34 million, or 2.0 percent in each fiscal year. For the biennium the increase will be \$147 million (4.5 percent) to the recommended \$3.397 billion. Thus, this line item alone accounts for 39 percent of the total \$380.2 million biennial increase in Regents' budget. However, as noted above, when the SSI is combined with the Challenge subsidies (to comprise all of Program Series 1), the combined increases rise to \$49 million and \$61 million, or 2.7 percent and 3.3 percent, respectively. The biennial increase becomes \$274 million, or 72 percent of the agency's total \$380.2 million budget increase.

However, it should be noted that these 2.0 percent increases fall far short of those that Regents requested as necessary to maintain the campuses at their current levels of operation. Using Regents' assumptions of enrollment increases of 1.0 percent in both fiscal years and higher-education inflation rates of 4.25 percent per year, the raises that the agency originally requested for the SSI were 5.25 percent (\$86.6 million) and 6.25 percent (\$108.5 million) in FY 2002 and FY 2003, respectively. These increases, if implemented, would have produced a biennial increase of \$329 million (10.1 percent) for this line item; that is, they would have added another \$182 million to the current Executive Budget's appropriation and would have more than doubled the recommended biennial increase.

The appropriation increases will enable Regents to raise the subsidies to the campuses through the (mainly) enrollment-based allocation formula. This is done by raising the dollar amounts per FTE that are calculated for each of the formula's sixteen model curriculums (called program expenditure models), as well as raising the amounts per square foot for the formula's space-based segment.

Tables of the allocation of the recommended SSI appropriation among the state-assisted higher education campuses for each of the fiscal years 2002 and 2003 are provided in the section Additional Facts and Figures in this Redbook (in the event that the data are available before press time).

Concerning the guarantee of the allocation amounts, the Executive Budget's also recommends changes to the campuses' annual guaranteed funding increases in the campuses' allocations of the SSI. The new guarantee, now renamed the Annual Hold Harmless Provision, limits each campus's guaranteed amount in each year to 100 percent of the previous year's allocation. This compares to the 103 percent and 101 percent guarantees for FY 2000 and FY 2001, respectively.

Despite the increases in the SSI, the upward pressure on tuitions is expected to continue. One campus, the Ohio State University, will receive a special exemption, called the OSU Limited Tuition Cap Exemption, for each year of the biennium. (See the section Permanent and Temporary Law, section 7.03.)

The new biennium brings another change to the formula that allocates the SSI appropriation among the campuses. (Note that, for the FY 2000-FY 2001 biennium, the method for calculating the dollar amounts per FTE for the two doctoral curriculum models changed; these models are now funded from a targeted ten-percent set-aside from the SSI's appropriation.) For the new biennium, the education and business masters-degree curriculums receive their own program expenditure model. This change arose because students in these two curriculums often exceed 50 credit hours in their programs. Currently this event triggers the transfer of these FTE's into the doctoral models, which obtain much

larger allocations per FTE. The creation of their own model, at a lower-than-doctoral level of allocation, is intended to keep the several models' subsidies appropriate to their curriculums. It will also preserve funds for the true doctoral programs. For the next couple of years the allocation for this new model, called the Blended MPD I model, will be in a "blended" phase, with its dollar amounts based on both masters and doctoral model parameters.

With the addition of the Blended MPD I model, the number of program expenditure models in the regular allocation formula rises to fourteen. The doctoral set-aside is still allocated between the two doctoral models.

Other changes to the application of the State Share of Instruction are described in the section Permanent and Temporary Law in this Redbook.

OTHER INSTITUTIONAL SUPPORT

Program Series 2

Purpose These line items supplement the core institutional support provided to various institutions, in order to increase student access to higher education.

The following table shows the line items that are used to fund the Other Institutional Support program series, as well as the Executive Budget’s recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	235-502	Student Support Services	\$1,000,000	\$1,000,000
GRF	235-514	Central State Supplement	12,044,956	12,044,956
GRF	235-520	Shawnee State Supplement	2,767,520	2,712,170
Total funding: OTHER INSTITUTIONAL SUPPORT			\$15,812,476	\$15,757,126

Program Series 2: Other Institutional Support

Program series description

Features: This program series contains three line items that are important additional sources of general support for various public-assisted campuses, in addition to the core institutional support provided by Program Series 1. Two of the subsidies provide supplemental funds to Ohio’s two smallest universities. The third subsidy, Student Support Services, helps institutions provide services to disabled students.

This program series is a tiny one, comprising just \$32 million (0.6 percent) of Regents’ recommended \$5.386 billion total biennial budget and \$0.77 million (0.2 percent) of the total \$380.2 million increase.

Funding Sources: This program series is funded entirely by GRF funds.

Line Items: This program series’ three line items are listed in the above table. A description of each line item, including its purpose, legal basis, funding source and recent fundings, is available in the Catalog of Budget Line Items (COBLI), the relevant pages of which are included in this Redbook.

Executive recommendation: Overall Implications and Selected Line Items

Starting from FY 2001, the series’ appropriations would decline just slightly, by 0.74 percent and 0.35 percent in FY 2002 and FY 2003, respectively. Thus, these programs are to be maintained, but at levels similar to those in FY 2001.

Central State Supplement (ALI 235-514): The main line item in the series remains the Central State Supplement, for which funding for both fiscal years is maintained at essentially the FY 2001 level. This supplement has been long-standing. The campus has not achieved enrollment increases in recent years; hence it has become more reliant on the

supplement. Regents has a master plan in place to improve the university's operations and grow enrollment; but indicates that the campus will continue to need the supplement.

Shawnee State Supplement (ALI 235-520): This line item's appropriation declines by 2.0 percent in each of the two fiscal years. Regents indicates that Shawnee State has been able to reduce its reliance on the supplement, as its enrollment has been growing. The supplement might be reduced or eliminated in the foreseeable future.

MEDICAL SUPPORT

Program Series 3

Purpose The medical support program series consists of state subsidies that support the medical education functions that take place outside the classroom and laboratory.

The following table shows the line items that are used to fund the Medical Support program series, as well as the Executive Budget’s recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	235-474	AHEC Program Support	\$2,136,456	\$2,179,185
GRF	235-515	CWRU School of Medicine	4,367,575	4,454,926
GRF	235-519	Family Practice	6,671,909	6,805,347
GRF	235-525	Geriatric Medicine	1,109,383	1,131,570
GRF	235-526	Primary Care Residencies	3,230,784	3,295,399
GRF	235-536	OSU Clinical Teaching	16,316,207	16,642,531
GRF	235-537	UCN Clinical Teaching	13,419,858	13,688,256
GRF	235-538	MCO Clinical Teaching	10,460,052	10,669,253
GRF	235-539	WSU Clinical Teaching	5,081,698	5,183,332
GRF	235-540	OHU Clinical Teaching	4,912,631	5,010,884
GRF	235-541	NEO Clinical Teaching	5,052,636	5,153,689
GRF	235-543	OCPM Clinical Subsidy	510,000	520,200
GRF	235-545	OSU Cancer Hospital*	0	0
GRF	235-572	OSU Clinic Support	2,102,361	2,144,408
FSRF: 3H2	235-608	Human Services Project	1,000,000	1,000,000
Total funding: MEDICAL SUPPORT			\$76,371,550	\$77,878,980

* Last appropriation: FY 1998

Program Series 3: Medical Support

Program series description

Features: This program series supports the medical education functions that take place outside of the medical schools’ classrooms and laboratories. Subsidies are provided for clinical teaching in health care settings, in order to (a) support internships and residencies in specific fields of practice that are of importance to Ohioans and (b) improve access both for medical students and for Ohio residents in need of health care.

This series comprises \$154 million, or 2.9 percent, of the agency’s total \$5.386 billion biennial budget but just \$7.3 million (1.9 percent) of the total \$380.2 million increase.

Funding Sources: This program series is funded entirely by GRF funds except for the Human Services Project appropriation. This line item, which is funded by a Federal

Special Revenue Fund (FSRF) fund, comprises less than two percent of the series' total biennial appropriations.

Line Items: This program series' line items are those listed in the above table. A description of each line item, including its purpose, legal basis, funding source and recent fundings, is available in the Catalog of Budget Line Items (COBLI), the relevant pages of which are included in this Redbook.

Executive recommendation: Overall Implications and Selected Line Items

This program series' appropriation increases by 2.3 percent and 2.0 percent for fiscal years 2002 and 2003, respectively, as all the line items but one receive a fixed 2.0-percent raise.

The exception is the Human Services Project (federal funds), which increases by \$0.24 million, or 31 percent, the first year and is held flat the second. This program has declined significantly (from mid-nineties annual appropriations of up to \$10 million) because of the phase-out of Regents' involvement in the Job Opportunities and Basic Skills (JOBS) program. Funding for the line item accordingly has declined significantly to levels below \$1 million (see the description for line item 235-608 in the Catalog of Budget Line Items).

As in previous years, Regents requested that funding for the line item 235-543, Ohio College of Podiatric Medicine Clinical Subsidy, be eliminated because of unclear state goals for the subsidy. However, the Executive Budget continues the appropriation for this line item.

STUDENT FINANCIAL AID

Program Series 4

Purpose The financial aid program series consists of 13 programs providing financial assistance to college students.

The following table shows the line items that are used to fund the Student Financial Aid program series, as well as the Executive Budget’s recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	235-414	State Grants and Scholarships Administration	\$1,429,478	\$1,458,068
GRF	235-503	Ohio Instructional Grants	101,000,000	114,500,000
GRF	235-504	War Orphans’ Scholarships	4,652,548	4,792,124
GRF	235-518	Capitol Scholarship Programs	250,000	250,000
GRF	235-530	Academic Scholarships	8,400,000	8,820,000
GRF	235-531	Student Choice Grants	52,428,000	53,476,560
GRF	235-534	Student Workforce Development Grants*	0	0
GRF	235-549	Part-time Student Instructional Grants	13,311,638	13,977,219
GRF	235-553	Dayton Area Graduate Studies Institute	3,856,212	3,856,212
GRF	235-590	Twelfth-grade Proficiency Stipend*	0	0
GRF	235-599	National Guard Scholarship Program	12,293,986	12,293,986
FSRF: 3N6	235-605	State Student Incentive Grants	2,000,000	2,000,000
FSRF: 3T0	235-610	NHSC Ohio Loan Repayment	100,000	100,000
SSRF: 4E0	235-601	Teacher Education Loan Program**	0	0
SSRF: 4P4	235-604	Physician Loan Repayment	416,067	436,870
SSRF: 682	235-606	Nursing Loan Program	870,000	893,000
Total funding: STUDENT FINANCIAL AID			\$201,007,929	\$216,854,039

* Last appropriation: FY 2001

** Last appropriation: FY 1996

Program Series 4: Student Financial Aid

Program series description

Features: This program series provides financial assistance to college students based on a variety of criteria ranging from economic need to academic achievement. The financial aid programs are administered by Regents’ State Grants and Scholarships Division.

The Student Financial Aid program series has the third-largest appropriation in the Regents’ budget, behind Core Institutional Support and Debt Service. The series comprises \$418 million, or 7.8 percent, of the agency’s total \$5.386 billion biennial budget although it receives \$45 million (11.9 percent) of the total \$380.2 million increase.

The two largest line items in this series, the Ohio Instructional Grants and the Student Choice Grants, comprise 77 percent of the series total appropriation.

The administration of these line items is complex and time-consuming, and Regents is working to improve the processes involved. The current goal is to convert all the programs to the new HEI computer data-base system, a transition that is expected to provide several efficiencies. One administrative component receiving attention is the forecasting of the numbers of students that will participate in each program. The HEI system is expected to help improve that effort also; this will require improvement in the campuses' data submission processes, although HEI is expected to facilitate such improvements.

Funding Sources: This program series is funded almost entirely by GRF funds. Five line items, comprising less than two percent of the series' total biennial appropriations, are funded by either Federal Special Revenue Fund (FSRF) or State Special Revenue Fund (SSRF) moneys. Each line item's specific source is shown in the table above.

Line Items: This program series' line items are those shown in the above table. A description of each line item, including its purpose, legal basis, funding source and recent fundings, is available in the Catalog of Budget Line Items (COBLI), the relevant pages of which are included in this Redbook.

Executive recommendation: Overall Implications and Selected Line Items

This program series' appropriation increases by 0.75 percent and 7.9 percent for fiscal years 2002 and 2003, respectively, as some significant line item increases are balanced by eliminations. The biennial increase is \$45 million, or 12 percent.

The flat funding for FY 2002 vs. FY 2001 is the result of the de-funding of two line items, 235-534, Student Workforce Development Grants, and 235-590, Twelfth-grade Proficiency Stipend. This caused a drop of some \$16.75 million. Most of this amount was taken up by a sizable \$13 million (14.7 percent) increase in the Ohio Instructional Grants (OIG), and the National Guard Scholarship Program added another \$2 million, to produce the minor net increase for the series.

For FY 2003, OIG adds another \$13.5 million, or 13.4 percent. Since this line item is the series' largest and takes up more than half of the series' appropriation, its increase is sufficient to drive the series' 7.9 percent increase for the year, as the other line items receive minor increases.

Note that this sizable increase in the OIG appropriation occurs for several reasons. First, more students will become eligible under the higher maximum amounts of family gross income allowed by the Executive Budget (see the Redbook section Permanent and Temporary Law, section 7.07). In addition, the grant amounts will be increased. Finally, since more students will become eligible for the grants, more will continue to be eligible to receive grants year-round (before FY 2000 the grants could not be extended beyond the normal (e.g., three-quarter) academic year).

The second-largest line item in the series is Student Choice Grants, which is afforded a 2.0-percent (approximately \$1 million) increase in each of the two fiscal years.

The line item 235-530, Academic Scholarships, receives some clarifying language about the amounts of its scholarships (see Permanent and Temporary Law, section 7.08). The line item 235-534, Student Workforce Development Grants, is recommended to be deleted

from the budget for the new biennium, as is the item 235-590, Twelfth-grade Proficiency Stipend. The Teacher Education Loan Program, ALI 235-601, has not been funded for several years.

PUBLIC SERVICE - STATEWIDE

Program Series 5

Purpose This program series supports public service activities that are performed at the state’s higher education institutions.

The following table shows the line items that are used to fund the Public Service - Statewide program series, as well as the Executive Budget’s recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	235-511	Cooperative Extension Service	\$28,262,696	\$28,827,949
GRF	235-524	Police and Fire Protection	244,996	244,996
GRF	235-535	Ohio Agricultural Research & Development Center	39,505,502	40,295,612
GRF	235-583	Urban University Programs	6,636,285	6,636,285
GRF	235-587	Rural University Projects	1,403,624	1,403,624
Total funding: PUBLIC SERVICE - STATEWIDE			\$76,053,103	\$77,408,466

Program Series 5: Public Service - Statewide

Program series description

Features: The Public Service-Statewide program series consists of several programs supporting public service activities at the state’s higher education institutions. These services address a variety of agricultural, rural and urban issues and are offered either statewide or regionally.

At \$153 million, this program series comprises 2.8 percent of Regents’ total \$5.386 billion biennial budget. However, it receives just \$5.7 million (1.5 percent) of the agency’s total \$380.2 million increase.

Funding Sources: This program series is funded entirely by GRF funds.

Line Items: This program series’ line items are those listed in the above table. A description of each line item, including its purpose, legal basis, funding source and recent fundings, is available in the Catalog of Budget Line Items (COBLI), the relevant pages of which are included in this Redbook.

Executive recommendation: Overall Implications and Selected Line Items

For the series, the annual appropriation increases are 1.8 percent in each of the two fiscal years. The \$5.7 million biennial increase represents 3.8 percent.

Among the line items, all except two are held to flat funding vs. FY 2001. The two line items that do receive increases are the agricultural line items, which are the two biggest line items in the series: 235-511, Cooperative Extension Service and 235-535, Ohio

Agricultural Research and Development Center. Even so, each of these line items' appropriations increases by just 2.0 percent in each fiscal year.

However, with a combined biennial increase of more than \$7.1 million, the two agricultural line items actually account for more than the total series increase because the other three line items, led by line item 235-583, Urban University Programs, incur a combined decline of \$1.5 million (8.0 percent) from the FY 2000-FY 2001 biennium.

The Ohio State University, which administers the programs supported by the two agricultural line items, indicates that the effect of the 2.0-percent increases could be considerable. Management is forecasting a 3-4 percent inflationary increase in operating costs alone and, therefore, estimates that most of the 2.0-percent appropriation increase would probably go just for salary increases. It further indicates that, at OARDC, planned new investments would likely be curtailed; and that key-area investments from the FY 2002-FY 2003 biennium would probably have to be re-examined. Of the Extension line item, 80 percent of the appropriation goes for personnel; thus, a 2.0-percent increase could cause cutbacks in support for county educational programs and limitations on investments in information technology intended to support the persons who help to implement those programs.

The Executive Budget adjusts one earmark under the Cooperative Extension Service line item. The earmarked funds for the Ohio Watersheds Initiative will be \$910,500 in each of the fiscal years 2002 and 2003. For the FY 2000-FY 2001 biennium, the earmarks were \$680,000 and \$910,500 for the two years, respectively. Thus, this earmark is held flat compared to FY 2001. (See the section Permanent and Temporary Law, section 7.09.) The other earmarks under these two line items do not change for the new biennium from their levels in the FY 2000-FY 2001 biennium.

It should be noted that the recommended biennial appropriation for these two agricultural line items falls below the original level requested by Regents. However, it does, in fact, exceed the amount in Regents' subsequent revised request. (For a description of the cause of this second budget request, see the section Requests Not Funded, the paragraphs titled The Regents' Addendum.) Specifically, the original biennial request for the two items was \$141.5 million and the revised request was the lower \$134.7; however, the resultant Executive Budget's recommendation is \$136.9 million, which falls in between.

As for the Urban University Programs, its decline is the result of the deletion of several earmarks and changes in others. These are described in the section Permanent and Temporary Law, section 7.10.

PUBLIC SERVICE - INSTITUTIONAL

Program Series 6

Purpose This program series supports, in whole or in part, a wide variety of specific public-service projects at certain higher education institutions.

The following table shows the line items that are used to fund the Public Service - Institutional program series, as well as the Executive Budget's recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	235-402	Sea Grants	\$299,940	\$299,940
GRF	235-509	Displaced Homemakers	244,996	244,996
GRF	235-513	OU Voinovich Center	375,000	375,000
GRF	235-521	OSU Glenn Institute	375,000	375,000
GRF	235-523	Center for Labor Research	95,000	95,000
GRF	235-547	School of International Business	1,743,637	1,743,637
GRF	235-558	Long-term Care Research	318,371	318,371
GRF	235-561	BGSU Canadian Studies Center	167,642	167,642
GRF	235-585	Ohio University Innovation Center	49,745	49,745
GRF	235-595	International Center for Water Resources Dev't	189,381	189,381
GRF	235-596	Hazardous Materials Program	244,996	244,996
SSRF: 649	235-607	OSU Highway/Transportation Research	511,000	523,775
Total funding: PUBLIC SERVICE - INSTITUTIONAL			\$4,614,708	\$4,627,483

Program Series 6: Public Service - Institutional

Program series description

Features: This program series provides support for a variety of research and service missions operated at or by Ohio's state-assisted colleges and universities. These programs have focuses and impacts somewhat narrower than Program Series 5 (Public Service-Statewide). The goals vary widely, but Regents indicates that all of these programs serve important purposes that contribute to public policy development, public service, and the state and regional economies. Program activities are monitored primarily from periodic reports submitted by program managers.

Despite having numerous line items, the series is small in dollar amounts, comprising just \$9.2 million (0.17 percent) of the Regents' biennial budget of \$5.386 billion and only \$34,777 (0.009 percent) of its biennial increase of \$380.2 million.

Funding Sources: This program series is funded almost entirely by GRF funds. One line item, 235-607, OSU Highway/Transportation Research, which comprises approximately 11 percent of the series' total biennial appropriations, is funded by State Special Revenue Fund (SSRF) moneys.

Line Items: This program series' line items are those listed in the above table. A description of each line item, including its purpose, legal basis, funding source and recent fundings, is available in the Catalog of Budget Line Items (COBLI), the relevant pages of which are included in this Redbook.

Executive recommendation: Overall Implications and Selected Line Items

Funding for this program series is held essentially flat compared to FY 2001. The annual appropriation increases are negligible at 0.24 percent and 0.28 percent in FY 2002 and FY 2003, respectively. The equally negligible \$34,777 biennial increase constitutes a 0.38 percent rise.

Every line item except one receives no appropriation increase in either fiscal year over its FY 2001 level. The exception is 235- 607, OSU Highway/Transportation Research, which rises by 2.2 percent and 2.5 percent for FY 2002 and FY 2003, for a biennial increase of just \$34,775. This is a non GRF-funded line item.

It might be noted that, for the previous FY 2000-FY 2001 biennium, three new line items were added to the series: The Ohio University Voinovich Center added \$750,000 for the biennium; the Ohio State University Glenn Institute, \$750,000; and the re-funding of the Center for Labor Research, \$190,000. The funding of these additional items, then, raised the series' total biennial appropriation by some \$1.69 million.

STATEWIDE INITIATIVES

Program Series 7

Purpose This program series supports, in whole or in part, specific projects throughout Ohio’s higher education community.

The following table shows the line items that are used to fund the Statewide Initiatives program series, as well as the Executive Budget’s recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	235-421	Higher Education Efficiency Challenge*	\$0	\$0
GRF	235-455	Productivity Improvement Challenge	1,729,538	1,764,128
GRF	235-477	Access Improvement Projects	1,110,879	1,110,879
GRF	235-481	Discovery Project Match**	0	0
GRF	235-506	Postsecondary Readiness Testing**	0	0
GRF	235-508	Air Force Institute of Technology	3,500,000	3,500,000
GRF	235-510	Ohio Supercomputer Center	4,932,218	4,932,218
GRF	235-527	Ohio Aerospace Institute	2,431,973	2,431,973
GRF	235-588	Ohio Resource Center for Mathematics, Science, and Reading	1,000,000	1,000,000
FSRF: 312	235-611	Gear-up Grant [NEW]	1,590,986	1,690,434
FSRF: 312	235-612	Carl D. Perkins Grant/Plan Administration [NEW]	112,960	112,960
FSRF: 312	235-631	Federal Grants	2,055,511	0
SSRF: 4E8	235-602	HEFC Administration	12,000	12,000
Total funding: STATEWIDE INITIATIVES			\$18,476,065	\$16,554,592

* Last appropriation: FY 2000

** Last appropriation: FY 1999

Program Series 7: Statewide Initiatives

Program series description

Features: This program series is made up of several line items that support statewide projects, programs or entities that have a statewide impact primarily in instructional, research and operational areas.

The series comprises \$35.0 million (0.65 percent) of the Regents’ biennial budget of \$5.386 billion and \$2.5 million (0.66 percent) of its biennial increase of \$380.2 million.

The series’ budget is enhanced in the new biennium by the addition of two new line items, 235-611, Gear-up Grant, and 235-612, Carl D. Perkins Grant/Plan Administration. Funded by federal dollars, together they comprise 10 percent of the series’ biennial appropriations. Although new to the budget (they did not appear in the FY 2000-FY 2001 budget), these line items are not brand-new. The Gear-up Grant item was created during FY 2000f, the Perkins item, during FY 2001. The latter item’s appropriation is the much smaller of the two, as it is concerned primarily with the administration of the Perkins grants.

Funding Sources: Four line items, comprising \$5.6 million or 16 percent of the series' total, are funded by either Federal Special Revenue Fund (FSRF) or State Special Revenue Fund (SSRF) moneys. The remaining 84 percent (\$29.4 million) receive GRF funding.

Line Items: This program series' line items are those listed in the above table. A description of each line item, including its purpose, legal basis, funding source and recent fundings, is available in the Catalog of Budget Line Items (COBLI), the relevant pages of which are included in this Redbook.

Executive recommendation: Overall Implications and Selected Line Items

The series' annual appropriation changes are negative: -\$0.65 million (-3.4 percent and -\$1.9 million (-10.4 percent) for FY 2002 and FY 2003, respectively. For the biennium the change is -\$2.5 million (-6.7 percent).

The declines for FY 2002 and FY 2003 occur despite flat funding (vs. FY 2001) for almost all the series' existing line items. Of these, only one, 235-455, Productivity Improvement Challenge, receives an increase: 2.0 percent (\$34,000) each fiscal year.

The series' declines in both fiscal years arise primarily from one item 235-631, Federal Grants. For FY 2002 Regents expects to receive \$2.1 million, for a reduction of \$1.0 million (33 percent) from FY 2001. For FY 2003 the appropriation is zero, since Regents considers the forecasting of federal funds for that fiscal year to be problematic; thus, the decline for that year is the entire \$2.1 million.

STATEWIDE COORDINATION

Program Series 8

Purpose This program series contains several programs administered centrally by the Regents. The programs also support the coordinating activities of the Regents and organize the activities of the state’s higher education enterprise.

The following table shows the line items that are used to fund the Statewide Coordination program series, as well as the Executive Budget’s recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	235-100	Personal Service*	\$0	\$0
GRF	235-200	Maintenance*	0	0
GRF	235-300	Equipment*	0	0
GRF	235-321	Operating Expenses	3,265,450	3,330,759
GRF	235-403	Math/Science Teaching Improvement	1,734,000	1,768,680
GRF	235-404	College Readiness Initiatives	3,127,361	3,189,908
GRF	235-406	Articulation & Transfer	1,000,000	1,000,000
GRF	235-408	Midwest Higher Education Compact	82,500	82,500
GRF	235-409	Information System	1,417,615	1,445,968
GRF	235-412	Higher Education Funding Commission**	0	0
GSF: 456	235-603	Publications	43,050	44,342
GSF: 456	235-613	Job Preparation Initiative [NEW]	144,383	144,383
FSRF: 312	235-609	Tech Prep	183,852	183,852
Total funding: STATEWIDE COORDINATION			\$10,998,211	\$11,190,392

* Last appropriation: FY 1999; replaced by 235-321, Operating Expenses.

** Last expenditure: FY 1998.

Program Series 8: Statewide Coordination

Program series description

Features: This program series provides support for Regents’ agency operations and various statewide projects, programs, or entities that have statewide impacts, primarily in areas of institutional operations.

The series comprises \$22.2 million (0.41 percent) of the Regents’ biennial budget of \$5.386 billion and \$1.8 million (0.47percent) of its biennial increase of \$380.2 million.

A major effort at Regents concerns the augmentation and increased utilization of the Higher Education Information system (ALI 235-409). As noted under Program Series 4 above, the system is being applied to the improvement of student financial aid data processing. Similar efforts with HEI are being made in other areas, including budgeting, where the system is utilized in the resource analysis to determine parameters for the State Share of Instruction’s allocation formula.

Funding Source: This program series is funded almost entirely by GRF funds. Three line items, comprising 3.4 percent of the series' total biennial appropriation (but 9.5 percent of its biennial increase), are funded by either General Services Fund (GSF) or Federal Special Revenue Fund (FSRF) moneys.

Line Items: This program series' line items are those listed in the above table. A description of each line item, including its purpose, legal basis, funding source and recent fundings, is available in the Catalog of Budget Line Items (COBLI), the relevant pages of which are included in this Redbook.

Executive recommendation: Overall Implications and Selected Line Items

The series' annual appropriation increases are small, amounting to \$0.17 million (1.6 percent) and \$0.19 million (1.7 percent) for FY 2002 and FY 2003, respectively. However, the biennium shows a bigger increase: \$1.8 million (8.8 percent); because of the effect on the previous biennium of a lower appropriation (\$9.6 million) for FY 2000.

All but one of the series' significant line items are given increases of 2.0 percent in each of FY 2002 and FY 2003. The exception, line item 235-406, Articulation & Transfer, is flat-funded at a zero increase for each fiscal year. Other line items receive minor increases or reductions.

INFRASTRUCTURE INVESTMENTS

Program Series 9

Purpose These line items provide technology infrastructure for the higher education system.

The following table shows the line items that are used to fund the Infrastructure Investments program series, as well as the Executive Budget’s recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	235-417	Ohio Learning Network*	\$4,000,000	\$4,000,000
GRF	235-507	OhioLINK	7,822,106	7,978,548
GRF	235-552	Capital Component	14,537,639	14,537,639
GRF	235-555	Library Depositories	2,040,000	2,080,800
GRF	235-556	Ohio Academic Resources Network (OARNet)	3,582,426	3,654,074
Total funding: INFRASTRUCTURE INVESTMENTS			\$31,982,171	\$32,251,061

* Formerly: Technology.

Program Series 9: Infrastructure Investments

Program series description

Features: This program series provides infrastructure resources to higher education, with an emphasis on information and information technology. Some of the programs are campus-specific, while others support statewide assets.

The series’ total biennial appropriation is \$64.2 million, or 1.2 percent of the Regents’ total budget of \$5.386 billion. Its biennial increase is \$9.4 million, or 2.5 percent of the total biennial increase of \$380.2 million.

Funding Sources: This program series is funded entirely by GRF funds.

Line Items: This program series’ line items are those listed in the above table. A description of each line item, including its purpose, legal basis, funding source and recent fundings, is available in the Catalog of Budget Line Items (COBLI), the relevant pages of which are included in this Redbook.

Executive recommendation: Overall Implications and Selected Line Items

The series’ annual appropriation increases amount to \$3.7 million (12.9 percent) and \$0.3 million (0.84 percent) for FY 2002 and FY 2003, respectively. The \$9.4 million increase for the biennium is a significant 17 percent rise; however, most of it (\$7.1 million) comes from the Capital Component (ALI 235-552).

Of the series’ five line items, three are given relatively small increases of 2.0 percent in each of FY 2002 and FY 2003. The Ohio Learning Network (ALI 235-417) gets no increase at all in either fiscal year.

The line item 235-552, Capital Component, is the main provider of the series' gains, getting a \$3.4 million (30 percent) raise for FY 2002 and remaining flat for FY 2003. The jump from the FY 2001 appropriation comes from the addition of the most recent capital bill, H.B. 640, to the capital component formula, which uses the appropriations in the last three capital budgets in the calculation of a given biennium's estimated total amount to be disbursed to the campuses. Half of the biennial amount is then assigned to each fiscal year.

BREAKTHROUGH INVESTMENTS

Program Series 10

Purpose These line items support various initiatives among state government, higher education, and business and industry.

The following table shows the line items that are included in the Breakthrough Investments program series, as well as the Executive Budget’s recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	235-426	Ohio Plan [NEW]	\$10,000,000	\$30,000,000
GRF	235-428	Appalachian New Economy Partnership [NEW]	1,000,000	1,500,000
Total funding: BREAKTHROUGH INVESTMENTS			\$11,000,000	\$31,500,000

Program Series 10: Breakthrough Investments

Program series description

Features: This program series, originating with the Regents’ FY 2002-FY 2003 budget, is intended to support a strategy of targeted spending, called breakthrough investments, to help the state move forward in several areas considered crucial to its near- and long-term economic prosperity.

Regents considers this approach to provide an opportunity for higher education to use its resources to promote economic development. In so doing, the higher education community itself should also benefit. In particular, more Ohio residents might be attracted to higher education, a move that would serve to reduce a perceived bachelors-degree deficit among the state’s population.

The breakthrough investments will usually involve collaborations among the higher education institutions, business and industrial firms and groups, and state agencies such as the Board of Regents and the Department of Development.

Funding Sources: This program series is funded entirely by GRF funds.

Line Items: This program series’ line items are those listed in the above table. A description of each line item, including its purpose, legal basis, funding source and recent fundings, is available in the Catalog of Budget Line Items (COBLI), the relevant pages of which are included in this Redbook.

Executive recommendation: Overall Implications and Selected Line Items

The biennial appropriation for the series amounts to \$42.5 million. Since both the series and its line items are new, this amount also becomes the series’ biennial increase. Although the \$42.5 million is just 0.79 percent of the of Regents’ \$5.386 billion budget, it is a sizable 11.2 percent, of the budget’s total increase of \$380.2 million, a ratio that indicates the importance that Regents places in this new program series.

The recommended amounts for these two line items fall considerably short of the amounts requested by Regents, which had indicated the need for a total of \$294 for the biennium. The Ohio Plan, with a request of \$286 million, was the major victim of the shortfalls.

It might be noted that Regents' original request for this series included two additional line items, 235-427, IT Guarantee, and 235-429, Research Cluster Pilot, that were not included in the Executive Budget. These line items, if included at their requested amounts, would have added almost \$32 million to the series' budget. The IT Guarantee program was intended to help provide Ohio's workforce with basic computer skills; the Research Cluster Pilot would have supported targeted university researchers as catalysts in the commercial development of new-technology discoveries.

DEBT SERVICE PAYMENTS

Program Series 11

Purpose This line item provides funds for the repayment of principal and interest on debt obligations incurred by the state.

The following table shows the line items that are used to fund the Debt Service Payments program series, as well as the Executive Budget’s recommended funding levels.

Fund	ALI	Title	FY 2002	FY 2003
GRF	235-401	Lease Rental Payments*	\$295,058,500	\$268,910,500
GRF	235-909	Higher Education General Obligation Debt Service [NEW]	50,055,100	74,344,100
Total funding: DEBT SERVICE PAYMENTS			\$345,113,600	\$343,254,600

* Formerly: Rental Payments to the Ohio Public Facilities Commission [OPFC].

Program Series 11: Debt Service Payments

Program series description

Features: This line item provides the funds necessary to make all required debt service and rental payments due from the Board of Regents during the biennium.

As a result of State Issue 1 (November 1999), general obligation bonds became available for funding higher educational institutions’ capital projects. Thus, another line item, 235-909, Higher Education General Obligation Debt Service, was added to Regents’ budget to fund the debt service payments for these bonds.

It is expected that the appropriation for this item will increase as general obligation debt assumes a larger and larger portion of the institutions’ (and, hence, Regents’) debt structures. Accordingly, the appropriation for the pre-existing debt service line item, 235-401, Lease Rental Payments, which services special-obligation debt, will decline.

The series’ total biennial appropriation is \$688.4 million, or 12.8 percent of the Regents’ total budget of \$5.386 billion. This makes the series the second highest-funded program series in the Regents’ budget, second only to the Program Series 1, Core Institutional Support.

Funding Sources: This program series is funded entirely by GRF funds.

Line Items: This program series’ line items are those listed in the above table. A description of each line item, including its purpose, legal basis, funding source and recent fundings, is available in the Catalog of Budget Line Items (COBLI), the relevant pages of which are included in this Redbook.

Executive recommendation: Overall Implications and Selected Line Items

The \$688.4 million biennial appropriation constitutes a slight decline of \$3.9 million (0.6 percent) from the FY 2000-FY 2001 appropriation.

The line items' annual appropriation changes illustrate the ongoing shift from special obligation debt to general obligation debt. The Lease Rental Payments appropriation declines by \$40.8 million (12 percent) and \$26.1 million (8.9 percent) in FY 2002 and FY 2003, respectively.

PERMANENT AND TEMPORARY LAW

This section describes permanent and temporary law provisions contained in the Executive Budget that will affect the Board of Regents' activities and spending decisions during the next biennium.

Permanent Law Provisions

ORC section 3333.02 [meetings of the Board of Regents]: This section receives additional language that requires the rules to permit the formation of a quorum and the taking of notes at meetings conducted by interactive video teleconference "if provisions are made for public attendance at any location involved in such a teleconference".

ORC section 3333.03 [compensation of the Board of Regents' staff]: Revised language transfers, from the board to the chancellor, the responsibility for fixing the compensation of professional, administrative and clerical employees who assist the board and the chancellor.

In addition, the revision removes the requirement that the appointment of staff members by the chancellor be subject to board approval.

ORC section 3333.12 (C) [Ohio Instructional Grants: grant tables]: The OIG program provides a financial grant for higher education to any full-time student who is an Ohio resident and whose family's annual gross income does not exceed certain maximums (currently \$37,000 for a financially dependent student and \$34,500 for an independent student). For each of three types of institution (private, proprietary and public), two tables of grant amounts are maintained, one for the financially dependent students, the other for the independent students. Each of these six tables lists five or six columns of grant amounts next to a list of ranges of gross family incomes, which go up to the current \$37,000/\$34,500 maximums. Each of the columns of grant amounts corresponds to the number of dependents in the student's family, from zero (for an independent student) to five or more.

Under the bill, the six tables of grant amounts would be changed to increase the maximum gross family incomes below which students are eligible for grants (from \$37,000 to \$39,000 for dependent students and from \$34,500 to \$35,300 for independent students). Further, the grant amounts within the tables would be increased for given income levels. The smallest non-zero grant amounts would be higher than under the current schedule and also would be available to students with higher gross incomes and smaller family sizes (number of dependents).

The OIG tables in permanent law would apply to both fiscal years of the biennium were it not for the inclusion, in temporary law with each budget, of analogous tables of grant amounts which supersede the permanent-law tables for the first year of the biennium. These temporary-law tables usually impose lower maximum-gross-income amounts and lower grant amounts than the permanent-law tables, which, in effect, become applicable only to the second fiscal year of the biennium. This approach enables the state to increase both the maximum gross income amounts and the tabulated grant amounts to their permanent-law levels in two steps rather than one. See below for a description of the temporary-law tables.

Temporary Law Provisions

Section 7. of H.B. 94 [new line items]: The bill adds six new line items to the Board of Regents' budget:

- ALI 235-426, Ohio Plan
- ALI 235-428, Appalachian New Economy Partnership
- ALI 235-611, Gear-up Grant
- ALI 235-612, Carl D. Perkins Grant/Plan Administration
- ALI 235-613, Job Preparation Initiative
- ALI 235-909, Higher Education General Obligation Debt Service

Section 7. of H.B. 94 [eliminated line items]: The bill deletes funding for three line items currently funded in the Board of Regents' budget :

- ALI 235-534, Student Workforce Development Grants
- ALI 235-590, Twelfth-grade Proficiency Stipend

Another line item, 235-421, Higher Education Efficiency Challenge, is also deleted. Although it was not funded in the FY 2000-FY 2001 budget, that biennium did see the disbursement of funds from a prior year.

Section 7.01 of H.B. 94 [State Share of Instruction]: Compared to the current budget bill (Am. Sub. H.B. 282), this bill revises upward, for each fiscal year, the dollar amounts for several variables used in the State Share of Instruction's campus allocation formula, and makes other changes. In summary, the bill. . .

- Increases the number of program expenditure (i.e., curriculum) models to fourteen by adding one model, the Blended MPD I model. This model is discussed in the Analysis of Executive Proposal section of this Redbook.
- Increases the subsidy amount per student FTE for each of the fourteen program expenditure models used to calculate each of the two enrollment-based components of the first category of the formula: Aggregate Expenditure per FTE Student. These two components are Instruction and Support Services and Student Services. Further, for the Student Services component the bill lists a different cost for each of the fourteen models individually; previously the formula used the same cost for all the models in this component's calculation.
- Increases the subsidy amount per square foot of space for each of the seven room types, used to calculate the Square-foot-Based POM Subsidy component of the second category of the formula: Plant Operation and Maintenance (POM).
- Increases the subsidy amount per student FTE for each of the fourteen program expenditure models used to calculate the Activity-based POM Subsidy component of the second category (POM) of the formula.
- Eliminates language that provides an exception to a current hold-harmless provision in the calculation of the POM subsidy for each campus. The hold-harmless provision itself calls for the POM subsidy to be the greater of the square-foot-based POM subsidy component or the activity-based POM subsidy component of the core subsidy entitlement. The deleted

exception currently says that the total activity-based POM subsidy will not exceed 161 percent of the square-foot based POM subsidy in fiscal year 2000 and will not exceed 177 percent of the square-foot-based subsidy in fiscal year 2001.

- Adds clarifying language at the beginning of the section on the doctoral model subsidy calculation. The beginning sentence will say that the State Share of Instruction provided for doctoral students will be based on a fixed percentage of the total appropriation.
- Changes the maximum percentage of the State Share of Instruction that may be reserved for the funding of the two doctoral models' subsidies. For FY 2002 the maximum will be 10.34 percent; for FY 2003 it will be 10.25 percent. The subsidy is allocated to universities in proportion to their shares of doctoral enrollments in the recent past.
- Changes the reallocation percentages that create the reallocation portion of the doctoral reserve. In FY 2002 the Board of Regents will reallocate 4 percent of the doctoral reserve (5 percent in FY 2003) among the state-assisted universities on the basis of a quality review as specified in the recommendations of the Graduate Funding Commission (which has conducted performance reviews of universities' doctoral programs). These reallocation amounts are to fund special investments in doctoral programs through a competitive process. For FY 2001 this reallocation amount is set at two percent of the doctoral reserve.
- Eliminates the guarantee for the doctoral models' subsidies. For FY 2000 the doctoral subsidy for a university was guaranteed to be no less than its subsidy in FY 1999.
- Changes the State Share of Instruction annual guarantee. First, the title of the section is changed from Annual Guaranteed Funding Increase to Annual Hold Harmless Provision. Second, the new language eliminates the Challenge line item amounts from the base SSI subsidy amount to be guaranteed. Third, the guarantees themselves are adjusted. For each of the fiscal years 2002 and 2003, a campus will receive not less than 100 percent of the SSI allocation it received in the previous fiscal year.

Current language (in Am Sub. H.B. 282 of the 123rd General Assembly) sets the FY 2000 guarantee at not less than 103 percent of the FY 1999 amount; the FY 2001 guarantee is not less than 101 percent of the FY 2000 amount.

Section 7.02 of H.B. 94 [mission-based core funding (including the challenges)]: The bill revises several of these "mission-based core funding" line items. In summary, the bill...

- Changes certain earmarks under the Jobs Challenge and adds a new one. The distribution of funds to two-year campuses as rewards for increasing non-credit job training of Ohio employees is continued as the main purpose of this challenge. Further, the program under which several million dollars in each fiscal year is allocated to the campuses in proportion to each campus's share of all campuses' non-credit job training revenues is given its own program name, the Non-credit Incentives Grant Program. Somewhat larger amounts are earmarked than in the current biennium.

A temporary earmark for the EnterpriseOhio Network campuses is regularized to distribute funds based on each campus's performance according to criteria to be established by the Board of Regents. This replaces current language earmarking the funds under a performance contract requiring these campuses to demonstrate their capability to provide accessible and affordable training services to Ohio companies. The purpose of the program is to increase training and related services to businesses and public sector organizations.

The earmark to attract, develop, and retain companies strategically important to the state's economy by providing training services at the two-year campuses is continued and given a formal title, the Targeted Industries Training Grant Program. However, the language specifying EnterpriseOhio Network campuses and coordination with the Department of Development is eliminated.

New language adds an earmark to provide incentive funds to EnterpriseOhio Network Campus/Adult Workforce Education Center Partnerships to promote and deliver coordinated and comprehensive training to local employers. The funds are to be jointly awarded by the Department of Education and the Board of Regents to certified partnerships to offer training grants to eligible companies. An eligible company is one that meets the funding criteria of the Targeted Industries Training Grant Program.

- Adds a requirement to the Access Challenge language to the effect that the funds will be used by the access campuses to freeze instructional and general fees for resident lower-division undergraduates at their FY 2001 levels. This language replaces the current requirement that the funds be allocated in proportion to each campus's share of FTE enrollments at the General Studies level. Besides the two-year campuses, the access campuses will still include the three universities Central State, Cleveland State, and Shawnee State, as well as any distinct community-technical colleges located at the University of Akron, the University of Cincinnati and Youngstown State University.

The current method for the allocation of the Access Challenge appropriations to the eligible campuses is also replaced by a formula that has each campus's receiving an amount equal to 4 percent of its subsidy-eligible lower-division FTE enrollments for the prior fiscal year, multiplied by the unweighted average of in-state undergraduate instructional and general fees for two-year campuses in FY 2001. Any remaining appropriation will be allocated to each campus according to its share of the sum of FTE's used in the distribution of access funds in the prior fiscal year, as updated with the most recent FTE data available. For the purpose of the allocation calculations, the bill retains the FTE adjustment for Cleveland State University and adds an adjustment for Youngstown State University.

The tuition restraints required by the Access Challenge will apply to lower-division undergraduates at the university regional campuses. However, the annual tuition increases for upper-division undergraduates at these campuses will be subject to the maximum allowed rates set for these universities' main campuses.

- Continue the Eminent Scholars program by changing the word "establish" to "continue".
- Changes the name of the appropriation line item Priorities in Graduate Education to Computer Science Graduate Education.

Section 7.03 of H.B. 94 [board of trustees]: The bill revises language regarding tuition and fee increases voted by boards of trustees of state-assisted colleges and universities. The bill ...

- Eliminates the limitation on undergraduate fee increases at two-year campuses. The current limit of 3 percent becomes superfluous given the zero-increase restraint (in both fiscal years) placed on these campuses by the bill's Access Challenge language (see Section 7.02, above).
- Eliminates the current requirement that a campus obtain approval from the Board of Regents in order to either contract additional debt for financing additional student housing or to permit the construction of such housing on land owned or leased by the institution. The bill also eliminates current language stating that the Board of Regents has no authority to prohibit construction of privately financed housing constructed on land not owned or leased by the institution.
- Adds language under the new heading OSU Limited Tuition Cap Exemption. "In addition to" the continued six-percent main-campus in-state undergraduate tuition and fee increase limit, the Ohio state University board of trustees may authorize an additional increase for FY 2002 and FY 2003 over the amounts charged in the prior years of no more than \$4 per credit hour for a full-time student for an academic year. The amount of the increase must be used to "enhance undergraduate education".

Section 7.05 of H.B. 94 [various line items]: Several programs are included in this section. The bill ...

- Eliminates language requiring the inclusion of certain programs in the College Readiness Initiative. This initiative retains its main purpose: to support programs designed to improve the ability of high school students to enroll and succeed in higher education.
- Eliminates two earmarks (Project Discovery and the Early March Placement Test) under the Mathematics and Science Teaching Improvement line item.
- Changes the title of the line item 235-417, to the Ohio Learning Network. It is currently entitled Technology. Its purpose, to support the continued implementation of the Ohio Learning Network, remains.
- Changes the nominal recipient of the Productivity Improvement Challenge appropriations. The funds will go to the EnterpriseOhio Network itself instead of the network's Business and Industry Training Centers. The centers are located at Ohio's two-year campuses. Further, rather than using the funds just for activities developed through the network, more general language will have the funds used to support multi-campus collaboration and best practice dissemination, as well as the currently stated capacity building.
- Allows the Board of Regents to appoint additional members to the board of directors of the Appalachian Center for Higher Education at Shawnee State University. The center receives funds as an earmark under the line item 235-477, Access Improvement Projects.

Section 7.06 of H.B. 94 [pledge of fees]: This section regards debt service. The bill makes changes to accommodate the inclusion of the issuance of general obligation debt among the Board of Regents' financing methods for campuses' capital projects. The bill ...

- Adds a new paragraph under the heading Higher Education General Obligation Debt Service. It calls for the appropriation under the new line item 235-909, Higher Education General Obligation Debt Service, to be used to pay all required debt service during the biennium. The Office of the Sinking Fund or the Director of Budget and Management will make the payments through interstate transfer vouchers.
- Eliminates the current language under the heading Rental Payments to the Ohio Public Facilities Commission, which states that the appropriations for debt service include all the amounts necessary to meet contracted payments but limited to the biennial appropriation for line item 235-401, Lease Rental Payments.
- Adds new language under the heading Lease Rental Payments to the effect that the appropriation line item 235-401, Lease Rental Payments, will be used to meet all required payments during the biennium. However, for the current biennium the total payments are limited to the aggregate amount of \$563,969,000 (which equals the biennial appropriation for this line item).

Section 7.07 of H.B. 94 [Ohio Instructional Grants and other student aid programs]: Several programs are included in this section. The bill...

- Overrides, for FY 2002 only, the six new permanent-law tables of OIG grant amounts. The replacement tables in temporary law would provide for lower grant amounts for FY 2002 than are indicated in the permanent-law tables. This would enable the increase of the grant amounts in two steps from the FY 2001 amounts up to the FY 2003 (i.e., permanent-law) amounts. See the description in "ORC section 3333.12 (C)", under Permanent Law, above.

Section 7.08 of H.B. 94 [student aid programs]: Several items are included in this section. The bill...

- Eliminates language concerning the Student Workforce Development Grants, whose appropriation line item, 235-534, Student Workforce Development Grants, is recommended to be deleted from the budget.
- Under Academic Scholarships, eliminates now-obsolete language imposing a \$1,000 limitation on the normally \$2,000 scholarships granted under the line item 235-530, Academic Scholarships, to those students who received such scholarships in FY 1995 and who are eligible for certain other scholarships under section 3333.22 of the Revised Code. In its place, the bill inserts language giving the purpose of the appropriation, which is to provide academic scholarships to students pursuant to the same section 3333.22. The annual scholarship amount will be \$2,000 for each year of the biennium.

Section 7.09 of H.B. 94 [Cooperative Extension Service et al.]: Several items are included in this section. The bill...

- Changes the earmarked amounts for the Ohio Watersheds Initiative. The earmarked funds will be \$910,500 in each of the fiscal years 2002 and 2003.

Section 7.10 of H.B. 94 [various line items and programs]: Several items are included in this section. The bill...

- Changes the use of the appropriation for line item 235-409, Information System, from the revision of the “higher education data system” to the operation of the Higher Education Information System.
- Eliminates a current earmark under line item 235-514, Central State Supplement, that is currently funding that campus’s Institute for Urban Education. Further, the bill inserts language requiring the appropriation to be used keep undergraduate fees below the statewide average.
- Eliminates earmarks for certain projects within an earmark under the line item 235-583, Urban University Programs, for the Polymer Distance Learning Project at the University of Akron.
- Eliminates an earmark under the line item 235-583, Urban University Programs, for general arts programming at the University of Akron.
- Eliminates an earmark under the line item 235-583, Urban University Programs, for the Cleveland State University’s Applied Digital Technology Center/WVIZ.
- Eliminates an earmark under the line item 235-583, Urban University Programs, for the Cleveland State University Technology Link.
- Changes an earmark under the line item 235-583, Urban University Programs, to require a specified amount of funds (rather than the current 50 percent of the remainder of the appropriation) to be distributed in each fiscal year to Cleveland State University in support of the Maxine Goodman Levin College of Urban Affairs.
- Changes an earmark under the line item 235-583, Urban University Programs, to require a specified amount of funds (rather than the current 50 percent of the remainder of the appropriation) to be distributed in each fiscal year among the Northeast Ohio Interinstitutional Research Program, the Urban Linkages Program, and the Urban Research Technical Assistance Grant Program. New language also calls for the allocation of funds among the three programs to be determined by the chairman of the Urban University Program.
- Changes the name of the recipient of certain earmarked funds under the line item 235-587, Rural University Projects, The Bowling Green State University recipient, formerly the public administration program, will be the Center for Policy Analysis and Public Service.
- Eliminates an earmark under the line item 235-587, Rural University Projects, which requires a portion of the appropriated funds provided to Ohio University to be used to establish a satellite office of the Institute for Local Government Administration and Rural Development at Shawnee State University.
- Eliminates obsolete language under the line item 235-588, Ohio Resource Center for Mathematics, Science, and Reading, that required a search for the best location for the establishment of the Ohio Resource Center for Mathematics, Science, and Reading.

Section 7.11 of H.B. 94 [Breakthrough Investments]: The bill inserts new language under this section number. It describes the uses of two new line items under the heading Breakthrough Investments. The bill...

- Adds language describing the use of the appropriation under the new line item 235-426, Ohio Plan. The funds will be used to promote economic growth through research, development, and commercialization initiatives in the fields of biotechnology, nanotechnology and information technology.
- Adds language describing the use of the appropriation under the new line item 235-428, Appalachian anew Economy Partnership. This program will begin a multi-campus and multi-agency coordinated effort under the leadership of Ohio University to link Appalachia to the new economy.

Section 7.12 of H.B. 94 [Repayment of Research Facility Investment Fund Moneys]: This language is currently in section 7.11. The bill places it in section 7.12.

Section 7.13 of H.B. 94 [Central State University]: This language is currently in section 7.12. The bill places it in section 7.13.

Section 7.14 of H.B. 94 [Technical College District Refinancing of Leases for Housing and Dining Facilities]: This language is currently in section 7.13. The bill deletes this section entirely.

Section 7.15 of H.B. 94 [Non-profit Research Capital Support]: This language is currently in section 7.14. The bill deletes this section entirely.

Section 37 of H.B. 94 [Cincinnati Olympic Games facilities upgrade project]: The bill deletes this section entirely.

REQUESTS NOT FUNDED

Introduction

As indicated in the Overview section, the Executive Budget's recommended budget amounts for the Board of Regents are significantly less than the amounts requested by the Board of Regents.

The agency's requested total budget amounts for FY 2002 and FY 2003 are \$2.802 billion and \$3.076 billion, for annual increases of \$234.6 million (9.1 percent) and \$273.2 million (9.7 percent), respectively. (These numbers include the six requested line items that the Executive Budget does not fund at all, as can be (seen in the tables below.) By comparison, the Executive Budget's total increases for the two fiscal years are 2.99 percent and 3.67 percent, respectively.

Further, the total biennial budget would be \$5.878 billion, for an increase of \$871.9 million (17.4 percent). By comparison, the Executive Budget's recommended biennial increase of \$380.2 million (7.6 percent) represents an under-funding of the agency's request by some \$491.7 million. The shortfall for each year would be \$157.7 million in FY 2002 and \$334.0 million in FY 2003.

However, the Executive's shortfall from the agency's budget request might be considered larger than that indicated above. This matter is described under the heading The Regents' Addendum, below.

Among the line items that did receive Executive Budget appropriations, the total shortfalls of \$83.6 million for FY 2002 and \$227.0 million for FY 2003 arise chiefly from the limited fulfillments of funding requests for the Ohio Plan (line item 235-426) in both FY 2002 and FY 2003; and a FY 2003 shortfall in four major line items in Program Series 1, Core Institutional Support (chiefly the line item 235-501, State Share of Instruction).

The Executive's shortfalls from the Regents' requested amounts are mitigated somewhat by the inclusion in the Executive Budget of three new or recent line items that were not included in the agency's request. The only significant one among these is the item 235-909, Higher Education General Obligation Debt Service, for which appropriations of \$50.1 million in FY 2002 and \$74.3 million in FY 2003 are recommended.

While the amounts of the unfunded requests might seem large, the Regents' requested budget would still constitute a major increase in the state's investment in higher education. The request calls for sizable increases in certain existing programs, especially in Program Series 1, Core Institutional Support (the main source of campus subsidies), and for the establishment of several new programs, especially in certain "breakthrough" areas of research, commercial development and information technology. Despite the reductions imposed upon these requested amounts by the Executive Budget, however, two of the breakthrough programs were, in fact, included in the recommendation, albeit at much lower funding levels. These are the Ohio Plan, noted above, and the Appalachian New Economy Partnership.

The Regents' addendum

It should be noted that the Regents' requested appropriations used in this analysis are revised ones. The Regents' original budget request contained amounts significantly higher than the amounts described above. However, as they would have caused the agency's total budget to exceed the Office of Budget and Management's guideline increase limit of 10 percent per year, the original requested amounts were subsequently scaled back to the levels reported above and in the line-item tables below. The reduction

amounts, affecting almost every line item, were then included as an addendum in a revised request, although they are not addressed by the Executive Budget.

Had the Executive Budget included these addendum amounts, the amounts added to the current recommended budget would be \$159.6 million and \$119.2 million in FY 2002 and FY 2003, respectively, giving total budgets of \$2.962 billion and \$3.195 billion. The annual increases would be \$394.3 million (15.4 percent) and \$232.8 million (7.9 percent). The total budget for the two years would then be \$6.157 billion, for a biennial increase of \$1.151 billion (23.0 percent). In comparison, the Executive Budget's recommended biennial increase of \$380.2 million (7.6 percent) represents a considerable \$770.6 million under-funding of the agency's original request.

Finally, for several individual line items, the eventual Executive Budget recommendations fall in between the two requested amounts; that is, the recommended appropriations are lower than the original levels requested by Regents yet higher than the subsequent requests that were made within the 10-percent guideline. Having received more than the revised request, then, these line items do not have a shortfall and are not recorded here as Requests Not Funded, even though they received less than they had originally requested.

Significant line items

Following are tables of several line items, grouped by program series, whose requested fundings are eliminated by the Executive recommendation or whose fundings at recommended levels fall significantly below their requested levels. The tables show the amounts of the shortfalls for the individual line items. Also indicated are potential effects of the eliminated or reduced fundings. It can be seen that the biggest contributor to the shortfall from the requested amounts is the line item 235-426, Ohio Plan, in Program Series 10.

Program Series 1: CORE INSTITUTIONAL SUPPORT						
Line Item	FY 2002 Requested	FY 2002 Recommended	FY 2002 Difference	FY 2003 Requested	FY 2003 Recommended	FY 2003 Difference
235-415	\$25,375,104	\$13,548,125	(\$11,826,979)	\$31,090,894	\$14,891,302	(\$16,199,592)
235-418	\$94,921,684	\$77,268,000	(\$17,653,684)	\$129,279,468	\$90,268,000	(\$39,011,468)
235-419	\$46,990,933	\$0	(\$46,990,933)	\$48,468,314	\$0	(\$48,468,314)
235-454	\$40,540,845	\$23,725,284	(\$16,815,561)	\$60,104,001	\$26,097,812	(\$34,006,189)
235-501	\$1,630,972,011	\$1,681,450,071	\$50,478,060	\$1,774,218,698	\$1,715,288,155	(\$58,930,543)

- **BOR 235-415, Jobs Challenge:** Allocated subsidy amounts to EnterpriseOhio Network campuses would be reduced.
- **BOR 235-418, Access Challenge:** This line item is intended to buy down tuitions at the two-year campuses and selected universities, in order to enable the freezing of tuition levels for both years of the biennium. The recommended lower funding level will put pressure on these campuses' ability to meet this zero-increase requirement.

- **BOR 235-419, CollegeNet:** This proposed new line item was intended to provide colleges and universities with approximately 20 percent of their annual costs of information technology operations. The three targeted areas for campus IT operations were (1) Internet-ready classrooms and laboratories, (2) workstations for faculty and staff (including hardware turnover on a three-year cycle and proper technical support), and (3) workstations for students at a 15-1 student-to-computer ratio.
- **BOR 235-454, Research Challenge:** The program might provide smaller matching grants to research projects or support fewer projects.
- **BOR 235-501, State Share of Instruction:** At the recommended levels for the State Share of Instruction, the campuses might require larger tuition increases in FY 2003 than would be necessary under the higher subsidy levels requested by Regents. [Concerning the unusual situation for FY 2002, for which the recommended appropriation actually exceeds the requested amount, it should be noted that Regents' original budget request for this line item had been approximately \$1.735 billion for that year (and \$1.844 billion for FY 2003). Thus, both recommended amounts fall well below Regents' original requested levels.]

Program Series 4: FINANCIAL AID						
Line Item	FY 2002 Requested	FY 2002 Recommended	FY 2002 Difference	FY 2003 Requested	FY 2003 Recommended	FY 2003 Difference
235-422	\$5,638,912	\$0	(\$5,638,912)	\$7,512,061	\$0	(\$7,512,061)

- **BOR 235-422, Global Market Competitiveness:** The program was intended to promote international education by funding study-abroad scholarships for Ohio-resident undergraduates at state-supported and independent four-year institutions as well as state-supported two-year institutions.

Program Series 5: PUBLIC SERVICE - STATEWIDE						
Line Item	FY 2002 Requested	FY 2002 Recommended	FY 2002 Difference	FY 2003 Requested	FY 2003 Recommended	FY 2003 Difference
235-422	\$228,085	\$0	(\$228,085)	\$235,256	\$0	(\$235,256)

- **BOR 235-424, Campus Compact:** The Ohio Campus Compact is a membership organization of 45 Ohio colleges and universities, public and private, that facilitates, promotes and develops student and institutional participation in community and public service. Currently funded by dues and grants, the OCC has encountered strained resources. The appropriation would have enabled OCC to operate its facilities and expand its activities.

Program Series 8: STATEWIDE COORDINATION						
Line Item	FY 2002 Requested	FY 2002 Recommended	FY 2002 Difference	FY 2003 Requested	FY 2003 Recommended	FY 2003 Difference
235-403	\$5,497,939	\$1,734,000	(\$3,763,939)	\$8,002,605	\$1,768,680	(\$6,233,925)
235-404	\$15,366,035	\$3,127,361	(\$12,238,674)	\$17,036,243	\$3,189,908	(\$13,846,335)
235-423	\$11,870,072	\$0	(\$11,870,072)	\$28,309,455	\$0	(\$28,309,455)

- **BOR 235-403, Math/Science Teaching Improvement:** The requested appropriation would have been a sizable increase over the \$1.7 million estimate for FY 2001. The recommended amounts represent flat funding. This line item supports several programs to recruit and retain more mathematics and science teachers.
- **BOR 235-404, College Readiness Initiatives:** The requested appropriation would have been a sizable increase over the \$3.1 million estimate for FY 2001. The recommended amounts represent flat funding. This line item supports several programs to improve teacher recruitment and quality, reduce remediation, and improve research in education.
- **BOR 235-423, Teacher Education Improvement:** The appropriation would have supported several programs, including Teacher Education Clinical Support, Mathematics and Science Teacher Scholarships, Urban Education Systemic Reform Initiatives, a Teacher Recruitment Program, Reading Instruction Improvement, and the Ohio Principals Leadership Academy.

Program Series 9: INFRASTRUCTURE INVESTMENTS						
Line Item	FY 2002 Requested	FY 2002 Recommended	FY 2002 Difference	FY 2003 Requested	FY 2003 Recommended	FY 2003 Difference
235-417	\$8,162,325	\$4,000,000	(\$4,162,325)	\$9,796,835	\$4,000,000	(\$5,796,835)

- **BOR 235-417, Ohio Learning Network:** The requested appropriation would have more than doubled the \$4.0 million estimate for FY 2001. The recommended amounts represent flat funding. The line item is intended to support efforts to enhance colleges' capabilities to use technology in instruction and research. Recent funding has been directed to the enhancement of the OLN, a statewide advanced information system designed to promote degree completion and professional development. Previously this line item was titled Technology.

Program Series 10: BREAKTHROUGH INVESTMENTS						
Line Item	FY 2002 Requested	FY 2002 Recommended	FY 2002 Difference	FY 2003 Requested	FY 2003 Recommended	FY 2003 Difference
235-426	\$140,972,798	\$10,000,000	(\$130,972,798)	\$145,404,942	\$30,000,000	(\$115,404,942)
235-427	\$8,458,368	\$0	(\$8,458,368)	\$20,595,341	\$0	(\$20,595,341)
235-428	\$2,349,546	\$1,000,000	(\$1,349,546)	\$5,391,176	\$1,500,000	(\$3,891,176)
235-429	\$939,819	\$0	(\$939,819)	\$1,817,298	\$0	(\$1,817,298)

- **BOR 235-426, Ohio Plan:** The plan will support private-public collaborative efforts to develop New Economy applications of science and technology. The funds will be distributed as grants for research, development and commercialization in several high-technology fields. The significant shortfall from the requested amounts will limit the number and/or amounts of these grants.
- **BOR 235-427, IT Guarantee:** This line item would have funded efforts to provide Ohio's workforce with basic information technology skills and competencies necessary to participate and succeed in today's economy.
- **BOR 235-428, Appalachian New Economy Partnership:** The program will promote economic development in Appalachia through public-private investments in information technology and knowledge infrastructure. The shortfalls from the requested amounts will limit the number and/or amounts of the grants provided under this new program.
- **BOR 235-429, Research Cluster Pilot:** This line item would have funded investments in a number of faculty-entrepreneurs who would work together and with the polymer industry to accelerate the pace of technology commercialization. The effort would utilize a new organizational model for conducting and catalyzing research projects.

LSC Budget Spreadsheet by Line Item, FY 2002 - FY 2003

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	<i>Revised Estimated 2001</i>	<i>As Introduced 2002</i>	<i>House Sub Bill 2002</i>	<i>% Change Est. 2001 to House 2002</i>	<i>As Introduced 2003</i>	<i>House Sub Bill 2003</i>	<i>% Change House 2002 to House 2003</i>
<i>BOR Regents, Ohio Board of</i>									
GRF	235-100	Personal Service	\$0	\$ 0	\$ 0	N/A	\$ 0	\$ 0	N/A
GRF	235-200	Maintenance	\$0	\$ 0	\$ 0	N/A	\$ 0	\$ 0	N/A
GRF	235-300	Equipment	\$0	\$ 0	\$ 0	N/A	\$ 0	\$ 0	N/A
GRF	235-321	Operating Expenses	\$3,137,394	\$ 3,265,450	\$ 3,200,141	2.0%	\$ 3,330,759	\$ 3,264,144	2.0%
GRF	235-401	Lease Rental Payments	\$335,829,900	\$ 295,058,500	\$ 295,058,500	-12.1%	\$ 268,910,500	\$ 268,910,500	-8.9%
GRF	235-402	Sea Grants	\$299,940	\$ 299,940	\$ 299,940	0.0%	\$ 299,940	\$ 299,940	0.0%
GRF	235-403	Math/Science Teaching Improvement	\$1,700,000	\$ 1,734,000	\$ 1,734,000	2.0%	\$ 1,768,680	\$ 1,768,680	2.0%
GRF	235-404	College Readiness Initiatives	\$3,066,040	\$ 3,127,361	\$ 2,500,000	-18.5%	\$ 3,189,908	\$ 2,500,000	0.0%
GRF	235-406	Articulation and Transfer	\$1,000,000	\$ 1,000,000	\$ 800,000	-20.0%	\$ 1,000,000	\$ 800,000	0.0%
GRF	235-408	Midwest Higher Education Compact	\$75,000	\$ 82,500	\$ 82,500	10.0%	\$ 82,500	\$ 82,500	0.0%
GRF	235-409	Information System	\$1,362,023	\$ 1,417,615	\$ 1,389,263	2.0%	\$ 1,445,968	\$ 1,417,049	2.0%
GRF	235-414	State Grants and Scholarships Administration	\$1,373,420	\$ 1,429,478	\$ 1,400,888	2.0%	\$ 1,458,068	\$ 1,428,907	2.0%
GRF	235-415	Jobs Challenge	\$10,979,694	\$ 13,548,125	\$ 10,100,000	-8.0%	\$ 14,891,302	\$ 10,200,000	1.0%
GRF	235-416	Performance Challenge	\$0	\$ 0	\$ 0	N/A	\$ 0	\$ 0	N/A
GRF	235-417	Ohio Learning Network	\$4,000,000	\$ 4,000,000	\$ 3,920,000	-2.0%	\$ 4,000,000	\$ 3,920,000	0.0%
GRF	235-418	Access Challenge	\$65,268,000	\$ 77,268,000	\$ 68,531,400	5.0%	\$ 90,268,000	\$ 71,958,000	5.0%
GRF	235-420	Success Challenge	\$48,741,000	\$ 53,615,100	\$ 48,741,000	0.0%	\$ 58,976,610	\$ 48,741,000	0.0%
GRF	235-421	Higher Education Efficiency Challenge	\$0	\$ 0	\$ 0	N/A	\$ 0	\$ 0	N/A
GRF	235-426	Ohio Plan	\$0	\$ 10,000,000	\$ 0	N/A	\$ 30,000,000	\$ 0	N/A
GRF	235-428	Appalachian New Economy Partnership	\$0	\$ 1,000,000	\$ 1,000,000	N/A	\$ 1,500,000	\$ 1,500,000	50.0%
GRF	235-451	Eminent Scholars	\$5,200,000	\$ 0	\$ 0	-100.0%	\$ 5,200,000	\$ 0	N/A
GRF	235-454	Research Challenge	\$21,568,440	\$ 23,725,284	\$ 21,568,440	0.0%	\$ 26,097,812	\$ 21,568,440	0.0%
GRF	235-455	Productivity Improvement Challenge	\$1,695,625	\$ 1,729,538	\$ 1,694,947	0.0%	\$ 1,764,128	\$ 1,728,845	2.0%
GRF	235-474	AHEC Program Support	\$2,094,565	\$ 2,136,456	\$ 2,093,727	0.0%	\$ 2,179,185	\$ 2,135,601	2.0%
GRF	235-477	Access Improvement Projects	\$1,110,879	\$ 1,110,879	\$ 1,088,661	-2.0%	\$ 1,110,879	\$ 1,088,661	0.0%
GRF	235-481	Discovery Project Match	\$0	\$ 0	\$ 0	N/A	\$ 0	\$ 0	N/A
GRF	235-501	State Share of Instruction	\$1,648,846,940	\$ 1,681,450,071	\$ 1,681,450,071	2.0%	\$ 1,715,288,155	\$ 1,684,734,168	0.2%

LSC Budget Spreadsheet by Line Item, FY 2002 - FY 2003

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	Revised Estimated 2001	As Introduced 2002	House Sub Bill 2002	% Change Est. 2001 to House 2002	As Introduced 2003	House Sub Bill 2003	% Change House 2002 to House 2003
<i>BOR Regents, Ohio Board of</i>									
GRF	235-502	Student Support Services	\$1,057,853	\$ 1,000,000	\$ 1,000,000	-5.5%	\$ 1,000,000	\$ 1,000,000	0.0%
GRF	235-503	Ohio Instructional Grants	\$88,231,000	\$ 101,000,000	\$ 98,000,000	11.1%	\$ 114,500,000	\$ 111,500,000	13.8%
GRF	235-504	War Orphans Scholarships	\$3,817,037	\$ 4,652,548	\$ 4,652,548	21.9%	\$ 4,792,124	\$ 4,792,124	3.0%
GRF	235-507	OhioLINK	\$7,668,731	\$ 7,822,106	\$ 7,668,731	0.0%	\$ 7,978,548	\$ 7,668,731	0.0%
GRF	235-508	Air Force Institute of Technology	\$3,500,000	\$ 3,500,000	\$ 3,000,000	-14.3%	\$ 3,500,000	\$ 3,000,000	0.0%
GRF	235-509	Displaced Homemakers	\$244,996	\$ 244,996	\$ 240,096	-2.0%	\$ 244,996	\$ 240,096	0.0%
GRF	235-510	Ohio Supercomputer Center	\$4,932,218	\$ 4,932,218	\$ 4,833,574	-2.0%	\$ 4,932,218	\$ 4,833,574	0.0%
GRF	235-511	Cooperative Extension Service	\$27,708,525	\$ 28,262,696	\$ 28,262,696	2.0%	\$ 28,827,949	\$ 28,827,949	2.0%
GRF	235-513	OU Voinovich Center	\$375,000	\$ 375,000	\$ 367,500	-2.0%	\$ 375,000	\$ 367,500	0.0%
GRF	235-514	Central State Supplement	\$12,049,175	\$ 12,044,956	\$ 12,044,956	0.0%	\$ 12,044,956	\$ 12,044,956	0.0%
GRF	235-515	CWRU School of Medicine	\$4,281,936	\$ 4,367,575	\$ 4,280,224	0.0%	\$ 4,454,926	\$ 4,365,827	2.0%
GRF	235-518	Capitol Scholarship Program	\$250,000	\$ 250,000	\$ 0	-100.0%	\$ 250,000	\$ 0	N/A
GRF	235-519	Family Practice	\$6,541,087	\$ 6,671,909	\$ 6,538,471	0.0%	\$ 6,805,347	\$ 6,669,240	2.0%
GRF	235-520	Shawnee State Supplement	\$2,824,000	\$ 2,767,520	\$ 2,272,000	-19.5%	\$ 2,712,170	\$ 2,272,000	0.0%
GRF	235-521	OSU Glenn Institute	\$375,000	\$ 375,000	\$ 367,500	-2.0%	\$ 375,000	\$ 367,500	0.0%
GRF	235-523	Center for Labor Research	\$95,000	\$ 95,000	\$ 93,100	-2.0%	\$ 95,000	\$ 93,100	0.0%
GRF	235-524	Police and Fire Protection	\$244,996	\$ 244,996	\$ 240,096	-2.0%	\$ 244,996	\$ 240,096	0.0%
GRF	235-525	Geriatric Medicine	\$1,087,630	\$ 1,109,383	\$ 1,087,195	0.0%	\$ 1,131,570	\$ 1,108,939	2.0%
GRF	235-526	Primary Care Residencies	\$3,167,435	\$ 3,230,784	\$ 3,166,168	0.0%	\$ 3,295,399	\$ 3,229,491	2.0%
GRF	235-527	Ohio Aerospace Institute	\$2,431,973	\$ 2,431,973	\$ 2,383,334	-2.0%	\$ 2,431,973	\$ 2,383,334	0.0%
GRF	235-530	Academic Scholarships	\$8,000,000	\$ 8,400,000	\$ 8,400,000	5.0%	\$ 8,820,000	\$ 8,820,000	5.0%
GRF	235-531	Student Choice Grants	\$51,400,000	\$ 52,428,000	\$ 52,428,000	2.0%	\$ 53,476,560	\$ 53,476,560	2.0%
GRF	235-534	Student Workforce Development Grants	\$2,250,000	\$ 0	\$ 0	-100.0%	\$ 0	\$ 0	N/A
GRF	235-535	Ohio Agricultural Research and Development Center	\$38,730,884	\$ 39,505,502	\$ 39,505,502	2.0%	\$ 40,295,612	\$ 40,295,612	2.0%
GRF	235-536	Ohio State University Clinical Teaching	\$15,996,281	\$ 16,316,207	\$ 15,989,883	0.0%	\$ 16,642,531	\$ 16,309,680	2.0%
GRF	235-537	University of Cincinnati Clinical Teaching	\$13,156,724	\$ 13,419,858	\$ 13,151,461	0.0%	\$ 13,688,256	\$ 13,414,491	2.0%

LSC Budget Spreadsheet by Line Item, FY 2002 - FY 2003

<i>Fund</i>	<i>ALI</i>	<i>ALI Title</i>	Revised Estimated 2001	As Introduced 2002	House Sub Bill 2002	% Change Est. 2001 to House 2002	As Introduced 2003	House Sub Bill 2003	% Change House 2002 to House 2003
<i>BOR Regents, Ohio Board of</i>									
GRF	235-538	Medical College of Ohio at Toledo Clinical Teaching	\$10,254,953	\$ 10,460,052	\$ 10,250,851	0.0%	\$ 10,669,253	\$ 10,455,868	2.0%
GRF	235-539	Wright State University Clinical Teaching	\$4,982,057	\$ 5,081,698	\$ 4,980,064	0.0%	\$ 5,183,332	\$ 5,079,665	2.0%
GRF	235-540	Ohio University Clinical Teaching	\$4,816,305	\$ 4,912,631	\$ 4,814,378	0.0%	\$ 5,010,884	\$ 4,910,666	2.0%
GRF	235-541	Northeastern Ohio Universities College of Medicine Clinical Teaching	\$4,953,565	\$ 5,052,636	\$ 4,951,583	0.0%	\$ 5,153,689	\$ 5,050,615	2.0%
GRF	235-543	Ohio College of Podiatric Medicine Clinical Subsidy	\$500,000	\$ 510,000	\$ 499,800	0.0%	\$ 520,200	\$ 509,796	2.0%
GRF	235-547	School of International Business	\$1,743,637	\$ 1,743,637	\$ 1,708,764	-2.0%	\$ 1,743,637	\$ 1,708,764	0.0%
GRF	235-549	Part-time Student Instructional Grants	\$12,677,750	\$ 13,311,638	\$ 13,311,638	5.0%	\$ 13,977,219	\$ 13,977,219	5.0%
GRF	235-552	Capital Component	\$11,143,055	\$ 14,537,639	\$ 14,537,639	30.5%	\$ 14,537,639	\$ 14,537,639	0.0%
GRF	235-553	Dayton Area Graduate Studies Institute	\$3,856,212	\$ 3,856,212	\$ 3,779,088	-2.0%	\$ 3,856,212	\$ 3,779,088	0.0%
GRF	235-554	Computer Science Graduate Education	\$3,553,437	\$ 3,553,437	\$ 3,482,368	-2.0%	\$ 3,553,437	\$ 3,482,368	0.0%
GRF	235-555	Library Depositories	\$2,000,000	\$ 2,040,000	\$ 1,999,200	0.0%	\$ 2,080,800	\$ 2,039,184	2.0%
GRF	235-556	Ohio Academic Resources Network	\$3,512,182	\$ 3,582,426	\$ 3,510,777	0.0%	\$ 3,654,074	\$ 3,580,993	2.0%
GRF	235-558	Long-term Care Research	\$318,371	\$ 318,371	\$ 312,004	-2.0%	\$ 318,371	\$ 312,004	0.0%
GRF	235-561	Bowling Green State University Canadian Studies Center	\$167,642	\$ 167,642	\$ 164,289	-2.0%	\$ 167,642	\$ 164,289	0.0%
GRF	235-572	Ohio State University Clinic Support	\$2,061,138	\$ 2,102,361	\$ 2,060,314	0.0%	\$ 2,144,408	\$ 2,101,520	2.0%
GRF	235-583	Urban University Programs	\$6,636,285	\$ 6,636,285	\$ 6,503,559	-2.0%	\$ 6,636,285	\$ 6,503,559	0.0%
GRF	235-585	Ohio University Innovation Center	\$49,745	\$ 49,745	\$ 48,750	-2.0%	\$ 49,745	\$ 48,750	0.0%
GRF	235-587	Rural University Projects	\$1,403,624	\$ 1,403,624	\$ 1,375,552	-2.0%	\$ 1,403,624	\$ 1,375,552	0.0%
GRF	235-588	Ohio Resource Center for Mathematics, Science and Reading	\$1,000,000	\$ 1,000,000	\$ 980,000	-2.0%	\$ 1,000,000	\$ 980,000	0.0%
GRF	235-590	12th-grade Proficiency Stipend	\$14,500,000	\$ 0	\$ 0	-100.0%	\$ 0	\$ 0	N/A
GRF	235-595	International Center for Water Resources Development	\$189,381	\$ 189,381	\$ 185,593	-2.0%	\$ 189,381	\$ 185,593	0.0%
GRF	235-596	Hazardous Materials Program	\$244,996	\$ 244,996	\$ 240,096	-2.0%	\$ 244,996	\$ 240,096	0.0%
GRF	235-599	National Guard Scholarship Program	\$10,217,740	\$ 12,293,986	\$ 12,048,106	17.9%	\$ 12,293,986	\$ 12,048,106	0.0%
GRF	235-909	Higher Education General Obligation Debt Service	\$0	\$ 50,055,100	\$ 50,055,100	N/A	\$ 74,344,100	\$ 74,344,100	48.5%

LSC Budget Spreadsheet by Line Item, FY 2002 - FY 2003

<i>Fund ALI ALI Title</i>	Revised Estimated 2001	As Introduced 2002	House Sub Bill 2002	% Change Est. 2001 to House 2002	As Introduced 2003	House Sub Bill 2003	% Change House 2002 to House 2003
BOR Regents, Ohio Board of							
General Revenue Fund Total	\$ 2,558,548,416	\$ 2,635,550,021	\$ 2,598,426,026	1.6%	\$ 2,734,410,439	\$ 2,622,782,669	0.9%
456 235-603 Publications	\$35,000	\$ 43,050	\$ 43,050	23.0%	\$ 44,342	\$ 44,342	3.0%
456 235-613 Job Preparation Initiative	\$144,383	\$ 144,383	\$ 144,383	0.0%	\$ 144,383	\$ 144,383	0.0%
General Services Fund Group Total	\$ 179,383	\$ 187,433	\$ 187,433	4.5%	\$ 188,725	\$ 188,725	0.7%
312 235-609 Tech Prep	\$211,450	\$ 183,852	\$ 183,852	-13.1%	\$ 183,852	\$ 183,852	0.0%
312 235-611 Gear-up Grant	\$1,275,689	\$ 1,590,986	\$ 1,590,986	24.7%	\$ 1,690,434	\$ 1,690,434	6.3%
312 235-612 Carl D. Perkins Grant/Plan Administration	\$112,960	\$ 112,960	\$ 112,960	0.0%	\$ 112,960	\$ 112,960	0.0%
312 235-631 Federal Grants	\$3,065,365	\$ 2,055,511	\$ 2,055,511	-32.9%	\$ 0	\$ 0	-100.0%
3H2 235-608 Human Services Project	\$761,000	\$ 1,000,000	\$ 1,000,000	31.4%	\$ 1,000,000	\$ 1,000,000	0.0%
3N6 235-605 State Student Incentive Grants	\$2,000,000	\$ 2,000,000	\$ 2,000,000	0.0%	\$ 2,000,000	\$ 2,000,000	0.0%
3T0 235-610 National Health Service Corps Ohio Loan Repayment	\$100,000	\$ 100,000	\$ 100,000	0.0%	\$ 100,000	\$ 100,000	0.0%
Federal Special Revenue Fund Group Total	\$ 7,526,464	\$ 7,043,309	\$ 7,043,309	-6.4%	\$ 5,087,246	\$ 5,087,246	-27.8%
4E8 235-602 Higher Educational Facility Commission Administration	\$5,000	\$ 12,000	\$ 12,000	140.0%	\$ 12,000	\$ 12,000	0.0%
4P4 235-604 Physician Loan Repayment	\$396,255	\$ 416,067	\$ 416,067	5.0%	\$ 436,870	\$ 436,870	5.0%
649 235-607 Ohio State University Highway/Transportation Research	\$500,000	\$ 511,000	\$ 511,000	2.2%	\$ 523,775	\$ 523,775	2.5%
682 235-606 Nursing Loan Program	\$618,241	\$ 870,000	\$ 870,000	40.7%	\$ 893,000	\$ 893,000	2.6%
State Special Revenue Fund Group Total	\$ 1,519,496	\$ 1,809,067	\$ 1,809,067	19.1%	\$ 1,865,645	\$ 1,865,645	3.1%
Total All Budget Fund Groups	\$ 2,567,773,759	\$ 2,644,589,830	\$ 2,607,465,835	1.5%	\$ 2,741,552,055	\$ 2,629,924,285	0.9%

General Revenue Fund

GRF 235-100 Personal Service

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$2,182,023	\$2,130,601	\$65,104	\$0	\$0	\$0
	-2.4%	-96.9%	-100.0%	N/A	N/A

Source: GRF

Legal Basis: ORC 3333

Purpose: Until FY 2000 this line item supported agency operations by providing funds for payroll and related expenses. This line item was funded most recently in fiscal year 1999. The line item was replaced in the FY 2000-FY 2001 budget by the line item 235-321, Operating Expenses.

GRF 235-200 Maintenance

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$372,644	\$337,113	\$60,161	\$0	\$0	\$0
	-9.5%	-82.2%	-100.0%	N/A	N/A

Source: GRF

Legal Basis: ORC 3333

Purpose: Until FY 2000 this line item supported agency operations by providing funds for maintenance. This line item was funded most recently in fiscal year 1999. The line item was replaced in the FY2000-FY 2001 budget by line item 235-321, Operating Expenses.

GRF 235-300 Equipment

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$18,398	\$76,740	\$46,923	\$0	\$0	\$0
	317.1%	-38.9%	-100.0%	N/A	N/A

Source: GRF

Legal Basis: ORC 3333

Purpose: Until FY 2000 this line item supported agency operations by providing funds for equipment. This line item was funded most recently in fiscal year 1999. The line item was replaced in the FY 2000-FY 2001 budget by line item 235-321, Operating Expenses.

GRF 235-321 Operating Expenses

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$2,523,230	\$3,201,422	\$3,265,450	\$3,330,759
	N/A	N/A	26.9%	2.0%	2.0%

Source: GRF

Legal Basis: ORC 3333

Purpose: This line item supports the Board of Regents' operations by providing funds for personal services, maintenance and equipment. The line item was created for the FY 2000-FY 2001 budget and replaces lines 235-100, Personal Services, 235-200, Maintenance, and 235-300, Equipment. This change is intended to give the agency more flexibility with the funds provided for its administration.

GRF 235-401 Lease Rental Payments

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$345,925,228	\$362,193,362	\$356,446,109	\$335,829,900	\$295,058,500	\$268,910,500
	4.7%	-1.6%	-5.8%	-12.1%	-8.9%

Source: GRF

Legal Basis: Budget bills going back to about 1970; ORC 154.21

Purpose: This line item provides funds to service and retire the debt on revenue bonds sold to finance capital improvements for higher education under Article VIII Section 2i of the Ohio Constitution. Due to the passage of State Issue 1 in November 1999, general obligation debt under Article VIII Section 2n will be issued beginning in 2000 to support higher education capital projects. Because new debt will no longer be issued for payment under this line item, declining amounts will be required to fund this item. The new GO debt obligations are paid under GRF line item 235-909, Higher Education General Obligation Debt Service.

Although the capital bill includes appropriation line items for specific projects by institution, the bonds are issued for higher education projects as a group. The bonds for capital construction projects are generally issued for a term of fifteen to twenty years. Short-term bonds (five to seven years) are usually issued for equipment purchases.

The appropriation amount for this line item is determined by the Office of Budget and Management (OBM). Most of the required appropriation is certain by the time the budget is prepared, since those borrowings have been contracted. For the anticipated capital projects needing bond issues during the biennium, OBM determines the expected debt service amounts using estimates of relevant interest rates and estimates of the remaining capital debt to be undertaken during the two fiscal years.

The title of this line item was changed for the FY 2002-FY 2003 biennial budget. Until then, the title had been Rental Payments to the Ohio Public Facilities Commission.

GRF 235-402 Sea Grants

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$301,475	\$299,940	\$299,940	\$299,940	\$299,940	\$299,940
	-0.5%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 291 of the 115th G.A. (1983)

Purpose: The funding partially supports the Ohio Sea Grant program affiliated with the Ohio State University. The program's funds are used by the university's Lake Erie research station to conduct research and educational programs on issues such as erosion and fishing. This program is one of 29 such programs collectively known as the National Sea Grant College Program of the National Oceanic and Atmospheric Administration (NOAA). The national program supports, research, education, and outreach projects to enhance the utilization, development, and wise management of the country's coastal resources, including the Great Lakes.

GRF 235-403 Math/Science Teaching Improvement

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$2,164,503	\$1,700,000	\$1,734,000	\$1,768,680
	N/A	N/A	-21.5%	2.0%	2.0%

Source: GRF

Legal Basis: Established by H.B. 282 of the 123rd General Assembly

Purpose: This line item supports the Board of Regents' efforts to improve the quality of mathematics and science teaching in both primary and secondary education. In the FY 2000-FY 2001 budget, most of the appropriated funds were reserved for the Project Discovery program.

GRF 235-404 College Readiness Initiatives

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$2,118,078	\$3,066,040	\$3,127,361	\$3,189,908
	N/A	N/A	44.8%	2.0%	2.0%

Source: GRF

Legal Basis: Established by H.B. 282 of the 123rd General Assembly

Purpose: Established in FY 2000, this line item is intended to support early assessment testing in English, mathematics, and science for high school students and to improve collaboration between primary/secondary education and higher education. The program is intended to improve the ability of high school students to enroll and succeed in higher education and to reduce the amount of necessary remediation. To this new line item was transferred what had been line item 235-506, Postsecondary Readiness Testing.

GRF 235-406 Articulation and Transfer

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$343,068	\$817,414	\$922,227	\$1,000,000	\$1,000,000	\$1,000,000
	138.3%	12.8%	8.4%	0.0%	0.0%

Source: GRF

Legal Basis: S.B. 268 directed the BOR to develop and implement an articulation and transfer policy in 1989

Purpose: This line item supports a program that addresses issues arising from the transfers of students and their credits between Ohio's colleges and universities, as well as issues arising from increasing student mobility throughout the higher education system. The Council on Articulation and Transfer was created to implement policy guidelines developed by the Commission on Articulation and Transfer. An initiative during the FY 2000-FY 2001 biennium was the implementation of the Degree Audit Reporting System (DARS) at colleges and universities. The system enables the transmission and reporting of a student's actual or proposed coursework.

GRF 235-408 Midwest Higher Education Compact

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$58,000	\$58,000	\$75,000	\$75,000	\$82,500	\$82,500
	0.0%	29.3%	0.0%	10.0%	0.0%

Source: GRF

Legal Basis: ORC 3333.40 and ORC 3333.41 (the State of Ohio joined the Compact in 1991)

Purpose: The funds are used to pay Ohio's membership dues to the Midwestern Higher Education Compact's commission. The commission is a non-profit regional organization established in 1991 by an agreement among the compact's member states. Its purpose is to advance higher education in the Midwest through interstate cooperation and resource sharing.

GRF 235-409 Information System

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$2,108,090	\$2,145,583	\$1,415,081	\$1,389,819	\$1,417,615	\$1,445,968
	1.8%	-34.0%	-1.8%	2.0%	2.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 117 of the 121st G.A.

Purpose: This line item supports the development and implementation of a higher education information system (HEI), which gathers and analyzes student and institutional data. Funds are also provided to participating state-supported and independent institutions of higher education to assist campuses in complying with new reporting procedures and deadlines. All state-supported institutions will be contributors and users of HEI data. The new system constitutes a re-engineering of The Board of Regents' Uniform Information System, a process that has involved the review and revision of all system components, including hardware, software, telecommunications, data definitions, data elements, and data processes.

GRF 235-412 Higher Education Funding Commission

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$2,999	\$0	\$0	\$0	\$0	\$0
	-100.0%	N/A	N/A	N/A	N/A

Source: GRF

Legal Basis: Established by Controlling Board in 1996

Purpose: This line item supported the operations of the Higher Education Funding Commission, which was created in 1995 by temporary law. The Commission's purpose was to establish a process to address ways in which the state might provide base funding for its institutions of higher education while also allocating a higher share of funding according to measures of performance and quality. The funds were used to hire consultants to serve the commission. Funds were disbursed under this line item most recently in fiscal year 1998.

GRF 235-414 State Grants and Scholarships Administration

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$1,217,296	\$1,050,092	\$1,216,487	\$1,401,449	\$1,429,478	\$1,458,068
	-13.7%	15.8%	15.2%	2.0%	2.0%

Source: GRF

Legal Basis: Established by Am. Sub. S.B. 215 of the 122nd G.A. (1997)

Purpose: This line item is used to support the operating expenses of the state grants and scholarships programs, under which the Board of Regents provides student financial aid. The thirteen currently funded programs include the Ohio Instructional Grants, Academic Scholarships, War Orphans' Scholarships, Student Choice Grants, Part-time Student Instructional Grants, the National Guard Scholarship Program, and the Teacher Education Loan program.

GRF 235-415 Jobs Challenge

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$500,000	\$2,500,000	\$8,743,864	\$10,979,694	\$13,548,125	\$14,891,302
	400.0%	249.8%	25.6%	23.4%	9.9%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 215 of the 122nd G.A.

Purpose: This line item supports a program to recognize, reward, and improve noncredit job-related training provided by state-assisted colleges and universities. It is intended to help improve Ohio's competitiveness by building a more skilled workforce. The funds are allocated to each campus in proportion to its share of qualified non-credit job-related training expenditures. Beginning with FY 2000, the subsidies will be available only to two-year campuses.

GRF 235-416 Performance Challenge

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$3,078,000	\$2,000,000	\$1,158,000	\$0	\$0	\$0
	-35.0%	-42.1%	-100.0%	N/A	N/A

Source: GRF

Legal Basis: Performance funding for two-year campuses was established by Am. Sub. H.B. 117 of the 121st G.A. (1995)

Purpose: This line item supported the implementation of the two-year Campus Service Expectations program, which was intended to improve access to educational services and programs for every Ohio citizen by ensuring that two-year colleges and university regional campuses provided a minimum array of needed educational services. Funds were appropriated for this line item most recently in FY 1999. Funds were disbursed under this line item most recently in FY 2000. The line item was eliminated after 1999 in favor of providing more funding to the Jobs Challenge (235-415).

GRF 235-417 Ohio Learning Network

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$2,000,000	\$3,609,847	\$3,087,118	\$4,000,000	\$4,000,000	\$4,000,000
	80.5%	-14.5%	29.6%	0.0%	0.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 215 of the 122nd G.A. (as the Technology Challenge)

Purpose: The purpose of this line item is to support the continued implementation and enhancement of the Ohio Learning Network (formerly TECLink), a statewide state-of-the-art electronic collaborative information system designed to promote degree completion by students and workforce training of employees, as well as professional development, through the use of advanced telecommunications and distance education initiatives.

Established in FY 1998, this line item was originally titled Technology Challenge. The title was changed to Technology for the FY 2000-FY 2001 budget. The current title, Ohio Learning Network, was proposed by the FY 2002-FY 2003 Executive Budget. The original purpose of this line item was to provide competitive and categorical grants to campuses to enhance technology acquisition, improve the applications of technology in the educational process, and strengthen faculty and staff training. This program was altered after FY 1999.

GRF 235-418 Access Challenge

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$12,000,000	\$16,000,000	\$35,095,710	\$65,268,000	\$77,268,000	\$90,268,000
	33.3%	119.3%	86.0%	18.4%	16.8%

Source: GRF

Legal Basis: Originally established by Am. Sub. S.B. 310 of the 121st G.A. (1996)

Purpose: These funds are used to support the access campuses in their efforts to provide low-cost access to higher education. It is intended to help more Ohioans enroll in college by making tuition more affordable at access campuses. The access campuses are mainly two-year institutions, as well as Central State, Shawnee State, and Cleveland State. Temporary law currently requires that certain portions of a campus's subsidies and 50% of its new subsidies in each fiscal year be used to restrain growth of in-state undergraduate tuition and fees.

GRF 235-420 Success Challenge

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$2,000,000	\$4,000,000	\$20,014,420	\$48,741,000	\$53,615,100	\$58,976,610
	100.0%	400.4%	143.5%	10.0%	10.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 215 of the 122nd G.A.

Purpose: This line item is used to support universities' efforts to promote degree completion by at-risk students. The program encourages universities to serve at-risk students in meeting the academic requirements leading to graduation and rewards those universities whose students complete undergraduate programs on a timely basis. It is intended to help students whose chances of succeeding are reduced by the effects of their cultural, geographic, socioeconomic, or academic backgrounds.

Using a weighted-degree formula, the Board of Regents allocates two-thirds of the appropriations to university main campuses in proportion to each campus's share of degrees granted to "at-risk" students (defined as those students who receive Ohio Instructional Grants). The other one-third of the appropriations are allocated to those university main campuses in proportion to each campus's share of the total bachelor's degrees granted to undergraduate students who completed their degrees in a "timely manner". Here, "timely manner" would be defined as the time normally taken by a full-time degree-seeking undergraduate to complete his degree. Generally, "timely manner" means four years."

GRF 235-421 Higher Education Efficiency Challenge

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$500,000	\$1,500,000	\$0	\$0	\$0
	N/A	200.0%	-100.0%	N/A	N/A

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 215 of the 122nd G.A.

Purpose: The line item supports a competitive grant program administered by the Board of Regents for institutions which submit winning plans for improving their operational efficiencies. The first grants were awarded in FY1999.

GRF 235-426 Ohio Plan

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$0	\$0	\$10,000,000	\$30,000,000
	N/A	N/A	N/A	N/A	200.0%

Source: GRF

Legal Basis: Established by the FY 2002- FY 2003 education budget bill (124th General Assembly).

Purpose: The Ohio Plan is intended to promote collaborative efforts among state government, higher education, and business and industry that will lead to the development of New Economy applications of science and technology and, ultimately, new business start-ups in the state and increased economic prosperity for the citizens of Ohio. The funds support research, development and commercialization in the fields of biotechnology, information technology and nanotechnology.

GRF 235-428 Appalachian New Economy Partnership

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$0	\$0	\$1,000,000	\$1,500,000
	N/A	N/A	N/A	N/A	50.0%

Source: GRF

Legal Basis: Esdtablished by the FY 2002-FY 2003 education budget bill (124th General Assembly).

Purpose: The line item is intended to promote economic development in Appalachia through integrated investments designed to improve and target imformation technology and knowledge infrastructure. Led by Ohio University, the program supports existing and new private-public technology partnerships among Ohio's public and private campuses private industry, local government, and school districts within the 29-county Appalachian region.

GRF 235-451 Eminent Scholars

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$0	\$5,200,000	\$0	\$5,200,000
	N/A	N/A	N/A	-100.0%	N/A

Source: GRF

Legal Basis: Re-established by Am. Sub. H.B. 282 of the 123rd G.A.; initial funds appropriated for FY 2001

Purpose: The funds are used for the Eminent Scholars program, whose purpose is "to invest educational resources to address problems that are of vital statewide significance while fostering the growth in eminence of Ohio's academic programs". The funds are distributed as matching endowment grants to state colleges and universities; the grants must match funds received by the institutions from non-state sources. The maximum grant amount is \$750,000 for science and technology programs and \$500,000 for other programs. The grants are to be used to attract and sustain scholar-leaders of national or international prominence who will assist the state in improving its economic development, strengthening its system of K-12 education, and improving public health and safety. This program was first developed in the 1980s.

GRF 235-454 Research Challenge

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$12,898,252	\$14,693,157	\$19,542,800	\$21,568,440	\$23,725,284	\$26,097,812
	13.9%	33.0%	10.4%	10.0%	10.0%

Source: GRF

Legal Basis: Originally established by Am. Sub. H.B. 238 of the 116th G.A. (1985)

Purpose: This line item provides seed money to universities to support basic and applied research. The funds are intended to strengthen the universities' abilities to attract external (sponsored) research dollars and to reward success in these efforts by providing some matching funds. The program is intended to foster the development of new research strengths of critical importance to Ohio's economic growth. The funds are also used to enhance the ability of independent research institutions to increase sponsored research.

GRF 235-455 Productivity Improvement Challenge

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$1,582,401	\$1,598,476	\$1,686,221	\$1,695,625	\$1,729,538	\$1,764,128
	1.0%	5.5%	0.6%	2.0%	2.0%

Source: GRF

Legal Basis: Originally established by Am. Sub. H.B. 238 of the 116th G.A. (1985)

Purpose: The funds are used to support the Productivity Improvement Challenge program, which was developed to enhance the capabilities of Ohio's two-year campuses to provide high-impact workforce development services to Ohio's public- and private-sector enterprises in support of the state's economic development priorities.

GRF 235-474 AHEC Program Support

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$2,870,460	\$2,019,968	\$2,094,566	\$2,094,565	\$2,136,456	\$2,179,185
	-29.6%	3.7%	0.0%	2.0%	2.0%

Source: GRF

Legal Basis: Originally established by Am. Sub. H.B. 694 of the 114th G.A. (1980)

Purpose: This line item provides funds for the Area Health Education Center (AHEC) program, which coordinates the placement of students and medicine and the other health professions into community-based training sites, especially those in areas of physician shortage in Ohio, such as in rural and inner-city areas. The program is intended to improve the geographic distribution and quality of health care personnel in the state.

GRF 235-477 Access Improvement Projects

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$1,047,519	\$1,056,790	\$1,046,640	\$1,110,879	\$1,110,879	\$1,110,879
	0.9%	-1.0%	6.1%	0.0%	0.0%

Source: GRF

Legal Basis: Originally established by Am. Sub. H.B. 238 of the 116th G.A. (1985)

Purpose: The line item supports the Access Improvement program, which develops pilot projects and statewide strategies to increase student access to and retention in higher education for students in specialized populations. The program's funds are used as seed money for other programs designed to increase college attendance and success rates of groups that traditionally have been under-represented in higher education.

GRF 235-481 Discovery Project Match

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$2,574,562	\$2,484,320	\$5,680	\$0	\$0	\$0
	-3.5%	-99.8%	-100.0%	N/A	N/A

Source: GRF

Legal Basis: Originally established by Am. Sub. H.B. 298 of the 119th G.A. (1991)

Purpose: This item was used to support the Discovery Project consortium led by Miami University and the Ohio State University. The consortium supports the collaborative efforts of colleges of education and arts and sciences to train new and retrain existing mathematics and science teachers. This project is a mathematics and science initiative that builds upon a previous grant from the National Science Foundation.

The line item was most recently funded in FY1999. Although funding has been eliminated for the Discovery Project under this line item, it has been continued by an earmark under a new line item, 235-403, Math/Science Teaching Improvement.

GRF 235-501 State Share of Instruction

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$1,502,594,833	\$1,540,057,442	\$1,601,259,162	\$1,648,846,940	\$1,681,450,071	\$1,715,288,155
	2.5%	4.0%	3.0%	2.0%	2.0%

Source: GRF

Legal Basis: ORC 3333.04(J); uncodified law in each budget bill; and Ohio Administrative Code 3333-1-02

Purpose: This line item supports all of Ohio's public-assisted higher education institutions in their efforts to reduce the tuitions and fees charged to students. It is intended to partially offset the cost of a college education for Ohio residents attending Ohio's state-assisted institutions. These institutions give due consideration to the instructional subsidy amounts allocated to them when determining the tuition levels they will charge; they look to the subsidies to enable them to restrain tuition increases in order to ensure their students' financial access to higher education.

The State Share of Instruction (formerly Instructional Subsidy) is allocated among the public-assisted campuses according to an empirical formula that includes several factors: enrollments (in full-time-equivalents, or FTE's), campus building spaces, and student activities. These factors are meant to take into account the different types of costs incurred in the operation of a higher education campus, including the costs of instruction, student services, student activities, and the operation of the campus's physical plant. The formula simulates the total direct and indirect (overhead) costs of operating each campus. It includes two main cost categories, each having two components. The first category, Aggregate Expenditure per Full-time-Equivalent Student, has the components Instructional and Support Services, and Student Services; both of these components use enrollments across fourteen program expenditure models (e.g. General Studies II, Baccalaureate III, Medical I); each model is assigned a statewide average cost. The second category is Plant Operations and Maintenance (POM). Its first component is the Square-foot-based POM Subsidy, which assigns a cost per square foot to the total space in each of seven types of rooms (e.g., classrooms, offices). The second POM component is the Activity-based POM Subsidy, which assigns an activities cost to each of the fourteen program expenditure models

Once an institution's total cost is calculated, the formula derives the amount of its subsidy by subtracting from this total cost the amount of revenue the campus is expected to receive in assumed instructional fees. These assumed fees are determined by the Board of Regents for the fourteen program expenditure models and are based on policy decisions made by the agency. The institution's resultant subsidy amount is subject to certain adjustments. However, temporary law usually provides hold-harmless language (currently called the "annual guaranteed funding increase") to ensure that an institution's subsidy amount will not be less than some percentage of the amount it received the previous year. The nature of the State Share of Instruction formula is such that it rewards campuses that keep their costs below average and provides incentives to high-cost campuses to reduce costs or to seek alternative sources of funds.

GRF 235-502 Student Support Services

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$1,000,000	\$1,009,833	\$1,033,059	\$1,057,853	\$1,000,000	\$1,000,000
	1.0%	2.3%	2.4%	-5.5%	0.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 715 of the 120th G.A. (1994)

Purpose: These funds provide supplemental state support to state-assisted institutions that have high concentrations of disabled students and that, therefore, incur disproportionate costs in providing instructional and related services to these students. The Board of Regents annually determines the statewide average costs for the provision of student support services. Campuses that incur higher-than-average costs receive support from this line item.

GRF 235-503 Ohio Instructional Grants

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$77,792,216	\$82,114,638	\$80,614,459	\$88,031,000	\$101,000,000	\$114,500,000
	5.6%	-1.8%	9.2%	14.7%	13.4%

Source: GRF

Legal Basis: ORC 3333.12

Purpose: The Ohio Instructional Grants program, enacted in 1969, provides a financial grant for higher education to any full-time Ohio student who is an Ohio resident and whose family income does not exceed \$36,000 in each fiscal year of the 2000-2001 biennium. The grant amounts vary depending upon whether or not the student is financially independent; other factors include the family's income, the number of dependent children in the family, and the type of institution the student is attending.

For each of three types of institution (private, proprietary and public), two tables of grant amounts are maintained, one for financially dependent students, the other for independent students. Each of these six tables lists five columns of grant amounts next to a list of ranges of gross family incomes, which go up to the current \$31,000 maximum; each of the columns of grant amounts corresponds to a number of the family's dependents, from one to five or more. All six of the tables are included in the biennial operations budget, in two places. Six tables are contained in permanent law, in section 3333.12 of the Revised Code; they are amended as desired by the state in each biennial budget. Six tables are also included in a temporary (uncodified) law section of each biennial budget; these tables contain revisions to the permanent-law tables and are effective only for the first fiscal year of the biennium. Under this arrangement, then, the permanent-law tables apply only to the second year of the biennium.

GRF 235-504 War Orphans Scholarships

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$3,204,348	\$3,551,658	\$3,594,302	\$3,817,037	\$4,652,548	\$4,792,124
	10.8%	1.2%	6.2%	21.9%	3.0%

Source: GRF

Legal Basis: ORC 5910.01 through ORC 5910.06

Purpose: This program provides reimbursement to state-assisted institutions when they waive undergraduate instructional and general fees for the children of deceased or disabled veterans of wartime military service in the U.S. Armed Forces. Payments are also provided on behalf of eligible students attending independent non-profit and proprietary institutions in amounts equal to the average amounts received by recipients attending state-assisted institutions during the previous academic year. Am. Sub. H.B. 117 of the 121st G.A. increased funding in order to extend benefits to the children of Desert Storm veterans.

GRF 235-506 Postsecondary Readiness Testing

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$647,618	\$782,131	\$0	\$0	\$0	\$0
	20.8%	-100.0%	N/A	N/A	N/A

Source: GRF

Legal Basis: Established as the Developmental Education program in 1979 and reauthorized in Am. Sub. H.B. 117 in 1995.

Purpose: This program supports the Postsecondary Readiness Testing program, which funds early assessment tests in English, mathematics, and science for high school juniors. These tests assess the abilities of students in these subject areas to determine whether or not additional coursework is needed to remedy deficiencies in preparation for college. This line item was most recently funded in FY1999. Beginning in FY 2000, the program has continued to be funded under the line item 235-404, College Readiness Initiatives, which was established in that fiscal year.

GRF 235-507 OhioLINK

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$5,157,532	\$6,290,947	\$6,947,761	\$7,668,731	\$7,822,106	\$7,978,548
	22.0%	10.4%	10.4%	2.0%	2.0%

Source: GRF

Legal Basis: Established by Am. H.B. 810 (1988)

Purpose: This line item provides funds for the OhioLINK electronic library information and retrieval system, which provides access statewide to the library holdings of Ohio's 38 state-assisted universities, colleges, community colleges, and medical colleges, 17 private colleges, and the State Library of Ohio.

GRF 235-508 Air Force Institute of Technology

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$3,895,000	\$3,500,000	\$3,500,000	\$3,500,000	\$3,500,000
	N/A	-10.1%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Established by H.B. 282 of the 123rd General Assembly

Purpose: This line item supports the Air Force Institute of Technology (AFIT) at Wright-Patterson Air Force Base. AFIT provides graduate-level education in logistics and engineering for Air Force personnel.

GRF 235-509 Displaced Homemakers

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$246,250	\$244,996	\$244,994	\$244,996	\$244,996	\$244,996
	-0.5%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 32 (1977)

Purpose: This line item partially supports displaced-homemaker centers at five Ohio colleges and universities. The centers assist women who have worked primarily as homemakers during their marriages and have lost their financial stability through, e.g., divorces, deaths of spouses, or disabilities. The centers provide health and job-placement services, as well as education and training.

GRF 235-510 Ohio Supercomputer Center

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$3,764,682	\$3,801,701	\$4,834,416	\$4,932,218	\$4,932,218	\$4,932,218
	1.0%	27.2%	2.0%	0.0%	0.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 171 of the 117th G.A. (1987)

Purpose: This line item supports the operations of the Ohio Supercomputer Center, located at the Ohio State University. The center is a statewide high-performance computing resource available to both faculty and students at Ohio's public and private colleges and universities. The resource is also made available to private industry on a cost-recovery basis. As one of its projects, the center developed TECLink (now the Ohio Learning Network), a collaborative state-of-the-art network information system designed to assist colleges' efforts in instruction, research, professional development, and information technology.

GRF 235-511 Cooperative Extension Service

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$22,385,000	\$23,815,548	\$26,643,306	\$27,708,525	\$28,262,696	\$28,827,949
	6.4%	11.9%	4.0%	2.0%	2.0%

Source: GRF

Legal Basis: ORC, section 3333.35; established under the Smith-Lever Act in 1914; state subsidy created in the early 1950's

Purpose: This line item funds educational programs for homemakers, farmers, community leaders and young people. Educational programs are offered in the areas of agriculture, home economics, family living, and community and natural resources development. The program, operated by the Ohio State University under its land-grant mandate, provides services to every county in the state and is intended to help people improve their lives through an educational process using scientific knowledge focused on identified issues and needs. Included as an earmark under this line item are funds to support the Ohio Watersheds Initiative.

GRF 235-512 Performance Funding

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$3,000,000	\$0	\$0	\$0	\$0	\$0
	-100.0%	N/A	N/A	N/A	N/A

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 117 of the 121st G.A. (1995)

Purpose: This line item supported the implementation of the nine two-year Campus Service Expectations, which are intended to improve access to educational services and programs for every Ohio citizen by ensuring that two-year colleges and university regional campuses provide an minimum array of needed educational services. Performance funding was expected to ensure accountability in meeting state, regional and campus priorities. Funds were disbursed under this line item most recently in fiscal year 1998, although the last appropriation was for FY 1997. The BOR indicates that the purpose of this line item has been completed.

GRF 235-513 OU Voinovich Center

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$375,000	\$375,000	\$375,000	\$375,000
	N/A	N/A	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Established by H.B. 282 of the 123rd General Assembly

Purpose: This line item supports public service research and education at Ohio University's Voinovich Center, which was established in FY 2000.

GRF 235-514 Central State Supplement

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$7,563,434	\$9,544,956	\$10,865,982	\$12,049,175	\$12,044,956	\$12,044,956
	26.2%	13.8%	10.9%	0.0%	0.0%

Source: GRF

Legal Basis: Established by H.B. 31 (1969); provisions in temporary law in each budget bill

Purpose: This line item provides a supplemental subsidy to this access university to help it provide African-Americans affordable access to higher education. This subsidy enables Central State to offer tuition rates below the levels assumed in the instructional subsidy and enables the university to provide students significant levels of financial aid.

GRF 235-515 CWRU School of Medicine

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$4,108,478	\$4,087,564	\$4,181,578	\$4,281,936	\$4,367,575	\$4,454,926
	-0.5%	2.3%	2.4%	2.0%	2.0%

Source: GRF

Legal Basis: ORC 3333.10 (established in 1969)

Purpose: This line item provides supplemental state funding for the Case Western Reserve University medical school under the state's condition that not less than 60 percent of each entering class of medical students will be Ohio residents.

GRF 235-518 Capitol Scholarship Program

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$475,000	\$198,000	\$250,000	\$250,000	\$250,000	\$250,000
	-58.3%	26.3%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 215 of the 122nd G.A.

Purpose: This line item provides scholarships for Ohio students to attend internships in Washington, D.C. These internships are sponsored by the Washington Center for Internships and Academic Seminars. Eligible students are those who are enrolled full-time in Ohio public and private institutions of higher education; recipients are selected by their institutions.

GRF 235-519 Family Practice

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$8,944,974	\$5,932,959	\$6,229,607	\$6,541,087	\$6,671,909	\$6,805,347
	-33.7%	5.0%	5.0%	2.0%	2.0%

Source: GRF

Legal Basis: ORC 3333.11 (established in 1974)

Purpose: This line item supports family practice residencies and instructional costs in the departments of family medicine within each Ohio medical college, including Case Western Reserve University. State-assisted medical schools are required to establish and maintain departments of family practice. The purpose of these departments is to increase the quality and number of family physicians in medical practice.

GRF 235-520 Shawnee State Supplement

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$3,600,000	\$3,183,711	\$2,969,965	\$2,824,000	\$2,767,520	\$2,712,170
	-11.6%	-6.7%	-4.9%	-2.0%	-2.0%

Source: GRF

Legal Basis: Created in 1987; reauthorized by Am. Sub. H.B. 117 in 1995

Purpose: This line item was established to provide a supplemental subsidy to this access university to (a) help it make the transition from a two-year community college to a four-year university and (b) help it provide Appalachian students affordable access to higher education. This subsidy enables Shawnee State to maintain fees at levels lower than statewide averages to encourage participation in higher education by residents of Appalachia.

GRF 235-521 OSU Glenn Institute

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$375,000	\$375,000	\$375,000	\$375,000
	N/A	N/A	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 282 of the 123rd General Assembly (1999)

Purpose: This line item supports public policy research and education at the Ohio State University's Glenn Institute, which was established in FY 2000.

GRF 235-523 Center for Labor Research

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$95,000	\$95,000	\$95,000	\$95,000
	N/A	N/A	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 155 of the 111th G.A. (1975)

Purpose: This line item supports the Center for Labor Research at the Ohio State University. The center focuses on labor education through research and educational programs. This line item was not funded in fiscal years 1998 and 1999.

GRF 235-524 Police and Fire Protection

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$246,250	\$244,996	\$244,996	\$244,996	\$244,996	\$244,996
	-0.5%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 155 of the 111th G.A.

Purpose: Funds from this line item are used to support the police and fire departments of small communities that are heavily affected by state universities. The funds assist local governments in providing police and fire protection for the central campus of the state-affiliated university located therein. Communities currently assisted by this program are Kent, Athens, Oxford, Fairborn, Portsmouth, Bowling Green, Rootstown, and Xenia Township in Greene County.

GRF 235-525 Geriatric Medicine

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$1,565,355	\$1,038,259	\$1,062,139	\$1,087,630	\$1,109,383	\$1,131,570
	-33.7%	2.3%	2.4%	2.0%	2.0%

Source: GRF

Legal Basis: ORC 3333.111 (the program was established in 1978)

Purpose: This line item supports the offices of geriatric medicine within each Ohio medical college. The creation of these offices was mandated by the state for each state-assisted medical college in Ohio. Each office is responsible for assuring that all Ohio medical students receive specific education and training regarding the care of older adults.

GRF 235-526 Primary Care Residencies

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$4,331,484	\$2,872,957	\$3,016,605	\$3,167,435	\$3,230,784	\$3,295,399
	-33.7%	5.0%	5.0%	2.0%	2.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 191 of the 112th G.A. (1976)

Purpose: Funds from this line item support education and training in the primary care specialties of internal medicine and pediatrics. This program is intended to support medical student and clinical training in primary care fields in order to increase the number and quality of primary care physicians in medical practice.

GRF 235-527 Ohio Aerospace Institute

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$2,298,970	\$2,321,577	\$2,374,973	\$2,431,973	\$2,431,973	\$2,431,973
	1.0%	2.3%	2.4%	0.0%	0.0%

Source: GRF

Legal Basis: ORC 3333.042 (originally established in 1989)

Purpose: This line item subsidizes the Ohio Aerospace Institute (OAI), a non-profit Ohio corporation that is a consortium of nine member universities, the National Aeronautics and Space Administration (NASA), Wright-Patterson Air Force Base, and a number of private companies. The consortium supports research and graduate instruction in the disciplines related to aeronautical and space studies and the commercialization of related technologies.

GRF 235-530 Academic Scholarships

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$7,000,000	\$8,000,000	\$8,000,000	\$8,000,000	\$8,400,000	\$8,820,000
	14.3%	0.0%	0.0%	5.0%	5.0%

Source: GRF

Legal Basis: ORC 3333.21 through ORC 3333.25 (the program was established in 1978)

Purpose: This line item supports scholarships for up to four years for academically outstanding Ohio high school graduates on a competitive basis. The program is intended to encourage Ohio's brightest students to attend an Ohio college or university.

GRF 235-531 Student Choice Grants

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$36,958,830	\$41,504,967	\$42,231,670	\$51,400,000	\$52,428,000	\$53,476,560
	12.3%	1.8%	21.7%	2.0%	2.0%

Source: GRF

Legal Basis: ORC 3333.27 (the program was established in 1984)

Purpose: This line item provides uniform tuition grant awards to Ohio residents attending eligible Ohio independent non-profit institutions of higher education. Only full-time undergraduate students enrolled in bachelor's degree programs are eligible for these grants.

GRF 235-534 Student Workforce Development Grants

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$0	\$2,250,000	\$0	\$0
	N/A	N/A	N/A	-100.0%	N/A

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 282 (123rd General Assembly)

Purpose: The Student Workforce Development Grant program was established by the FY 2000-FY 2001 budget to provide financial support to eligible students attending Ohio proprietary schools. The grants were given to resident students at private career schools (i.e., proprietary schools) registered by the State Board of Proprietary School Registration. The grants, which were approximately \$200, were administered by the Board of Regents and were made available beginning July 1, 2000. The Executive Budget for the FY 2002-FY2003 biennium recommended no further funding for this ine item.

GRF 235-535 Ohio Agricultural Research and Development Center

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$30,660,880	\$32,867,947	\$36,673,910	\$38,730,884	\$39,505,502	\$40,295,612
	7.2%	11.6%	5.6%	2.0%	2.0%

Source: GRF

Legal Basis: ORC 3335.56; the Ohio Agricultural Experiment Station was created by Congress in 1882; the station was renamed the Ohio Agricultural Research and Development Center (OARDC) in 1965; it became part of the Ohio State University in 1982

Purpose: This line item supports the Ohio Agricultural Research and Development Center, which conducts basic and applied research through the Ohio State University's Colleges of Food, Agriculture and Environmental Sciences; Human Ecology; Biological Sciences; and Veterinary Medicine. Research areas include plant and animal agriculture, engineering, social sciences, food sciences, natural resources, environmental sciences, community and human development, and human nutrition. The population served includes farmers, other producers, food processors, environmentalists, landfill managers, and researchers.

GRF 235-536 Ohio State University Clinical Teaching

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$14,988,559	\$15,270,155	\$15,621,369	\$15,996,281	\$16,316,207	\$16,642,531
	1.9%	2.3%	2.4%	2.0%	2.0%

Source: GRF

Legal Basis: Established by various budget bills

Purpose: This line item supports the laboratory and clinical components of medical and other professional education in facilities at the Ohio State University's medical college. Patient care is not funded by this subsidy.

GRF 235-537 University of Cincinnati Clinical Teaching

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$12,327,886	\$12,559,495	\$12,848,363	\$13,156,724	\$13,419,858	\$13,688,256
	1.9%	2.3%	2.4%	2.0%	2.0%

Source: GRF

Legal Basis: Established by various budget bills

Purpose: This line item supports the laboratory and clinical components of medical and other professional education in facilities at the University of Cincinnati's medical college. Patient care is not funded by this subsidy.

GRF 235-538 Medical College of Ohio at Toledo Clinical Teaching

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$9,608,918	\$9,789,445	\$10,014,602	\$10,254,953	\$10,460,052	\$10,669,253
	1.9%	2.3%	2.4%	2.0%	2.0%

Source: GRF

Legal Basis: Established by various budget bills

Purpose: This line item supports the laboratory and clinical components of medical and other professional education in facilities at the Medical College of Ohio at Toledo's medical college. Patient care is not funded by this subsidy.

GRF 235-539 Wright State University Clinical Teaching

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$4,668,200	\$4,755,904	\$4,865,290	\$4,982,057	\$5,081,698	\$5,183,332
	1.9%	2.3%	2.4%	2.0%	2.0%

Source: GRF

Legal Basis: Established by various budget bills

Purpose: This line item supports the laboratory and clinical components of medical and other professional education in facilities at Wright State University's medical college. The laboratory and clinical education is conducted in community facilities. Patient care is not funded by this subsidy.

GRF 235-540 Ohio University Clinical Teaching

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$4,512,891	\$4,597,676	\$4,703,423	\$4,816,305	\$4,912,631	\$5,010,884
	1.9%	2.3%	2.4%	2.0%	2.0%

Source: GRF

Legal Basis: Established by various budget bills

Purpose: This line item supports the laboratory and clinical components of medical and other professional education in facilities at Ohio University's medical college. The laboratory and clinical education is conducted in community facilities. Patient care is not funded by this subsidy.

GRF 235-541 Northeastern Ohio Universities College of Medicine Clinical Teaching

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$4,641,391	\$4,728,706	\$4,837,466	\$4,953,565	\$5,052,636	\$5,153,689
	1.9%	2.3%	2.4%	2.0%	2.0%

Source: GRF

Legal Basis: Established by various budget bills

Purpose: This line item supports the laboratory and clinical components of medical and other professional education in facilities at the Northeastern Ohio Universities' College of Medicine (NEOUCOM). The laboratory and clinical education is conducted in community facilities. Patient care is not funded by this subsidy.

GRF 235-543 Ohio College of Podiatric Medicine Clinical Subsidy

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$460,000	\$467,607	\$500,000	\$500,000	\$510,000	\$520,200
	1.7%	6.9%	0.0%	2.0%	2.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 171 of the 117th G.A. (1987)

Purpose: This line item provides the Ohio College of Podiatric Medicine (OCPM) with supplemental state funding for the clinical, educational, and patient-care needs of the school, which gives training in the treatment and prevention of foot disorders. OCPM is a privately operated medical school in Cleveland.

GRF 235-545 Ohio State University Cancer Hospital

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$250,000	\$0	\$0	\$0	\$0	\$0
	-100.0%	N/A	N/A	N/A	N/A

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 171 of the 117th G.A. (FY 1989)

Purpose: This line item provided supplementary funds to support the development of the Arthur G. James Cancer Hospital and Research Institute at the Ohio State University. The supplement was phased out as the hospital became self-sufficient. This line item was most recently funded in FY1998.

GRF 235-547 School of International Business

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$1,000,000	\$1,243,637	\$1,743,637	\$1,743,637	\$1,743,637	\$1,743,637
	24.4%	40.2%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 152 of the 120th G.A. (1993)

Purpose: This line item supports the Institute for Global Business at the University of Akron, which is developing a school in northeastern Ohio to increase the state's capacity for international trade.

GRF 235-549 Part-time Student Instructional Grants

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$9,997,022	\$24,681,704	\$12,322,630	\$12,677,750	\$13,311,638	\$13,977,219
	146.9%	-50.1%	2.9%	5.0%	5.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 152 of the 120th G.A. (1993)

Purpose: The program provides need-based financial assistance to part-time undergraduate students who are Ohio residents and are enrolled in degree-granting programs. In FY 1994, only students enrolled at state-assisted colleges and universities were eligible to receive these grants. Beginning in FY 1995, the grants were made available to students attending public and private institutions and degree-granting proprietary schools. Funds are now provided to institutions; the institutions provide aid to part-time students.

GRF 235-552 Capital Component

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$7,527,719	\$7,527,719	\$10,848,075	\$11,143,055	\$14,537,639	\$14,537,639
	0.0%	44.1%	2.7%	30.5%	0.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 215 of the 122nd G.A. (1997)

Purpose: This line item implements one important element of the Board of Regent's new capital funding policy, which was established in 1997. It provides campuses with the debt service equivalent, for 15 years, of capital appropriations "earned" but not requested in recent capital bills by the campus. Many campuses have already allocated or obligated these funds for locally-financed capital projects.

The line item funds the capital component. The appropriation amount represents the difference between campus capital formula earnings and the debt service costs associated with certain capital appropriations made in the last three capital appropriations bills. (Alternatively, the appropriations are the total differences in funds between the Board of Regents' recommended amounts for capital funding and the appropriation levels in the capital bills.) It provides campuses with the positive difference between their formula-determined debt service earnings and their debt-service charge-off for qualifying capital projects. The capital component is added to the State Share of Instruction formula in order to pay for a new debt service deduction. Campuses earn debt service appropriations based on a formula that allocates half of the capital component money on the basis of a calculated measure of educational activity (credit instruction weighted by sponsored research and noncredit job training) and the other half on the basis of the ages of the facilities needing repair or replacement. Campuses are then charged for the debt service costs associated with qualifying capital appropriations that they receive in the capital bill.

If a campus's debt service charges exceed its capital allocation earnings under the formula, the difference is deducted from its State Share of Instruction support. On the other hand, if a campus's actual debt service charges are less than its capital allocation earnings, the difference is provided to the institution, which may use it for any capital-related purpose.

The Capital Component constitutes a reform of capital funding for higher education. It is intended to rationalize and decentralize capital funding decisions by establishing a "price" that campuses pay for capital facilities.

GRF 235-553 Dayton Area Graduate Studies Institute

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$2,900,000	\$3,681,165	\$3,765,832	\$3,856,212	\$3,856,212	\$3,856,212
	26.9%	2.3%	2.4%	0.0%	0.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 117 of the 121st G.A.

Purpose: These funds are used to support a scholarship program for graduate-level engineering students at the five institutions which are part of the DAGSI consortium: University of Dayton, Wright State University, the Air Force Institute of Technology, Ohio State and the University of Cincinnati. The program is intended to increase and improve the quality and quantity of graduate educational and research opportunities of the member institutions and to create an environment conducive to economic development in Ohio.

GRF 235-554 Computer Science Graduate Education

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$2,450,000	\$2,437,528	\$3,464,704	\$3,553,437	\$3,553,437	\$3,553,437
	-0.5%	42.1%	2.6%	0.0%	0.0%

Source: GRF

Legal Basis: Am. Sub. H.B. 215 of the 122nd G.A.

Purpose: This line item supports state-assisted graduate schools' efforts to recruit faculty and staff, promote research and collaboration, purchase equipment, and make other investments in areas of doctoral education in which Ohio is under-invested. Originally titled Priorities in Graduate Education, this line item was renamed by the FY 2002-FY2003 biennial budget bill of the 124th General Assembly.

GRF 235-555 Library Depositories

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$1,454,690	\$1,468,994	\$2,400,000	\$2,000,000	\$2,040,000	\$2,080,800
	1.0%	63.4%	-16.7%	2.0%	2.0%

Source: GRF

Legal Basis: Am. Sub. H.B. 215 of the 122nd G.A.

Purpose: This line item supports the operations at all five regional depositories that provide high-density storage for rarely-used and duplicative library materials. The depositories provide an economical alternative to additional traditional library space for storing such materials.

GRF 235-556 Ohio Academic Resources Network

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$2,000,000	\$2,019,666	\$3,227,819	\$3,512,182	\$3,582,426	\$3,654,074
	1.0%	59.8%	8.8%	2.0%	2.0%

Source: GRF

Legal Basis: Am. Sub. H.B. 215 of the 122nd G.A.

Purpose: This line item supports the operations of the Ohio Academic Resources Network (OARNet), including base operations and expansions for enhanced connectivity, functionality, and services. The network provides high-quality Internet services to help link Ohio academics to global information resources, distance learning, and state library networks, such as OhioLINK. Current temporary law calls for this line item to provide support for state-assisted colleges and universities in maintaining and enhancing network connections.

GRF 235-558 Long-term Care Research

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$320,000	\$318,371	\$318,371	\$318,371	\$318,371	\$318,371
	-0.5%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 111 of the 118th G.A. (1989)

Purpose: The funds support basic and applied research and graduate studies at Miami University's Scripps Gerontology Center. The project is concerned with issues related to state and federal policy on long-term care and provides expertise and research to identify cost-effective alternatives of health care at reasonable levels of quality.

GRF 235-561 Bowling Green State University Canadian Studies Center

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$168,500	\$167,642	\$167,642	\$167,642	\$167,642	\$167,642
	-0.5%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 111 of the 118th G.A. (1989)

Purpose: This line item supports the Bowling Green State University Canadian Studies Center. The program works to strengthen Ohio-Canada business and trade relations through research, student education, and engagement with the business community.

GRF 235-572 Ohio State University Clinic Support

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$1,194,706	\$1,331,259	\$1,943,328	\$2,061,138	\$2,102,361	\$2,144,408
	11.4%	46.0%	6.1%	2.0%	2.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 291 of the 115th G.A. (1984)

Purpose: These funds subsidize the clinical portions of the dental and veterinary medicine schools at the Ohio State University. The clinics provide practical education to dental and veterinary medicine students, as well as to dental hygiene students.

GRF 235-583 Urban University Programs

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$5,722,093	\$4,984,273	\$8,192,284	\$6,636,285	\$6,636,285	\$6,636,285
	-12.9%	64.4%	-19.0%	0.0%	0.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 204 of the 113th G.A. (1979-1981 biennium)

Purpose: This line item provides funds for research and outreach activities on urban issues at the eight urban universities in Ohio. The funds support programs of applied research, training, technical assistance, and database development at these universities, as well as programs that develop public policy and public administration initiatives related to the specific needs and issues of Ohio's urban communities. The Urban Center at Cleveland State University's Levin College of Urban Affairs was established to implement this program. The program serves state, county and municipal governments, regional and not-for-profit agencies, neighborhood groups, and business organizations.

GRF 235-585 Ohio University Innovation Center

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$50,000	\$49,745	\$49,745	\$49,745	\$49,745	\$49,745
	-0.5%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 291 of the 115th G.A. (1983)

Purpose: This line item supports the center's Internet Access program, which educates start-up and small businesses on how to gain access to and use the Internet and to assist them in starting up electronic businesses. This program is intended to address the university's regional economic development mission.

GRF 235-587 Rural University Projects

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$1,328,530	\$1,244,448	\$1,298,070	\$1,403,624	\$1,403,624	\$1,403,624
	-6.3%	4.3%	8.1%	0.0%	0.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 238 of the 116th G.A. (1985-1987 biennium)

Purpose: This line item provides funds for research and outreach activities to help local and state elected and appointed officials improve rural program performance, undertake research projects, increase human resource capacity, and form cooperative partnerships to create an environment that supports private and public sector development. Funds also support programs that develop public policy and public administration initiatives related to the specific needs and issues of Ohio's rural communities. The program targets smaller communities, which often lack staff and financial resources for research, training, and development.

GRF 235-588 Ohio Resource Center for Mathematics, Science and Reading

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$500,000	\$1,000,000	\$1,000,000	\$1,000,000
	N/A	N/A	100.0%	0.0%	0.0%

Source: GRF

Legal Basis: Established by H.B. 282 of the 123rd General Assembly

Purpose: Since FY 2000 this line item has supported a resource center located at a college or university that prepares teachers. The center identifies the best educational practices in primary and secondary schools and establishes methods for communicating them to Colleges of Education and school districts.

In order to determine the best location for the center, a review of Ohio's teacher-preparation institutions was mandated by Am. Sub. H.B. 1 (123rd G.A.), enacted March 30, 1999. The review was conducted by a joint OhioReads/Board of Regents/Department of Education group. Temporary law in Am. Sub. H.B. 282 (123rd G.A.) required the "search" to be completed prior to December 31, 1999, while Am. Sub. H.B. 1 (123rd G.A.) called for a "report" of its review and recommendations by January 1, 2000.

GRF 235-590 12th-grade Proficiency Stipend

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$13,805,513	\$14,500,000	\$0	\$0
	N/A	N/A	5.0%	-100.0%	N/A

Source: GRF; appropriations originally made to the Department of Education, 200-574, were transferred here

Legal Basis: ORC 3365.15; section 4.18 of Am. Sub. H.B. 282 of the 123rd G.A.

Purpose: To pay \$500 for the benefit of each 12th grader that passes all 5 parts of the 12th grade proficiency test and that goes on to higher education.

Under HB 1, SB 1, and the Executive Budget, this stipend would be eliminated; those passing the proficiency tests in the Spring of 2001 will be the last group to receive this stipend.

GRF 235-595 International Center for Water Resources Development

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$380,699	\$189,381	\$189,381	\$189,381	\$189,381	\$189,381
	-50.3%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 238 of the 116th G.A. (1985)

Purpose: This line item supports the International Center for Water Resources Development at Central State University. The center develops methods to improve the management of water resources for Ohio and emerging (third-world) nations. The center offers undergraduate courses leading to the bachelor's degree in water resources management, as well as short courses and conferences.

GRF 235-596 Hazardous Materials Program

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$246,250	\$244,996	\$244,996	\$244,996	\$244,996	\$244,996
	-0.5%	0.0%	0.0%	0.0%	0.0%

Source: GRF

Legal Basis: Established by Am. Sub. H.B. 238 of the 116th G.A. (1985)

Purpose: This line item partially supports training programs developed by Cleveland State University's Center for Hazardous Materials Education. It provides training programs for firemen, other emergency personnel, and relevant personnel in business and industry, regarding the treatment, storage, disposal, and clean-up of hazardous materials.

GRF 235-599 National Guard Scholarship Program

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$5,545,143	\$10,217,740	\$12,293,986	\$12,293,986
	N/A	N/A	84.3%	20.3%	0.0%

Source: GRF

Legal Basis: ORC, section 5919.34; Am. Sub. H.B. 282 (123rd G.A.)

Purpose: This line item, established by the FY 2000-FY2001 budget bill, supports the Ohio National Guard Scholarship Program, which grants higher education scholarships to all authorized personnel of the Ohio National Guard. The program serves as both a recruitment and a retention tool for the Ohio Guard. The appropriation provides funds for both the scholarship grants and the Guard's program marketing efforts.

Initially the line item received the object class 50 appropriations that were transferred from line item 745-406, Tuition Grant Program, in the budget of the Adjutant General. Beginning with Am. Sub. H.B. 282, the appropriations have been made directly in the budget of the Board of Regents, under line item 235-599. Am. Sub. H.B. 282 (123rd G.A.) also added temporary law under the paragraph titled National Guard Scholarship Program; it requires the Board of Regents to disburse the line item's funds "at the direction of the Adjutant General".

GRF 235-909 Higher Education General Obligation Debt Service

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$0	\$0	\$50,055,100	\$74,344,100
	N/A	N/A	N/A	N/A	48.5%

Source: GRF

Legal Basis: Article VIII Section 2n of the Ohio Constitution; ORC 151.01, 154.04; Established by the FY 2002-FY 2003 education budget bill (124th General Assembly)

Purpose: This line item provides the funds to make debt service payments on bonds issued by the state on behalf of higher education institutions to finance their capital projects.

Prior to the passage of H.B. 640 of the 123rd General Assembly, bonds issued for higher education facilities were special obligation (lease-rental) debt instruments. State Issue 1 provided for the issuance of general obligation bonds under Article VIII Section 2n of the Ohio Constitution for all education-related facilities, including higher education. In FY 2001 the debt service appropriations for the Higher Education General Obligation Debt Service line item were appropriated in the Commissioners of the Sinking Fund budget. In FY 2002, to more accurately reflect the state funding on a programmatic basis, the appropriation was transferred to the Board of Regents.

Currently, then, the Regents' budget contains two debt service line items, this one and the existing line item 235-401, Lease Rental Payments, which continues to service the special obligation debt that was previously issued. However, as the special obligation debt is paid down, the appropriation for 235-401 will decrease. At the same time the appropriation for this line item will increase as the new GO debt is issued.

General Services Fund Group

456 235-603 Publications

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$157,210	\$127,619	\$7,054	\$35,000	\$43,050	\$44,342
	-18.8%	-94.5%	396.2%	23.0%	3.0%

Source: GSF: proceeds from the sale of the Board's student handbook, conference fees, and publication charges

Legal Basis: Established by the Controlling Board in January, 1974

Purpose: The line item covers half the cost of producing the Board of Regents' student handbook, as well as miscellaneous conference and meeting expenses.

Federal Special Revenue Fund Group

312 235-609 Tech Prep

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$110,129	\$109,531	\$174,854	\$211,450	\$183,852	\$183,852
	-0.5%	59.6%	20.9%	-13.1%	0.0%

Source: FED: federal funds

Legal Basis: The Tech Prep program is authorized by the Carl D. Perkins Vocational & Applied Technology Education Act of 1990, Title III, Public Law 101-392SC2361, 2363 (Part E). Federal program number CFDA 84.243.

Purpose: This line item supports a professional staff member to work collaboratively with the Ohio Department of Education to administer the statewide Tech Prep program. The program prepares high school students for technical occupations by enabling either direct entry into the workplace after high school or continuation of study leading to an associate degree at a two-year college.

312 235-611 Gear-up Grant

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$711,211	\$1,275,689	\$1,590,986	\$1,690,434
	N/A	N/A	79.4%	24.7%	6.3%

Source: FED: Federal funds

Legal Basis: Central Accounting System: BO - R110. Created November 121, 1999.

Purpose: This line item supports the promotion of college awareness in order to attract more students to college and to enhance the transition to higher education..

312 235-612 Carl D. Perkins Grant/Plan Administration

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$0	\$112,960	\$112,960	\$112,960
	N/A	N/A	N/A	0.0%	0.0%

Source: FED: Federal funds

Legal Basis: Central Accounting System: BO - R009. Created on December 20, 2000.

Purpose: This line item supports the administration of the Tech Prep program, which is oriented toward vocational education. Regents receives a transfer of 10-15 percent of the funds obtained for the program by the Department of Education.

312 235-631 Federal Grants

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$2,167,332	\$2,030,722	\$2,263,366	\$3,065,365	\$2,055,511	\$0
	-6.3%	11.5%	35.4%	-32.9%	-100.0%

Source: FED: federal funds

Legal Basis: The Dwight D. Eisenhower Math and Science Act of 1988, U.S. Public Law 100-297, Title II, Part A. U.S. Public Law 101-589, Title II, Part A.

Purpose: This line item supports the Eisenhower Mathematics and Science program, which is designed to improve the skills of teachers and the quality of instruction in mathematics and science in public and private elementary and secondary schools. The funds are distributed to colleges and universities to develop creative strategies that link faculty in mathematics and science disciplines with elementary and secondary school teachers.

3H2 235-608 Human Services Project

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$7,362,868	\$1,369,818	\$393,374	\$761,000	\$1,000,000	\$1,000,000
	-81.4%	-71.3%	93.5%	31.4%	0.0%

Source: FED: federal funds

Legal Basis: Interagency agreement between the Board of Regents and the Ohio Department of Human Services; originally established by Controlling Board on October 23, 1989

Purpose: This line item has supported both the Health Services Research program and, until FY 1998, the much larger Job Opportunities and Basic Skills (JOBS) Student Retention program.

The JOBS Student Retention program was created in March 1990 by an Inter-Agency Agreement between the Ohio Board of Regents and the Ohio Department of Human Services, which also operated the JOBS Training program. In the Student Retention program, the two-year college system provides support services to college students who are welfare recipients. The students must be enrolled at their colleges through the local county Department of Human Services JOBS programs. The funds are used for special support services and tuition for which financial aid is not available. The support services include career counseling, special workshops in student skills, time and life management techniques, tuition assistance, and tutoring.

In 1998 the JOBS program was reorganized to enable the federal funds to go directly to the county DHS JOBS programs. Thus, the JOBS Student Retention program is no longer administered by Regents and so the appropriations for this line item are greatly reduced. The most recent fiscal year in which significant amounts of funds were disbursed under this program was FY 1998. The Catalog of Federal Domestic Assistance number is 93.021 (JOBS/LEAP). Prior to FY 1997, this line item also supported the Training Opportunities for Program Staff (TOPS) program administered by Hocking Technical College; the line item has also supported the Health Services Research program.

3N6 235-605 State Student Incentive Grants

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$2,021,925	\$1,012,607	\$1,012,609	\$2,000,000	\$2,000,000	\$2,000,000
	-49.9%	0.0%	97.5%	0.0%	0.0%

Source: FED: federal funds

Legal Basis: Higher Education Act of 1965 authorized the grant to states for State Student Incentives; ORC 3333.12

Purpose: This appropriation provides federal funds for need-based tuition assistance. In Ohio, these funds help support the Ohio Instructional Grant program and are awarded to the neediest students on the same basis as Ohio Instructional Grants.

3T0 235-610 National Health Service Corps Ohio Loan Repayment

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$82,555	\$127,445	\$100,000	\$100,000	\$100,000
	N/A	54.4%	-21.5%	0.0%	0.0%

Source: FED: US Department of Health and Human Services

Legal Basis: Established by the Controlling Board in August 1998

Purpose: This line item supports a federal program (the National Health Service Corps Ohio Loan Repayment Program) for the repayment of education loans by eligible health service practitioners. This program is jointly administered by the Ohio Department of Health and the Ohio Board of Regents and provides educational loan repayment for certain health service practitioners (primary care physician assistants, nurse practitioners, and certified nurse midwives, in addition to primary care physicians) who agree to provide primary health care services in designated geographical areas of Ohio. The line item is funded by awards from the US Department of Health and Human Services. The initial appropriation was for \$200,000 for FY1999. Payments are made to the appropriate lending institutions on behalf of the practitioners.

456 235-613 Job Preparation Initiative

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$0	\$0	\$144,383	\$144,383	\$144,383
	N/A	N/A	N/A	0.0%	0.0%

Source: FED: General services funds

Legal Basis: Central Accounting System: BO - R002. Created on August 30, 2000

Purpose: This line item supports workforce training and development.

State Special Revenue Fund Group

4E0 235-601 Teacher Education Loan Program

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$0	\$1	\$0	\$0	\$0	\$0
	N/A	-100.0%	N/A	N/A	N/A

Source: SSR: CFDA 84.176, Paul Douglas Teacher Scholarship

Legal Basis: Originally established by Am. Sub. H.B. 298 of the 119th G.A.

Purpose: This line item supported the administration of the Teacher Education Loan Program (TELP). The TELP was a GRF-funded program through the Department of Education's 200-548 Teacher Recruitment Pilot line item (this line item was phased out in FY1996). The Student Loan Commission previously administered the program through the line item 373-603, Operating Expenses. Temporary law in the Department of Education budget provided for the transfer of \$20,000 from the 200-423 Teacher Recruitment Pilot to the Student Loan Commission to pay the program's operating expenses of outstanding loans of the Teacher Education Loan Program and the Paul Douglas Scholarship program on or before July 1, 1996. Funds were most recently appropriated for this line item in FY 1996.

4E8 235-602 Higher Educational Facility Commission Administration

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$9,055	\$11,640	\$3,060	\$5,000	\$12,000	\$12,000
	28.5%	-73.7%	63.4%	140.0%	0.0%

Source: SSR: revenue from charges assessed to institutions assisted by the commission

Legal Basis: ORC 3377 (originally established by Am. Sub. H.B. 298 of the 119th G.A.)

Purpose: The line item reimburses the Board of Regents for its professional staff support of the Ohio Higher Educational Facility Commission, which does not have its own staff. By issuing revenue bonds that finance construction at private colleges and universities, the commission assists these institutions to build facilities at lower interest costs than would otherwise be available.

4P4 235-604 Physician Loan Repayment

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$320,719	\$313,452	\$196,219	\$396,255	\$416,067	\$436,870
	-2.3%	-37.4%	101.9%	5.0%	5.0%

Source: SSR: surcharge on license fees

Legal Basis: ORC 3702.71 through ORC 3702.81 (established by Am. Sub. H.B. 152 of the 120th G.A.)

Purpose: This line item supports the Physician Loan Repayment Program, which may repay all or part of the student loans taken by primary-care physicians who agree to provide primary-care services in Ohio areas that suffer shortages of health resources.

649 235-607 Ohio State University Highway/Transportation Research

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$446,253	\$500,000	\$500,000	\$500,000	\$511,000	\$523,775
	12.0%	0.0%	0.0%	2.2%	2.5%

Source: SSR: Funding is supported by the earnings from a \$6.0 million Ohio State University endowment fund, created after Honda purchased the Transportation Research Center. The earnings support the research.

Legal Basis: ORC 3335.45; the program was established in 1988 by Sub. S.B. 321 of the 117th G.A.; appropriations to the fund were made for the first time in Am. Sub. S.B. 386 of the 117th G.A.

Purpose: The fund supports transportation research within the Ohio State University's College of Engineering. The sole user of the funds is the Center for Automotive Research (CAR). Its mission is to foster interdisciplinary research and education directed toward automotive applications.

682 235-606 Nursing Loan Program

1998	1999	2000	2001 Estimate	2002 Executive Proposal	2003 Executive Proposal
\$231,647	\$562,339	\$485,200	\$618,241	\$870,000	\$893,000
	142.8%	-13.7%	27.4%	40.7%	2.6%

Source: SSR: registration surcharge

Legal Basis: Established by Am. Sub. H.B. 298 of the 119th G.A.

Purpose: This line item supports the Nurse Education Assistance Loan Program (NEALP), which provides financial assistance to Ohio students enrolled in at least half-time study in approved Ohio nurse education programs. Awards are made on the basis of need for up to four years of study. This line item also supports the administration of the program.

As Introduced

As Passed by the House

Permanent Law Changes

Subject: Ohio Instructional Grants

sections: 3333.12, and Section 7.07 of the bill

ALI: 235-503

Specifies the maximum amounts of the stipends that may be awarded and also raises the income limits of eligible applicants and their families. A similar set of tables in uncodified, or temporary, law (section 7.07 of the bill) overrides these permanent-law tables in order to provide for lower grant amounts in the first year of the biennium; thus, these permanent-law tables will apply to the biennium's second year.

Under the Ohio Instructional Grant program, the Board of Regents pays stipends to Ohio residents who are enrolled in an associate's or bachelor's degree program at any public, private, or proprietary institution of higher education in the state to help defray educational costs associated with those programs. Grant amounts are based on the income of the applicant or the applicant's family.

The fiscal effect of this provision, together with the effect of the uncodified-law provision of section 7.07, can be estimated by the difference between the budgeted amounts for the appropriation item 235-503, Ohio Instructional Grants, for the current and new biennium; this difference is \$29,619,000.

Same as Executive, but changes the fiscal effect:

The reduction in the appropriations for both fiscal years of the new biennium reduces the estimate of the fiscal effect to \$23,669,000.

As Introduced

As Passed by the House

Permanent Law Changes**Subject: Higher Education Retirement Plans****section: 3305.061**

No provision.

Provides an upper limit to the percentage of employees' compensation that an institution of higher education must pay the state retirement system if the institution's employees opt to participate in an alternative retirement plan (ARP). The percentage may not exceed the percentage that the state retirement system charges employers of members of the state system who opt to participate in the state system's own ARP.

Current law requires an institution of higher education that maintains an alternative retirement plan (ARP) to pay the state retirement system to which the institution's ARP participants would otherwise belong an amount equal to a percentage of those participants' compensation.

This payment is intended to mitigate the negative financial impact on the state retirement system caused by those employees' opting to participate in the institution's ARP.

This provision has no fiscal effect.

As Introduced

As Passed by the House

Permanent Law Changes**Subject: Interactive Video Teleconferencing of Board of Regents Meetings****section: 3333.02**

Permits the Board of Regents to form a quorum and take votes at meetings conducted by interactive video teleconference as long as it provides for attendance by the public at any teleconference location. This provision has no fiscal effect.

No change.

Subject: Board of Regents: Chancellor Authority to Appoint Employees/Staff**section: 3333.03**

Authorizes the Chancellor to appoint and fix the compensation of the employees and staff of the Board without seeking approval of the Board. Under current law, the Board of Regents fixes the compensation of all employees of the Board and all appointments made by the Chancellor are subject to Board approval. This provision has no fiscal effect.

No change.

As Introduced

As Passed by the House

Permanent Law Changes**Subject: Transfers to the Ohio Public Facilities Commission****section: 3333.13**

Specifies that only the Board may receive appropriations made for lease payments to the Public Facilities Commission or the Treasurer of State. Under current law, either the Board of Regents or an institution of higher education may be the recipient of such appropriations.

No change.

Specifies that the Vice-chancellor may certify to the Director of Budget and Management the amounts needed to make lease payments to the Public Facilities Commission. Currently, only the Chancellor may make such a certification.

The bill requires that certification of amounts needed to make lease payments to the Public Facilities Commission must include the amounts to be credited to the Higher Education Capital Facilities Bond Service Fund. This provision has no fiscal effect.

As Introduced

As Passed by the House

Permanent Law Changes**Subject: Academic Scholarship Program****section: 3333.21**

No provision.

Changes the specified annual amount of each scholarship award from \$2,000 to "not less than" \$2,000.

Subject: Academic Scholarship Program**section: 3333.22**

No provision.

Changes the specified annual amount of each scholarship award from \$2,000 to "not less than" \$2,000.

As Introduced

As Passed by the House

Permanent Law Changes**Subject: Higher Education - Board of Trustees****section: 3345.35**

No provision.

No provision.

Subject: Environmental Education Fund Scholarships**section: 3745.22**

No provision.

Expands eligibility for Environmental Education Fund scholarships to include students attending private non-profit colleges and universities. Currently the scholarships are available to students of only state-assisted colleges and universities.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: State Share of Instruction****Section: 7.01****ALI: 235-501**

Gives authority and direction to the Board of Regents for the allocation of the State Share of Instruction (SSI) among the various higher education institutions. The allocation method is based on the institutions' enrollments, as broken out among sixteen curriculum models (called expenditure models), each of which "earns" a certain subsidy amount per full-time-equivalent student enrolled in it. Each campus's subsidy is the difference between its "aggregate expenditure requirements" and the "income to be derived from the local contributions assumed in calculating the subsidy entitlements". The total subsidy for a campus is the sum of its expenditure model subsidies.

Features and adjustments in the allocation method include the following: (1) Of the sixteen curriculum models (expenditure models), the General Studies and Technical models are to be adjusted to remain the same despite any changes in the overall local share; the adjustment is made by a lower-division fee differential. (2) Non-resident students are excluded from the number of full-time-equivalent (FTE) students used in the formula.

No change.

As Introduced

As Passed by the House

Temporary Law Changes

Subject: Aggregate Expenditure Per Full-time Equivalent Student

Section: 7.01

ALI: 235-501

Provides instructions and per-student subsidy amounts for the calculation of the first of the two main categories in the formula that allocates the State Share of Instruction appropriation among the campuses; this category is called the Aggregate Expenditure per FTE Student. There are two enrollment-based components in this category: the Instruction and Support Services and the Student Services.

No change.

Increases, for each fiscal year, the dollar subsidy amount per student FTE in each of fourteen non-doctoral program expenditure (curriculum) models used in both components in this category. These amounts are increased from the current FY 2001 amounts by from 4.4 percent for the Technical II model to 19.1 percent for General Studies I. The three General Studies models receive the largest increases, followed by the three Masters and Professional models.

Provides for the Student Services component by listing a different cost for each of the fourteen program expenditure models individually. Previously the formula for this component used the same cost for all fourteen models.

Creates a new program expenditure (curriculum) model, called the Blended MPD I model, to include the education and business masters-degree curriculums. These

As Introduced**As Passed by the House****Temporary Law Changes**

curriculums have been included in both masters and doctoral models. The new model, to be subsidized at a lower-than-doctoral level of allocation, is intended to keep these two curriculums' subsidies appropriate to their scholastic statuses and costs. It will also preserve funds for the true doctoral programs. As a transition, for the first two years the subsidy amount for this new model will be a blend of the masters and doctoral amounts. The addition of this new model increases the number of non-doctoral program expenditure models to fourteen.

As Introduced

As Passed by the House

Temporary Law Changes

Subject: Plant Operation and Maintenance (POM)

Section: 7.01

ALI: 235-501

Provides instructions and parameters for calculating the second of the two subsidy categories in the SSI allocation formula: Plant Operation and Maintenance (POM). This category has two components: the square-foot based subsidy and the activity-based subsidy.

For the square-foot based POM subsidy, for FY 2002 the bill provides little or no increase in the per-square-foot subsidy amounts for each of the seven types of space (classrooms, laboratories, offices, etc.). For FY 2003 the increases are 4.2 percent for each type of space.

For the activity-based POM subsidy, the bill increases, for each fiscal year, the subsidy amount for each of the fourteen non-doctoral program expenditure models. The increases among these models range from 3.2 percent to 29.1 percent for FY 2002 and from 3.2 percent to 16.9 percent for FY 2003. In general, the largest increases are given to the Masters and Professional II and III models; the smallest increases are given to the Baccalaureate I and III and the two Medical models.

Includes a hold-harmless provision in the calculation of the POM subsidy for each campus. The hold-harmless provision calls for the POM subsidy to be the greater of the square-foot-based POM subsidy component or the activity-

No change.

As Introduced**As Passed by the House****Temporary Law Changes**

based POM subsidy component of the core subsidy entitlement.

Deletes an exception to this hold-harmless provision. The exception says that the total activity-based POM subsidy will not exceed 161 percent of the square-foot based POM subsidy in fiscal year 2000 and will not exceed 177 percent of the square-foot-based subsidy in fiscal year 2001.

As Introduced

As Passed by the House

Temporary Law Changes

Subject: Calculation of Core Subsidy Entitlements**Section: 7.01****ALI: 235-501**

Describes the doctoral model subsidy calculation. The State Share of Instruction provides for doctoral students will be based on a fixed percentage of the total appropriation.

Specifies the maximum percentage of the State Share of Instruction that may be reserved for the funding of the two doctoral models' subsidies. For FY 2002 the maximum will be 10.34 percent; for FY 2003 it will be 10.25 percent. For FY 2001 the maximum is 10.75 percent. The subsidy is allocated to universities in proportion to their shares of doctoral enrollments in the recent past.

Sets the percentages that create the reallocation portion of the doctoral reserve. In FY 2002 the Board of Regents will reallocate 4 percent of the doctoral reserve (5 percent in FY 2003) among the state-assisted universities on the basis of a quality review as specified in the recommendations of the Graduate Funding Commission (which has conducted performance reviews of universities' doctoral programs). These reallocation amounts are to fund special investments in doctoral programs through a competitive process. For FY 2001 this reallocation amount is set at two percent of the doctoral reserve.

Changes the portion of the doctoral reserve that is reallocated based on quality reviews. The portion is reduced from 4 percent to zero percent in FY 2002 and from 5 percent to 2 percent in FY 2003.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: Annual Hold Harmless Provision****Section: 7.01****ALI: 235-501**

Includes language concerning the State Share of Instruction annual guarantee: For each of the fiscal years 2002 and 2003, a campus will receive not less than 100 percent of the SSI allocation it received in the previous fiscal year.

No change.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: Calculation of Core Subsidy Entitlements and Adjustments****Section: 7.01****ALI: 235-501**

Provides instructions and parameter values for several calculations in the subsidy allocation formula for the State Share of Instruction, including the uses of the student FTE's.

Describes certain exceptions to the normal application of the formula, such as the use of a different FTE in the calculation of the Medical II model, the use of all-terms vs. annualized FTE data, the use of the greater of the two components of the calculated POM subsidy amounts as a campus's POM subsidy, and the exceptions made for the calculation of the subsidies for the Doctoral I and II models, both the percentage of the total SSI earmarked for doctoral subsidies and the amounts of the doctoral reserves.

Contains two other adjustments to the formula's result: the annual hold harmless provision and the capital component deduction. These are described in other entries.

No change.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: Capital Component Deduction****Section: 7.01****ALI: 235-501**

Requires the appropriation to be distributed to each campus for which the estimated campus debt service attributable to new qualifying capital projects is less than the campus's formula-determined capital component allocation. Also restricts the uses of the campuses' proceeds from this appropriation: they may be used only for capital projects.

No change.

Subject: Reductions in Earnings**Section: 7.01****ALI: 235-501**

Requires that, if the campuses' total earned state subsidy should exceed the appropriation for the State Share of Instruction, then Regents will reduce each campus's share proportionately so that the system-wide total subsidy equals the available appropriation.

No change.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: Distribution of State Share of Instruction****Section: 7.01****ALI: 235-501**

Provides for the State Share of Instruction payments to the campuses to be made in "substantially equal monthly amounts during the fiscal year", unless the Director of Budget and Management determines otherwise. The first six months' payments will be based on estimated enrollments; the second six months' payments will be made after approval by the Controlling Board.

No change.

Subject: Exceptional Circumstances**Section: 7.01****ALI: 235-501**

Provides for the Board of Regents to adjust the State Share of Instruction payments to the campuses in order to allow for "exceptional circumstances".

No change.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: Law School Subsidy****Section: 7.01****ALI: 235-501**

Calls for the State Share of Instruction for law schools to be calculated by using the lesser of two different measures of the schools' full-time equivalent students.

No change.

Subject: Eminent Scholars Program**Section: 7.02****ALI: 235-451**

Specifies that the appropriation is to be used to address problems of "vital statewide significance" and to foster the growth in eminence of Ohio's academic programs. The program provides grants of \$750,000 (for science and technology) and \$500,000 (for other areas) to higher-education institutions to match endowment gifts from non-state sources. The grants are used by the campuses to attract and sustain scholar-leaders who will assist the state in improving Ohio's economic development, strengthening the state's system of K-12 education, and improving public health and safety.

No provision.

As Introduced

As Passed by the House

Temporary Law Changes

Subject: Jobs Challenge

Section: 7.02

ALI: 235-415

(1) Specifies that the Jobs Challenge appropriation is to be distributed to two-year campuses and other EnterpriseOhio Network campuses in support of their non-credit job-related training efforts. Specifies that \$2,836,620 in FY 2002 and \$2,893,352 are to be distributed to EnterpriseOhio Network campuses based on documented performance.

(2) Includes an earmark to provide incentive funds of \$2,500,000 in each fiscal year to EnterpriseOhio Network Campus/Adult Workforce Education Center Partnerships to promote and deliver coordinated and comprehensive training to local employers. These Board of Regents funds are to be matched by equal amounts from the Department of Education's appropriation item 200-514, Post-Secondary/Adult Vocational Education. The funds are to be provided to certified partnerships to offer training grants to eligible companies. An eligible company is one that meets the funding criteria of the Targeted Industries Training Grant Program.

(3) Gives a formal title to an earmark that supports training services at the two-year campuses in order to attract, develop, and retain companies strategically important to the state's economy. The new title is the Targeted Industries Training Grant Program. Earmarks \$4,198,694

(1) No change.

(2) Same as Executive, but reduces the earmark amounts to \$1,863,726 in FY 2002 and \$1,712,409 in FY 2003. Also changes the title of the Department of Education's appropriation item 200-514 from "Post-Secondary/Adult Vocational Education" to "Post-Secondary/Adult Career-Technical Education". This provision has no fiscal effect.

(3) Same as Executive, but reduces the earmark amounts to \$3,130,087 in FY 2002 and \$2,875,953 in FY 2003.

As Introduced

As Passed by the House

Temporary Law Changes

in each fiscal year for this program.

(4) Provides earmarks for a program, the Non-credit Incentives Grant Program, under which approximately one-third of the appropriation in each fiscal year is allocated in proportion to each campus's share of all campuses' non-credit job training revenues. The earmark amounts are \$4,012,812 in FY 2002 and \$5,299,259 in FY 2003.

(5) Provides an earmark calling for certain amounts of the appropriation to be distributed to EnterpriseOhio campuses based on each campus's documented performance according to criteria to be established by the Board of Regents. This replaces current language earmarking the funds under a performance contract requiring these campuses to demonstrate their capability to provide accessible and affordable training services to Ohio companies. The purpose of the program is to increase training and related services to businesses and public sector organizations. The earmark amounts are \$2,836,620 in FY 2002 and \$2,893,352 in FY 2003,

(4) Same as Executive, but reduces the earmark amounts to \$2,991,513 in FY 2002 and \$3,629,797 in FY 2003.

(5) Same as Executive, but reduces the performance-related distribution amounts to \$2,114,673 in FY 2002 and \$1,981,841 in FY 2003.

As Introduced

As Passed by the House

Temporary Law Changes

Subject: Access Challenge

Section: 7.02

ALI: 235-418

(1) Specifies that the appropriation is to be distributed to the access campuses in order to freeze instructional and general fees for resident lower-division undergraduates at their FY 2001 levels.

(2) No provision.

(3) Defines the access campuses as the two-year campuses and Cleveland State, Shawnee State and Central State universities, as well as specific technical colleges at Youngstown State University and the universities of Cincinnati and Akron.

(4) Specifies enrollment FTE adjustments for Youngstown State University and Cleveland State University for use in the calculation of the campus allocations of the Access Challenge appropriation.

(5) Provides a new method for the allocation of the Access Challenge appropriations to the eligible campuses by a formula that has each campus receiving an amount equal

(1) Same as Executive, but eliminates the requirement of a freeze of instructional and general fees.

(2) Limits resident lower-division undergraduate instructional and general fee increases to 3 percent per academic year.

(3) No change.

(4) Changes the enrollment adjustment method for Cleveland State University to make it the same as that for Youngstown State University

(5) No change.

As Introduced

As Passed by the House

Temporary Law Changes

to 4 percent of its subsidy-eligible lower-division FTE enrollments for the prior fiscal year, multiplied by the unweighted average of in-state undergraduate instructional and general fees for two-year campuses in FY 2001. Any remaining appropriation is to be allocated to each campus according to its share of the sum of FTE's used in the distribution of access funds in the prior fiscal year, as updated with the most recent FTE data available.

(6) Provides language specifying that the tuition restraints required by the Access Challenge will apply to lower-division undergraduates at the university regional campuses. However, the bill also includes language that requires the annual tuition increases for upper-division undergraduates at these campuses to be subject to the maximum allowed rates of increase authorized for the main campuses of these universities.

(7) States that the fee restraint provisions will not apply to campuses that do not receive an increase in Access Challenge allocations from one fiscal year to the next.

(8) States that the fee restraints or reductions will not apply in the case of a particular access campus if such application would impair the campus's compliance with institutional covenants related to the payment of debt charges on its bonds or notes issued prior to the (updated) date of July 1, 2001, or on bonds or notes for which a pledge of fees, or new agreement for the adjustment of fees, was approved prior to that date by the Board of Regents.

(6) No provision.

(7) No provision.

(8) No provision.

As Introduced

As Passed by the House

Temporary Law Changes

(9) For Central State and Shawnee State universities, provides language to the effect that the distribution method must consider the combined effects of Access Challenge appropriations and each institution's own supplemental appropriation when determining each campus's tuition restraint requirements. Further, these tuition restraints must be approved by the Office of Budget and Management.

(9) No provision.

Subject: Success Challenge**Section: 7.02****ALI: 235-420**

Specifies that the Success Challenge appropriation is to be used to promote degree completion by students enrolled at main campuses of state-assisted universities. Two-thirds of the appropriation will be distributed to campuses in proportion to their shares of the statewide total bachelor's degrees granted by those campuses to "at-risk" students. One-third of the appropriation will be distributed to campuses in proportion to their shares of the statewide total bachelor's degrees granted to students who completed their degrees in a "timely manner" in the previous fiscal year. The term "timely manner" normally means four years.

No change.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: Research Challenge****Section: 7.02****ALI: 235-454**

Specifies that the appropriation is intended to enhance the basic research capabilities of public higher education institutions. The appropriation is used to strengthen academic basic research toward the pursuit of Ohio's economic redevelopment goals by providing competitive grants that fractionally match funds obtained from external sources.

No change.

Subject: Computer Science Graduate Education**Section: 7.02****ALI: 235-554**

Names the appropriation item Computer Science Graduate Education (it is currently Priorities in Graduate Education). The appropriation is used to support improvements in graduate programs in computer science at state-assisted universities.

No change.

Earmarks up to \$200,000 in each fiscal year to be used to support collaborative efforts to improve graduate programs in computer science. This continues the prior earmark amount.

As Introduced

As Passed by the House

Temporary Law Changes

Subject: Higher Education - Board of Trustees

Sections: 7.03, 3345.35

(1) Provides language affecting the activities of the boards of trustees of state-assisted colleges and universities, chiefly with regard to the charging of tuitions and fees. The bill requires campuses to charge instructional and general fees to supplement the state subsidy. Campuses also may establish special fees to special categories of students.

(2) For both fiscal years, the bill imposes limits (caps) on tuition and fee increases at main campuses of universities: 6 percent in an academic year, and 4 percent in a single vote of a board of trustees. These limits had also been imposed for the FY 2000-FY 2001 biennium.

(3) In other provisions, boards of trustees may not waive tuitions or fees without the approval of the Chancellor; the campus must separately identify the tuitions, fees, charges and surcharges to its students; campuses faculty members are expected to devote a "proper and judicious part" of their time to teaching; and boards may consult with student and faculty groups but retain an exclusive prerogative over administrative decisions.

(1) No change.

(2) Same as Executive, but limits the effective period to FY 2002 only. The caps will not apply in FY 2003.

(3) No change.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: OSU Limited Tuition Cap Exemption****Section: 7.03**

(1) Allows the Ohio State University board of trustees to authorize an additional tuition increase for FY 2002 and FY 2003 over the amounts charged in prior years. These increases are in addition to the 6 percent per year main-campus in-state undergraduate tuition and fee increase limit. The additional increase may be of "no more than a \$4 per credit hour per quarter increase, or \$144 for a full-time student for an academic year".

(2) The amount of the increase must be used "exclusively to enhance undergraduate education", including "increased financial aid for undergraduate students and improvements in academic programming and support services for undergraduate students pursuant to a plan approved by the board of trustees of the Ohio State University". Further, the Ohio State University "shall ensure that the additional increase above the six per cent main campus in-state undergraduate instructional and general fee do not limit access to academically qualified financial aid-eligible students".

(1) Same as Executive, but eliminates the OSU exemption for FY 2003. Thus, the OSU exemption is available for FY 2002 only.

(2) No change.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: Medical School Subsidies****Section: 7.04**

Provides instructions and earmarks regarding the several appropriation items in the Board of Regents' Medical Support program series.

Limits the subsidy for the Case Western Reserve School of Medicine to no more than the level given to state-supported medical schools. The main medical school subsidies are to be distributed by the Board of Regents. The OSU Clinic Support appropriation item will be divided between the veterinary and dental colleges. And Regents is to develop and maintain plans for the disbursements of funds in several appropriation items.

Provides one earmark under this subject heading:
(1) To Wright State University, for its operation of the Ellis Institute's clinic to serve greater Dayton: \$160,000 in each fiscal year

No change.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: Performance Standards for Medical Education****Section: 7.04**

Requires the Board of Regents to develop performance standards for medical education, with emphasis on ensuring that at least 50 percent of medical students enter residency as primary-care physicians. Regents will monitor the schools' performances. This continues past policy requirements.

No change.

Reduces a medical school's funding from the appropriation by 5 percent if the school has not provided a plan to Regents for the use of the funds.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: Area Health Education Centers****Section: 7.04****ALI: 235-474**

Provides language calling for the appropriation to be used to support the medical school regional area health centers' educational programs.

No change.

Provides two earmarks:

(1) Ohio University's College of Osteopathic Medicine: \$200,000 in each fiscal year

(2) Ohio Valley Community Health Information Network (OVCHIN) project: \$150,000 in each fiscal year

Subject: Midwest Higher Education Compact**Section: 7.05****ALI: 235-408**

Requires the appropriation to be distributed pursuant to section 3333.40 of the Revised Code. This Code section concerns the compact alone, which was established among Midwestern states to provide greater higher education opportunities and services in the Midwestern region.

No change.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: College Readiness Initiatives****Section: 7.05****ALI: 235-404**

Requires the appropriation to be used to support programs that improve the ability of high school students to enroll and succeed in higher education.

No change.

Subject: Mathematics and Science Teaching Improvement**Section: 7.05****ALI: 235-403**

Requires the appropriation to support programs that raise the quality of mathematics and science teaching in primary and secondary education.

No change.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: Ohio Learning Network****Section: 7.05****ALI: 235-417**

Requires the appropriation to support the continued implementation of the Ohio Learning Network. The title of this appropriation item had been Technology.

No change.

Subject: Displaced Homemakers**Section: 7.05****ALI: 235-509**

Requires the appropriation to continue funding several pilot projects that assist single parents to attend college. The centers that will receive funds are Cuyahoga Community College, University of Toledo, Southern State Community College, and Stark Technical College.

No change.

Provides an earmark:

(1) Baldwin Wallace's Single Parents Reaching Out for Unassisted Tomorrows program: \$30,000 in each fiscal year

As Introduced

As Passed by the House

Temporary Law Changes**Subject: Ohio Aerospace Institute****Section: 7.05****ALI: 235-527**

Requires the appropriation to be distributed to the institute according to Revised Code section 3333.042.

No change.

As Introduced

As Passed by the House

Temporary Law Changes

Subject: Productivity Improvement Challenge

Section: 7.05

ALI: 235-455

Specifies that the nominal recipient of the Productivity Improvement Challenge appropriations will be the EnterpriseOhio Network itself instead of the network's Business and Industry Training Centers. The centers are located at Ohio's two-year campuses. Further, rather than using the funds just for activities developed through the network, the language states that the funds will be used to support multi-campus collaboration and best-practice dissemination, in addition to the currently stated capacity-building.

Provides an earmark:

(1) Sinclair College's job profiling program: \$208,000 in each fiscal year

No change.

As Introduced

As Passed by the House

Temporary Law Changes

Subject: Access Improvement Projects

Section: 7.05

ALI: 235-477

Requires the appropriation to be used to develop innovative statewide strategies to increase student access and retention for specialized populations and to provide for pilot access projects.

Provides earmarks:

(1) The Appalachian Center for Higher Education at Shawnee State University: \$740,000 in each fiscal year. In addition, the bill allows the Board of Regents to appoint additional members to the board of directors of the center.

(2) No provision.

(3) No provision.

Same as Executive, but adds two earmarks:

(1) No change.

(2) The University of Rio Grande Site Improvement Planning project: \$50,000 in fiscal year 2002

(3) The Access Appalachia Project: \$135,000 in fiscal year 2002

As Introduced

As Passed by the House

Temporary Law Changes

Subject: Ohio Supercomputer Center

Section: 7.05

ALI: 235-510

Requires the appropriation to support the operation of the Ohio Supercomputer Center. The center's policies are established by a governance committee representative of Ohio's research universities and private industry. Members are appointed by the Chancellor.

No change.

Subject: Ohio Academic Resources Network (OARNET)

Section: 7.05

ALI: 235-556

Requires the appropriation to support the operations of the network, including support for higher education institutions' network connections.

No change.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: Pledge of Fees****Section: 7.06**

Requires that any new pledge of fees made by a higher education institution in the new biennium to secure bonds must be approved by the Board of Regents. This continues past policy.

No change.

Subject: Higher Education General Obligation Debt Service**Section: 7.06****ALI: 235-909**

Includes a paragraph, under the heading Higher Education General Obligation Debt Service, to accommodate the inclusion of general obligation debt among the Board of Regents' financing methods for campuses' capital projects. The paragraph calls for the appropriation under the new appropriation item 235-909, Higher Education General Obligation Debt Service, to be used to pay all required debt service during the biennium. The Office of the Sinking Fund or the Director of Budget and Management is to make the payments by interstate transfer vouchers.

No change.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: Lease Rental Payments****Section: 7.06****ALI: 235-401**

Provides language, under the heading Lease Rental Payments, to the effect that the appropriation item 235-401, Lease Rental Payments, will be used to meet all required payments during the biennium. However, for the current biennium the total payments are limited to the aggregate amount of \$563,969,000 (which equals the biennial appropriation for the appropriation item).

(This appropriation item is currently called Rental Payments to the Ohio Public Facilities Commission.)

No change.

As Introduced

As Passed by the House

Temporary Law Changes

Subject: Ohio Instructional Grants

Sections: 7.07, 3333.12

ALI: 235-503

Provides a program of higher education grants to students with families below certain thresholds of gross income.

The bill also overrides, for FY 2002 only, the six permanent-law tables of OIG maximum grant amounts as updated by the bill. The six replacement tables in temporary law provide for lower grant amounts for FY 2002 than those provided in the permanent-law versions of the tables. This enables the increase of the grant amounts in two steps from the FY 2001 amounts up to the FY 2003 (i.e., permanent-law) amounts.

The bill provides the set of six tables of maximum grant amounts. There are two types of students: financially dependent and financially independent. For each type of student there are three types of higher educational institutions: private, proprietary and state-assisted. The combinations produce six tables of maximum grant amounts, based on income level and number of family dependents. The bill revises upward the maximum gross family incomes under which students are eligible for OIG's: \$38,000 for a student who is financially dependent and \$35,000 for one who is independent, except that, for state-assisted institutions, the maximum is \$38,000 for both types of students. The bill also revises upward the tables' maximum grant amounts.

Same as Executive, but makes a technical change to one of the six tables, several erroneous grant amounts are corrected. This provision has no fiscal effect.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: War Orphans Scholarships****Section: 7.07****ALI: 235-504**

Requires the appropriation to provide reimbursements and grants to state-assisted institutions that provide waivers of tuitions and fees and other benefits to war orphans.

No change.

Subject: Part-time Student Instructional Grants**Section: 7.07****ALI: 235-549**

Requires the appropriation to support the grant program for part-time undergraduate students who are Ohio residents and who are enrolled in degree-granting programs. The grants are awarded on the basis of need.

No change.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: Capitol Scholarship Programs****Section: 7.08****ALI: 235-518**

Requires the appropriation to support 125 scholarships of \$2,000 each in each fiscal year for higher education students to participate in the Washington Center Internship Program.

No provision.

Subject: Student Choice Grants**Section: 7.08****ALI: 235-531**

Requires the appropriation to support the Student Choice Grant Program, under section 3333.27 of the Revised Code.

No change.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: Academic Scholarships****Section: 7.08****ALI: 235-530**

Provides scholarships under section 3333.22 of the Revised Code.

Includes language giving the purpose of the appropriation, which is to provide academic scholarships to students pursuant to the same section 3333.22. The annual scholarship amount will be \$2,000 for each year of the biennium.

Same as Executive, but changes the amounts of the scholarships to \$2,100 in FY 2002 and \$2,205 in FY 2003. This provision has no fiscal effect.

Subject: Physician Loan Repayment**Section: 7.08****ALI: 235-604**

Requires the appropriation to be distributed according to sections 3702.71-3702.81 of the Revised Code, which provides for the state to repay the education loans of medical students who choose to become primary-care physicians in certain areas of the state.

No change.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: Nursing Loan Program****Section: 7.08****ALI: 235-606**

Requires the appropriation to support the administration of the program.

Provides an earmark:
(1) Operating expenses: \$159,600 in FY 2002 and \$167,580 in FY 2003.

No change.

As Introduced

As Passed by the House

Temporary Law Changes

Subject: Cooperative Extension Service

Section: 7.09

ALI: 235-511

Funds the Ohio State University Cooperative Extension Service.

No change.

Provides several earmarks at the same levels as for FY 2001:

(1) County agent staffing: \$210,000 in each fiscal year

(1) No change.

(2) Enterprise Center for Economic Development: \$210,000 in each fiscal year

(2) No change.

(3) Farm labor mediation and education: \$65,000 in each fiscal year

(3) No change.

(4) OSU Marion Enterprise Center: \$215,000 in each fiscal year

(4) No change.

(5) Ohio Watersheds Initiative: \$910,500 in each fiscal year

(5) No change.

As Introduced

As Passed by the House

Temporary Law Changes

Subject: Ohio Agricultural Research and Development Center

Section: 7.09

ALI: 235-535

Provides an appropriation to support the center.

Same as Executive, but changes the appropriation item name "Agricultural Research and Development Center" to "Ohio Agricultural Research and Development Center". This provision has no fiscal effect.

Provides several earmarks at their FY 2001 levels:

(1) Piketon Agricultural Research and Development Center: \$950,000 in each fiscal year

(1) No change.

(2) Raspberry/Strawberry Ellagic Acid Research program: \$250,000 in each fiscal year

(2) No change.

(3) Ohio Berry Administrator: \$50,000 in each fiscal year

(3) No change.

(4) Crop development: \$100,000 in each fiscal year

(4) No change.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: Cooperative Extension Service and OARDC****Section: 7.09**

Requires the payments under both appropriation items 235-511, Cooperative Extension Service, and 235-535, Agricultural Research and Development Center (OARDC), to be made monthly by the Board of Regents to the Ohio State University. This continues past requirements.

Provides an exemption: the OARDC will not be required to pay OSU for cost reallocation assessments on state appropriations to the center

Provides an earmark at the same level as in FY 2001:
(1) For the purchase of equipment: \$540,000 in each fiscal year

Same as Executive, but changes the appropriation item name "Agricultural Research and Development Center" to "Ohio Agricultural Research and Development Center". This provision has no fiscal effect.

Subject: Student Support Services**Section: 7.10****ALI: 235-502**

Requires the appropriation to be distributed to institutions that incur disproportionate costs in the provision of support services to disabled students.

No change.

As Introduced

As Passed by the House

Temporary Law Changes

Subject: Central State Supplement

Section: 7.10

ALI: 235-514

Requires the entire appropriation to be used to keep the campus's undergraduate fees below the statewide average.

No change.

Subject: Sea Grants

Section: 7.10

ALI: 235-402

Requires the appropriation to be disbursed to the Ohio State University for the conduct of research on fish in Lake Erie.

No change.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: Information System****Section: 7.10****ALI: 235-409**

Provides that the appropriation item 235-409, Information System, will be used to "operate the Higher Education Information System".

No change.

Subject: Shawnee State Supplement**Section: 7.10****ALI: 235-520**

Requires the university to use the appropriation to (A) keep its undergraduate fees below the statewide average and (B) employ new faculty to develop and teach new degree programs that meet the needs of Appalachia.

No change.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: Police and Fire Protection****Section: 7.10****ALI: 235-524**

Provides at least \$5,000 per fiscal year to each of several municipalities to assist in providing police and fire protection for the central campus of the state-affiliated university located within the municipality.

No change.

As Introduced

As Passed by the House

Temporary Law Changes

Subject: School of International Business

Section: 7.10

ALI: 235-547

Provides several earmarks at the same levels as in FY 2001:

(1) The University of Akron's School of International Business: \$1,243,637 in each fiscal year

(2) The University of Toledo's International Business Institute: \$250,000 in each fiscal year

(3) The Ohio State University's MUCIA program: \$250,000 in each fiscal year

Reduces the amounts of the earmarks to meet the reduced amount of the appropriation, as follows:

(1) Reduces the earmark to \$1,218,764 in each fiscal year

(2) Reduces the earmark to \$245,000 in each fiscal year. Also changes the recipient of one of the earmarks from the University of Toledo International Business Institute to the University of Toledo College of Business. Adds explanatory language to the effect that this earmark is to be used to expand that college's international business programs.

(3) Reduces the earmark to \$245,000 in each fiscal year

These provisions have no fiscal effect.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: Dayton Area Graduate Studies Institute****Section: 7.10****ALI: 235-553**

Requires the appropriation to support the institute, which is an engineering graduate consortium of three universities in the Dayton area.

No change.

Subject: Long-term Care Research**Section: 7.10****ALI: 235-558**

Requires the appropriation to be distributed to Miami University for long-term care research.

No change.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: Capital Component****Section: 7.10****ALI: 235-552**

Requires Board of Regents to implement the capital funding policy for state-assisted colleges and universities established in Am. H.B. 748 of the 121st General Assembly. These moneys are restricted to capital related purposes.

No change.

Subject: Bowling Green State University Canadian Studies Center**Section: 7.10****ALI: 235-561**

Requires the appropriation to be used by Bowling Green State University to study opportunities for Ohio and Ohio business to benefit from the Free Trade Agreement.

No change.

As Introduced

As Passed by the House

Temporary Law Changes

Subject: Urban University Programs

Section: 7.10

ALI: 235-583

Provides this appropriation item whose funds are dedicated completely to earmarks. The bill also specifies that universities receiving funds to support ongoing programs must certify periodically that program funds are being matched on a one-to-one basis with equivalent continuing resources. The funds must be substantially under the control of the university's designated Urban University Program representative.

Provides several earmarks:

(1) Requires a specified amount of funds to be distributed in each fiscal year to Cleveland State University in support of the Maxine Goodman Levin College of Urban Affairs (currently in support of the Urban Center of the College of Urban Affairs). The earmarked amount is \$2,200,643 in each fiscal year.

(2) Requires a specified amount of funds to be distributed in each fiscal year among the Northeast Ohio Research Consortium (currently the Northeast Ohio Interinstitutional Research Program), the Urban Linkages Program, and the Urban Research Technical Assistance Grant Program. The earmarked amount is \$2,200,643 in each fiscal year. Includes a requirement that the allocation of funds among the three programs be determined by the chairman of the Urban University Program.

Same as Executive, but reduces the amounts of the earmarks to meet the reduced appropriation, as follows:

(1) Earmark reduced to \$2,156,629 in each fiscal year.

(2) Earmark reduced to \$2,156,630 in each fiscal year.

As Introduced

As Passed by the House

Temporary Law Changes

(3) Cleveland State University's public communication outreach program (WCPN): \$380,000 in each fiscal year (same amounts as for FY 2001)

(3) Earmark reduced to \$372,400 in each fiscal year.

(4) Cleveland State University's Center for the Interdisciplinary Study of Education and the Urban Child: \$180,000 in each fiscal year (same amounts as for FY 2001)

(4) Earmark reduced to \$176,400 in each fiscal year.

(5) Kent State University's Learning and Technology Project: \$260,000 in each fiscal year (same amounts as for FY 2001)

(5) Earmark reduced to \$254,800 in each fiscal year.

(6) Kent State University's Ameritech Classroom/Center for Research: \$100,000 in each fiscal year (same amounts as for FY 2001)

(6) Earmark reduced to \$98,000 in each fiscal year.

(7) The University of Akron's Polymer Distance Learning Project: \$1,000,000 in each fiscal year (same amounts as for FY 2001)

(7) Earmark reduced to \$980,000 in each fiscal year.

(8) Kent State University's Cleveland Design Center Program: \$50,000 in each fiscal year (same amounts as for FY 2001)

(8) Earmark reduced to \$49,000 in each fiscal year.

(9) The University of Akron's Bliss Institute: \$250,000 in each fiscal year (same amounts as for FY 2001)

(9) Earmark reduced to \$245,000 in each fiscal year.

(10) The University of Akron's Advancing-Up Program: \$15,000 in each fiscal year (same amounts as for FY 2001)

(10) Earmark reduced to \$14,700 in each fiscal year.

As Introduced

As Passed by the House

Temporary Law Changes

These provisions have no fiscal effect.

Subject: International Center for Water Resources Development**Section: 7.10****ALI: 235-595**

Requires the appropriation to support the center, located at Central State University.

No change.

As Introduced

As Passed by the House

Temporary Law Changes

Subject: Rural University Projects

Section: 7.10

ALI: 235-587

Provides for this appropriation item's funds to be dedicated completely to earmarks.

Provides several earmarks:

(1) Bowling Green State University's Center for Policy Analysis and Public Service (currently "the public administration program"): \$216,400 in each fiscal year

(2) Ohio University's Institute for Local Government Administration and Rural Development: \$756,099 in each fiscal year

(3) Miami University's Center for Public Management and Regional Affairs: \$331,125 in each fiscal year

(4) Washington State Community college's day care center: \$25,000 in each fiscal year

(5) OAD/ILGARD/GOA Appalachian Leadership Initiative: \$75,000 in each fiscal year

Also provides a sub-earmark that requires a small portion of the Ohio University earmark to be used for the Institute for Local Government Administration and Rural Development's State and Rural Partnership with the

Same as Executive, but reduces the amounts of the earmarks to meet the reduced appropriation, as follows:

(1) Earmark reduced to \$212,072 in each fiscal year

(2) Earmark reduced to \$740,977 in each fiscal year

(3) Earmark reduced to \$324,503 in each fiscal year

(4) Earmark reduced to \$24,500 in each fiscal year

(5) Earmark reduced to \$73,500 in each fiscal year

These provisions have no fiscal effect.

As Introduced

As Passed by the House

Temporary Law Changes

Governor's Office of Appalachia and the Appalachian delegation of the General Assembly.

Subject: Ohio Resource Center for Mathematics, Science, and Reading

Section: 7.10

ALI: 235-588

Requires the appropriation to support a resource center for mathematics, science and reading to be located at a state-assisted university for the purpose of identifying best educational practices in primary and secondary schools and establishing methods for communicating them to colleges of education and school districts. The location of the center has been selected; it will be at the Ohio State University in Columbus, with offices at the National Eisenhower Clearing House.

No change.

Subject: Hazardous Materials Program

Section: 7.10

ALI: 235-596

Requires the appropriation to support a program to certify Ohio firefighters for the handling of hazardous materials.

No change.

As Introduced

As Passed by the House

Temporary Law Changes**Subject: National Guard Scholarship Program****Section: 7.10****ALI: 235-599**

Requires the appropriation to be disbursed by the Board of Regents at the direction of the Adjutant General. The Adjutant General administers the program, while Regents is the fiscal manager.

No change.

Subject: Ohio Higher Educational Facility Commission Support**Section: 7.10****ALI: 235-602**

Requires the appropriation to be used for operating expenses related to the Board of Regents' support of the activities of the HEFC. The Director of Budget and Management will transfer up to \$12,000 in each fiscal year from Fund 461 to Fund 4E8 for this purpose.

No change.

As Introduced

As Passed by the House

Temporary Law Changes

Subject: Breakthrough Investments: Ohio Plan Study Committee

Section: 7.11

ALI: 235-426

(3) Establishes the Ohio Plan and requires the appropriation to be used by the Board of Regents to promote economic growth through research, development and commercialization initiatives in the fields of biotechnology, nanotechnology and information technology. Calls for the Board of Regents to collaborate with the Technology Action Board in the administration of the program to ensure the implementation of a coherent state strategy with respect to science and technology investments.

(2) No provision.

(1) No provision. The appropriation item, which provided \$10 million in FY 2002 and \$30 million in FY 2003, is also deleted.

(2) Establishes the Ohio Plan Study Committee, which is to determine appropriate ways to fund the Ohio Plan for Technology and Development. Administrative support for the committee is to be provided by the Board of Regents. The committee is to report to the Governor and the General Assembly by December 31, 2001, after which it will cease to exist. This provision has no fiscal effect.

As Introduced

As Passed by the House

Temporary Law Changes

Subject: Breakthrough Investments: Appalachian New Economy Partnership

Section: 7.11

ALI: 235-428

Describes the use of the appropriation under the new appropriation item 235-428, Appalachian New Economy Partnership. This program is to begin a multi-campus and multi-agency coordinated effort under the leadership of Ohio University to link Appalachia to the new economy.

No change.

Subject: Repayment of Research Facility Investment Fund Moneys

Section: 7.12

Requires all repayments of Research Facility Investment fund loans to be made to the Bond Service Trust Fund; and requiring all repayments made prior to the effective date of this section to be transferred by the Director of Budget and Management to the Bond Service Trust Fund.

No change.

Requires campuses to make timely repayments of Research Facility Investment fund loans according to a schedule established by the Board of Regents. In case a campus's payment is overdue, Regents may deduct the amount of the payment from the campus's periodic subsidy distribution and credit the campus for the repayment,

As Introduced

As Passed by the House

Temporary Law Changes**Subject: Veterans' Preferences****Section: 7.12**

Requires the Board of Regents to work with the Governor's Office of Veterans' Affairs to develop specific veterans' preference guidelines for higher education institutions. The guidelines must ensure that these institutions' hiring practices are in accordance with the intent of Ohio's veterans' preference laws.

No change.

Subject: Central State University**Section: 7.13**

Provides fiscal standards and instructions for Central State University for its operations under the Office of Budget and Management's fiscal oversight.

No change.