

220	235-614	Program Approval and Reauthorization	\$	800,000	\$	800,000
456	235-603	Sales and Services	\$	700,000	\$	700,000
TOTAL GSF General Services Fund Group			\$	1,500,000	\$	1,500,000
Federal Special Revenue Fund Group						
3BG	235-626	Star Schools	\$	2,980,865	\$	2,990,746
3H2	235-608	Human Services Project	\$	3,000,000	\$	3,000,000
3H2	235-622	Medical Collaboration Network	\$	3,346,144	\$	3,346,144
3N6	235-605	State Student Incentive Grants	\$	2,196,680	\$	2,196,680
3T0	235-610	National Health Service Corps - Ohio Loan Repayment	\$	250,000	\$	250,000
312	235-609	Tech Prep	\$	183,850	\$	183,850
312	235-611	Gear-up Grant	\$	3,300,000	\$	3,300,000
312	235-612	Carl D. Perkins Grant/Plan Administration	\$	112,960	\$	112,960
312	235-617	Improving Teacher Quality Grant	\$	3,200,000	\$	3,200,000
312	235-621	Science Education Network	\$	1,686,970	\$	1,686,970
TOTAL FED Federal Special Revenue Fund Group			\$	20,257,469	\$	20,267,350
State Special Revenue Fund Group						
4E8	235-602	Higher Educational Facility Commission Administration	\$	50,000	\$	45,000
4P4	235-604	Physician Loan Repayment	\$	476,870	\$	476,870
649	235-607	The Ohio State University Highway/Transportation Research	\$	760,000	\$	760,000
682	235-606	Nursing Loan Program	\$	893,000	\$	893,000
5DT	235-627	American Diploma Project	\$	250,000	\$	0
TOTAL SSR State Special Revenue Fund Group			\$	2,429,870	\$	2,174,870
TOTAL ALL BUDGET FUND GROUPS			\$	2,797,445,876	\$	2,885,851,143

SECTION 375.10.10. OPERATING EXPENSES

Of the foregoing appropriation item 235-321, Operating Expenses, up to \$150,000 in each fiscal year shall be used in conjunction with funding provided in the Department of Education budget under appropriation item 200-427, Academic Standards, to fund the operations of Ohio's Partnership for Continued Learning. The Partnership shall advise and make recommendations to promote collaboration among relevant state entities in an effort to help local communities develop coherent and successful "P-16" learning systems. Upon requesting and receiving approval from the Controlling Board, the Director of Budget and Management may transfer any unencumbered fiscal year 2008 balance to fiscal year 2009 to support the activities of the Partnership.

SECTION 375.10.20. LEASE RENTAL PAYMENTS

The foregoing appropriation item 235-401, Lease Rental Payments, shall be used to meet all payments at the times they are required to be made during the period from July 1, 2007, to June 30, 2009, by the Board of Regents under leases and agreements made under section 154.21 of the Revised Code. These appropriations are the source of funds pledged for bond service charges or obligations issued pursuant to Chapter 154. of the Revised Code.

SECTION 375.10.30. SEA GRANTS

The foregoing appropriation item 235-402, Sea Grants, shall be disbursed to the Ohio State University and shall be used to conduct research on fish in Lake Erie.

SECTION 375.10.40. ARTICULATION AND TRANSFER

The foregoing appropriation item 235-406, Articulation and Transfer, shall be used by the Board of Regents to maintain and expand the work of the Articulation and Transfer Council to develop a system of transfer policies to ensure that students at state institutions of higher education can transfer and have coursework apply to their majors and degrees at any other state institution of higher education without unnecessary duplication or institutional barriers under sections 3333.16, 3333.161, and 3333.162 of the Revised Code. The Board of Regents shall, in consultation with the Governor and the Department of Education, convene a work group to establish coursework for content knowledge and teacher competencies for early care and education degrees to support articulation and transfer of coursework, certifications, and credit earned across state-supported institutions of higher education.

Of the foregoing appropriation item 235-406, Articulation and Transfer, \$200,000 in each fiscal year shall be used to support the work of the Articulation and Transfer Council under division (B) of section 3333.162 of the Revised Code.

SECTION 375.10.50. MIDWEST HIGHER EDUCATION COMPACT

The foregoing appropriation item 235-408, Midwest Higher Education Compact, shall be distributed by the Board of Regents under section 3333.40 of the Revised Code.

SECTION 375.10.60. INFORMATION SYSTEM

The foregoing appropriation item 235-409, Information System, shall be used by the Board of Regents to operate the higher education information data system known as the Higher Education Information System.

SECTION 375.10.70. STATE GRANTS AND SCHOLARSHIP ADMINISTRATION

The foregoing appropriation item 235-414, State Grants and Scholarship Administration, shall be used by the Board of Regents to administer the following student financial aid programs: Ohio Instructional Grants, Ohio College Opportunity Grant, Ohio Student Choice Grant, Ohio Academic Scholarship, Ohio War Orphans' Scholarship, Nurse Education Assistance Loan Program, Regents Graduate/Professional Fellowship, Ohio Safety Officers College Memorial Fund, Capitol Scholarship Program, and any other student financial aid programs created by the General Assembly. The appropriation item also shall be used to administer the federal Leveraging Educational Assistance Partnership (LEAP) and Special Leveraging Educational Assistance Partnership (SLEAP) programs and other student financial aid programs created by Congress and to provide fiscal services for the Ohio National Guard Scholarship Program, the Physician Loan Repayment Program, and the Dentist Loan Repayment Program.

SECTION 375.10.80. JOBS CHALLENGE

Funds appropriated to the foregoing appropriation item 235-415, Jobs Challenge, shall be distributed to state-assisted community and technical colleges, regional campuses of state-assisted universities, and other organizationally distinct and identifiable member campuses of the EnterpriseOhio Network in support of noncredit job-related training. In each fiscal year, \$2,770,773 shall be distributed as performance grants to EnterpriseOhio Network campuses based upon each campus's documented performance according to criteria established by the Board of Regents for assessment, training, and related services to businesses, industries, and public sector organizations.

Of the foregoing appropriation item 235-415, Jobs Challenge, \$2,819,345 in each fiscal year shall be allocated to the Targeted Industries Training Grant Program to attract, develop, and retain business and industry strategically important to the state's economy and regional priorities.

Of the foregoing appropriation item 235-415, Jobs Challenge, \$3,758,182 in each fiscal year shall be allocated to the Higher Skills Incentives Program to promote and deliver coordinated assessment and comprehensive training to local employers and to reward EnterpriseOhio Network campuses for the amount of non-credit skill upgrading services provided to Ohio employers and employees. The funds shall be distributed to campuses in proportion to each campus's share of noncredit job-related training revenues received by all campuses for the previous fiscal year.

SECTION 375.10.90. OHIO LEARNING NETWORK

The foregoing appropriation item 235-417, Ohio Learning Network, shall be used by the Board of Regents to support the continued implementation of the Ohio Learning Network, a statewide collaborative that delivers adult education including degree completion, workforce training, and professional development using online and distance education initiatives. The funds shall be used by the Ohio Learning Network to develop and promote learning and assessment through the use of technology, to test and provide advice on emerging learning-directed technologies, and to facilitate cost-effectiveness through shared educational technology investments.

SECTION 375.20.10. ACCESS CHALLENGE

The foregoing appropriation item 235-418, Access Challenge, shall be distributed to Ohio's state-assisted access colleges and universities. For the purposes of this allocation, "access campuses" includes state-assisted community colleges, state community colleges, technical colleges, Shawnee State University, Central State University, Cleveland State University, the regional campuses of state-assisted universities, and, where they are organizationally distinct and identifiable, the community-technical colleges located at the University of Cincinnati, Youngstown State University, and the University of Akron.

The purpose of Access Challenge is to reduce the student share of costs for resident undergraduates enrolled in lower division undergraduate courses at Ohio's access campuses. The long-term goal is to make the student share of costs for these students equivalent to the student share of costs for resident undergraduate students enrolled throughout Ohio's public colleges and universities. Access Challenge appropriations shall be used to sustain, as much as possible, the tuition restraint or tuition reduction that was achieved with Access Challenge allocations in prior years. Access campuses

shall disclose, in their tuition billing statements to students, the amount of tuition subsidized by state Access Challenge subsidies.

In fiscal year 2008, Access Challenge subsidies shall be distributed by the Board of Regents to eligible access campuses on the basis of the average of each campus's share of fiscal year 2005 and 2006 all-terms subsidy-eligible General Studies FTEs. In fiscal year 2009, Access Challenge subsidies shall be distributed by the Board of Regents to eligible access campuses on the basis of the average of each campus's share of fiscal year 2006 and 2007 all-terms subsidy-eligible General Studies FTEs.

For purposes of this calculation, Cleveland State University's enrollments shall be adjusted by the ratio of the sum of subsidy-eligible lower-division FTE student enrollments eligible for access funding to the sum of subsidy-eligible General Studies FTE student enrollments at Central State University and Shawnee State University, and for the following universities and their regional campuses: the Ohio State University, Ohio University, Kent State University, Bowling Green State University, Miami University, the University of Cincinnati, the University of Akron, and Wright State University.

SECTION 375.20.20. SUCCESS CHALLENGE

The foregoing appropriation item 235-420, Success Challenge, shall be used by the Board of Regents to promote degree completion by students enrolled at a main campus of a state-assisted university.

Of the foregoing appropriation item 235-420, Success Challenge, 66.67 per cent of the appropriation in each fiscal year shall be distributed to state-assisted university main campuses in proportion to each campus's share of the total statewide bachelor's degrees granted by university main campuses to "at-risk" students. In fiscal years 2008 and 2009, an "at-risk" student means any undergraduate student who was eligible to receive an Ohio need-based financial aid award during the past ten years. An eligible institution shall not receive its share of this distribution until it has submitted a plan that addresses how the subsidy will be used to better serve at-risk students and increase their likelihood of successful completion of a bachelor's degree program. The Board of Regents shall disseminate to all state-supported institutions of higher education all such plans submitted by institutions that received Success Challenge funds.

Of the foregoing appropriation item 235-420, Success Challenge, 33.33 per cent of the appropriation in each fiscal year shall be distributed to university main campuses in proportion to each campus's share of the total bachelor's degrees granted by university main campuses to undergraduate

students who completed their bachelor's degrees in a "timely manner" in the previous fiscal year. For purposes of this section, "timely manner" means the normal time it would take for a full-time degree-seeking undergraduate student to complete the student's degree. Generally, for such students pursuing a bachelor's degree, "timely manner" means four years. Exceptions to this general rule shall be permitted for students enrolled in programs specifically designed to be completed in a longer time period. The Board of Regents shall collect data to assess the timely completion statistics by university main campuses.

SECTION 375.20.30. APPALACHIAN NEW ECONOMY PARTNERSHIP

The foregoing appropriation item 235-428, Appalachian New Economy Partnership, shall be distributed to Ohio University to continue a multi-campus and multi-agency coordinated effort to link Appalachia to the new economy. Ohio University shall use these funds to provide leadership in the development and implementation of initiatives in the areas of entrepreneurship, management, education, and technology.

SECTION 375.20.40. ECONOMIC GROWTH CHALLENGE

The foregoing appropriation item 235-433, Economic Growth Challenge, shall be used to enhance the basic research capabilities of Ohio's public and private institutions of higher education, support improved doctor of philosophy degree programs throughout the state, and promote the transfer of technology developed by Ohio colleges and universities to private industry to further the economic goals of the state in collaboration with the Third Frontier Project.

Of the foregoing appropriation item 235-433, Economic Growth Challenge, \$12,000,000 in each fiscal year shall be used for the Research Incentive Program to enhance the basic research capabilities of public colleges and universities and accredited Ohio institutions of higher education holding certificates of authorization issued under section 1713.02 of the Revised Code, in order to strengthen academic research for pursuing Ohio's economic development goals. The Board of Regents, in consultation with the colleges and universities, shall administer the Research Incentive Program and utilize a means of matching, on a fractional basis, external funds attracted in the previous year by institutions for basic research. The program may include incentives for increasing the amount of external research funds coming to eligible institutions and for focusing research

efforts upon critical state needs. Colleges and universities shall submit for review and approval to the Board of Regents plans for the institutional allocation of state dollars received through the program. The institutional plans shall provide the rationale for the allocation in terms of the strategic targeting of funds for academic and state purposes, for strengthening research programs, for increasing the amount of external research funds, and shall include an evaluation process to provide results of the increased support. Institutional plans for the use of Research Incentive funding must demonstrate a significant investment in Third Frontier activities funded at the institution. For a college or university with multiple Third Frontier grants, as much as ten per cent of that institution's Research Incentive funding may be invested in Third Frontier Project-related activities. Each institutional plan for the investment of Research Incentive moneys shall report on existing, planned, or possible relationships with other state science and technology programs and funding recipients in order to further ongoing statewide science and technology collaboration objectives. The Board of Regents shall submit a biennial report of progress to the General Assembly.

In each fiscal year, both those state-assisted doctor of philosophy degree-granting universities and those accredited doctor of philosophy degree-granting Ohio institutions of higher education holding certificates of authorization under section 1713.02 of the Revised Code may elect to participate in the Innovation Incentive Program and may continue to implement their comprehensive plans that are designed to enhance doctor of philosophy degree programs and areas of research that have the greatest potential to attract preeminent researchers and build research capacity; enhance regional or state economic growth by creating new products and services to be commercialized; and complement Ohio's Third Frontier Project.

In each fiscal year, funding for the Innovation Incentive Program shall be generated from the funds reallocated by those participating state-assisted doctor of philosophy degree-granting universities and state matching funds provided in appropriation item 235-433, Economic Growth Challenge. In each fiscal year, the amount of funds each participating state-assisted university is required to internally reallocate shall equal the sum of the funds it was required to reallocate in the prior fiscal year plus one and one-half per cent of current fiscal year's doctoral reserve allocation as attributed by the Board of Regents. Additionally, those participating accredited Ohio institutions of higher education holding certificates of authorization under section 1713.02 of the Revised Code shall be required to set aside an amount comparable to the participating state-assisted universities as

determined by the Board of Regents.

Of the foregoing appropriation item 235-433, Economic Growth Challenge, \$4,686,194 in each fiscal year shall match a portion of the funds set aside by all participating universities for the Innovation Incentive Program. The Controlling Board may increase the set-aside amount in each fiscal year if the Chancellor of the Board of Regents, after meeting all other obligations, identifies unspent and unencumbered General Revenue Fund money within the Board of Regents budget and requests the Controlling Board to increase the set-aside for the Innovation Incentive Program. The amount of the set-aside increased by the Controlling Board shall not exceed the amount of available funds identified by the Chancellor of the Board of Regents.

In each fiscal year, if the total amount of the state matching funds for the Innovation Incentive Program equals or exceeds the total amount of the funds internally reallocated by all participating universities, the state matching funds shall be disbursed through a competitive process. If the total amount of the state matching funds for the Innovation Incentive Program is less than the total amount of the funds internally reallocated by all participating universities, the Board of Regents shall distribute the state matching funds as follows:

(A) Distribute to each participating university the same amount of the state matching funds it received in fiscal year 2007 under the Innovation Incentive Program;

(B) Any excess funds after meeting division (A) of this section shall be distributed based on each participating university's proportional share of the total funding provided in division (A) of this section.

The participating universities shall use state matching funds and the funds they internally reallocated to restructure their array of doctor of philosophy degree programs.

The Board of Regents, in consultation with participating universities and the Office of Budget and Management, shall develop guidelines for the length of a transition period and criteria for determining the acceptable level of participation in the Innovation Incentive Program. After completion of the transition period during implementation of the Innovation Incentive Program, in each fiscal year the Board of Regents may withhold up to fifty per cent of the funds each participating state-assisted doctor of philosophy degree-granting university is required to reallocate for that year if the university is not internally reallocating the required amount or does not meet the criteria established by the Board of Regents.

Of the foregoing appropriation item 235-433, Economic Growth

The above boxed and initialed text was disapproved.

Date: June 30, 2007

Ted Strickland

Ted Strickland, Governor

Challenge, \$500,000 in each fiscal year shall be distributed for the Technology Commercialization Incentive. The purpose of the Technology Commercialization Incentive is to reward public and private colleges and universities for successful technology transfer to Ohio-based business and industry resulting in the commercialization of new products, processes, and services and the establishment of new business start-ups within the state. The Third Frontier Commission, with counsel from the Third Frontier Advisory Board, shall establish the eligibility criteria for public and private colleges and universities interested in applying for Technology Commercialization Incentive funding. To qualify for the funds, public and private colleges and universities must maintain a significant investment in their own technology-transfer and commercialization operation and capabilities, and possess a significant history of successful research partnerships with Ohio-based business and industry.

SECTION 375.20.45. CHALLENGES STUDY

The Chancellor of the Board of Regents shall study the effectiveness and appropriateness of the programs funded in GRF appropriation items 235-415, Jobs Challenge, 235-418, Access Challenge, 235-420, Success Challenge, and 235-433, Economic Growth Challenge, in the context of today's knowledge-based economy with a focus on student-based funding, the workforce development needs of the state in the Twenty-first Century, and incentives for student success. Not later than May 31, 2008, the Chancellor of the Board of Regents shall report the findings of the study to the Governor, the Speaker and the Minority Leader of the House of Representatives, and the President and the Minority Leader of the Senate.

SECTION 375.20.50. COLLEGE READINESS AND ACCESS

Appropriation item 235-434, College Readiness and Access, shall be used by the Board of Regents to support programs designed to improve the academic preparation and increase the number of students that enroll and succeed in higher education such as the Ohio College Access Network, the state match for the federal Gaining Early Awareness and Readiness for Undergraduate Program, and early awareness initiatives. The appropriation item shall also be used to support innovative statewide strategies to increase student access and retention for specialized populations, and to provide for pilot projects that will contribute to improving access to higher education by specialized populations. The funds also may be used for projects that improve access for nonpublic secondary students.

Of the foregoing appropriation item 235-434, College Readiness and Access, \$798,684 in fiscal year 2008 and \$822,645 in fiscal year 2009 shall be distributed to the Ohio Appalachian Center for Higher Education at Shawnee State University. The board of directors of the Center shall consist of the presidents of Shawnee State University, Belmont Technical College, Hocking College, Jefferson Community College, Zane State College, Rio Grande Community College, Southern State Community College, and Washington State Community College; the president of Ohio University or a designee of the president; the dean of one of the Salem, Tuscarawas, and East Liverpool regional campuses of Kent State University, as designated by the president of Kent State University; and a representative of the Board of Regents designated by the Chancellor.

Of the foregoing appropriation item 235-434, College Readiness and Access, \$169,553 in fiscal year 2008 and \$174,640 in fiscal year 2009 shall be distributed to Miami University for the Student Achievement in Research and Scholarship (STARS) Program.

Of the foregoing appropriation item 235-434, College Readiness and Access, \$3,503,985 in each fiscal year shall be used in conjunction with funding provided in the Ohio Department of Education budget under appropriation item 200-431, School Improvement Initiatives, to support the Early College High School Program. The funds shall be distributed according to guidelines established by the Department of Education and the Board of Regents.

SECTION 375.20.60. TEACHER IMPROVEMENT INITIATIVES

Appropriation item 235-435, Teacher Improvement Initiatives, shall be used by the Board of Regents to support programs such as OSI - Discovery and the Centers of Excellence in Mathematics and Science designed to raise the quality of mathematics and science teaching in primary, secondary, and post-secondary education.

Of the foregoing appropriation item 235-435, Teacher Improvement Initiatives, \$204,049 in each fiscal year shall be distributed to the Mathematics and Science Center in Lake County.

Of the foregoing appropriation item 235-435, Teacher Improvement Initiatives, \$106,619 in each fiscal year shall be distributed to the Ohio Mathematics and Science Coalition.

Of the foregoing appropriation item 235-435, Teacher Improvement Initiatives, \$100,000 in each fiscal year shall be distributed to the Teacher Quality Partnerships study.

Of the foregoing appropriation item 235-435, Teacher Improvement

Initiatives, \$100,000 in each fiscal year shall be distributed to the Sinclair Community College Distance Learning STEM Partnership.

Of the foregoing appropriation item 235-435, Teacher Improvement Initiatives, \$874,871 in each fiscal year shall be distributed to the Ohio Resource Center for Mathematics, Science, and Reading. The funds shall be used 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 Ohio Resource Center for Mathematics, Science, and Reading shall not make available resources that are inconsistent with the K-12 science standards and policies as adopted by the State Board of Education.

Of the foregoing appropriation item 235-435, Teacher Improvement Initiatives, up to \$2,000,000 in each fiscal year shall be used to support up to ten regional summer academies that focus on foreign language, science, mathematics, engineering, and technology and prepare eleventh and twelfth grade students enrolled in public or chartered nonpublic schools to pursue college-level foreign language, mathematics, science, technology, and engineering, with a focus on secondary teaching in these disciplines. Successful completion of these academics shall result in dual high school and college credits. Costs shall be based upon reasonable expenses, as determined by the Board of Regents, that institutions of higher education may incur for faculty, supplies, and other associated costs.

Of the foregoing appropriation item 235-435, Teacher Improvement Initiatives, up to \$4,000,000 in fiscal year 2009 shall be used to fund teacher-signing bonuses for individuals that enter the teaching profession in a public school district or school district building that has been designated a hard-to-staff school by the Department of Education. To qualify for the signing bonus, an individual must: (a) be licensed to teach; (b) be assigned to teach in foreign language, science, or mathematics; and (c) agree to teach in a hard-to-staff school for a minimum of five years. An individual may qualify for up to \$20,000 in state-funded bonuses if all obligations are met. The Board of Regents shall develop this program jointly with the Department of Education and the Partnership for Continued Learning. An individual may participate in either the teacher-signing bonus program or the teacher loan-forgiveness program, but may not receive benefits from both programs. The Board of Regents shall recoup funds received by any program participant who has not fulfilled the five-year teaching obligation as described in this section.

Of the foregoing appropriation item 235-435, Teacher Improvement

Initiatives, up to \$2,500,000 in fiscal year 2009 shall be used to fund teacher loan-forgiveness for individuals that enter the teaching profession in a school district or school district building that has been designated as a hard-to-staff school by the Department of Education. To qualify for the loan forgiveness, an individual must: (a) be licensed to teach; (b) be assigned to teach in foreign language, science, or mathematics; and (c) agree to teach in a hard-to-staff school for a minimum of five years. An individual may qualify for up to \$20,000 in state funded loan forgiveness if all obligations are met. The Board of Regents shall develop this program jointly with the Department of Education and the Partnership for Continued Learning. An individual may participate in either the teacher-signing bonus program or the teacher loan-forgiveness program, but may not receive benefits from both programs. The Board of Regents shall recoup funds received by any program participant who has not fulfilled the five-year teaching obligation as described in this section.

SECTION 375.20.70. ACCELERATEOHIO

Of the foregoing appropriation item 235-436, AccelerateOhio, \$500,000 in each fiscal year shall be used to support the Health Information and Imaging Technology Workforce Development Pilot Project pursuant to section 3333.55 of the Revised Code.

The remainder of the foregoing appropriation item 235-436 AccelerateOhio, shall be used by the Board of Regents, in collaboration with Ohio's public two-year campuses, to develop and implement a statewide program designed to improve the education and skills of Ohio's workforce by assisting low-income working adults in Ohio to improve their education and training. AccelerateOhio shall consist of competency-based, low-cost, noncredit, and credit-bearing modules and courses in communications, mathematics, and information technology, and other fields selected by the Board of Regents. The program shall be designed to culminate in a certificate and provide recipients with a foundation for additional post-secondary education.

SECTION 375.20.76. CHOOSE OHIO FIRST SCHOLARSHIP

The foregoing appropriation item 235-438, Choose Ohio First Scholarship, shall be disbursed pursuant to sections 3333.60 to 3333.70 of the Revised Code.

The unencumbered balance of appropriation item 235-438, Choose Ohio First Scholarship, at the end of fiscal year 2008 shall be transferred to fiscal

year 2009 for use under the same appropriation item. The amounts transferred are hereby appropriated.

SECTION 375.20.77. OHIO RESEARCH SCHOLARS

The foregoing appropriation item 235-439, Ohio Research Scholars, shall be disbursed pursuant to sections 3333.60 to 3333.70 of the Revised Code.

SECTION 375.20.80. EMINENT SCHOLARS

The foregoing appropriation item 235-451, Eminent Scholars, shall be used by the Ohio Board of Regents to continue the Ohio Eminent Scholars Program, the purpose of which 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. Ohio Eminent Scholars endowed chairs shall allow Ohio universities to recruit senior faculty members from outside Ohio who are nationally and internationally recognized scholars in areas of science and technology that provide the basic research platforms on which the state's technology and commercialization efforts are built. Endowment grants to state colleges and universities and nonprofit Ohio institutions of higher education holding certificates of authorization issued under section 1713.02 of the Revised Code to match endowment gifts from nonstate sources may be made in accordance with a plan established by the Ohio Board of Regents. Matching nonstate endowment gifts shall be equal to the state's endowment grant. The grants shall have as their purpose attracting and sustaining in Ohio scholar-leaders of national or international prominence; each grant shall assist in accelerating state economic growth through research that provides an essential basic science platform for commercialization efforts. Such scholar-leaders shall, among their duties, share broadly the benefits and knowledge unique to their fields of scholarship to the betterment of Ohio and its people and collaborate with other state technology programs and program recipients.

All new Eminent Scholar awards made by the Board of Regents shall be associated with a Wright Center of Innovation, a Partnership Award from the Biomedical Research and Technology Transfer Trust Fund, or a Wright Capital Project.

SECTION 375.20.90. ENTERPRISEOHIO NETWORK

The foregoing appropriation item 235-455, EnterpriseOhio Network,

shall be allocated by the Board of Regents to continue increasing the capabilities of the EnterpriseOhio Network to meet the ongoing training needs of Ohio employers. Funds shall support multicampus collaboration, best practice dissemination, and capacity building projects. The Regents Advisory Committee for Workforce Development, in its advisory role, shall advise in the development of plans and activities.

SECTION 375.30.10. AREA HEALTH EDUCATION CENTERS

The foregoing appropriation item 235-474, Area Health Education Centers Program Support, shall be used by the Board of Regents to support the medical school regional area health education centers' educational programs for the continued support of medical and other health professions education and for support of the Area Health Education Center Program.

Of the foregoing appropriation item 235-474, Area Health Education Centers Program Support, \$159,158 in each fiscal year shall be disbursed to the Ohio University College of Osteopathic Medicine to operate a mobile health care unit to serve the southeastern area of the state.

Of the foregoing appropriation item 235-474, Area Health Education Centers Program Support, \$119,369 in each fiscal year shall be used to support the Ohio Valley Community Health Information Network (OVCHIN) project.

SECTION 375.30.20. STATE SHARE OF INSTRUCTION

The Board of Regents shall establish procedures to allocate the foregoing appropriation item 235-501, State Share of Instruction, based on the formulas and enrollment in the instructional models set out in this section.

(A) FULL-TIME EQUIVALENT (FTE) ENROLLMENTS

(1) As soon as practicable during each fiscal year of the biennium ending June 30, 2009, in accordance with instructions of the Board of Regents, each state-assisted institution of higher education shall report its actual enrollment to the Board of Regents.

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

(3) In calculating the core subsidy entitlements for Medical II models

only, the Board of Regents shall use the following count of FTE students:

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

The Ohio State University	1010
University of Cincinnati	833
University of Toledo	650
Wright State University	433
Ohio University	433
Northeastern Ohio Universities College of Medicine	433

(b) For those medical schools whose current year enrollment, excluding students repeating terms, is equal to or greater than the base enrollment, the Medical II FTE enrollment shall equal the base enrollment plus the FTE for repeating students.

(c) Students repeating terms may be no more than five per cent of current year enrollment.

(4) The state share of instruction to state-supported universities for students enrolled in law schools in fiscal year 2008 and fiscal year 2009 shall be calculated by using the number of subsidy-eligible FTE law school students funded by state subsidy in fiscal year 1995 or the actual number of subsidy-eligible FTE law school students at the institution in the fiscal year, whichever is less.

(B) TOTAL COSTS PER FULL-TIME EQUIVALENT STUDENT

For purposes of calculating state share of instruction allocations, the total instructional costs per full-time equivalent student shall be:

Model	Fiscal Year 2008	Fiscal Year 2009
ARTS AND HUMANITIES 1	\$7,220	\$7,494
ARTS AND HUMANITIES 2	9,431	9,790
ARTS AND HUMANITIES 3	12,186	12,649
ARTS AND HUMANITIES 4	17,836	18,514
ARTS AND HUMANITIES 5	27,829	28,887
ARTS AND HUMANITIES 6	34,540	35,852
BUSINESS, EDUCATION & SOCIAL SCIENCES 1	6,352	6,594
BUSINESS, EDUCATION & SOCIAL SCIENCES 2	7,389	7,670

BUSINESS, EDUCATION & SOCIAL SCIENCES 3	8,911	9,249
BUSINESS, EDUCATION & SOCIAL SCIENCES 4	10,744	11,152
BUSINESS, EDUCATION & SOCIAL SCIENCES 5	17,070	17,719
BUSINESS, EDUCATION & SOCIAL SCIENCES 6	21,908	22,740
BUSINESS, EDUCATION & SOCIAL SCIENCES 7	26,019	27,008
MEDICAL 1	43,190	44,831
MEDICAL 2	47,635	49,445
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 1	6,552	6,801
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 2	9,196	9,545
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 3	11,610	12,051
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 4	14,789	15,351
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 5	18,420	19,119
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 6	19,990	20,750
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 7	27,676	28,728
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 8	35,308	36,650
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 9	48,150	49,979

Doctoral I and Doctoral II models shall be allocated in accordance with division (D)(1) of this section.

(C) SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICAL, AND GRADUATE WEIGHTS

For the purpose of implementing the recommendations of the State Share of Instruction Consultation and the Higher Education Funding Study Council that priority be given to maintaining state support for science, technology, engineering, mathematics, medicine, and graduate programs, the costs in division (B) of this section shall be weighted by the amounts provided below:

Model	Fiscal Year 2008	Fiscal Year 2009
ARTS AND HUMANITIES 1	1.000	1.000
ARTS AND HUMANITIES 2	1.000	1.000
ARTS AND HUMANITIES 3	1.000	1.000
ARTS AND HUMANITIES 4	1.000	1.000
ARTS AND HUMANITIES 5	1.250	1.250
ARTS AND HUMANITIES 6	1.250	1.250
BUSINESS, EDUCATION & SOCIAL SCIENCES 1	1.000	1.000
BUSINESS, EDUCATION & SOCIAL SCIENCES 2	1.000	1.000
BUSINESS, EDUCATION & SOCIAL SCIENCES 3	1.000	1.000
BUSINESS, EDUCATION & SOCIAL SCIENCES 4	1.000	1.000
BUSINESS, EDUCATION & SOCIAL SCIENCES 5	1.250	1.250
BUSINESS, EDUCATION & SOCIAL SCIENCES 6	1.250	1.250
BUSINESS, EDUCATION & SOCIAL SCIENCES 7	1.250	1.250
MEDICAL 1	1.500	1.500
MEDICAL 2	1.728	1.728
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 1	1.000	1.000
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 2	1.002	1.002
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 3	1.613	1.613
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 4	1.690	1.690
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 5	1.420	1.420
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 6	2.081	2.081
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 7	1.702	1.702
SCIENCE, TECHNOLOGY, ENGINEERING, MATHEMATICS, MEDICINE 8	1.808	1.808

SCIENCE, TECHNOLOGY, ENGINEERING, 1.341 1.341
MATHEMATICS, MEDICINE 9

(D) CALCULATION OF STATE SHARE OF INSTRUCTION
FORMULA ENTITLEMENTS AND ADJUSTMENTS

(1) Of the foregoing appropriation item 235-501, State Share of Instruction, up to 10.44 per cent of the appropriation in each fiscal year shall be reserved for support of doctoral programs to implement the recommendations of the Graduate Funding Commission. The amount so reserved shall be referred to as the doctoral set-aside.

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

If a university participates in the Innovation Incentive Program outlined in appropriation item 235-433, Economic Growth Challenge, in fiscal year 2008 the Board of Regents shall withhold the university's increasing matching share required by the Innovation Incentive Program from its allocation of the doctoral set-aside.

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

(2) Each campus's state share of instruction base formula earnings shall be determined as follows:

(a) For each campus in each fiscal year, the instructional costs shall be determined by multiplying the amounts listed above in divisions (B) and (C) of this section by (i) average subsidy-eligible FTEs for the two-year period

ending in the prior year for all models except Doctoral I and Doctoral II; and (ii) average subsidy-eligible FTEs for the five-year period ending in the prior year for all models except Doctoral I and Doctoral II.

(b) The Board of Regents shall compute the two calculations listed in division (D)(2)(a) of this section and use the greater amount as each campus's instructional costs.

(c) The Board of Regents shall compute a uniform state share of instructional costs by dividing the appropriations for 235-501, State Share of Instruction, less the doctoral set-aside calculated in division (D)(1) of this section, by the sum of all campuses' instructional costs as calculated in division (D)(2)(b) of this section.

(d) The formula entitlement for each campus shall be determined by multiplying the uniform state share of costs calculated in division (D)(2)(c) of this section by the campus's instructional cost determined in division (D)(2)(b) of this section.

(3) In addition to the doctoral set-aside allocation determined in division (D)(1) of this section and the formula entitlement determined in division (D)(2) of this section, an allocation based on fiscal year 2007 facility-based plant operations and maintenance (POM) subsidy shall be made. No campus shall be eligible for a POM allocation if the campus did not receive a net-assignable-square-foot-based (NASF) POM allocation in fiscal year 2007 and the amount of state share of instruction subsidy the campus would have received in fiscal year 2007 had the campus's calculation been based on the state share of instruction method described in this section, but using relevant fiscal year 2007 data, is less than 98.5% of the campus's actual final fiscal year 2007 state share of instruction earnings.

For each eligible campus, the amount of the POM allocation in each fiscal year shall be the lesser of:

(a) 98.5% of the campus's actual final fiscal year 2007 state share of instruction earnings, minus the amount the campus would have received in fiscal year 2007 had the campus's calculation been based on the state share of instruction method described in this section, but using relevant fiscal year 2007 data; or

(b) The actual final fiscal year 2007 net-assignable-square-foot-based (NASF) POM allocation that was provided to the campus.

Any POM allocations required by this division shall be funded by proportionately reducing formula entitlement earnings, including the POM allocations, for all campuses.

The Board of Regents, in consultation with representatives of state-assisted colleges and universities, shall study the need for the

facility-based POM allocations and make recommendations for changes by June 30, 2008.

(4) ANNUAL STATE SHARE OF INSTRUCTION FUNDING GUARANTEE

In addition to and after the other adjustment noted above, in each fiscal year, no campus shall receive a state share of instruction allocation that is less than 100 per cent of the prior year's state share of instruction amount. Funds shall be made available to fund this guarantee provision by recalculating the uniform state share as described in division (D)(2)(c) of this section by subtracting guarantee funds and the doctoral set-aside from the total appropriations for appropriation item 235-501, State Share of Instruction.

(5) CAPITAL COMPONENT DEDUCTION

After all other adjustments have been made, state share of instruction earnings shall be reduced for each campus by the amount, if any, by which debt service charged in Am. H.B. 748 of the 121st General Assembly, Am. Sub. H.B. 850 of the 122nd General Assembly, Am. Sub. H.B. 640 of the 123rd General Assembly, H.B. 675 of the 124th General Assembly, Am. Sub. H.B. 16 of the 126th General Assembly, and Am. Sub. H.B. 699 of the 126th General Assembly for that campus exceeds that campus's capital component earnings. The sum of the amounts deducted shall be transferred to appropriation item 235-552, Capital Component, in each fiscal year.

(E) EXCEPTIONAL CIRCUMSTANCES

Adjustments may be made to the state share of instruction payments and other subsidies distributed by the Board of Regents to state-assisted colleges and universities for exceptional circumstances. No adjustments for exceptional circumstances may be made without the recommendation of the Chancellor and the approval of the Controlling Board.

(F) APPROPRIATION REDUCTIONS TO THE STATE SHARE OF INSTRUCTION

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

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

(G) DISTRIBUTION OF STATE SHARE OF INSTRUCTION

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

SECTION 375.30.25. STATE SHARE OF INSTRUCTION FOR FISCAL YEARS 2008 AND 2009

(A) The boards of trustees of institutions of state-supported higher education shall restrain increases in in-state undergraduate instructional and general fees. For the 2007-2008 academic year, each state-supported institution shall not increase its in-state undergraduate instructional and general fees over what the institution charged for the 2006-2007 academic year. For the 2008-2009 academic year, each state-supported institution shall not increase its in-state undergraduate instructional and general fees over what the institution charged for the 2007-2008 academic year.

These limitations shall not apply to increases required to comply with institutional covenants related to their obligations or to meet unfunded legal mandates or legally binding obligations incurred or commitments made prior to the effective date of this section with respect to which the institution had identified such fee increases as the source of funds. Any increase required by such covenants and any such mandates, obligations, or commitments shall be reported by the Board of Regents to the Controlling Board. These limitations may also be modified by the Board of Regents, with the approval of the Controlling Board, to respond to exceptional circumstances as identified by the Board of Regents.

Of the foregoing appropriation item 235-501, State Share of Instruction, \$58,000,000 in fiscal year 2008 and \$60,000,000 in fiscal year 2009 shall be distributed based on each campus's proportional share of the total in-state undergraduate instructional and general fees for fiscal year 2007. For purposes of this subsidy, the in-state undergraduate instructional and general fee amounts for all campuses except for Miami University shall be determined by multiplying the number of a campus's in-state full-time equivalent undergraduate students by the campus's full-time in-state undergraduate instructional and general fees, prior to deducting any

scholarships and student financial aid grants. In the case of Miami University, the instructional and general fee amount used in the calculation shall be the average full-time in-state undergraduate instructional and general fee amount after taking into account Ohio Resident and Ohio Leader scholarships.

The remainder of appropriation item 235-501, State Share of Instruction, shall be distributed according to division (B) of this section.

(B)(1) Notwithstanding the distribution formulas outlined in Section 375.30.20 of this act, in fiscal year 2008 each state-supported institution shall receive what was received in fiscal year 2007. In addition, each state university or university branch campus shall receive a proportional share of the total appropriation increase from fiscal year 2007 to fiscal year 2008 in appropriation item 235-501, State Share of Instruction, if the state university or university branch campus demonstrates one per cent savings through identified internal efficiencies in fiscal year 2008, as certified by the Chancellor of the Board of Regents. Community colleges, state community colleges, and technical colleges shall receive additional funds based on a formula developed by the Chancellor of the Board of Regents that incorporates the enrollment growth, a funding guarantee, and the requirement of one per cent savings through identified internal efficiencies as certified by the Chancellor. Not later than August 31, 2007, the Chancellor shall seek Controlling Board's approval of the formula.

Notwithstanding the distribution formulas outlined in Section 375.30.20 of this act, in fiscal year 2009 each state-supported institution shall receive what was received in fiscal year 2008. In addition, each state university or university branch campus shall receive a proportional share of the total appropriation increase from fiscal year 2008 to fiscal year 2009 in appropriation item 235-501, State Share of Instruction, if the state university or university branch campus demonstrates three per cent savings through identified internal efficiencies in fiscal year 2009, as certified by the Chancellor of the Board of Regents. Community colleges, state community colleges, and technical colleges shall receive additional funds based on a formula developed by the Chancellor that incorporates the enrollment growth, a funding guarantee, and the requirement of three per cent savings through identified internal efficiencies as certified by the Chancellor. Not later than August 31, 2008, the Chancellor shall seek Controlling Board's approval of the formula.

(2) In each fiscal year, state share of instruction earnings shall be reduced for each campus by the amount, if any, by which debt service charged in Am. H.B. 748 of the 121st General Assembly, Am. Sub. H.B.

850 of the 122nd General Assembly, Am. Sub. H.B. 640 of the 123rd General Assembly, H.B. 675 of the 124th General Assembly, Am. Sub. H.B. 16 of the 126th General Assembly, and Am. Sub. H.B. 699 of the 126th General Assembly for that campus exceeds that campus's capital component earnings. The sum of the amounts deducted shall be transferred to appropriation item 235-552, Capital Component, in each fiscal year.

Adjustments may be made to the state share of instruction payments and other subsidies distributed by the Board of Regents to state-assisted colleges and universities for exceptional circumstances. No adjustments for exceptional circumstances may be made without the recommendation of the Board of Regents and the approval of the Controlling Board.

Any reductions made to appropriation item 235-501, State Share of Instruction, shall be uniformly applied to each campus in proportion to its share of the allocation.

The state share of instruction payments to the institutions shall be in substantially equal monthly amounts during the fiscal year, unless otherwise determined by the Director of Budget and Management pursuant to section 126.09 of the Revised Code. Payments during the last six months of the fiscal year shall be distributed after approval of the Controlling Board upon the request of the Board of Regents.

(C) In consultation with the Department of Development, the Chancellor of the Board of Regents shall commission a study on the needs of the business community relative to higher education in the state. The study shall include all of the following:

- (1) Determine the needs of Ohio's business community;
- (2) Determine whether state-supported institutions of higher education are meeting those needs;
- (3) Identify how state-supported institutions of higher education can improve to meet those needs;
- (4) Identify the necessary skills and talents required by the business community that Ohio's college graduates must have in order to perform in the workplace; and
- (5) Make any necessary recommendations as to how state-supported institutions of higher education can better meet the needs of the business community.

Not later than December 31, 2007, the Chancellor of the Board of Regents shall report the findings of the study to the Governor, the Speaker and the Minority Leader of the House of Representatives, and the President and the Minority Leader of the Senate.

(D) In consultation with state-supported institutions of higher education,

the Chancellor of the Board of Regents shall develop a plan that includes all of the following:

(1) A plan to achieve the access goal of increasing the number of Ohioans enrolled in college by 230,000 by 2017;

(2) A plan to achieve the success goal of increasing the graduation rate of those who first enroll in college on or after the effective date of this section by twenty per cent by 2017;

(3) A plan to achieve affordability through tuition restraint and additional state support for higher education; such a plan shall include goals for establishing and implementing funding policies that provide for sufficient state funding support to reach tuition that matches or is lower than the national average and state support that matches or exceeds the national average;

(4) A plan to enhance the state's competitiveness for attracting federal and other support for research and development at public research universities; such a plan shall include goals for reaching or exceeding the national average level of support, on a per capita basis, for research and development;

(5) A plan to promote higher education throughout the state through the coordinated leadership efforts of the Governor, the Chancellor of the Board of Regents, and other stakeholders; such a plan shall include goals for using various media and other partnerships to raise awareness of college opportunities, to increase public awareness about the value of a college education, and to create a shared vision that a higher education is attainable by all Ohioans.

Each of these plans shall include key outcome measures and other appropriate indicators to allow for monitoring of progress made in meeting the established goals. Each state-supported institution of higher education shall provide any student and institutional outcome data in any program areas requested by the Chancellor of the Board of Regents, including program efficiency and utilization of state resources. Each state-supported institution of higher education shall also commit to increasing inter-institution collaborations and partnerships and enhancing efficiencies with the goal of achieving measurable increases in savings.

In consultation with state-supported institutions of higher education, the Chancellor of the Board of Regents shall study the feasibility of establishing and implementing a tuition flexibility plan that may allow state-supported institutions of higher education to charge per-credit-hour-based tuition or differential tuition.

Not later than March 31, 2008, the Chancellor of the Board of Regents

shall report the plan and the tuition flexibility feasibility study to the Governor, the Speaker and the Minority Leader of the House of Representatives, and the President and the Minority Leader of the Senate.

SECTION 375.30.27. Based on reports from the Higher Education Statewide Purchasing Consortium under division (D) of section 3345.35 of the Revised Code, the Chancellor of the Ohio Board of Regents shall certify any cost savings reported by members of the Consortium as savings achieved through internal efficiencies for purposes of division (B)(1) of Section 375.30.25 of this act.

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SECTION 375.30.30. HIGHER EDUCATION - BOARD OF TRUSTEES

Funds appropriated for instructional subsidies at colleges and universities may be used to provide such branch or other off-campus undergraduate courses of study and such master's degree courses of study as may be approved by the Board of Regents.

In providing instructional and other services to students, boards of trustees of state-assisted institutions of higher education shall supplement state subsidies by income from charges to students. Each board shall establish the fees to be charged to all students, including an instructional fee for educational and associated operational support of the institution and a general fee for noninstructional services, including locally financed student services facilities used for the benefit of enrolled students. The instructional fee and the general fee shall encompass all charges for services assessed uniformly to all enrolled students. Each board may also establish special purpose fees, service charges, and fines as required; such special purpose fees and service charges shall be for services or benefits furnished individual students or specific categories of students and shall not be applied uniformly to all enrolled students. Except for the board of trustees of Miami University, in implementing the pilot tuition restructuring plan recognized in Section 89.05 of Am. Sub. H.B. 95 of the 125th General Assembly and again recognized by this act, a tuition surcharge shall be paid by all students who are not residents of Ohio.

The board of trustees of a state-assisted institution of higher education shall not authorize a waiver or nonpayment of instructional fees or general fees for any particular student or any class of students other than waivers specifically authorized by law or approved by the Chancellor. This prohibition is not intended to limit the authority of boards of trustees to provide for payments to students for services rendered the institution, nor to

The above boxed and initialed text was disapproved.

Date: June 30, 2007

Ted Strickland
Governor

prohibit the budgeting of income for staff benefits or for student assistance in the form of payment of such instructional and general fees. This prohibition is not intended to limit the authority of the board of trustees of Miami University in providing financial assistance to students in implementing the pilot tuition restructuring plan recognized in Section 89.05 of Am. Sub. H.B. 95 of the 125th General Assembly and again recognized by this act.

Except for Miami University, in implementing the pilot tuition restructuring plan recognized in Section 89.05 of Am. Sub. H.B. 95 of the 125th General Assembly and again recognized by this act, each state-assisted institution of higher education in its statement of charges to students shall separately identify the instructional fee, the general fee, the tuition charge, and the tuition surcharge. Fee charges to students for instruction shall not be considered to be a price of service but shall be considered to be an integral part of the state government financing program in support of higher educational opportunity for students.

The board of trustees of state-assisted institutions of higher education shall ensure that faculty members devote a proper and judicious part of their work week to the actual instruction of students. Total class credit hours of production per quarter per full-time faculty member is expected to meet the standards set forth in the budget data submitted by the Board of Regents.

The authority of government vested by law in the boards of trustees of state-assisted institutions of higher education shall in fact be exercised by those boards. Boards of trustees may consult extensively with appropriate student and faculty groups. Administrative decisions about the utilization of available resources, about organizational structure, about disciplinary procedure, about the operation and staffing of all auxiliary facilities, and about administrative personnel shall be the exclusive prerogative of boards of trustees. Any delegation of authority by a board of trustees in other areas of responsibility shall be accompanied by appropriate standards of guidance concerning expected objectives in the exercise of such delegated authority and shall be accompanied by periodic review of the exercise of this delegated authority to the end that the public interest, in contrast to any institutional or special interest, shall be served.

SECTION 375.30.40. STUDENT SUPPORT SERVICES

The foregoing appropriation item 235-502, Student Support Services, shall be distributed by the Board of Regents to Ohio's state-assisted colleges and universities that incur disproportionate costs in the provision of support services to disabled students.

SECTION 375.30.50. OHIO INSTRUCTIONAL GRANTS

In each fiscal year, instructional grants for all eligible full-time students who have attended a college, university, or proprietary school and have completed coursework for college credit, excluding early college high school and post-secondary enrollment option students, prior to academic year 2006-2007, shall be made using the tables under section 3333.12 of the Revised Code.

Of the foregoing appropriation item 235-503, Ohio Instructional Grants, an amount in each fiscal year shall be used to make the payments authorized by division (C) of section 3333.26 of the Revised Code to the institutions described in that division. In addition, an amount in each fiscal year shall be used to reimburse the institutions described in division (B) of section 3333.26 of the Revised Code for the cost of the waivers required by that division.

The unencumbered balance of appropriation item 235-503, Ohio Instructional Grants, at the end of fiscal year 2008 shall be transferred to fiscal year 2009 for use under the same appropriation item. The amounts transferred are hereby appropriated.

SECTION 375.30.60. WAR ORPHANS SCHOLARSHIPS

The foregoing appropriation item 235-504, War Orphans Scholarships, shall be used to reimburse state-assisted institutions of higher education for waivers of instructional fees and general fees provided by them, to provide grants to institutions that have received a certificate of authorization from the Ohio Board of Regents under Chapter 1713. of the Revised Code, in accordance with the provisions of section 5910.04 of the Revised Code, and to fund additional scholarship benefits provided by section 5910.032 of the Revised Code.

SECTION 375.30.70. OHIOLINK

The foregoing appropriation item 235-507, OhioLINK, shall be used by the Board of Regents to support OhioLINK, the state's electronic library information and retrieval system, which provides access statewide to an extensive set of electronic databases and resources and the library holdings of all of Ohio's public colleges and universities, 44 private colleges, and the State Library of Ohio.

SECTION 375.30.80. AIR FORCE INSTITUTE OF TECHNOLOGY

The foregoing appropriation item 235-508, Air Force Institute of Technology, shall be used to strengthen the research and educational linkages between the Wright Patterson Air Force Base and institutions of higher education in Ohio. Of the foregoing appropriation item 235-508, Air Force Institute of Technology, \$1,358,588 in each fiscal year shall be used for research projects that connect the Air Force Research Laboratories with university partners. The institute shall provide annual reports to the Third Frontier Commission, that discuss existing, planned, or possible collaborations between programs and funding recipients related to technology, research development, commercialization, and support for Ohio's economic development.

Of the foregoing appropriation item 235-508, Air Force Institute of Technology, \$691,757 in each fiscal year shall be used to match federal dollars to support technology commercialization and job creation. The Development Research Corporation shall use the funds to create or expand Ohio-based technology and commercial development collaborations in areas that are a priority in Ohio's third frontier initiative between industry, academia, and government.

SECTION 375.30.90. OHIO SUPERCOMPUTER CENTER

The foregoing appropriation item 235-510, Ohio Supercomputer Center, shall be used by the Board of Regents to support the operation of the Ohio Supercomputer Center, located at The Ohio State University, as a statewide resource available to Ohio research universities both public and private. It is also intended that the center be made accessible to private industry as appropriate. Policies of the center shall be established by a governance committee, representative of Ohio's research universities and private industry, to be appointed by the Chancellor of the Board of Regents and established for this purpose.

Funds shall be used, in part, to support the Ohio Supercomputer Center's Computational Science Initiative which includes its industrial outreach program, Blue Collar Computing, and its School of Computational Science. These collaborations between the Ohio Supercomputer Center and Ohio's colleges and universities shall be aimed at making Ohio a leader in using computer modeling to promote economic development.

Of the foregoing appropriation item 235-510, Ohio Supercomputer Center, \$250,000 in each fiscal year shall be used to support the

Supercomputer Center's activities in Beavercreek.

SECTION 375.40.10. COOPERATIVE EXTENSION SERVICE

The foregoing appropriation item 235-511, Cooperative Extension Service, shall be disbursed through the Board of Regents to The Ohio State University in monthly payments, unless otherwise determined by the Director of Budget and Management under section 126.09 of the Revised Code.

Of the foregoing appropriation item 235-511, Cooperative Extension Service, \$178,271 in each fiscal year shall be used for additional staffing for county agents for expanded 4-H activities. Of the foregoing appropriation item 235-511, Cooperative Extension Service, \$178,271 in each fiscal year shall be used by the Cooperative Extension Service, through the Enterprise Center for Economic Development in cooperation with other agencies, for a public-private effort to create and operate a small business economic development program to enhance the development of alternatives to the growing of tobacco, and implement, through applied research and demonstration, the production and marketing of other high-value crops and value-added products. Of the foregoing appropriation item 235-511, Cooperative Extension Service, \$55,179 in each fiscal year shall be used for farm labor mediation and education programs, \$182,515 in each fiscal year shall be used to support the Ohio State University Marion Enterprise Center, and \$772,931 in each fiscal year shall be used to support the Ohio Watersheds Initiative.

SECTION 375.40.20. OHIO UNIVERSITY VOINOVICH CENTER

The foregoing appropriation item 235-513, Ohio University Voinovich Center, shall be used by the Board of Regents to support the operations of Ohio University's Voinovich Center.

SECTION 375.40.30. PERFORMANCE STANDARDS FOR MEDICAL EDUCATION

The Board of Regents, in consultation with the state-assisted medical colleges, shall develop performance standards for medical education. Special emphasis in the standards shall be placed on attempting to ensure that at least 50 per cent of the aggregate number of students enrolled in state-assisted medical colleges continue to enter residency as primary care physicians. Primary care physicians are general family practice physicians,

general internal medicine practitioners, and general pediatric care physicians. The Board of Regents shall monitor medical school performance in relation to their plans for reaching the 50 per cent systemwide standard for primary care physicians.

SECTION 375.40.35. CENTRAL STATE SUPPLEMENT

The foregoing appropriation item 235-514, Central State Supplement, shall be used by Central State University to keep undergraduate fees below the statewide average, consistent with its mission of service to many first-generation college students from groups historically underrepresented in higher education and from families with limited incomes.

SECTION 375.40.40. CASE WESTERN RESERVE UNIVERSITY SCHOOL OF MEDICINE

The foregoing appropriation item 235-515, Case Western Reserve University School of Medicine, shall be disbursed to Case Western Reserve University through the Board of Regents in accordance with agreements entered into under section 3333.10 of the Revised Code, provided that the state support per full-time medical student shall not exceed that provided to full-time medical students at state universities.

SECTION 375.40.50. CAPITOL SCHOLARSHIP PROGRAM

The foregoing appropriation item 235-518, Capitol Scholarship Program, shall be used by the Board of Regents to provide scholarships to undergraduates of Ohio's four-year public and private institutions of higher education participating in the Washington Center Internship Program. A scholarship of \$1,800 shall be awarded to students enrolled in an institution operating on a quarter system, and a scholarship of \$2,300 shall be awarded to students enrolled in an institution operating on a semester system. The number of scholarships awarded shall be limited by the amounts appropriated in fiscal years 2008 and 2009. The Washington Center shall provide a minimum of \$1,300 per student in matching scholarships.

SECTION 375.40.60. FAMILY PRACTICE

The Board of Regents shall develop plans consistent with existing criteria and guidelines as may be required for the distribution of appropriation item 235-519, Family Practice.

SECTION 375.40.70. SHAWNEE STATE SUPPLEMENT

The foregoing appropriation item 235-520, Shawnee State Supplement, shall be used by Shawnee State University as detailed by both of the following:

(A) To allow Shawnee State University to keep its undergraduate fees below the statewide average, consistent with its mission of service to an economically depressed Appalachian region;

(B) To allow Shawnee State University to employ new faculty to develop and teach in new degree programs that meet the needs of Appalachians.

SECTION 375.40.80. OSU JOHN GLENN SCHOOL OF PUBLIC AFFAIRS

The foregoing appropriation item 235-521, The Ohio State University John Glenn School of Public Affairs, shall be used by the Board of Regents to support the operations of the Ohio State University's John Glenn School of Public Affairs.

SECTION 375.40.90. POLICE AND FIRE PROTECTION

The foregoing appropriation item 235-524, Police and Fire Protection, shall be used for police and fire services in the municipalities of Kent, Athens, Oxford, Fairborn, Bowling Green, Portsmouth, Xenia Township (Greene County), Rootstown Township, and the City of Nelsonville that may be used to assist these local governments in providing police and fire protection for the central campus of the state-affiliated university located therein. Each participating municipality and township shall receive at least \$5,000 in each fiscal year. Funds shall be distributed according to the method employed by the Board of Regents in the previous biennium.

SECTION 375.50.10. GERIATRIC MEDICINE

The Board of Regents shall develop plans consistent with existing criteria and guidelines as may be required for the distribution of appropriation item 235-525, Geriatric Medicine.

SECTION 375.50.20. PRIMARY CARE RESIDENCIES

The Board of Regents shall develop plans consistent with existing

criteria and guidelines as may be required for the distribution of appropriation item 235-526, Primary Care Residencies.

The foregoing appropriation item 235-526, Primary Care Residencies, shall be distributed in each fiscal year of the biennium, based on whether or not the institution has submitted and gained approval for a plan. If the institution does not have an approved plan, it shall receive five per cent less funding per student than it would have received from its annual allocation. The remaining funding shall be distributed among those institutions that meet or exceed their targets.

SECTION 375.50.30. OHIO AEROSPACE INSTITUTE

The foregoing appropriation item 235-527, Ohio Aerospace Institute, shall be distributed by the Board of Regents under section 3333.042 of the Revised Code.

The Board of Regents, in consultation with the Third Frontier Commission, shall develop a plan for providing for appropriate, value-added participation of the Ohio Aerospace Institute in Third Frontier Project proposals and grants.

SECTION 375.50.40. ACADEMIC SCHOLARSHIPS

The foregoing appropriation item 235-530, Academic Scholarships, shall be used to provide academic scholarships to students under section 3333.22 of the Revised Code.

SECTION 375.50.50. STUDENT CHOICE GRANTS

The foregoing appropriation item 235-531, Student Choice Grants, shall be used to provide Student Choice Grants under section 3333.27 of the Revised Code. The unencumbered balance of appropriation item 235-531, Student Choice Grants, at the end of fiscal year 2008 shall be transferred to fiscal year 2009 for use under the same appropriation item. The amounts transferred are hereby appropriated.

JS

SECTION 375.50.60. OHIO AGRICULTURAL RESEARCH AND DEVELOPMENT CENTER

The foregoing appropriation item 235-535, Ohio Agricultural Research and Development Center, shall be disbursed through the Board of Regents to The Ohio State University in monthly payments, unless otherwise determined by the Director of Budget and Management under section

The above boxed and initialed text was disapproved.

Date: June 30, 2007

Led Strickland

126.09 of the Revised Code. The Ohio Agricultural Research and Development Center shall not be required to remit payment to The Ohio State University during the biennium ending June 30, 2009, for cost reallocation assessments. The cost reallocation assessments include, but are not limited to, any assessment on state appropriations to the Center.

The Ohio Agricultural Research and Development Center, an entity of the College of Food, Agricultural, and Environmental Sciences of The Ohio State University, shall further its mission of enhancing Ohio's economic development and job creation by continuing to internally allocate on a competitive basis appropriated funding of programs based on demonstrated performance. Academic units, faculty, and faculty-driven programs shall be evaluated and rewarded consistent with agreed-upon performance expectations as called for in the College's Expectations and Criteria for Performance Assessment.

Of the foregoing appropriation item 235-535, Ohio Agricultural Research and Development Center, \$467,578 in each fiscal year shall be used to purchase equipment.

Of the foregoing appropriation item 235-535, Ohio Agricultural Research and Development Center, \$822,592 in each fiscal year shall be distributed to the Piketon Agricultural Research and Extension Center.

Of the foregoing appropriation item 235-535, Ohio Agricultural Research and Development Center, \$216,471 in each fiscal year shall be distributed to the Raspberry/Strawberry-Ellagic Acid Research program at The Ohio State University Medical College in cooperation with The Ohio State University College of Agriculture.

Of the foregoing appropriation item 235-535, Ohio Agricultural Research and Development Center, \$43,294 in each fiscal year shall be used to support the Ohio Berry Administrator.

Of the foregoing appropriation item 235-535, Ohio Agricultural Research and Development Center, \$86,588 in each fiscal year shall be used for the development of agricultural crops and products not currently in widespread production in Ohio, in order to increase the income and viability of family farmers.

SECTION 375.50.70. STATE UNIVERSITY CLINICAL TEACHING

The foregoing appropriation items 235-536, The Ohio State University Clinical Teaching; 235-537, University of Cincinnati Clinical Teaching; 235-538, University of Toledo Clinical Teaching; 235-539, Wright State University Clinical Teaching; 235-540, Ohio University Clinical Teaching; and 235-541, Northeastern Ohio Universities College of Medicine Clinical

Teaching, shall be distributed through the Board of Regents.

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

SECTION 375.50.80. SCHOOL OF INTERNATIONAL BUSINESS

Of the foregoing appropriation item 235-547, School of International Business, \$250,000 in each fiscal year shall be used for the continued development and support of the School of International Business of the state universities of northeast Ohio. The money shall go to The University of Akron. These funds shall be used by the university to establish a School of International Business located at The University of Akron. It may confer with Kent State University, Youngstown State University, and Cleveland State University as to the curriculum and other matters regarding the school.

Of the foregoing appropriation item 235-547, School of International Business, \$100,000 in each fiscal year shall be used by the University of Toledo College of Business for expansion of its international business programs.

Of the foregoing appropriation item 235-547, School of International Business, \$100,000 in each fiscal year shall be used to support the Ohio State University BioMEMS program.

Of the foregoing appropriation item 235-547, School of International Business, \$100,000 in fiscal year 2009 shall be used to support the Supporting Education for the Returning Veterans (SERV) program at Cleveland State University.

Of the foregoing appropriation item 235-547, School of International Business, \$100,000 in fiscal year 2009 shall be used to support the Veterans Upward Bound (VUB) program at Cuyahoga Community College.

SECTION 375.50.90. CAPITAL COMPONENT

The foregoing appropriation item 235-552, Capital Component, shall be used by the 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. Appropriations from this item shall be distributed to all campuses for which the estimated campus debt service attributable to new qualifying capital projects is less than the campus's formula-determined capital component allocation. Campus allocations shall be determined by subtracting the estimated campus debt service attributable to new qualifying

capital projects from the campus's formula-determined capital component allocation. Moneys distributed from this appropriation item shall be restricted to capital-related purposes.

Any campus for which the estimated campus debt service attributable to qualifying capital projects is greater than the campus's formula-determined capital component allocation shall have the difference subtracted from its State Share of Instruction allocation in each fiscal year. The sum of all such amounts shall be transferred from appropriation item 235-501, State Share of Instruction, to appropriation item 235-552, Capital Component.

SECTION 375.60.10. DAYTON AREA GRADUATE STUDIES INSTITUTE

The foregoing appropriation item 235-553, Dayton Area Graduate Studies Institute, shall be used by the Board of Regents to support the Dayton Area Graduate Studies Institute, an engineering graduate consortium of three universities in the Dayton area: Wright State University, the University of Dayton, and the Air Force Institute of Technology, with the participation of the University of Cincinnati and The Ohio State University.

Of the foregoing appropriation item 235-553, Dayton Area Graduate Studies Institute, \$350,000 in each fiscal year shall be used by the Development Research Corporation to support collaborative research and technology commercialization initiatives in Ohio.

SECTION 375.60.20. PRIORITIES IN COLLABORATIVE GRADUATE EDUCATION

The foregoing appropriation item 235-554, Priorities in Collaborative Graduate Education, shall be used to support improvements in graduate fields of study at state-assisted universities identified by the Board of Regents, in consultation with the Department of Development and the Department of Job and Family Services, as vital to the state's economic strategy or related to an area of workforce shortage. Each fiscal year, participating institutions shall collectively submit for Board of Regents approval a plan describing how they will work collaboratively to improve the quality of their graduate programs and how the funds are to be used for this purpose. The collaborative effort for Ph.D. computer science programs shall be coordinated by the Ohio Supercomputer Center as part of its School of Computational Science.

SECTION 375.60.30. LIBRARY DEPOSITORIES

The foregoing appropriation item, 235-555, Library Depositories, shall be distributed to the state's five regional depository libraries for the cost-effective storage of and access to lesser-used materials in university library collections. The distribution of funds shall be coordinated by the Board of Regents.

SECTION 375.60.40. OHIO ACADEMIC RESOURCES NETWORK (OARNET)

The foregoing appropriation item 235-556, Ohio Academic Resources Network, shall be used to support the operations of the Ohio Academic Resources Network, which shall include support for Ohio's state-assisted colleges and universities in maintaining and enhancing network connections and in using new network technologies to improve research, education, and economic development programs. The network shall give priority to supporting the Third Frontier Network and allocating bandwidth to programs directly supporting Ohio's economic development.

SECTION 375.60.50. LONG-TERM CARE RESEARCH

Of the foregoing appropriation item 235-558, Long-term Care Research, \$311,047 in each fiscal year shall be disbursed to Miami University for long-term care research.

Of the foregoing appropriation item 235-558, Long-term Care Research, \$100,000 in each fiscal year shall be disbursed to the University of Cincinnati to support Alzheimer's and dementia research pursuant to an affiliation agreement with the Alois Alzheimer Center.

Of the foregoing appropriation item 235-558, Long-term Care Research, \$50,000 in each fiscal year shall be used to support People Working Cooperatively, Inc.

SECTION 375.60.60. BOWLING GREEN STATE UNIVERSITY CANADIAN STUDIES CENTER

The foregoing appropriation item 235-561, Bowling Green State University Canadian Studies Center, shall be used by the Canadian Studies Center at Bowling Green State University to study opportunities for Ohio and Ohio businesses to benefit from the Free Trade Agreement between the United States and Canada.

SECTION 375.60.70. OHIO COLLEGE OPPORTUNITY GRANT
PHASE-IN

The foregoing appropriation item 235-563, Ohio College Opportunity Grant, shall be used by the Board of Regents to begin to award needs-based financial aid to students based on the United States Department of Education's method of determining financial need. Students who enrolled in a public, private, or proprietary post-secondary institution of higher education for the first time in academic year 2006-2007, excluding early college high school and post-secondary enrollment option participants, shall be eligible to receive aid based on their expected family contributions as calculated by the United States Department of Education, according to section 3333.122 of the Revised Code.

Eligible expenditures from the foregoing appropriation item 235-563, Ohio College Opportunity Grant, shall be claimed each fiscal year to help meet the state's TANF maintenance of effort requirement. The Chancellor of the Board of Regents and the Director of Job and Family Services shall enter into an interagency agreement to carry out this paragraph, which shall include, but not be limited to, developing reporting guidelines for these expenditures.

SECTION 375.60.80. CENTRAL STATE UNIVERSITY SPEED TO
SCALE

The foregoing appropriation 235-567, Central State University Speed to Scale, shall be used to achieve the goals of the Speed to Scale Plan, which include increasing student enrollment through freshman recruitment and transferred students, increasing the proportion of in-state students to 80 per cent of the total student population, and increasing the student retention rates between the first and second year of college by two per cent each year. The goals shall be accomplished by targeting student retention, improved articulation agreements with two-year campuses, increased use of alternative course options, including online coursework and Ohio Learning Network resources, College Tech Prep, Post Secondary Enrollment Options, and other dual-credit programs, and strategic partnerships with research institutions to improve the quality of Central State University's offering of science, technology, engineering, mathematics, and medical instruction. In fiscal year 2009, the disbursement of these funds shall be contingent upon Central State University meeting the annual goals for the student enrollment and first-to-second-year retention rate increases.

There is hereby created the Speed to Scale Task Force that shall meet not less than quarterly to discuss progress of the plan, including performance on accountability metrics, issues experienced in planned efforts, and to monitor and support the creation of partnerships with other state institutions of higher education. The Task Force shall consist of the president of Central State University or the president's designee, the president of Sinclair Community College or the president's designee, the president of Cincinnati State Technical and Community College or the president's designee, the president of Cuyahoga Community College or the president's designee, The Ohio State University or the president's designee, the president of the University of Cincinnati or the president's designee, one representative from the Board of Regents, one member of the House of Representatives appointed by the Speaker of the House of Representatives, one member of the Senate appointed by the President of the Senate, the Director of Budget and Management or the director's designee, and a representative of the Governor's Office as appointed by the Governor.

On the thirtieth day of June of each fiscal year, Central State University and the Speed to Scale Task Force shall jointly submit to the Governor, the Director of Budget and Management, the Speaker of the House of Representatives, the President of the Senate, and the Board of Regents a report describing the status of their progress on the accountability metrics included in the Speed to Scale plan.

SECTION 375.60.95. JAMES A. RHODES SCHOLARSHIP

The foregoing appropriation item 235-571, James A. Rhodes Scholarship, shall be used to match the funds raised by the James A. Rhodes Leadership Foundation for the purpose of providing scholarships to students who attend community colleges, state community colleges, and technical colleges. The focus of the scholarships shall be consistent with the goal of establishing a skilled workforce in the state. To receive the funds provided in this appropriation item, the Foundation shall raise at least \$10,000,000 from nonstate sources and shall enter into an agreement with the Chancellor of the Board of Regents.

SECTION 375.70.10. THE OHIO STATE UNIVERSITY CLINIC SUPPORT

The foregoing appropriation item 235-572, The Ohio State University Clinic Support, shall be distributed through the Board of Regents to The Ohio State University for support of dental and veterinary medicine clinics.

SECTION 375.70.15. OHIO HUMANITIES COUNCIL

The foregoing appropriation item 235-573, Ohio Humanities Council, shall be used to support humanities research, education, teacher development, and outreach activities through the Ohio Humanities Council.

SECTION 375.70.20. URBAN UNIVERSITY PROGRAM

Universities receiving funds from the foregoing appropriation item 235-583, Urban University Program, that are used to support an ongoing university unit shall certify periodically in a manner approved by the Board of Regents that program funds are being matched on a one-to-one basis with equivalent resources. Overhead support may not be used to meet this requirement. Where Urban University Program funds are being used to support an ongoing university unit, matching funds shall come from continuing rather than one-time sources. At each participating state-assisted institution of higher education, matching funds shall be within the substantial control of the individual designated by the institution's president as the Urban University Program representative.

Of the foregoing appropriation item 235-583, Urban University Program, \$117,215 in each fiscal year shall be used to support the Center for the Interdisciplinary Study of Education and the Urban Child at Cleveland State University. These funds shall be distributed according to rules adopted by the Board of Regents and shall be used by the center for interdisciplinary activities targeted toward increasing the chance of lifetime success of the urban child, including interventions beginning with the prenatal period. The primary purpose of the center is to study issues in urban education and to systematically map directions for new approaches and new solutions by bringing together a cadre of researchers, scholars, and professionals representing the social, behavioral, education, and health disciplines.

Of the foregoing appropriation item 235-583, Urban University Program, \$1,433,037 in each fiscal year shall be distributed by the Board of Regents to Cleveland State University in support of the Maxine Goodman Levin College of Urban Affairs.

Of the foregoing appropriation item 235-583, Urban University Program, \$1,433,037 in each fiscal year shall be distributed to the Northeast Ohio Research Consortium, the Urban Linkages Program, and the Urban Research Technical Assistance Grant Program. The distribution among the three programs shall be determined by the chair of the Urban University Program.

Of the foregoing appropriation item 235-583, Urban University Program, \$247,453 in each fiscal year shall be used to support a public communication outreach program (WCPN). The primary purpose of the program shall be to develop a relationship between Cleveland State University and nonprofit communications entities.

Of the foregoing appropriation item 235-583, Urban University Program, \$169,310 in each fiscal year shall be used to support the Kent State University Learning and Technology Project. This project is a kindergarten through university collaboration between schools surrounding Kent State University's eight campuses in northeast Ohio and corporate partners who will assist in development and delivery.

The Kent State University Project shall provide a faculty member who has a full-time role in the development of collaborative activities and teacher instructional programming between Kent State University and the K-12th grade schools that surround its eight campuses; appropriate student support staff to facilitate these programs and joint activities; and hardware and software to schools that will make possible the delivery of instruction to pre-service and in-service teachers, and their students, in their own classrooms or school buildings. This shall involve the delivery of low-bandwidth streaming video and web-based technologies in a distributed instructional model.

Of the foregoing appropriation item 235-583, Urban University Program, \$65,119 in each fiscal year shall be used to support the Ameritech Classroom/Center for Research at Kent State University.

Of the foregoing appropriation item 235-583, Urban University Program, \$723,547 in each fiscal year shall be used to support the Polymer Distance Learning Project at the University of Akron.

Of the foregoing appropriation item 235-583, Urban University Program, \$32,560 in each fiscal year shall be distributed to the Kent State University/Cleveland Design Center program.

Of the foregoing appropriation item 235-583, Urban University Program, \$513,886 in each fiscal year shall be used to support the Bliss Institute of Applied Politics at the University of Akron.

Of the foregoing appropriation item 235-583, Urban University Program, \$10,851 in each fiscal year shall be used for the Advancing-Up Program at the University of Akron.

Of the foregoing appropriation item 235-583, Urban University Program, \$139,777 in each fiscal year shall be used to support the Strategic Economic Research Collaborative at the University of Toledo Urban Affairs Center.

Of the foregoing appropriation item 235-583, Urban University Program, \$164,777 in each fiscal year shall be used to support the Institute for Collaborative Research and Public Humanities at The Ohio State University.

Of the foregoing appropriation item 235-583, Urban University Program, \$425,368 in each fiscal year shall be used to support the Medina County University Center.

Of the foregoing appropriation item 235-583, Urban University Program, \$150,000 in each fiscal year shall be used to support the Ohio State University African American and African Studies Community Extension Center.

Of the foregoing appropriation item 235-583, Urban University Program, \$200,000 in each fiscal year shall be used to support the Cleveland Institute of Art.

SECTION 375.70.30. RURAL UNIVERSITY PROJECTS

Of the foregoing appropriation item 235-587, Rural University Projects, Bowling Green State University shall receive \$263,783 in each fiscal year, Miami University shall receive \$245,320 in each fiscal year, and Ohio University shall receive \$575,015 in each fiscal year. These funds shall be used to support the Institute for Local Government Administration and Rural Development at Ohio University, the Center for Public Management and Regional Affairs at Miami University, and the Center for Regional Development at Bowling Green State University.

A small portion of the funds provided to Ohio University shall also be used for the Institute for Local Government Administration and Rural Development State and Rural Policy Partnership with the Governor's Office of Appalachia and the Appalachian delegation of the General Assembly.

Of the foregoing appropriation item 235-587, Rural University Projects, \$15,942 in each fiscal year shall be used to support the Washington State Community College day care center.

Of the foregoing appropriation item 235-587, Rural University Projects, \$59,829 in each fiscal year shall be used to support the COAD/ILGARD/GOA Appalachian Leadership Initiative.

SECTION 375.70.40. HAZARDOUS MATERIALS PROGRAM

The foregoing appropriation item 235-596, Hazardous Materials Program, shall be disbursed to Cleveland State University for the operation of a program to certify firefighters for the handling of hazardous materials.

Training shall be available to all Ohio firefighters.

Of the foregoing appropriation item 235-596, Hazardous Materials Program, \$177,337 in each fiscal year shall be used to support the Center for the Interdisciplinary Study of Education and Leadership in Public Service at Cleveland State University. These funds shall be distributed by the Board of Regents and shall be used by the center targeted toward increasing the role of special populations in public service and not-for-profit organizations. The primary purpose of the center is to study issues in public service and to guide strategies for attracting new communities into public service occupations by bringing together a cadre of researchers, scholars, and professionals representing the public administration, social behavioral, and education disciplines.

SECTION 375.70.50. NATIONAL GUARD SCHOLARSHIP PROGRAM

The Board of Regents shall disburse funds from appropriation item 235-599, National Guard Scholarship Program, at the direction of the Adjutant General. During each fiscal year, the Board of Regents, within ten days of cancellation, may certify to the Director of Budget and Management the amount of canceled prior-year encumbrances in appropriation item 235-599, National Guard Scholarship Program. Upon receipt of the certification, the Director of Budget and Management may transfer an amount up to the certified amount from the General Revenue Fund to the National Guard Scholarship Reserve Fund (Fund 5BM). Upon the request of the Adjutant General, the Board of Regents shall seek Controlling Board approval to establish appropriations in item 235-623, National Guard Scholarship Reserve Fund. The Board of Regents shall disburse funds from appropriation item 235-623, National Guard Scholarship Reserve Fund, at the direction of the Adjutant General.

* SECTION 375.70.60. PLEDGE OF FEES

Any new pledge of fees, or new agreement for adjustment of fees, made in the biennium ending June 30, 2009, to secure bonds or notes of a state-assisted institution of higher education for a project for which bonds or notes were not outstanding on the effective date of this section shall be effective only after approval by the Board of Regents, unless approved in a previous biennium.

SECTION 375.70.70. HIGHER EDUCATION GENERAL
OBLIGATION DEBT SERVICE

The foregoing appropriation item 235-909, Higher Education General Obligation Debt Service, shall be used to pay all debt service and related financing costs at the times they are required to be made for obligations issued during the period from July 1, 2007, to June 30, 2009, under sections 151.01 and 151.04 of the Revised Code.

SECTION 375.70.80. SALES AND SERVICES

The Board of Regents is authorized to charge and accept payment for the provision of goods and services. Such charges shall be reasonably related to the cost of producing the goods and services. No charges may be levied for goods or services that are produced as part of the routine responsibilities or duties of the Board. All revenues received by the Board of Regents shall be deposited into Fund 456, and may be used by the Board of Regents to pay for the costs of producing the goods and services.

SECTION 375.70.90. OHIO HIGHER EDUCATIONAL FACILITY
COMMISSION SUPPORT

The foregoing appropriation item 235-602, Higher Educational Facility Commission Administration, shall be used by the Board of Regents for operating expenses related to the Board of Regents' support of the activities of the Ohio Higher Educational Facility Commission. Upon the request of the chancellor, the Director of Budget and Management shall transfer up to \$50,000 cash in fiscal year 2008 and up to \$45,000 cash in fiscal year 2009 from Fund 461 to Fund 4E8.

SECTION 375.80.10. PHYSICIAN LOAN REPAYMENT

The foregoing appropriation item 235-604, Physician Loan Repayment, shall be used in accordance with sections 3702.71 to 3702.81 of the Revised Code.

SECTION 375.80.20. NURSING LOAN PROGRAM

The foregoing appropriation item 235-606, Nursing Loan Program, shall be used to administer the nurse education assistance program. Up to \$159,600 in fiscal year 2008 and \$167,580 in fiscal year 2009 may be used

for operating expenses associated with the program. Any additional funds needed for the administration of the program are subject to Controlling Board approval.

SECTION 375.80.30. REPAYMENT OF RESEARCH FACILITY INVESTMENT FUND MONEYS

Notwithstanding any provision of law to the contrary, all repayments of Research Facility Investment Fund loans shall be made to the Bond Service Trust Fund. All Research Facility Investment Fund loan repayments made prior to the effective date of this section shall be transferred by the Director of Budget and Management to the Bond Service Trust Fund within sixty days after the effective date of this section.

Campuses shall make timely repayments of Research Facility Investment Fund loans, according to the schedule established by the Board of Regents. In the case of late payments, the Board of Regents may deduct from an institution's periodic subsidy distribution an amount equal to the amount of the overdue payment for that institution, transfer such amount to the Bond Service Trust Fund, and credit the appropriate institution for the repayment.

SECTION 375.80.40. VETERANS' PREFERENCES

The Board of Regents shall work with the Governor's Office of Veterans' Affairs to develop specific veterans' preference guidelines for higher education institutions. These guidelines shall ensure that the institutions' hiring practices are in accordance with the intent of Ohio's veterans' preference laws.

SECTION 375.80.50. STATE NEED-BASED FINANCIAL AID RECONCILIATION

By the first day of August in each fiscal year, or as soon thereafter as possible, the Ohio Board of Regents shall certify to the Director of Budget and Management the amount necessary to pay any outstanding prior year obligations to higher education institutions for the state's need-based financial aid programs. The amounts certified are hereby appropriated to appropriation item 235-618, State Need-based Financial Aid Reconciliation, from revenues received in the State Need-based Financial Aid Reconciliation Fund (Fund 5Y5).

SECTION 375.80.60. TRANSFERS TO STATE NEED-BASED FINANCIAL AID PROGRAMS

In each fiscal year of the biennium, if the Chancellor of the Board of Regents determines that additional funds are needed to support the distribution of state need-based financial aid in accordance with sections 3333.12 and 3333.122 of the Revised Code, the Chancellor shall recommend the reallocation of unencumbered and unobligated appropriation balances of General Revenue Fund appropriation items in the Board of Regents to GRF appropriation items 235-503, Ohio Instructional Grants, and 235-563, Ohio College Opportunity Grant. If the Director of Budget and Management determines that such a reallocation is required, the Director may transfer those identified unencumbered and unobligated funds in the Board of Regents as necessary to GRF appropriation items 235-503, Ohio Instructional Grants, and 235-563, Ohio College Opportunity Grant. The amounts transferred to appropriation items 235-503, Ohio Instructional Grants, and 235-563, Ohio College Opportunity Grant, are hereby appropriated. If those unencumbered and unobligated funds are not sufficient to support the distribution of state need-based financial aid in accordance with sections 3333.12 and 3333.122 of the Revised Code in each fiscal year, the Director of Budget and Management may increase the appropriation from the General Revenue Fund of appropriation items 235-503, Ohio Instructional Grants, and 235-563, Ohio College Opportunity Grant, in each fiscal year. The combined increase to appropriation items 235-503, Ohio Instructional Grants, and 235-563, Ohio College Opportunity Grant, authorized under this section shall not exceed \$5,000,000 in total for the purpose of need-based financial aid in each fiscal year of the biennium.

SECTION 377.10. DRC DEPARTMENT OF REHABILITATION AND CORRECTION

General Revenue Fund

GRF 501-321	Institutional Operations	\$	892,162,864	\$	928,980,197
GRF 501-403	Prisoner Compensation	\$	8,599,255	\$	8,599,255
GRF 501-405	Halfway House	\$	41,214,205	\$	41,214,205
GRF 501-406	Lease Rental Payments	\$	107,607,100	\$	109,224,900
GRF 501-407	Community Nonresidential Programs	\$	16,514,626	\$	16,547,367
GRF 501-408	Community Misdemeanor Programs	\$	9,313,076	\$	9,313,076
GRF 501-501	Community Residential Programs - CBCF	\$	57,104,132	\$	57,104,132
GRF 502-321	Mental Health Services	\$	70,112,063	\$	73,405,363

GRF 503-321	Parole and Community Operations	\$	79,296,672	\$	82,739,767
GRF 504-321	Administrative Operations	\$	27,554,198	\$	28,658,273
GRF 505-321	Institution Medical Services	\$	199,073,620	\$	198,337,805
GRF 506-321	Institution Education Services	\$	23,784,868	\$	24,847,502
GRF 507-321	Institution Recovery Services	\$	7,319,028	\$	7,664,520
TOTAL GRF General Revenue Fund		\$	1,539,655,707	\$	1,586,636,362
General Services Fund Group					
148 501-602	Services and Agricultural	\$	104,485,807	\$	108,290,058
200 501-607	Ohio Penal Industries	\$	39,395,391	\$	40,845,414
4B0 501-601	Sewer Treatment Services	\$	2,331,003	\$	2,407,018
4D4 501-603	Prisoner Programs	\$	20,967,703	\$	20,967,703
4L4 501-604	Transitional Control	\$	2,051,451	\$	2,051,451
4S5 501-608	Education Services	\$	4,564,072	\$	4,564,072
483 501-605	Property Receipts	\$	393,491	\$	393,491
5AF 501-609	State and Non-Federal Awards	\$	262,718	\$	262,718
5H8 501-617	Offender Financial Responsibility	\$	2,500,000	\$	2,500,000
5L6 501-611	Information Technology Services	\$	3,741,980	\$	3,741,980
571 501-606	Training Academy Receipts	\$	75,190	\$	75,190
593 501-618	Laboratory Services	\$	5,799,999	\$	5,799,999
TOTAL GSF General Services Fund Group		\$	186,568,805	\$	191,899,094
Federal Special Revenue Fund Group					
3S1 501-615	Truth-In-Sentencing Grants	\$	8,709,142	\$	8,709,142
323 501-619	Federal Grants	\$	12,198,353	\$	12,198,353
3CJ 501-621	Medicaid Inpatient Services	\$	11,600,000	\$	15,500,000
TOTAL FED Federal Special Revenue Fund Group		\$	32,507,495	\$	36,407,495
TOTAL ALL BUDGET FUND GROUPS		\$	1,758,732,007	\$	1,814,942,951

OHIO BUILDING AUTHORITY LEASE PAYMENTS

The foregoing appropriation item 501-406, Lease Rental Payments, shall be used to meet all payments during the period from July 1, 2007, to June 30, 2009, under the primary leases and agreements for those buildings made under Chapter 152. of the Revised Code. These appropriations are the source of funds pledged for bond service charges or obligations issued pursuant to Chapter 152. of the Revised Code.

PRISONER COMPENSATION

Money from the foregoing appropriation item 501-403, Prisoner Compensation, shall be transferred on a quarterly basis by intrastate transfer voucher to the Services and Agricultural Fund (Fund 148) for the purposes of paying prisoner compensation.

HIV/AIDS TESTING REENTRY PILOT PROGRAM

Of the foregoing appropriation item 505-321, Institution Medical Services, up to \$250,000 in each fiscal year shall be used for the HIV/AIDS testing re-entry pilot program at the Mansfield Correctional Institution. Prior to a prisoner's release from custody at the Mansfield Correctional Institution

under the control of the Department of Rehabilitation and Correction, the department shall examine and test a prisoner for HIV infection and any sexually transmitted disease. The department may examine and test involuntarily a prisoner who refuses to be tested.

SECTION 377.20. LIMA CORRECTIONAL INSTITUTION STUDY COMMITTEE

(A) There is hereby created the Lima Correctional Institution Study Committee, effective July 1, 2007. The Committee shall consist of the following nine members:

- (1) The Director of Rehabilitation and Correction or the Director's designee;
- (2) The eight members of the Correctional Institution Inspection Committee.

(B) The Director of Rehabilitation and Correction shall be the chairperson of the Lima Correctional Institution Study Committee.

(C) The Lima Correctional Institution Study Committee shall procure an independent feasibility study, performed by a consultant, through the Department of Rehabilitation and Correction. The study shall examine the highest and best use for the Lima Correctional Institution and shall examine, at a minimum, all of the following:

- (1) State and local correctional needs and the utilization of state and local facilities to service those needs;
- (2) The current condition and value of the Lima Correctional Institution;
- (3) The cost to reopen the Lima Correctional Institution in part or in whole for a correctional purpose;
- (4) Alternative uses for the Lima Correctional Institution;
- (5) The funding options to utilize the Lima Correctional Institution;
- (6) The economic impact of the Lima Correctional Institution on the Lima region and the potential non-prison economic development opportunities for a closed prison facility.

(D) The Lima Correctional Institution Study Committee and the consultant selected shall utilize the staff of the Department of Rehabilitation and Correction for research and other support functions as much as feasible.

(E) Of the foregoing appropriation item 501-321, Institutional Operations, \$50,000 in fiscal year 2008 shall be used to fund the feasibility study.

(F) The Lima Correctional Institution Study Committee shall submit a report of the Committee's findings not later than April 1, 2008, to the Governor, the President of the Senate, and the Speaker of the House of

Representatives. The Committee shall cease to exist after submitting the report.

SECTION 379.10. RSC REHABILITATION SERVICES COMMISSION

General Revenue Fund

GRF 415-100	Personal Services	\$	8,851,468	\$	8,851,468
GRF 415-402	Independent Living Council	\$	450,000	\$	450,000
GRF 415-406	Assistive Technology	\$	47,531	\$	47,531
GRF 415-431	Office for People with Brain Injury	\$	226,012	\$	226,012
GRF 415-506	Services for People with Disabilities	\$	16,959,541	\$	17,259,541
GRF 415-508	Services for the Deaf	\$	50,000	\$	50,000
TOTAL GRF General Revenue Fund		\$	26,584,552	\$	26,884,552

General Services Fund Group

4W5 415-606	Program Management Expenses	\$	18,123,188	\$	18,557,040
467 415-609	Business Enterprise Operating Expenses	\$	1,632,082	\$	1,632,082
TOTAL GSF General Services Fund Group		\$	19,755,270	\$	20,189,122

Federal Special Revenue Fund Group

3L1 415-601	Social Security Personal Care Assistance	\$	3,743,740	\$	3,743,740
3L1 415-605	Social Security Community Centers for the Deaf	\$	750,000	\$	750,000
3L1 415-608	Social Security Vocational Rehabilitation	\$	1,506,260	\$	1,506,260
3L4 415-612	Federal Independent Living Centers or Services	\$	648,908	\$	648,908
3L4 415-615	Federal - Supported Employment	\$	884,451	\$	796,006
3L4 415-617	Independent Living/Vocational Rehabilitation Programs	\$	1,490,944	\$	1,490,944
317 415-620	Disability Determination	\$	82,808,006	\$	87,546,215
379 415-616	Federal - Vocational Rehabilitation	\$	122,484,545	\$	123,638,578
TOTAL FED Federal Special Revenue Fund Group		\$	214,316,854	\$	220,120,651

State Special Revenue Fund Group

4L1 415-619	Services for Rehabilitation	\$	3,765,337	\$	4,500,000
468 415-618	Third Party Funding	\$	906,910	\$	906,910
TOTAL SSR State Special Revenue Fund Group		\$	4,672,247	\$	5,406,910
TOTAL ALL BUDGET FUND GROUPS		\$	265,328,923	\$	272,601,235

INDEPENDENT LIVING COUNCIL

The foregoing appropriation item 415-402, Independent Living Council, shall be used to fund the operations of the State Independent Living Council

and shall be used to support state independent living centers and independent living services under Title VII of the Independent Living Services and Centers for Independent Living of the Rehabilitation Act Amendments of 1992, 106 Stat. 4344, 29 U.S.C. 796d.

OFFICE FOR PEOPLE WITH BRAIN INJURY

Of the foregoing appropriation item 415-431, Office for People with Brain Injury, up to \$50,000 in each fiscal year shall be used for the state match for a federal grant awarded through the Traumatic Brain Injury Act, Pub. L. No. 104-166, and up to \$50,000 in each fiscal year shall be provided to the Brain Injury Trust Fund. The remaining appropriation shall be used to plan and coordinate head-injury-related services provided by state agencies and other government or private entities, to assess the needs for such services, and to set priorities in this area.

VOCATIONAL REHABILITATION SERVICES

The foregoing appropriation item 415-506, Services for People with Disabilities, shall be used as state matching funds to provide vocational rehabilitation services to eligible consumers.

PROGRAM MANAGEMENT EXPENSES

The foregoing appropriation item 415-606, Program Management Expenses, shall be used to support the administrative functions of the commission related to the provision of vocational rehabilitation, disability determination services, and ancillary programs.

NATIONAL ACCREDITATION COMPLIANCE

Of the foregoing appropriation item 415-616, Federal - Vocational Rehabilitation, \$125,000 in each fiscal year shall be used to establish and implement a Community Rehabilitation Program national accreditation compliance and monitoring program administered by the Ohio Association of Rehabilitation Facilities.

CLEVELAND SIGHT CENTER

Of the foregoing appropriation item 415-616, Federal - Vocational Rehabilitation, \$100,000 in each fiscal year shall be provided to the Cleveland Sight Center for Technology Initiative to purchase adaptive technology and software for the employment of Ohioans who are blind or visually impaired.

INDEPENDENT LIVING/VOCATIONAL REHABILITATION PROGRAMS

The foregoing appropriation item 415-617, Independent Living/Vocational Rehabilitation Programs, shall be used to support vocational rehabilitation programs.

SOCIAL SECURITY REIMBURSEMENT FUNDS

Reimbursement funds received from the Social Security Administration, United States Department of Health and Human Services, for the costs of providing services and training to return disability recipients to gainful employment shall be used in the Social Security Reimbursement Fund (Fund 3L1), to the extent funds are available, as follows:

(A) Appropriation item 415-601, Social Security Personal Care Assistance, to provide personal care services in accordance with section 3304.41 of the Revised Code;

(B) Appropriation item 415-608, Social Security Vocational Rehabilitation, to provide vocational rehabilitation services to individuals with severe disabilities who are Social Security beneficiaries, to enable them to achieve competitive employment. This appropriation item also includes funds to assist the Personal Care Assistance Program to pay its share of indirect costs as mandated by federal OMB Circular A-87.

PERFORMANCE AUDIT

The Auditor of State shall complete a performance audit of the Rehabilitation Services Commission. Upon completing the performance audit, the Auditor of State shall submit a report of the findings of the audit to the Governor, the President of the Senate, the Speaker of the House of Representatives, and the Board of Rehabilitation Services Commission. Expenses incurred by the Auditor of State to conduct the performance audit shall be reimbursed by the Rehabilitation Services Commission.

INTERNAL REVIEW

The Administrator of the Rehabilitation Services Commission shall consult with the Director of Budget and Management and representatives of local rehabilitation services agencies to conduct an internal review of policies and procedures to increase efficiency and identify and eliminate duplicative practices. Any savings identified as a result of the internal review or the performance audit conducted by the Auditor of State shall be used for community-based care.

The Administrator of the Rehabilitation Services Commission shall seek Controlling Board approval before expending any funds identified as a result of the internal review or the performance audit.

SECTION 381.10. RCB RESPIRATORY CARE BOARD

General Services Fund Group

4K9 872-609 Operating Expenses	\$	491,628	\$	481,768
TOTAL GSF General Services				
Fund Group	\$	491,628	\$	481,768
TOTAL ALL BUDGET FUND GROUPS	\$	491,628	\$	481,768

SECTION 383.10. RDF REVENUE DISTRIBUTION FUNDS

Volunteer Firefighters' Dependents Fund

085	800-900	Volunteer Firefighters'	\$	300,000	\$	300,000
		Dependents Fund				

TOTAL 085 Volunteer Firefighters'

Dependents Fund	\$	300,000	\$	300,000
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Agency Fund Group

062	110-962	Resort Area Excise Tax	\$	1,000,000	\$	1,000,000
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063	110-963	Permissive Tax Distribution	\$	1,778,662,000	\$	1,849,000,000
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067	110-967	School District Income Tax	\$	325,000,000	\$	350,000,000
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4P8	001-698	Cash Management	\$	3,050,000	\$	3,100,000
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Improvement Fund

608	001-699	Investment Earnings	\$	250,000,000	\$	250,000,000
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TOTAL AGY Agency Fund Group	\$	2,357,712,000	\$	2,453,100,000
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Holding Account Redistribution

R45	110-617	International Fuel Tax	\$	50,000,000	\$	50,000,000
		Distribution				

TOTAL 090 Holding Account Redistribution	\$	50,000,000	\$	50,000,000
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Fund

Revenue Distribution Fund Group

049	038-900	Indigent Drivers Alcohol	\$	1,797,000	\$	1,832,000
		Treatment				

050	762-900	International Registration Plan	\$	54,475,631	\$	55,565,143
		Distribution				

051	762-901	Auto Registration Distribution	\$	500,000,000	\$	539,000,000
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054	110-954	Local Government Property	\$	93,250,000	\$	95,125,000
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		Tax Replacement - Utility				
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060	110-960	Gasoline Excise Tax Fund	\$	375,000,000	\$	375,000,000
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064	110-964	Local Government Revenue	\$	42,400,000	\$	0
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		Assistance				
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065	110-965	Library/Local Government	\$	460,000,000	\$	464,500,000
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		Support Fund				
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066	800-900	Undivided Liquor Permits	\$	13,500,000	\$	13,500,000
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068	110-968	State and Local Government	\$	240,250,000	\$	242,500,000
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		Highway Distribution				
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069	110-969	Local Government Fund	\$	730,700,000	\$	785,000,000
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081	110-981	Local Government Property	\$	262,500,000	\$	366,800,000
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		Tax Replacement-Business				
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082	110-982	Horse Racing Tax	\$	125,000	\$	130,000
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083	700-900	Ohio Fairs Fund	\$	2,277,000	\$	2,325,000
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088	110-900	Local Government Services	\$	1,000,000	\$	0
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Collaboration

TOTAL RDF Revenue Distribution

Fund Group	\$	2,777,274,631	\$	2,941,277,143
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TOTAL ALL BUDGET FUND GROUPS	\$	5,185,286,631	\$	5,444,677,143
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ADDITIONAL APPROPRIATIONS

Appropriation items in this section shall be used for the purpose of administering and distributing the designated revenue distribution funds according to the Revised Code. If it is determined that additional

appropriations are necessary for this purpose, such amounts are appropriated.

GENERAL REVENUE FUND TRANSFERS TO LOCAL
GOVERNMENT PROPERTY TAX REPLACEMENT – BUSINESS
(FUND 081)

Notwithstanding any provision of law to the contrary, in fiscal year 2008 and fiscal year 2009, the Director of Budget and Management may transfer from the General Revenue Fund to the Local Government Property Tax Replacement – Business (Fund 081) in the Revenue Distribution Fund, those amounts necessary to reimburse local taxing units under section 5751.22 of the Revised Code. Also, in fiscal year 2008 and fiscal year 2009, the Director of Budget and Management may make temporary transfers from the General Revenue Fund to ensure sufficient balances in the Local Government Property Tax Replacement - Business Fund (Fund 081) and to replenish the General Revenue Fund for such transfers.

SECTION 384.10. LOCAL GOVERNMENT SERVICES
COLLABORATION GRANT PROGRAM

(A) The Director of Development shall administer a Local Government Services Collaboration Grant Program. The Director may adopt rules under section 111.15 of the Revised Code and do all things necessary for that purpose.

(B) There is hereby created in the State Treasury the Local Government Services Collaboration Grant Fund (Fund 088). The fund shall consist of all cash deposited into it pursuant to Section 757.03 of this act. The fund shall be used by the Director of Development in administering the Local Government Services Collaboration Grant Program.

(C) The foregoing appropriation item 110-900, Local Government Services Collaboration, shall be used by the Director of Development to administer the Local Government Services Collaboration Grant Program. Moneys shall be used to provide grants to counties, municipal corporations, and townships that are interested in combining the provision of local government services with those of other counties, municipal corporations, or townships. Individual grant awards shall be used solely for the cost of conducting a feasibility study that addresses whether, and in what manner, counties, municipal corporations, and townships may combine their respective provision of local government services.

Individual grants shall be available on a competitive basis to a county, municipal corporation, or township that proposes to combine its provision of local government services with those of at least two other counties,

municipal corporations, or townships, or with any combination of at least two other counties, municipal corporations, or townships. Grants shall be awarded according to the following formula:

(1) For a total of, or for any combination of, three counties, municipal corporations, or townships, the grant shall be equal to fifty per cent of the total cost of the feasibility study, or not more than \$30,000;

(2) For a total of, or for any combination of, four counties, municipal corporations, or townships, the grant shall be equal to sixty per cent of the total cost of the feasibility study, or not more than \$40,000;

(3) For a total of, or for any combination of, five counties, municipal corporations, or townships, the grant shall be equal to seventy per cent of the total cost of the feasibility study, or not more than \$50,000;

(4) For a total of, or for any combination of, six counties, municipal corporations, or townships, the grant shall be equal to eighty per cent of the total cost of the feasibility study, or not more than \$60,000;

(5) For a total of, or for any combination of, seven counties, municipal corporations, or townships, the grant shall be equal to ninety per cent of the total cost of the feasibility study, or not more than \$70,000;

(6) For a total of, or for any combination of, eight or more counties, municipal corporations, or townships, the grant shall be equal to the total cost of the feasibility study, or not more than \$80,000.

(D) Of the foregoing appropriation item 110-900, Local Government Services Collaboration, not more than \$100,000 over the biennium may be used by the Department of Development for operating expenditures in administering the Local Government Services Collaboration Grant Program.

(E) Applicants for funding under the Local Government Services Collaboration Grant Program are encouraged to utilize the services of state-funded colleges and universities to conduct the feasibility studies referenced under this section.

(F) As used in this section, "local government services" means services typically provided by a county, municipal corporation, or township for the health, safety, and well-being of community residents and includes, but is not limited to, police and fire protection, 9-1-1 emergency service, trash collection, snow removal, road repair, and the provision of public utilities such as water and sewer services.

(G) On or before June 30, 2008, the unencumbered balance of the foregoing appropriation item 110-900, Local Government Services Collaboration, for fiscal year 2008 is hereby appropriated for the same purpose for fiscal year 2009.

SECTION 385.10. SAN BOARD OF SANITARIAN REGISTRATION

General Services Fund Group

4K9 893-609	Operating Expenses	\$	138,551	\$	138,551
TOTAL GSF General Services					
Fund Group		\$	138,551	\$	138,551
TOTAL ALL BUDGET FUND GROUPS					
		\$	138,551	\$	138,551

SECTION 387.10. OSB OHIO STATE SCHOOL FOR THE BLIND

General Revenue Fund

GRF 226-100	Personal Services	\$	7,093,127	\$	7,519,318
GRF 226-200	Maintenance	\$	704,154	\$	704,154
GRF 226-300	Equipment	\$	113,288	\$	113,288
TOTAL GRF General Revenue Fund					
		\$	7,910,569	\$	8,336,760

General Services Fund Group

4H8 226-602	School Improvement Grants	\$	37,514	\$	37,514
TOTAL GSF General Services					
Fund Group		\$	37,514	\$	37,514

Federal Special Revenue Fund Group

3P5 226-643	Medicaid Services	\$	50,000	\$	50,000
	Reimbursement				
310 226-626	Multi-Handicapped Student	\$	2,527,105	\$	2,527,105
	Support				

TOTAL FED Federal Special

Revenue Fund Group		\$	2,577,105	\$	2,577,105
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State Special Revenue Fund Group

4M5 226-601	Work Study and Donations	\$	217,397	\$	217,397
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TOTAL SSR State Special Revenue

Fund Group		\$	217,397	\$	217,397
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TOTAL ALL BUDGET FUND GROUPS					
		\$	10,742,585	\$	11,168,776

SECTION 389.10. OSD OHIO SCHOOL FOR THE DEAF

General Revenue Fund

GRF 221-100	Personal Services	\$	8,775,363	\$	9,263,862
GRF 221-200	Maintenance	\$	1,033,092	\$	1,033,092
GRF 221-300	Equipment	\$	222,500	\$	222,500
TOTAL GRF General Revenue Fund					
		\$	10,030,955	\$	10,519,454

General Services Fund Group

4M1 221-602	School Improvement Grants	\$	38,000	\$	38,000
TOTAL GSF General Services					
Fund Group		\$	38,000	\$	38,000

Federal Special Revenue Fund Group

3AD 221-604	VREAL Ohio	\$	25,000	\$	25,000
3R0 221-684	Medicaid Services	\$	34,999	\$	34,999
	Reimbursement				
3Y1 221-686	Federal Early Childhood	\$	250,000	\$	250,000
	Grant				

311 221-625	Statewide Outreach	\$	2,470,135	\$	2,470,135
TOTAL FED Federal Special					
Revenue Fund Group					
		\$	2,780,134	\$	2,780,134
State Special Revenue Fund Group					
4M0 221-601	Work Study and Donations	\$	95,000	\$	95,000
5H6 221-609	Preschool Program Support	\$	127,832	\$	125,358
TOTAL SSR State Special Revenue					
Fund Group					
		\$	222,832	\$	220,358
TOTAL ALL BUDGET FUND GROUPS					
		\$	13,071,921	\$	13,557,946

SECTION 391.10. SFC SCHOOL FACILITIES COMMISSION

General Revenue Fund

GRF 230-428	Lease Rental Payments	\$	22,702,000	\$	0
GRF 230-908	Common Schools General	\$	284,768,400	\$	339,648,300
Obligation Debt Service					
TOTAL GRF General Revenue Fund					
		\$	307,470,400	\$	339,648,300

State Special Revenue Fund Group

5E3 230-644	Operating Expenses	\$	7,749,813	\$	7,786,197
TOTAL SSR State Special Revenue					
Fund Group					
		\$	7,749,813	\$	7,786,197
TOTAL ALL BUDGET FUND GROUPS					
		\$	315,220,213	\$	347,434,497

SECTION 391.20. LEASE RENTAL PAYMENTS

The foregoing appropriation item 230-428, Lease Rental Payments, shall be used to meet all payments at the times they are required to be made during the period from July 1, 2007, to June 30, 2009, by the Ohio School Facilities Commission under leases and agreements made under section 3318.26 of the Revised Code.

COMMON SCHOOLS GENERAL OBLIGATION DEBT SERVICE

The foregoing appropriation item 230-908, Common Schools General Obligation Debt Service, shall be used to pay all debt service and related financing costs at the times they are required to be made for obligations issued during the period from July 1, 2007, through June 30, 2009, under sections 151.01 and 151.03 of the Revised Code.

OPERATING EXPENSES

The foregoing appropriation item 230-644, Operating Expenses, shall be used by the Ohio School Facilities Commission to carry out its responsibilities under this section and Chapter 3318. of the Revised Code.

In both fiscal years 2008 and 2009, the Executive Director of the Ohio School Facilities Commission shall certify on a quarterly basis to the Director of Budget and Management the amount of cash from interest earnings to be transferred from the School Building Assistance Fund (Fund 032), the Public School Building Fund (Fund 021), and the Educational

Facilities Trust Fund (Fund N87) to the Ohio School Facilities Commission Fund (Fund 5E3). The amount transferred from the School Building Assistance Fund (Fund 032) may not exceed investment earnings credited to the fund, less any amount required to be paid for federal arbitrage rebate purposes.

SCHOOL FACILITIES ENCUMBRANCES AND
REAPPROPRIATION

At the request of the Executive Director of the Ohio School Facilities Commission, the Director of Budget and Management may cancel encumbrances for school district projects from a previous biennium if the district has not raised its local share of project costs within one year of receiving Controlling Board approval under section 3318.05 of the Revised Code. The Executive Director of the Ohio School Facilities Commission shall certify the amounts of the canceled encumbrances to the Director of Budget and Management on a quarterly basis. The amounts of the canceled encumbrances are hereby appropriated.

SECTION 391.30. EXTREME ENVIRONMENTAL
CONTAMINATION OF SCHOOL FACILITIES

Notwithstanding any other provision of law to the contrary, the Ohio School Facilities Commission may provide assistance under the Exceptional Needs School Facilities Program established in section 3318.37 of the Revised Code to any school district, and not exclusively to a school district in the lowest seventy-five per cent of adjusted valuation per pupil on the current ranking of school districts established under section 3317.02 of the Revised Code, for the purpose of the relocation or replacement of school facilities required as a result of extreme environmental contamination.

The Ohio School Facilities Commission shall contract with an independent environmental consultant to conduct a study and to report to the commission as to the seriousness of the environmental contamination, whether the contamination violates applicable state and federal standards, and whether the facilities are no longer suitable for use as school facilities. The commission then shall make a determination regarding funding for the relocation or replacement of the school facilities. If the federal government or other public or private entity provides funds for restitution of costs incurred by the state or school district in the relocation or replacement of the school facilities, the school district shall use such funds in excess of the school district's share to refund the state for the state's contribution to the environmental contamination portion of the project. The school district may apply an amount of such restitution funds up to an amount equal to the

school district's portion of the project, as defined by the commission, toward paying its portion of that project to reduce the amount of bonds the school district otherwise must issue to receive state assistance under sections 3318.01 to 3318.20 of the Revised Code.

SECTION 391.40. CANTON CITY SCHOOL DISTRICT PROJECT

(A) The Ohio School Facilities Commission may commit up to thirty-five million dollars to the Canton City School District for construction of a facility described in this section, in lieu of a high school that would otherwise be authorized under Chapter 3318. of the Revised Code. The Commission shall not commit funds under this section unless all of the following conditions are met:

(1) The District has entered into a cooperative agreement with a state-assisted technical college.

(2) The District has received an irrevocable commitment of additional funding from nonpublic sources.

(3) The facility is intended to serve both secondary and postsecondary instructional purposes.

(B) The Commission shall enter into an agreement with the District for the construction of the facility authorized under this section that is separate from and in addition to the agreement required for the District's participation in the Classroom Facilities Assistance Program under section 3318.08 of the Revised Code. Notwithstanding that section and sections 3318.03, 3318.04, and 3318.083 of the Revised Code, the additional agreement shall provide, but not be limited to, the following:

(1) The Commission shall not have any oversight responsibilities over the construction of the facility.

(2) The facility need not comply with the specifications for plans and materials for high schools adopted by the Commission.

(3) The Commission may decrease the basic project cost that would otherwise be calculated for a high school under Chapter 3318. of the Revised Code.

(4) The state shall not share in any increases in the basic project cost for the facility above the amount authorized under this section.

All other provisions of Chapter 3318. of the Revised Code apply to the approval and construction of a facility authorized under this section.

The state funds committed to the facility authorized by this section shall be part of the total amount the state commits to the Canton City School District under Chapter 3318. of the Revised Code. All additional state funds committed to the Canton City School District for classroom facilities

assistance shall be subject to all provisions of Chapter 3318. of the Revised Code.

SECTION 391.50. CAREER-TECHNICAL LOAN PROGRAM

Within thirty days after the effective date of this section, or as soon as possible thereafter, the Executive Director of the Ohio School Facilities Commission shall certify the cash balance in the Career-Technical School Building Assistance Fund (Fund 020) to the Director of Budget and Management, who shall transfer that amount to the Public School Building Fund (Fund 021) and abolish the Career-Technical School Building Assistance Fund (Fund 020).

All repayments of current loans approved under section 3318.48 of the Revised Code, which is repealed by this act, shall be deposited to the credit of the Public School Building Fund (Fund 021). Should a district fail to submit the annual installment of the loan repayment within sixty days after the due date, the Department of Education, upon the request of the Executive Director of the Ohio School Facilities Commission, shall deduct the amount of the installment from payments due to a district under Chapter 3317. of the Revised Code or from any other funds appropriated to the district by the General Assembly, and shall transfer that amount to the Commission to the credit of the Public School Building Fund (Fund 021).

SECTION 393.10. SOS SECRETARY OF STATE

General Revenue Fund

GRF 050-321	Operating Expenses	\$	2,585,000	\$	2,585,000
GRF 050-403	Election Statistics	\$	103,936	\$	103,936
GRF 050-407	Pollworkers Training	\$	277,997	\$	277,997
GRF 050-409	Litigation Expenditures	\$	4,652	\$	4,652
TOTAL GRF General Revenue Fund		\$	2,971,585	\$	2,971,585

General Services Fund Group

4S8 050-610	Board of Voting Machine Examiners	\$	7,200	\$	7,200
412 050-609	Notary Commission	\$	685,249	\$	685,249
413 050-601	Information Systems	\$	119,955	\$	119,955
414 050-602	Citizen Education Fund	\$	55,712	\$	55,712
TOTAL General Services Fund Group		\$	868,116	\$	868,116

Federal Special Revenue Fund Group

3AH 050-614	Election Reform/Health and Human Services	\$	1,000,000	\$	1,000,000
3AS 050-616	2005 HAVA Voting Machines	\$	4,750,000	\$	2,750,000
3X4 050-612	Ohio Center/Law Related Educational Grant	\$	41,000	\$	41,000
TOTAL FED Federal Special Revenue Fund Group		\$	5,791,000	\$	3,791,000

State Special Revenue Fund Group

5N9 050-607	Technology Improvements	\$	129,565	\$	129,565
599 050-603	Business Services Operating Expenses	\$	13,761,734	\$	13,761,734

TOTAL SSR State Special Revenue Fund Group		\$	13,891,299	\$	13,891,299
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Holding Account Redistribution Fund Group

R01 050-605	Uniform Commercial Code Refunds	\$	30,000	\$	30,000
R02 050-606	Corporate/Business Filing Refunds	\$	85,000	\$	85,000

TOTAL 090 Holding Account Redistribution Fund Group		\$	115,000	\$	115,000
TOTAL ALL BUDGET FUND GROUPS		\$	23,637,000	\$	21,637,000

BOARD OF VOTING MACHINE EXAMINERS

The foregoing appropriation item 050-610, Board of Voting Machine Examiners, shall be used to pay for the services and expenses of the members of the Board of Voting Machine Examiners, and for other expenses that are authorized to be paid from the Board of Voting Machine Examiners Fund, which is created in section 3506.05 of the Revised Code. Moneys not used shall be returned to the person or entity submitting the equipment for examination. If it is determined that additional appropriations are necessary, such amounts are appropriated.

2005 HAVA VOTING MACHINES

Of the foregoing appropriation item 050-616, 2005 HAVA Voting Machines, in fiscal year 2008 \$15,000 shall be distributed to the Vinton County Board of Elections and \$15,000 shall be distributed to the Morgan County Board of Elections to be used for emergency assistance for elections.

On July 1, 2008, or as soon as possible thereafter, the Director of Budget and Management shall transfer any remaining unexpended, unencumbered appropriations in Fund 3AS, appropriation item 050-616, 2005 HAVA Voting Machines, for use in fiscal year 2009. The transferred amount is hereby appropriated.

On July 1, 2008, or as soon as possible thereafter, the Director of Budget and Management shall transfer any remaining unexpended, unencumbered appropriations in Fund 3AH, appropriation item 050-614, Election Reform/Health and Human Services Fund, for use in fiscal year 2009. The transferred amount is hereby appropriated.

Ongoing interest earnings from the federal Election Reform/Health and Human Services Fund (Fund 3AH) and the 2005 HAVA Voting Machines Fund (Fund 3AS) shall be credited to the respective funds and distributed in accordance with the terms of the grant under which the money is received.

HOLDING ACCOUNT REDISTRIBUTION GROUP

The foregoing appropriation items 050-605 and 050-606, Holding Account Redistribution Fund Group, shall be used to hold revenues until they are directed to the appropriate accounts or until they are refunded. If it is determined that additional appropriations are necessary, such amounts are appropriated.

SECTION 395.10. SEN THE OHIO SENATE

General Revenue Fund

GRF 020-321	Operating Expenses	\$	11,778,439	\$	11,778,439
TOTAL GRF General Revenue Fund		\$	11,778,439	\$	11,778,439

General Services Fund Group

102	020-602	Senate Reimbursement	\$	448,465	\$	448,465
409	020-601	Miscellaneous Sales	\$	34,497	\$	34,497
TOTAL GSF General Services Fund Group		\$	482,962	\$	482,962	
TOTAL ALL BUDGET FUND GROUPS		\$	12,261,401	\$	12,261,401	

OPERATING EXPENSES

On July 1, 2007, or as soon as possible thereafter, the Clerk of the Senate shall certify to the Director of Budget and Management the total fiscal year 2007 unencumbered appropriations in appropriation item 020-321, Operating Expenses. The Clerk may direct the Director of Budget and Management to transfer an amount not to exceed the total fiscal year 2007 unencumbered appropriations to fiscal year 2008 for use within appropriation item 020-321, Operating Expenses. Additional appropriation authority equal to the amount certified by the Clerk is hereby appropriated to appropriation item 020-321, Operating Expenses, in fiscal year 2008.

On July 1, 2008, or as soon as possible thereafter, the Clerk of the Senate shall certify to the Director of Budget and Management the total fiscal year 2008 unencumbered appropriations in appropriation item 020-321, Operating Expenses. The Clerk may direct the Director of Budget and Management to transfer an amount not to exceed the total fiscal year 2008 unencumbered appropriations to fiscal year 2009 for use within appropriation item 020-321, Operating Expenses. Additional appropriation authority equal to the amount certified by the Clerk is hereby appropriated to appropriation item 020-321, Operating Expenses, in fiscal year 2009.

SECTION 397.10. CSF COMMISSIONERS OF THE SINKING FUND

Debt Service Fund Group

070	155-905	Third Frontier Research & Development Bond Retirement Fund	\$	14,349,500	\$	25,023,400
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072	155-902	Highway Capital Improvement Bond Retirement Fund	\$	202,694,900	\$	205,139,500
073	155-903	Natural Resources Bond Retirement Fund	\$	24,713,800	\$	25,723,000
074	155-904	Conservation Projects Bond Service Fund	\$	14,847,200	\$	19,779,200
076	155-906	Coal Research and Development Bond Retirement Fund	\$	7,232,400	\$	8,192,500
077	155-907	State Capital Improvement Bond Retirement Fund	\$	178,713,600	\$	189,296,300
078	155-908	Common Schools Bond Retirement Fund	\$	292,268,400	\$	342,148,300
079	155-909	Higher Education Bond Retirement Fund	\$	175,972,400	\$	210,372,200
090	155-912	Job Ready Site Development Bond Retirement Fund	\$	4,359,400	\$	8,232,500
TOTAL DSF Debt Service Fund Group			\$	915,151,600	\$	1,033,906,900
TOTAL ALL BUDGET FUND GROUPS			\$	915,151,600	\$	1,033,906,900

ADDITIONAL APPROPRIATIONS

Appropriation items in this section are for the purpose of paying debt service and financing costs on bonds or notes of the state issued under the Ohio Constitution and acts of the General Assembly. If it is determined that additional appropriations are necessary for this purpose, such amounts are hereby appropriated.

SECTION 399.10. SOA SOUTHERN OHIO AGRICULTURAL AND COMMUNITY DEVELOPMENT FOUNDATION

General Revenue Fund

GRF 945-321	Operating Expenses	\$	0	\$	475,220
GRF 945-501	Southern Ohio Agricultural and Community Development Foundation	\$	0	\$	7,513,251
TOTAL GRF General Revenue Fund		\$	0	\$	7,988,471
TOTAL ALL BUDGET FUND GROUPS		\$	0	\$	7,988,471

SOUTHERN OHIO AGRICULTURAL AND COMMUNITY DEVELOPMENT FOUNDATION

The foregoing appropriation item 945-321, Operating Expenses, shall be used for the operating expenses of the Southern Ohio Agricultural and Community Development Foundation in administering programs under section 183.15 of the Revised Code.

The foregoing appropriation item 945-501, Southern Ohio Agricultural and Community Development Foundation, shall be used by the Southern Ohio Agricultural and Community Development Foundation for programs administered under section 183.15 of the Revised Code.

SECTION 401.10. SPE BOARD OF SPEECH-LANGUAGE
PATHOLOGY & AUDIOLOGY

General Services Fund Group

4K9 886-609	Operating Expenses	\$	430,600	\$	453,000
TOTAL GSF General Services					
Fund Group		\$	430,600	\$	453,000
TOTAL ALL BUDGET FUND GROUPS					
		\$	430,600	\$	453,000

SECTION 403.10. BTA BOARD OF TAX APPEALS

General Revenue Fund

GRF 116-321	Operating Expenses	\$	2,247,476	\$	2,281,188
TOTAL GRF General Revenue Fund					
		\$	2,247,476	\$	2,281,188
TOTAL ALL BUDGET FUND GROUPS					
		\$	2,247,476	\$	2,281,188

SECTION 405.10. TAX DEPARTMENT OF TAXATION

General Revenue Fund

GRF 110-321	Operating Expenses	\$	92,040,062	\$	92,440,062
GRF 110-404	Tobacco Settlement	\$	0	\$	328,034
	Enforcement				
GRF 110-412	Child Support Administration	\$	71,680	\$	71,680
GRF 110-901	Property Tax Allocation -	\$	446,953,165	\$	478,613,618
	Taxation				
GRF 110-906	Tangible Tax Exemption -	\$	9,177,962	\$	4,588,981
	Taxation				
TOTAL GRF General Revenue Fund					
		\$	548,242,869	\$	576,042,375

General Services Fund Group

433 110-602	Tape File Account	\$	125,000	\$	140,000
5BQ 110-629	Commercial Activity Tax	\$	6,000,000	\$	6,000,000
	Administration				
5W4 110-625	Centralized Tax Filing and	\$	400,000	\$	200,000
	Payment				
5W7 110-627	Exempt Facility	\$	100,000	\$	150,000
	Administration				
5CZ 110-631	Vendor's License Application	\$	1,000,000	\$	1,000,000
TOTAL GSF General Services					
Fund Group		\$	7,625,000	\$	7,490,000

State Special Revenue Fund Group

4C6 110-616	International Registration Plan	\$	706,855	\$	706,855
4R6 110-610	Tire Tax Administration	\$	125,000	\$	150,000
435 110-607	Local Tax Administration	\$	17,250,000	\$	17,250,000
436 110-608	Motor Vehicle Audit	\$	1,200,000	\$	1,200,000
437 110-606	Litter Tax and Natural	\$	675,000	\$	800,000
	Resource Tax Administration				
438 110-609	School District Income Tax	\$	3,600,000	\$	3,600,000
5N5 110-605	Municipal Income Tax	\$	500,000	\$	500,000
	Administration				

5N6	110-618	Kilowatt Hour Tax Administration	\$	125,000	\$	175,000
5V7	110-622	Motor Fuel Tax Administration	\$	4,700,000	\$	5,000,000
5V8	110-623	Property Tax Administration	\$	13,500,000	\$	13,500,000
639	110-614	Cigarette Tax Enforcement	\$	100,000	\$	100,000
642	110-613	Ohio Political Party Distributions	\$	600,000	\$	600,000
688	110-615	Local Excise Tax Administration	\$	210,000	\$	180,000
TOTAL SSR State Special Revenue Fund Group			\$	43,291,855	\$	43,761,855
Agency Fund Group						
095	110-995	Municipal Income Tax	\$	21,000,000	\$	21,000,000
425	110-635	Tax Refunds	\$	1,565,900,000	\$	1,546,800,000
TOTAL AGY Agency Fund Group			\$	1,586,900,000	\$	1,567,800,000
Holding Account Redistribution Fund Group						
R10	110-611	Tax Distributions	\$	50,000	\$	50,000
R11	110-612	Miscellaneous Income Tax Receipts	\$	50,000	\$	50,000
TOTAL 090 Holding Account Redistribution Fund Group			\$	100,000	\$	100,000
TOTAL ALL BUDGET FUND GROUPS			\$	2,186,159,724	\$	2,195,194,230

HOMESTEAD EXEMPTION, PROPERTY TAX ROLLBACK, AND TANGIBLE TAX EXEMPTION

The foregoing appropriation item 110-901, Property Tax Allocation - Taxation, is hereby appropriated to pay for the state's costs incurred because of the Homestead Exemption, the Manufactured Home Property Tax Rollback, and the Property Tax Rollback. The Tax Commissioner shall distribute these funds directly to the appropriate local taxing districts, except for school districts, notwithstanding the provisions in sections 321.24 and 323.156 of the Revised Code, which provide for payment of the Homestead Exemption, the Manufactured Home Property Tax Rollback, and Property Tax Rollback by the Tax Commissioner to the appropriate county treasurer and the subsequent redistribution of these funds to the appropriate local taxing districts by the county auditor.

The foregoing appropriation item 110-906, Tangible Tax Exemption - Taxation, is hereby appropriated to pay for the state's costs incurred because of the tangible personal property tax exemption required by division (C)(3) of section 5709.01 of the Revised Code. The Tax Commissioner shall distribute to each county treasurer the total amount appearing in the notification from the county treasurer under division (G) of section 321.24 of the Revised Code for all local taxing districts located in the county except for school districts, notwithstanding the provision in section 321.24 of the Revised Code which provides for payment of the \$10,000 tangible personal property tax exemption by the Tax Commissioner to the appropriate county

treasurer for all local taxing districts located in the county including school districts. The county auditor shall distribute the amount paid by the Tax Commissioner among the appropriate local taxing districts except for school districts under division (G) of section 321.24 of the Revised Code.

Upon receipt of these amounts, each local taxing district shall distribute the amount among the proper funds as if it had been paid as real or tangible personal property taxes. Payments for the costs of administration shall continue to be paid to the county treasurer and county auditor as provided for in sections 319.54, 321.26, and 323.156 of the Revised Code.

Any sums, in addition to the amounts specifically appropriated in appropriation items 110-901, Property Tax Allocation - Taxation, for the Homestead Exemption, the Manufactured Home Property Tax Rollback, and the Property Tax Rollback payments, and 110-906, Tangible Tax Exemption - Taxation, for the \$10,000 tangible personal property tax exemption payments, which are determined to be necessary for these purposes, are hereby appropriated.

MUNICIPAL INCOME TAX

The foregoing appropriation item 110-995, Municipal Income Tax, shall be used to make payments to municipal corporations under section 5745.05 of the Revised Code. If it is determined that additional appropriations are necessary to make these payments, such amounts are hereby appropriated.

TAX REFUNDS

The foregoing appropriation item 110-635, Tax Refunds, shall be used to pay refunds under section 5703.052 of the Revised Code. If it is determined that additional appropriations are necessary for this purpose, such amounts are hereby appropriated.

INTERNATIONAL REGISTRATION PLAN AUDIT

The foregoing appropriation item 110-616, International Registration Plan, shall be used under section 5703.12 of the Revised Code for audits of persons with vehicles registered under the International Registration Plan.

TRAVEL EXPENSES FOR THE STREAMLINED SALES TAX PROJECT

Of the foregoing appropriation item 110-607, Local Tax Administration, the Tax Commissioner may disburse funds, if available, for the purposes of paying travel expenses incurred by members of Ohio's delegation to the Streamlined Sales Tax Project, as appointed under section 5740.02 of the Revised Code. Any travel expense reimbursement paid for by the Department of Taxation shall be done in accordance with applicable state laws and guidelines.

LITTER CONTROL TAX ADMINISTRATION FUND

Notwithstanding section 5733.12 of the Revised Code, during the period from July 1, 2007, to June 30, 2008, the amount of \$675,000, and during the period from July 1, 2008, to June 30, 2009, the amount of \$800,000, received by the Tax Commissioner under Chapter 5733. of the Revised Code, shall be credited to the Litter Control Tax Administration Fund (Fund 437).

CENTRALIZED TAX FILING AND PAYMENT FUND

The Director of Budget and Management, under a plan submitted by the Tax Commissioner, or as otherwise determined by the Director of Budget and Management, shall set a schedule to transfer cash from the General Revenue Fund to the credit of the Centralized Tax Filing and Payment Fund (Fund 5W4). The transfers of cash shall not exceed \$600,000 in the biennium.

COMMERCIAL ACTIVITY TAX ADMINISTRATION FUND

The foregoing appropriation item 110-629, Commercial Activity Tax Administration Fund (Fund 5BQ), shall be used to pay expenses incurred by the Department of Taxation to implement and administer the Commercial Activity Tax under Chapter 5751. of the Revised Code.

Notwithstanding section 3734.9010, division (B)(2)(c) of section 4505.09, division (B) of section 5703.12, section 5703.80, division (C)(6) of section 5727.81, sections 5733.122 and 5735.053, division (C) of section 5739.21, section 5745.03, section 5743.024, section 5743.15, division (C) of section 5747.03, and section 5747.113 of the Revised Code or any other provisions to the contrary, any residual cash balances determined and certified by the Tax Commissioner to the Director of Budget and Management shall be transferred on July 1, 2007, or as soon as possible thereafter, to the Commercial Activities Tax Administration Fund (Fund 5BQ).

TOBACCO SETTLEMENT ENFORCEMENT

The foregoing appropriation item 110-404, Tobacco Settlement Enforcement, shall be used by the Tax Commissioner to pay costs incurred in the enforcement of divisions (F) and (G) of section 5743.03 of the Revised Code.

SECTION 407.10. DOT DEPARTMENT OF TRANSPORTATION Transportation Modes

General Revenue Fund

GRF 775-451	Public Transportation - State	\$	16,700,000	\$	17,000,000
GRF 776-465	Ohio Rail Development Commission	\$	3,700,000	\$	3,700,000
GRF 776-466	Railroad Crossing/Grade	\$	789,600	\$	789,600

	Separation			
GRF 777-471	Airport Improvements - State	\$	3,293,985	\$ 1,794,003
TOTAL GRF General Revenue Fund		\$	24,483,585	\$ 23,283,603
TOTAL ALL BUDGET FUND GROUPS		\$	24,483,585	\$ 23,283,603

PUBLIC TRANSPORTATION - STATE

Of the foregoing GRF appropriation item 775-451, Public Transportation - State, \$200,000 in fiscal year 2008 shall be used for the Cleveland Metropolitan Park District West Creek Project.

TRANSPORTATION STUDY

Of the foregoing appropriation item 775-451, Public Transportation-State, \$50,000 in fiscal year 2008 shall be used for a Franklin County school transportation study to determine the feasibility of a countywide pupil transportation system.

AIRPORT IMPROVEMENTS

Of the foregoing appropriation item 777-471, Airport Improvements - State, \$1,500,000 in fiscal year 2008 shall be used for air travel and support and economic development of statewide airports. The Directors of Development and Transportation may enter into one or more interagency agreements between their two departments as necessary to implement a statewide strategy to enhance Ohio's airports as centers of regional economic development.

SECTION 409.10. TOS TREASURER OF STATE**General Revenue Fund**

GRF 090-321	Operating Expenses	\$	9,313,195	\$ 9,313,195
GRF 090-401	Office of the Sinking Fund	\$	537,223	\$ 537,223
GRF 090-402	Continuing Education	\$	448,843	\$ 448,843
GRF 090-524	Police and Fire Disability Pension Fund	\$	14,000	\$ 12,000
GRF 090-534	Police & Fire Ad Hoc Cost of Living	\$	140,000	\$ 130,000
GRF 090-554	Police and Fire Survivor Benefits	\$	910,000	\$ 865,000
GRF 090-575	Police and Fire Death Benefits	\$	20,000,000	\$ 20,000,000
TOTAL GRF General Revenue Fund		\$	31,363,261	\$ 31,306,261

General Services Fund Group

4E9 090-603	Securities Lending Income	\$	3,164,000	\$ 3,314,000
577 090-605	Investment Pool Reimbursement	\$	550,000	\$ 550,000
605 090-609	Treasurer of State Administrative Fund	\$	350,000	\$ 350,000
TOTAL GSF General Services Fund Group		\$	4,064,000	\$ 4,214,000

State Special Revenue Fund Group

5C5 090-602 County Treasurer Education	\$	135,000	\$	135,000
TOTAL SSR State Special Revenue				
Fund Group	\$	135,000	\$	135,000
Agency Fund Group				
425 090-635 Tax Refunds	\$	31,000,000	\$	31,000,000
TOTAL Agency Fund Group	\$	31,000,000	\$	31,000,000
TOTAL ALL BUDGET FUND GROUPS	\$	66,562,261	\$	66,655,261

SECTION 409.10.10. OFFICE OF THE SINKING FUND

The foregoing appropriation item 090-401, Office of the Sinking Fund, shall be used for financing and other costs incurred by or on behalf of the Commissioners of the Sinking Fund, the Ohio Public Facilities Commission or its secretary, or the Treasurer of State, with respect to State of Ohio general obligation bonds or notes, including, but not limited to, printing, advertising, delivery, rating fees and the procurement of ratings, professional publications, membership in professional organizations, and services referred to in division (D) of section 151.01 of the Revised Code. The General Revenue Fund shall be reimbursed for such costs by intrastate transfer voucher pursuant to a certification by the Office of the Sinking Fund of the actual amounts used. The amounts necessary to make such reimbursements are appropriated from the general obligation bond retirement funds created by the Constitution and laws to the extent such costs are incurred.

POLICE AND FIRE DEATH BENEFIT FUND

The foregoing appropriation item 090-575, Police and Fire Death Benefits, shall be disbursed quarterly by the Treasurer of State at the beginning of each quarter of each fiscal year to the Board of Trustees of the Ohio Police and Fire Pension Fund. The Treasurer of State shall certify such amounts quarterly to the Director of Budget and Management. By the twentieth day of June of each fiscal year, the Board of Trustees of the Ohio Police and Fire Pension Fund shall certify to the Treasurer of State the amount disbursed in the current fiscal year to make the payments required by section 742.63 of the Revised Code and shall return to the Treasurer of State moneys received from this appropriation item but not disbursed.

TAX REFUNDS

The foregoing appropriation item 090-635, Tax Refunds, shall be used to pay refunds under section 5703.052 of the Revised Code. If the Director of Budget and Management determines that additional amounts are necessary for this purpose, such amounts are hereby appropriated.

SECTION 411.10. TTA OHIO TUITION TRUST AUTHORITY

State Special Revenue Fund Group

5AM 095-603	Index Savings Plan	\$	2,376,852	\$	2,425,777
5DC 095-604	Banking Products	\$	1,631,283	\$	1,648,123
5P3 095-602	Variable College Savings Fund	\$	2,031,354	\$	2,063,596
645 095-601	Operating Expenses	\$	872,086	\$	881,169
TOTAL SSR State Special Revenue Fund Group		\$	6,911,575	\$	7,018,665
TOTAL ALL BUDGET FUND GROUPS		\$	6,911,575	\$	7,018,665

SECTION 413.10. OVH OHIO VETERANS' HOME

General Revenue Fund

GRF 430-100	Personal Services	\$	23,085,261	\$	24,403,903
GRF 430-200	Maintenance	\$	7,835,544	\$	8,458,613
GRF 430-402	Hall of Fame	\$	125,000	\$	125,000
TOTAL GRF General Revenue Fund		\$	31,045,805	\$	32,987,516

General Services Fund Group

484 430-603	Veterans Home Services	\$	375,880	\$	375,880
TOTAL GSF General Services Fund Group		\$	375,880	\$	375,880

Federal Special Revenue Fund Group

3BX 430-609	Medicare Services	\$	1,446,807		1,446,807
3L2 430-601	Veterans Home Operations - Federal	\$	15,290,320	\$	15,410,471

TOTAL FED Federal Special Revenue

Fund Group	\$	16,737,127	\$	16,857,278
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State Special Revenue Fund Group

4E2 430-602	Veterans Home Operating	\$	8,530,800	\$	8,530,800
604 430-604	Veterans Home Improvement	\$	770,096	\$	770,096

TOTAL SSR State Special Revenue

Fund Group	\$	9,300,896	\$	9,300,896	
TOTAL ALL BUDGET FUND GROUPS		\$	57,459,708	\$	59,521,570

CORNERSTONE OF HOPE

Of the foregoing appropriation item 430-100, Personal Services, \$100,000 in each fiscal year shall be distributed to Cornerstone of Hope to be used to provide professional counseling services for individuals who have recently lost family members who were service men and service women in the United States Armed Forces.

SECTION 415.10. VET VETERANS' ORGANIZATIONS

General Revenue Fund

VAP AMERICAN EX-PRISONERS OF WAR

GRF 743-501	State Support	\$	27,533	\$	27,533
VAN ARMY AND NAVY UNION, USA, INC.					

GRF 746-501	State Support	\$	60,513	\$	60,513
VKW KOREAN WAR VETERANS					
GRF 747-501	State Support	\$	54,398	\$	54,398
VJW JEWISH WAR VETERANS					
GRF 748-501	State Support	\$	32,687	\$	32,687
VCW CATHOLIC WAR VETERANS					
GRF 749-501	State Support	\$	63,789	\$	63,789
VPH MILITARY ORDER OF THE PURPLE HEART					
GRF 750-501	State Support	\$	62,015	\$	62,015
VVV VIETNAM VETERANS OF AMERICA					
GRF 751-501	State Support	\$	204,549	\$	204,549
VAL AMERICAN LEGION OF OHIO					
GRF 752-501	State Support	\$	332,561	\$	332,561
VII AMVETS					
GRF 753-501	State Support	\$	316,711	\$	316,711
VAV DISABLED AMERICAN VETERANS					
GRF 754-501	State Support	\$	237,939	\$	237,939
VMC MARINE CORPS LEAGUE					
GRF 756-501	State Support	\$	127,569	\$	127,569
V37 37TH DIVISION AEF VETERANS' ASSOCIATION					
GRF 757-501	State Support	\$	6,541	\$	6,541
VFW VETERANS OF FOREIGN WARS					
GRF 758-501	State Support	\$	271,277	\$	271,277
TOTAL GRF General Revenue Fund		\$	1,798,082	\$	1,798,082
TOTAL ALL BUDGET FUND GROUPS		\$	1,798,082	\$	1,798,082

RELEASE OF FUNDS

The foregoing appropriation items 743-501, 746-501, 747-501, 748-501, 749-501, 750-501, 751-501, 752-501, 753-501, 754-501, 756-501, 757-501, and 758-501, State Support, shall be released upon approval by the Director of Budget and Management.

CENTRAL OHIO UNITED SERVICES ORGANIZATION

Of the foregoing appropriation item 751-501, State Support, Vietnam Veterans of America, \$50,000 in each fiscal year shall be used to support the activities of the Central Ohio USO.

VAL AMERICAN LEGION OF OHIO

Of the foregoing appropriation item 752-501, State Support, VAL American Legion, at least \$50,000 in each fiscal year shall be used to fund service officer expenses.

VETERANS SERVICE COMMISSION EDUCATION

Of the foregoing appropriation item 753-501, State Support, AMVETS, up to \$20,000 in each fiscal year may be used to provide moneys to the Association of County Veterans Service Commissioners to reimburse its member county veterans service commissions for costs incurred in carrying out educational and outreach duties required under divisions (E) and (F) of

section 5901.03 of the Revised Code. The Director of Budget and Management shall release these funds upon the presentation of an itemized receipt, approved by the Governor's Office of Veterans Affairs, from the association for reasonable and appropriate expenses incurred while performing these duties. The association shall establish uniform procedures for reimbursing member commissions.

VII AMVETS

Of the foregoing appropriation item 753-501, State Support, AMVETS, at least \$50,000 shall be used in each fiscal year to fund service officer expenses.

VAV DISABLED AMERICAN VETERANS

Of the foregoing appropriation item 754-501, State Support, VAV Disabled American Veterans, at least \$50,000 in each fiscal year shall be used to fund service officer expenses.

VMC MARINE CORPS LEAGUE

Of the foregoing appropriation item 756-501, State Support, VMC Marine Corps League, at least \$30,000 in each fiscal year shall be used to fund service officer expenses.

VFW VETERANS OF FOREIGN WARS

Of the foregoing appropriation item 758-501, State Support, VFW Veterans of Foreign Wars, at least \$50,000 in each fiscal year shall be used to fund service officer expenses.

SECTION 417.10. DVM STATE VETERINARY MEDICAL BOARD

General Services Fund Group

4K9 888-609	Operating Expenses	\$	322,740	\$	327,312
5BU 888-602	Veterinary Student Loan Program	\$	60,000	\$	0
TOTAL GSF General Services Fund Group		\$	382,740	\$	327,312
TOTAL ALL BUDGET FUND GROUPS		\$	382,740	\$	327,312

SECTION 419.10. DYS DEPARTMENT OF YOUTH SERVICES

General Revenue Fund

GRF 470-401	RECLAIM Ohio	\$	186,338,297	\$	190,599,131
GRF 470-412	Lease Rental Payments	\$	24,207,700	\$	24,208,700
GRF 470-510	Youth Services	\$	18,558,587	\$	18,558,587
GRF 472-321	Parole Operations	\$	15,356,904	\$	15,764,729
GRF 477-321	Administrative Operations	\$	14,754,420	\$	14,754,419
TOTAL GRF General Revenue Fund		\$	259,215,908	\$	263,885,566
General Services Fund Group					
175 470-613	Education Reimbursement	\$	9,985,035	\$	10,550,725
4A2 470-602	Child Support	\$	328,657	\$	328,657

4G6 470-605	General Operational Funds	\$	49,713	\$	50,955
4G6 470-631	SCALE Program	\$	100,000	\$	100,000
479 470-609	Employee Food Service	\$	137,666	\$	137,666
5BN 470-629	E-Rate Program	\$	200,000	\$	200,000
TOTAL GSF General Services					
Fund Group		\$	10,801,071	\$	11,368,003
Federal Special Revenue Fund Group					
3BH 470-630	Federal Juvenile Programs FFY 06	\$	100,000	\$	50,000
3BT 470-634	Federal Juvenile Programs	\$	300,000	\$	50,000
3BY 470-635	Federal Juvenile Programs FFY 07	\$	903,350	\$	350,000
3BZ 470-636	Federal Juvenile Programs FFY 08	\$	0	\$	653,350
3V5 470-604	Juvenile Justice/Delinquency Prevention	\$	2,750,000	\$	2,750,000
3Z9 470-626	Federal Juvenile Programs FFY 05	\$	142,253	\$	0
321 470-601	Education	\$	5,202,160	\$	5,473,109
321 470-603	Juvenile Justice Prevention	\$	51,000	\$	30,000
321 470-606	Nutrition	\$	2,908,369	\$	2,981,078
321 470-610	Rehabilitation Programs	\$	36,000	\$	36,000
321 470-614	Title IV-E Reimbursements	\$	6,162,670	\$	6,316,737
321 470-617	Americorps Programs	\$	463,700	\$	463,700
321 470-633	Project Re-entry	\$	1,017,843	\$	1,017,843
TOTAL FED Federal Special Revenue					
Fund Group		\$	20,037,345	\$	20,171,817
State Special Revenue Fund Group					
147 470-612	Vocational Education	\$	2,074,710	\$	2,141,823
5BH 470-628	Partnerships for Success	\$	1,500,000	\$	1,500,000
TOTAL SSR State Special Revenue					
Fund Group		\$	3,574,710	\$	3,641,823
TOTAL ALL BUDGET FUND GROUPS					
		\$	293,629,034	\$	299,067,209

RECLAIM OHIO

Of the foregoing appropriation item 470-401, RECLAIM Ohio, \$25,000 in each fiscal year shall be distributed directly to the Lighthouse Youth Services Wrap-Around Program.

OHIO BUILDING AUTHORITY LEASE PAYMENTS

The foregoing appropriation item 470-412, Lease Rental Payments, in the Department of Youth Services, shall be used to meet all payments to the Ohio Building Authority for the period from July 1, 2007, to June 30, 2009, under the leases and agreements for facilities made under Chapter 152. of the Revised Code. This appropriation is the source of funds pledged for bond service charges on related obligations issued pursuant to Chapter 152. of the Revised Code.

EDUCATION REIMBURSEMENT

The foregoing appropriation item 470-613, Education Reimbursement, shall be used to fund the operating expenses of providing educational

services to youth supervised by the Department of Youth Services. Operating expenses include, but are not limited to, teachers' salaries, maintenance costs, and educational equipment. This appropriation item may be used for capital expenses related to the education program.

EMPLOYEE FOOD SERVICE AND EQUIPMENT

Notwithstanding section 125.14 of the Revised Code, the foregoing appropriation item 470-609, Employee Food Service, may be used to purchase any food operational items with funds received into the fund from reimbursement for state surplus property.

SECTION 503.03. PERSONAL SERVICE EXPENSES

Unless otherwise prohibited by law, any appropriation from which personal service expenses are paid shall bear the employer's share of public employees' retirement, workers' compensation, disabled workers' relief, and all group insurance programs; the costs of centralized accounting, centralized payroll processing, and related personnel reports and services; the cost of the Office of Collective Bargaining; the cost of the Employee Assistance Program; the cost of the affirmative action and equal employment opportunity programs administered by the Department of Administrative Services; the costs of interagency information management infrastructure; and the cost of administering the state employee merit system as required by section 124.07 of the Revised Code. These costs shall be determined in conformity with the appropriate sections of law and paid in accordance with procedures specified by the Office of Budget and Management. Expenditures from appropriation item 070-601, Public Audit Expense - Local Government, in Fund 422 may be exempted from the requirements of this section.

SECTION 503.06. SATISFACTION OF JUDGMENTS AND SETTLEMENTS AGAINST THE STATE

Except as otherwise provided in this section, an appropriation in this act or any other act may be used for the purpose of satisfying judgments, settlements, or administrative awards ordered or approved by the Court of Claims or by any other court of competent jurisdiction in connection with civil actions against the state. This authorization does not apply to appropriations to be applied to or used for payment of guarantees by or on behalf of the state, or for payments under lease agreements relating to, or debt service on, bonds, notes, or other obligations of the state. Notwithstanding any other statute to the contrary, this authorization includes

appropriations from funds into which proceeds of direct obligations of the state are deposited only to the extent that the judgment, settlement, or administrative award is for, or represents, capital costs for which the appropriation may otherwise be used and is consistent with the purpose for which any related obligations were issued or entered into. Nothing contained in this section is intended to subject the state to suit in any forum in which it is not otherwise subject to suit, and is not intended to waive or compromise any defense or right available to the state in any suit against it.

SECTION 503.09. CAPITAL PROJECT SETTLEMENTS

This section specifies an additional and supplemental procedure to provide for payments of judgments and settlements if the Director of Budget and Management determines, pursuant to division (C)(4) of section 2743.19 of the Revised Code, that sufficient unencumbered moneys do not exist in the particular appropriation to pay the amount of a final judgment rendered against the state or a state agency, including the settlement of a claim approved by a court, in an action upon and arising out of a contractual obligation for the construction or improvement of a capital facility if the costs under the contract were payable in whole or in part from a state capital projects appropriation. In such a case, the director may either proceed pursuant to division (C)(4) of section 2743.19 of the Revised Code or apply to the Controlling Board to increase an appropriation or create an appropriation out of any unencumbered moneys in the state treasury to the credit of the capital projects fund from which the initial state appropriation was made. The Controlling Board may approve or disapprove the application as submitted or modified. The amount of an increase in appropriation or new appropriation specified in an application approved by the Controlling Board is hereby appropriated from the applicable capital projects fund and made available for the payment of the judgment or settlement.

If the director does not make the application authorized by this section or the Controlling Board disapproves the application, and the director does not make application under division (C)(4) of section 2743.19 of the Revised Code, the director shall for the purpose of making that payment make a request to the General Assembly as provided for in division (C)(5) of that section.

SECTION 503.12. RE-ISSUANCE OF VOIDED WARRANTS

In order to provide funds for the reissuance of voided warrants under

section 117.47 of the Revised Code, there is hereby appropriated, out of moneys in the state treasury from the fund credited as provided in section 117.47 of the Revised Code, that amount sufficient to pay such warrants when approved by the Office of Budget and Management.

SECTION 503.15. REAPPROPRIATION OF UNEXPENDED ENCUMBERED BALANCES OF OPERATING APPROPRIATIONS

Except for amounts of \$50,000,000 or more that are encumbered from the General Revenue Fund for program subsidy payments, which the Director of Budget and Management must submit to the Controlling Board for approval, and General Revenue Fund encumbrances for planned program subsidy payments of \$1,000,000 or more but below \$50,000,000, which the Director of Budget and Management must report to the Controlling Board, an unexpended balance of an operating appropriation or reappropriation that a state agency lawfully encumbered prior to the close of a fiscal year is reappropriated on the first day of July of the following fiscal year from the fund from which it was originally appropriated or reappropriated for the following period and shall remain available only for the purpose of discharging the encumbrance:

(A) For an encumbrance for personal services, maintenance, equipment, or items for resale, other than an encumbrance for an item of special order manufacture not available on term contract or in the open market or for reclamation of land or oil and gas wells for a period of not more than five months from the end of the fiscal year;

(B) For an encumbrance for an item of special order manufacture not available on term contract or in the open market, for a period of not more than five months from the end of the fiscal year or, with the written approval of the Director of Budget and Management, for a period of not more than twelve months from the end of the fiscal year;

(C) For an encumbrance for reclamation of land or oil and gas wells, for a period ending when the encumbered appropriation is expended or for a period of two years, whichever is less;

(D) For an encumbrance for any other expense, for such period as the director approves, provided such period does not exceed two years.

Any operating appropriations for which unexpended balances are reappropriated beyond a five-month period from the end of the fiscal year by division (B) of this section shall be reported to the Controlling Board by the Director of Budget and Management by the thirty-first day of December of each year. The report on each such item shall include the item, the cost of the item, and the name of the vendor. The report shall be updated on a

The above boxed and initialed text was disapproved.

Date: June 30, 2007

Ted Strickland
Ted Strickland, Governor

quarterly basis for encumbrances remaining open.

Upon the expiration of the reappropriation period set out in divisions (A), (B), (C), or (D) of this section, a reappropriation made by this section lapses, and the Director of Budget and Management shall cancel the encumbrance of the unexpended reappropriation not later than the end of the weekend following the expiration of the reappropriation period.

Notwithstanding the preceding paragraph, with the approval of the Director of Budget and Management, an unexpended balance of an encumbrance that was reappropriated on the first day of July by this section for a period specified in division (C) or (D) of this section and that remains encumbered at the close of the fiscal biennium is hereby reappropriated on the first day of July of the following fiscal biennium from the fund from which it was originally appropriated or reappropriated for the applicable period specified in division (C) or (D) of this section and shall remain available only for the purpose of discharging the encumbrance.

The Director of Budget and Management may correct accounting errors committed by the staff of the Office of Budget and Management, such as re-establishing encumbrances or appropriations cancelled in error, during the cancellation of operating encumbrances in November and of nonoperating encumbrances in December.

If the Controlling Board approved a purchase, that approval remains in effect so long as the appropriation used to make that purchase remains encumbered.

SECTION 503.18. APPROPRIATIONS RELATED TO CASH TRANSFERS AND RE-ESTABLISHMENT OF ENCUMBRANCES

Any cash transferred by the Director of Budget and Management under section 126.15 of the Revised Code is hereby appropriated. Any amounts necessary to re-establish appropriations or encumbrances under section 126.15 of the Revised Code are hereby appropriated.

SECTION 503.21. INCOME TAX DISTRIBUTION TO COUNTIES

There are hereby appropriated out of any moneys in the state treasury to the credit of the General Revenue Fund, which are not otherwise appropriated, funds sufficient to make any payment required by division (B)(2) of section 5747.03 of the Revised Code.

SECTION 503.24. EXPENDITURES AND APPROPRIATION

INCREASES APPROVED BY THE CONTROLLING BOARD

Any money that the Controlling Board approves for expenditure or any increase in appropriation authority that the Controlling Board approves under sections 127.14, 131.35, and 131.39 of the Revised Code or any other provision of law is hereby appropriated for the period ending June 30, 2009.

SECTION 503.27. FUNDS RECEIVED FOR USE OF GOVERNOR'S RESIDENCE

If the Governor's Residence Fund (Fund 4H2) receives payment for use of the residence pursuant to section 107.40 of the Revised Code, the amounts so received are hereby appropriated to appropriation item 100-604, Governor's Residence Gift.

SECTION 503.31. PAYROLL WITHHOLDING FUNDS FOR WORKERS' COMPENSATION ASSESSMENTS

Notwithstanding any provision of law to the contrary, not later than September 30 of each fiscal year, the Director of Budget and Management may transfer up to \$6,336,457 per fiscal year from the General Revenue Fund to the Payroll Withholding Fund (Fund 124). The amount transferred is hereby appropriated in appropriation item 995-673, Payroll Deductions. The Director of Administrative Services may use the amount transferred to pay increased costs to state agencies attributable to managed care assessments, premiums, and other fees charged by the Bureau of Workers' Compensation that would otherwise have been charged to the General Revenue Fund.

SECTION 506.03. UTILITY RADIOLOGICAL SAFETY BOARD ASSESSMENTS

Unless the agency and nuclear electric utility mutually agree to a higher amount by contract, the maximum amounts that may be assessed against nuclear electric utilities under division (B)(2) of section 4937.05 of the Revised Code are as follows:

	FY 2008	FY 2009
Department of Agriculture		
Fund 4E4 Utility Radiological Safety	\$73,059	\$73,059
Department of Health		
Fund 610 Radiation Emergency	\$850,000	\$850,000

Response

Environmental Protection Agency

Fund 644 ER Radiological Safety \$286,114 \$286,114

Emergency Management Agency

Fund 657 Utility Radiological Safety \$1,260,000 \$1,260,000

SECTION 512.01. TRANSFERS OF FISCAL YEAR 2007 GENERAL REVENUE FUND ENDING BALANCES

Notwithstanding divisions (B)(1)(b), (B)(2), and (C) of section 131.44 of the Revised Code, up to \$100,000,000 in cash from fiscal year 2007 surplus revenue in excess of the amount required under division (A)(3) of section 131.44 of the Revised Code shall remain in the General Revenue Fund (GRF).

SECTION 512.03. TRANSFERS TO THE GENERAL REVENUE FUND FROM NON-GRF FUNDS

Notwithstanding any other provision of law to the contrary, during fiscal years 2008 and 2009, the Director of Budget and Management is hereby authorized to transfer cash from non-General Revenue Fund funds that are not constitutionally restricted to the General Revenue Fund. The total amount of cash transfers made pursuant to this section to the General Revenue Fund during fiscal years 2008 and 2009 shall not exceed \$70,000,000.

SECTION 512.06. TRANSFERS TO THE GENERAL REVENUE FUND OF INTEREST EARNED

Notwithstanding any provision of Ohio law to the contrary, the Director of Budget and Management, through June 30, 2009, may transfer interest earned by any fund in the Central Accounting System to the General Revenue Fund. Subsequent to the making of such transfers, the Director of Budget and Management shall provide a report to the Controlling Board at its next regularly scheduled meeting detailing the funds from which the interest earned was transferred to the General Revenue Fund and the amount of interest earnings transferred from each of those funds. This section does not apply to funds whose source of revenue is restricted or protected by the Constitution of this state, federal tax law, or the "Cash Management Improvement Act of 1990" 104 Stat. 1058 (1990), 31 U.S.C. 6501 et seq., as amended.

SECTION 512.07. CASH TRANSFERS FROM REPARATIONS FUND (Fund 402) TO DISASTER PREPAREDNESS FUND (Fund 5EX)

Notwithstanding any other provision of law to the contrary, on the first day of July in each of years 2007 and 2008, or as soon as practicable thereafter in each of those years, the Director of Budget and Management shall transfer \$350,000 in cash from the Reparations Fund (Fund 402) to the Disaster Preparedness Fund (Fund 5EX).

SECTION 512.09. CORPORATE AND UCC FILING FUND TRANSFER TO GRF

Not later than the first day of June in each year of the biennium, the Director of Budget and Management shall transfer \$500,000 from the Corporate and Uniform Commercial Code Filing Fund to the General Revenue Fund.

SECTION 512.21. GRF TRANSFER TO FUND 5N4, OAKS PROJECT IMPLEMENTATION

On July 1, 2007, or as soon thereafter as possible, the Director of Budget and Management shall transfer an amount not to exceed \$2,200,725 in cash from the General Revenue Fund to Fund 5N4, OAKS Project Implementation. On July 1, 2008, or as soon thereafter as possible, the Director of Budget and Management shall transfer an amount not to exceed \$2,092,779 in cash from the General Revenue Fund to Fund 5N4, OAKS Project Implementation.

SECTION 512.31. TEMPORARY TRANSFER TO THE OAKS SUPPORT ORGANIZATION FUND

Notwithstanding any provision of law to the contrary, in fiscal year 2008, the Director of Budget and Management may transfer an amount not to exceed \$1,000,000 in cash from the Human Resources Services Fund (Fund 125) to the OAKS Support Organization Fund (Fund 5EB). These amounts shall support the establishment of the OAKS Support Organization. Amounts transferred to the OAKS Support Organization Fund and interest earnings on these amounts transferred during fiscal year 2008 shall be returned to the Human Resources Services Fund not later than January 1, 2008. Upon certification of the total amount transferred from Fund 125 to Fund 5EB, the Director of Budget and Management shall transfer cash in the

amount certified from Fund 5EB to Fund 125.

SECTION 512.32. GRF TRANSFER TO FUND 470, FEE SUPPORTED PROGRAMS

On July 1, 2007, or as soon as possible thereafter, the Director of Budget and Management shall transfer \$50,000 in cash from the General Revenue Fund to Fund 470, Fee Supported Programs, in the Department of Health.

SECTION 512.34. TRANSFER FROM EDUCATION FACILITIES ENDOWMENT FUND

Notwithstanding division (G) of section 183.27 of the Revised Code, the Director of Budget and Management shall transfer \$40,000,000 cash in fiscal year 2008 from the Education Facilities Endowment Fund (Fund P87) to the General Revenue Fund.

SECTION 512.35. DIESEL EMISSIONS REDUCTION AND TRANSIT CAPITAL GRANT PROGRAMS

On the first day of July of each fiscal year or as soon as possible thereafter, the Director of Budget and Management shall (1) transfer \$9,817,105 in cash in fiscal year 2008 and \$10,057,814 in cash in fiscal year 2009 from the Highway Operating Fund (Fund 002) to the Diesel Emissions Grant Fund established in section 122.861 of the Revised Code and (2) transfer \$5,000,000 in each fiscal year from the Highway Operating Fund to the Transit Capital Fund (Fund 5E7). The amounts transferred are hereby appropriated.

The transfer to the Diesel Emissions Grant Fund shall be used for the administration and oversight of the Diesel Emissions Reduction Grant Program within the Department of Development. In addition to the allowable expenditures set forth in section 122.861 of the Revised Code, Diesel Emissions Reduction Grant Program funds also may be used to fund projects involving the purchase or use of hybrid and alternative fuel vehicles that are allowed under guidance developed by the Federal Highway Administration for the Congestion Mitigation and Air Quality (CMAQ) Program. The Director of Development, in consultation with the Director of Environmental Protection, shall develop guidance for distribution of the funds from the Diesel Emissions Grant Fund. The guidance shall include a method for prioritization of projects, acceptable technologies, and

procedures for awarding grants and loans.

The transfer to the Transit Capital Fund (Fund 5E7) shall be used to supplement the capital portion of the Ohio Public Transportation Grant Program within the Department of Transportation.

These cash transfers represent CMAQ program moneys within the Department of Transportation for use by the Diesel Emissions Reduction Grant Program by the Department of Development and for use by the Ohio Public Transportation Grant Program by the Ohio Department of Transportation. These allocations shall not reduce the amount of such moneys designated for metropolitan planning organizations.

SECTION 512.37. TRANSFER TO ENERGY STRATEGY DEVELOPMENT FUND

On July 1, 2007, and on July 1, 2008, or as soon thereafter as possible, the Director of Budget and Management may transfer cash from the funds specified below, in the amount specified below, to the Energy Strategy Development Fund, which is hereby created in the state treasury. The fund may accept contributions and transfers made to the fund. The funds shall be used to develop energy initiatives, projects, and policy.

<u>Agency</u>	<u>Fund</u>	<u>FY 2008</u>	<u>FY 2009</u>
Department of Administrative Services	117	\$35,000	\$35,000
Department of Agriculture	3J4	\$35,000	\$35,000
Department of Development	4H4	\$32,447	\$0
Department of Development	135	\$0	\$35,000
Environmental Protection Agency	219	\$35,000	\$35,000
Department of Natural Resources	157	\$35,000	\$35,000
Department of Transportation	002	\$50,000	\$50,000

SECTION 512.38. CASH TRANSFER FROM AUTOMATED TITLE PROCESSING FUND TO TITLE DEFECT RESCISSION FUND

Notwithstanding any other provision of law to the contrary, on July 1, 2007, or as soon as practicable thereafter, the Director of Budget and Management shall transfer \$1,000,000 in cash from the Automated Title Processing Fund (Fund 849) to the Title Defect Rescission Fund (Fund 4Y7).

SECTION 512.41. For purposes of sections 109.93, 111.18, and 173.85 of
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disapproved.

Date: June 30, 2007

Ted Strickland
 Ted Strickland, Governor

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the Revised Code, as amended by this act, the Director of Budget and Management, in collaboration with the Treasurer of State, may take any action necessary to establish funds in the state treasury that were previously held in the custody of the Treasurer of State, including, but not limited to, the transfer of cash from the custodial funds to the state treasury and the establishment of appropriations and encumbrances to support outstanding obligations. The amounts necessary to support outstanding obligations are hereby appropriated. Agencies may request additional appropriation authority, but it shall be subject to approval by the Controlling Board.

SECTION 512.50. GRF TRANSFER TO THE PUBLIC AUDIT
EXPENSE INTRA-STATE FUND

On July 1, 2007, or as soon as possible thereafter, the Director of Budget and Management shall transfer \$400,000 cash from the General Revenue Fund to the Public Audit Expense Intra-State Fund (Fund 109). The amounts transferred are hereby appropriated to help pay for expenses incurred in the Auditor of State's role relating to fiscal caution, fiscal watch, and fiscal emergency activities as defined in Chapter 3316. of the Revised Code and for performance audits for school districts in fiscal distress.

SECTION 515.06. TRANSFER OF PRINTING SERVICES FROM THE
OFFICE OF INFORMATION TECHNOLOGY

Effective July 1, 2007, or the earliest date thereafter agreed to by the Director of Budget and Management and the Director of Administrative Services, the Office of Information Technology printing office currently located on Integrity Drive in Columbus shall become part of the Department of Administrative Services. The functions, assets, and liabilities, including, but not limited to, records, regardless of form or medium, leases, and contracts, of the printing office are transferred to the Department of Administrative Services. The Department of Administrative Services is thereupon and thereafter successor to, assumes the obligations of, and otherwise constitutes the continuation of the printing office. The functions of the printing office are thereupon and thereafter transferred to the Department of Administrative Services.

Any business commenced but not completed by the printing office by the date of the transfer shall be completed by the Department of Administrative Services, in the same manner, and with the same effect, as if completed by the printing office. No validation, cure, right, privilege, remedy, obligation, or liability is lost or impaired by reason of the transfer

and shall be administered by the Department of Administrative Services. All the printing office's rules, orders, and determinations continue in effect as rules, orders, and determinations of the Department of Administrative Services, until modified or rescinded by the Department of Administrative Services. If necessary to ensure the integrity of the Administrative Code rule numbering system, the Director of the Legislative Service Commission shall renumber the printing office's rules to reflect their transfer to the Department of Administrative Services.

Employees of the Office of Information Technology designated as staff in the printing office shall be transferred to the Department of Administrative Services. Subject to the layoff provisions of sections 124.321 to 124.328 of the Revised Code, the layoff provisions of the contract between the state and all bargaining units affected, the employees transferred to the Department of Administrative Services retain their positions and all benefits accruing thereto.

No judicial or administrative action or proceeding to which the printing office is a party that is pending on July 1, 2007, or such later date as may be established by the Director of the Office of Information Technology and the Director of Administrative Services, is affected by the transfer of functions. The action or proceeding shall be prosecuted or defended in the name of the Director of Administrative Services. On application to the court or agency, the Director of Administrative Services shall be substituted for the Director of the Office of Information Technology as a party to the action or proceeding.

On and after July 1, 2007, notwithstanding any provision of law to the contrary, the Director of Budget and Management shall take the actions with respect to budget changes made necessary by the transfer, including administrative reorganization, program transfers, the creation of new funds, and the consolidation of funds as authorized by this section. The Director of Budget and Management may cancel encumbrances and re-establish encumbrances or parts of encumbrances as needed in fiscal year 2008 in the appropriate fund and appropriation item for the same purpose and for payment to the same vendor. The Director of Budget and Management as determined necessary, may re-establish encumbrances in fiscal year 2008 in a different fund or appropriation item in an agency or between agencies. The re-established encumbrances are hereby appropriated. The Director of Budget and Management shall reduce each year's appropriation balances by the amount of the encumbrance canceled in their respective funds and appropriation items.

Not later than sixty days after the transfer of the printing office to the

Department of Administrative Services, the Director of the Office of Information Technology shall certify to the Director of Budget and Management the amount of cash associated with printing services supported by Fund 133, IT Services Delivery Fund. Upon receipt of the certification, the Director of Budget and Management shall transfer cash from Fund 133, IT Services Delivery Fund, to Fund 210, State Printing Fund. This amount is hereby appropriated.

SECTION 515.09. TRANSFER OF MAIL AND FULFILLMENT SERVICES FROM THE DEPARTMENT OF JOB AND FAMILY SERVICES

Effective July 1, 2007, or the earliest date thereafter agreed to by the Director of Job and Family Services and the Director of Administrative Services, the Department of Job and Family Services mail and fulfillment office, currently located on Integrity Drive in Columbus shall become part of the Department of Administrative Services. The functions, assets, and liabilities, including, but not limited to, records, regardless of form or medium, leases, and contracts, of the mail and fulfillment office is transferred to the Department of Administrative Services. The Department of Administrative Services is thereupon and thereafter successor to, assumes the obligations of, and otherwise constitutes the continuation of the mail and fulfillment office. The functions of the mail and fulfillment office are thereupon and thereafter transferred to the Department of Administrative Services.

Any business commenced but not completed by the mail and fulfillment office by the date of transfer shall be completed by the Department of Administrative Services, in the same manner, and with the same effect, as if completed by the mail and fulfillment office. No validation, cure, right, privilege, remedy, obligation, or liability is lost or impaired by reason of the transfer and shall be administered by the Department of Administrative Services. All of the mail and fulfillment office's rules, orders, and determinations continue in effect as rules, orders, and determinations of the Department of Administrative Services, until modified or rescinded by the Department of Administrative Services. If necessary to ensure the integrity of the Administrative Code rule numbering system, the Director of the Legislative Service Commission shall renumber the mail and fulfillment office's rules to reflect their transfer to the Department of Administrative Services.

Employees of the Department of Job and Family Services designated as staff in the mail and fulfillment office shall be transferred to the Department

of Administrative Services. Subject to the layoff provisions of sections 124.321 to 124.328 of the Revised Code, and to provisions of the contract between the state and all bargaining units affected, the employees transferred to the Department of Administrative Services retain their positions and all benefits accruing thereto.

No judicial or administrative action or proceeding to which the mail and fulfillment office is a party that is pending on July 1, 2007, or such later date as may be established by the Director of Job and Family Services and the Director of Administrative Services, is affected by the transfer of functions. The action or proceeding shall be prosecuted or defended in the name of the Director of Administrative Services. On application to the court or agency, the Director of Administrative Services shall be substituted for the Director of Job and Family Services as a party to the action or proceeding.

On and after July 1, 2007, notwithstanding any provision of law to the contrary, the Director of Budget and Management shall take the actions with respect to budget changes made necessary by the transfer, including administrative reorganization, program transfers, the creation of new funds, and the consolidation of funds as authorized by this section. The Director of Budget and Management may cancel encumbrances and re-establish encumbrances or parts of encumbrances as needed in fiscal year 2008 in the appropriate fund and appropriation item for the same purpose and for payment to the same vendor. The Director of Budget and Management, as determined necessary, may re-establish encumbrances in fiscal year 2008 in a different fund or appropriation item in an agency or between agencies. The re-established encumbrances are hereby appropriated. The Director of Budget and Management shall reduce each year's appropriation balances by the amount of the encumbrance canceled in their respective funds and appropriation items.

The Director of Job and Family Services and the Director of Administrative Services shall enter into an interagency agreement establishing terms and timetables for the implementation of this section. The interagency agreement shall include provisions for credits to the Department of Job and Family Services for prepaid postage, agreements for the credit, transfer, or reimbursement of funds to the Department of Job and Family Services to comply with terms and conditions applicable to federal funds expended by the department for the purchase, maintenance, and operation of equipment, agreements for ongoing operations in compliance with federal requirements applicable to Department of Job and Family Services programs that utilize the mail and fulfillment services, transfer of or sharing of lease agreements, and any other agreements that the Director of Job and Family

Services and the Director of Administrative Services determine to be necessary for the successful implementation of this section.

Not later than sixty days after the transfer of the mail and fulfillment office to the Department of Administrative Services, the Director of Job and Family Services shall certify to the Director of Budget and Management the amount of any unexpended balance of appropriations made to the department to support the office. Upon receipt of the certification, the Director of Budget and Management shall transfer the appropriations and cash to Fund 210, State Printing Fund.

SECTION 518.01. TRANSFERS FROM THE TOBACCO MASTER SETTLEMENT AGREEMENT FUND TO THE GENERAL REVENUE FUND

Notwithstanding any law to the contrary, on July 1, 2007, or as soon as possible thereafter, and before any other transfers from the Tobacco Master Settlement Agreement Fund (Fund 087) are made, the Director of Budget and Management shall transfer \$9,984,248 to the General Revenue Fund from the Tobacco Master Settlement Agreement Fund (Fund 087).

SECTION 518.02. EXCESS TOBACCO SECURITIZATION PROCEEDS

Any proceeds from securitization of the Tobacco Master Settlement Agreement, after all expenses of the securitization have been accounted for, in excess of \$5,000,000,000 shall be deposited in the School Building Program Assistance Fund (Fund 032) established in section 3318.25 of the Revised Code.

SECTION 518.03. BUDGET ADJUSTMENTS TO REFLECT TOBACCO SECURITIZATION

(A) Notwithstanding any other provision of law to the contrary, the Director of Budget and Management, periodically on any date following the issuance of the tobacco obligations authorized in section 183.51 of the Revised Code and through June 30, 2009, shall:

(1) Determine the amount of appropriation items 235-909, Higher Education General Obligation Debt Service, and 230-908, Common Schools General Obligation Debt Service, that are in excess of the amounts needed to pay all debt service and financing costs on those obligations payable from each of those items and transfer all or any portion of that excess

appropriation to appropriation item 200-901, Property Tax Allocation-Education, or 110-901, Property Tax Allocation-Taxation, or both together as needed for the purposes of making the state's property tax relief payments to school districts and counties.

(2) Determine the amount by which interest earnings credited to Fund 034, Higher Education Improvement Fund, and Fund 032, School Building Program Assistance Fund, from the investment of the net proceeds of those tobacco obligations exceed the amount needed to satisfy appropriations from those funds, transfer all or part of that excess cash balance to the General Revenue Fund, and increase appropriation item 200-901, Property Tax Allocation-Education, or 110-901, Property Tax Allocation-Taxation, or both together, by up to the amount of cash so transferred to the General Revenue Fund.

(3) Determine the amount of capital appropriations in CAP-770, School Building Assistance Program, and transfers of cash to Fund 5E3, School Facilities Commission, that are necessary to fully expend the amount of net proceeds deposited into Fund 032, School Building Program Assistance Fund, from the issuance of those tobacco obligations, and increase the appropriations for CAP-770 and appropriation item 230-644, Operating Expenses-School Facilities Commission, by the necessary amounts.

(4) Determine the amount of additional capital appropriations, if any necessary to fully expend the amount of net proceeds deposited from the issuance of those tobacco obligations into Fund 034, Higher Education Improvement Fund.

(5) Reduce by up to \$800,000,000 the amount of authorization to issue and sell general obligations to pay the costs of capital facilities for a system of common schools throughout the state granted to the Ohio Public Facilities Commission by prior acts of the General Assembly. This reduction reflects the utilization of the net proceeds of those tobacco obligations in place of general obligation bond proceeds to support capital appropriations payable from Fund 032, School Building Assistance Fund.

(6) Reduce by up to \$950,000,000 the amount of authorization to issue and sell general obligations to pay the costs of capital facilities for state-supported and state-assisted institutions of higher education granted to the Ohio Public Facilities Commission by prior acts of the General Assembly. This reduction reflects the utilization of the net proceeds of those tobacco obligations in place of general obligation bond proceeds to support capital appropriations payable from Fund 034, Higher Education Improvement Fund.

(B) Before the Office of Budget and Management transfers or increases

or decreases any appropriations or authorizations described in division (A) of this section, the Office of Budget and Management shall seek Controlling Board approval.

SECTION 518.06. GENERAL OBLIGATION DEBT SERVICE PAYMENTS

Certain appropriations are in this act for the purpose of paying debt service and financing costs on general obligation bonds or notes of the state issued pursuant to the Ohio Constitution and acts of the General Assembly. If it is determined that additional appropriations are necessary for this purpose, such amounts are hereby appropriated.

SECTION 518.09. LEASE PAYMENTS TO OPFC, OBA, AND TREASURER OF STATE

Certain appropriations are in this act for the purpose of making lease rental payments pursuant to leases and agreements relating to bonds or notes issued by the Ohio Building Authority or the Treasurer of State or, previously, by the Ohio Public Facilities Commission, pursuant to the Ohio Constitution and acts of the General Assembly. If it is determined that additional appropriations are necessary for this purpose, such amounts are hereby appropriated.

SECTION 518.12. AUTHORIZATION FOR TREASURER OF STATE AND OBM TO EFFECTUATE CERTAIN DEBT SERVICE PAYMENTS

The Office of Budget and Management shall initiate and process disbursements from general obligation and lease rental payment appropriation items during the period from July 1, 2007, to June 30, 2009, relating to bonds or notes issued under Sections 2i, 2k, 2l, 2m, 2n, 2o, 2p and 15 of Article VIII, Ohio Constitution, and Chapters 151. and 154. of the Revised Code. Disbursements shall be made upon certification by the Treasurer of State, Office of the Sinking Fund, of the dates and the amounts due on those dates.

SECTION 521.03. STATE AND LOCAL REBATE AUTHORIZATION

There is hereby appropriated, from those funds designated by or pursuant to the applicable proceedings authorizing the issuance of state obligations, amounts computed at the time to represent the portion of investment income to be rebated or amounts in lieu of or in addition to any

rebate amount to be paid to the federal government in order to maintain the exclusion from gross income for federal income tax purposes of interest on those state obligations under section 148(f) of the Internal Revenue Code.

Rebate payments shall be approved and vouchered by the Office of Budget and Management.

SECTION 521.06. STATEWIDE INDIRECT COST RECOVERY

Whenever the Director of Budget and Management determines that an appropriation made to a state agency from a fund of the state is insufficient to provide for the recovery of statewide indirect costs under section 126.12 of the Revised Code, the amount required for such purpose is hereby appropriated from the available receipts of such fund.

SECTION 521.07. GRF TRANSFERS ON BEHALF OF THE STATEWIDE INDIRECT COST ALLOCATION PLAN

The total transfers made from the General Revenue Fund by the Director of Budget and Management under this section shall not exceed the amounts transferred into the General Revenue Fund under division (B) of section 126.12 of the Revised Code.

The director of an agency may certify to the Director of Budget and Management the amount of expenses not allowed to be included in the Statewide Indirect Cost Allocation Plan under federal regulations, from any fund included in the Statewide Indirect Cost Allocation Plan, prepared as required by section 126.12 of the Revised Code.

Upon determining that no alternative source of funding is available to pay for such expenses, the Director of Budget and Management may transfer from the General Revenue Fund into the fund for which the certification is made, up to the amount of the certification. The director of the agency receiving such funds shall include, as part of the next budget submission prepared under section 126.02 of the Revised Code, a request for funding for such activities from an alternative source such that further federal disallowances would not be required.

SECTION 521.09. FEDERAL GOVERNMENT INTEREST REQUIREMENTS

Notwithstanding any provision of law to the contrary, on or before the first day of September of each fiscal year, the Director of Budget and Management, in order to reduce the payment of adjustments to the federal

government, as determined by the plan prepared under division (A) of section 126.12 of the Revised Code, may designate such funds as the director considers necessary to retain their own interest earnings.

SECTION 521.12. FEDERAL CASH MANAGEMENT
IMPROVEMENT ACT

Pursuant to the plan for compliance with the Federal Cash Management Improvement Act required by section 131.36 of the Revised Code, the Director of Budget and Management may cancel and re-establish all or part of encumbrances in like amounts within the funds identified by the plan. The amounts necessary to re-establish all or part of encumbrances are hereby appropriated.

SECTION 603.01. That Section 4 of Sub. H.B. 2 of the 127th General Assembly be amended to read as follows:

Sec. 4. Not later than ~~September 28, 2007~~ March 31, 2008, the Chancellor of the Ohio Board of Regents shall report to the General Assembly, in accordance with division (B) of section 101.68 of the Revised Code, and to the Governor, recommendations to accomplish the following:

- (A) Make college more affordable and accessible for all Ohioans;
- (B) Encourage Ohio graduates to remain in Ohio after earning their degrees;
- (C) Maximize higher education as a driver of the state's economy.

The report also shall include a plan as to how to appropriately utilize the Board of Regents to enhance higher education in Ohio.

SECTION 603.02. That existing Section 4 of Sub. H.B. 2 of the 127th General Assembly is hereby repealed.

SECTION 603.03. That Section 203.10 of Am. Sub. H.B. 67 of the 127th General Assembly be amended to read as follows:

Sec. 203.10. DOT DEPARTMENT OF TRANSPORTATION

FUND	TITLE		FY 2008		FY 2009
	Transportation Planning and Research				
	Highway Operating Fund Group				
002	771-411	Planning and Research - State	\$	20,724,547	\$ 21,733,301
002	771-412	Planning and Research -	\$	29,996,363	\$ 30,264,923
		Federal			
TOTAL HOF Highway Operating					

Fund Group	\$	50,720,910	\$	51,998,224
TOTAL ALL BUDGET FUND GROUPS -				
Transportation Planning				
and Research	\$	50,720,910	\$	51,998,224

Highway Construction

Highway Operating Fund Group

002 772-421	Highway Construction - State	\$	528,722,188	\$	504,184,419
002 772-422	Highway Construction - Federal	\$	1,103,979,148	\$	1,086,733,759
002 772-424	Highway Construction - Other	\$	106,439,000	\$	100,379,155
002 772-437	GARVEE Debt Service - State	\$	10,321,300	\$	19,273,500
002 772-438	GARVEE Debt Service - Federal	\$	113,915,900	\$	139,015,000
212 772-426	Highway Infrastructure Bank - Federal	\$	4,303,173	\$	4,018,649
212 772-427	Highway Infrastructure Bank - State	\$	8,268,315	\$	10,209,272
212 772-429	Highway Infrastructure Bank - Local	\$	11,000,000	\$	11,499,999
212 772-430	Infrastructure Debt Reserve Title 23-49	\$	1,500,000	\$	1,500,000
213 772-431	Roadway Infrastructure Bank - State	\$	1,000,000	\$	1,000,000
213 772-432	Roadway Infrastructure Bank - Local	\$	6,000,000	\$	6,000,000
213 772-433	Infrastructure Debt Reserve - State	\$	2,000,000	\$	2,000,000

TOTAL HOF Highway Operating Fund Group	\$	1,897,449,024	\$	1,885,813,753
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Highway Capital Improvement Fund Group

042 772-723	Highway Construction - Bonds	\$	200,000,000	\$	100,000,000
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TOTAL 042 Highway Capital Improvement Fund Group	\$	200,000,000	\$	100,000,000
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Infrastructure Bank Obligations Fund Group

045 772-428	Highway Infrastructure Bank - Bonds	\$	450,000,000	\$	400,000,000
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TOTAL 045 Infrastructure Bank Obligations Fund Group	\$	450,000,000	\$	400,000,000
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TOTAL ALL BUDGET FUND GROUPS - Highway Construction	\$	2,547,449,024	\$	2,385,813,753
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Highway Maintenance

Highway Operating Fund Group

002 773-431	Highway Maintenance - State	\$	403,252,901	\$	417,915,187
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TOTAL HOF Highway Operating Fund Group	\$	403,252,901	\$	417,915,187
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TOTAL ALL BUDGET FUND GROUPS - Highway Maintenance	\$	403,252,901	\$	417,915,187
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Public Transportation

Highway Operating Fund Group

002 775-452	Public Transportation -	\$	25,471,589	\$	30,391,763
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		Federal			
002	775-454	Public Transportation - Other	\$	1,500,000	\$ 1,500,000
002	775-459	Elderly and Disabled Special Equipment	\$	4,730,000	\$ 4,730,000
212	775-408	Transit Infrastructure Bank - Local	\$	2,500,000	\$ 812,685
212	775-455	Title 49 Infrastructure Bank - State	\$	476,485	\$ 312,795
213	775-457	Transit Infrastructure Bank - State	\$	500,000	\$ 312,082
213	775-460	Transit Infrastructure Bank - Local	\$	1,000,000	\$ 1,000,000
TOTAL HOF Highway Operating Fund Group			\$	36,178,074	\$ 39,059,325
TOTAL ALL BUDGET FUND GROUPS - Public Transportation			\$	36,178,074	\$ 39,059,325

Rail Transportation

Federal Special Revenue Group					
3B9	776-662	Rail Transportation - Federal	\$	10,000	\$ 10,000
TOTAL FED Federal Special Revenue Fund Group			\$	10,000	\$ 10,000
Highway Operating Fund Group					
002	776-462	Grade Crossings - Federal	\$	15,000,000	\$ 15,000,000
TOTAL HOF Highway Operating Fund Group			\$	15,000,000	\$ 15,000,000
State Special Revenue Fund Group					
4N4	776-663	Panhandle Lease Reserve Payments	\$	762,500	\$ 763,700
4N4	776-664	Rail Transportation - Other	\$	2,111,500	\$ 2,111,500
TOTAL SSR State Special Revenue Fund Group			\$	2,874,000	\$ 2,875,200
TOTAL ALL BUDGET FUND GROUPS - Rail Transportation			\$	17,884,000	\$ 17,885,200

Aviation

State Special Revenue Fund Group					
5W9	777-615	County Airport Maintenance	\$	570,000	\$ 570,000
TOTAL SSR State Special Revenue Fund Group			\$	570,000	\$ 570,000
Highway Operating Fund Group					
002	777-472	Airport Improvements - Federal	\$	405,000	\$ 405,000
002	777-475	Aviation Administration	\$	5,210,000	\$ 5,358,100
213	777-477	Aviation Infrastructure Bank - State	\$	2,000,000	\$ 3,500,000
213	777-478	Aviation Infrastructure Bank - Local	\$	5,996,118	\$ 6,000,000
TOTAL HOF Highway Operating Fund Group			\$	13,611,118	\$ 15,263,100
TOTAL ALL BUDGET FUND GROUPS - Aviation			\$	14,181,118	\$ 15,833,100

Administration

Highway Operating Fund Group

002 779-491 Administration - State	\$	120,262,864	\$	122,601,493
TOTAL HOF Highway Operating Fund Group	\$	120,262,864	\$	122,601,493
TOTAL ALL BUDGET FUND GROUPS - Administration	\$	120,262,864	\$	122,601,493

Debt Service**Highway Operating Fund Group**

002 770-003 Administration - State - Debt Service	\$	10,555,300	\$	3,614,700
TOTAL HOF Highway Operating Fund Group	\$	10,555,300	\$	3,614,700
TOTAL ALL BUDGET FUND GROUPS - Debt Service	\$	10,555,300	\$	3,614,700

TOTAL Department of Transportation

TOTAL FED Federal Special Revenue Fund Group	\$	10,000	\$	10,000
TOTAL HOF Highway Operating Fund Group	\$	2,547,030,191	\$	2,551,265,782
TOTAL 042 Highway Capital Improvement Fund Group	\$	200,000,000	\$	100,000,000
TOTAL 045 Infrastructure Bank Obligations Fund Group	\$	450,000,000	\$	400,000,000
TOTAL SSR State Special Revenue Fund Group	\$	3,444,000	\$	3,445,200
TOTAL ALL BUDGET FUND GROUPS	\$	3,200,484,191	\$	3,054,720,982

DEPUTY INSPECTOR GENERAL FOR ODOT FUNDING

Pursuant to section 121.51 of the Revised Code, the Director of Budget and Management, in conjunction with the Inspector General, shall prepare a schedule to transfer the necessary amounts from the Highway Operating Fund to the Deputy Inspector General for ODOT Fund to pay for the activities of the Deputy Inspector General. The amounts transferred are hereby appropriated.

SECTION 603.04. That existing Section 203.10 of Am. Sub. H.B. 67 of the 127th General Assembly is hereby repealed.

* SECTION 603.05. That Sections 203.50, 209.10, 227.10, 555.08, and 557.10 of Am. Sub. H.B. 67 of the 127th General Assembly be amended to read as follows:

Sec. 203.50. PUBLIC ACCESS ROADS FOR STATE FACILITIES

Of the foregoing appropriation item 772-421, Highway Construction - State, \$5,000,000 shall be used in each fiscal year during the fiscal year 2008-2009 biennium by the Department of Transportation for the

construction, reconstruction, or maintenance of public access roads, including support features, to and within state facilities owned or operated by the Department of Natural Resources.

Notwithstanding section 5511.06 of the Revised Code, of the foregoing appropriation item 772-421, Highway Construction - State, \$2,228,000 in each fiscal year of the fiscal year 2008-2009 biennium shall be used by the Department of Transportation for the construction, reconstruction, or maintenance of park drives or park roads within the boundaries of metropolitan parks.

Included in the foregoing appropriation item 772-421, Highway Construction - State, the department may perform related road work on behalf of the Ohio Expositions Commission at the state fairgrounds, including reconstruction or maintenance of public access roads and support features, to and within fairground facilities as requested by the commission and approved by the Director of Transportation.

PUBLIC SCHOOL ENTRANCE IMPROVEMENTS

Of the foregoing appropriation item 779-491, Administration-State, \$4,000,000 in fiscal year 2008, shall be used by the Department of Transportation to make grants available for state highway improvements at public school entrances under the following conditions:

(A) The school is receiving assistance from the Ohio School Facilities Commission for the renovation or construction of new school facilities.

(B) The state highway improvements are to be made at entrances within school zones.

Grant awards shall be limited to \$500,000 per school district, and are contingent on local government officials or the participating school district, or both, matching 25 per cent of the improvement cost.

LIQUIDATION OF UNFORESEEN LIABILITIES

Any appropriation made to the Department of Transportation, Highway Operating Fund, not otherwise restricted by law, is available to liquidate unforeseen liabilities arising from contractual agreements of prior years when the prior year encumbrance is insufficient.

Sec. 209.10. ENFORCEMENT

State Highway Safety Fund Group

036 764-033	Minor Capital Projects	\$	1,250,000	\$	1,250,000
036 764-321	Operating Expense - Highway Patrol	\$	253,967,276	\$	267,539,597
036 764-605	Motor Carrier Enforcement Expenses	\$	3,061,817	\$	3,340,468
83C 764-630	Contraband, Forfeiture, Other	\$	622,894	\$	622,894
83F 764-657	Law Enforcement Automated Data System	\$	7,945,555	\$	8,275,898
83G 764-633	OMVI Enforcement/Education	\$	650,000	\$	650,000

83J 764-693	Highway Patrol Justice Contraband	\$	2,100,000	\$	2,100,000
83T 764-694	Highway Patrol Treasury Contraband	\$	21,000	\$	21,000
831 764-610	Patrol - Federal	\$	2,455,484	\$	2,455,484
831 764-659	Transportation Enforcement - Federal	\$	5,665,690	\$	6,132,592
831 769-631	Homeland Security - Federal	\$	1,500,000	\$	1,552,500
837 764-602	Turnpike Policing	\$	10,893,146	\$	11,553,959
838 764-606	Patrol Reimbursement	\$	175,000	\$	175,000
840 764-607	State Fair Security	\$	1,396,283	\$	1,396,283
840 764-617	Security and Investigations	\$	6,231,916	\$	6,155,385
840 764-626	State Fairgrounds Police Force	\$	788,375	\$	788,375
840 769-632	Homeland Security - Operating	\$	1,913,276	\$	1,989,807
841 764-603	Salvage and Exchange - Highway Patrol	\$	1,339,399	\$	1,339,399
TOTAL HSF State Highway Safety Fund Group		\$	301,977,111	\$	317,338,641
General Services Fund Group					
4S2 764-660	MARCS Maintenance	\$	335,862	\$	389,149
TOTAL GSF General Services Fund Group		\$	335,862	\$	389,149
TOTAL ALL BUDGET FUND GROUPS - Enforcement		\$	302,312,973	\$	317,727,790

COLLECTIVE BARGAINING INCREASES

Notwithstanding division (D) of section 127.14 and division (B) of section 131.35 of the Revised Code, except for the General Revenue Fund, the Controlling Board may, upon the request of either the Director of Budget and Management, or the Department of Public Safety with the approval of the Director of Budget and Management, increase appropriations for any fund, as necessary for the Department of Public Safety, to assist in paying the costs of increases in employee compensation that have occurred pursuant to collective bargaining agreements under Chapter 4117. of the Revised Code and, for exempt employees, under section 124.152 of the Revised Code.

TRAFFIC SAFETY OPERATING FUND

On July 1, 2007, or as soon thereafter as possible, the Director of Budget and Management shall transfer the cash balance in the Traffic Safety Operating Fund (Fund 5AY) to the Highway Safety Fund (Fund 036). The Director of Budget and Management shall cancel any existing encumbrances against appropriation item 764-688, Traffic Safety Operating, and re-establish them against appropriation item 764-321, Operating Expense – Highway Patrol. The amounts of the re-established encumbrances are hereby appropriated. Upon completion of these transfers, the Traffic Safety Operating Fund (Fund 5AY) is hereby abolished.

CASH TRANSFER TO THE STATE HIGHWAY SAFETY FUND

Effective July 1, 2007, the Treasurer of State, prior to making any of the distributions listed in sections 5735.23, 5735.26, 5735.291, and 5735.30 of the Revised Code, shall deposit at least the first \$1,250,000 and up to \$1,600,000 received each month to the credit of the State Highway Safety Fund (Fund 036) pursuant to a schedule determined by the Director of Budget and Management.

Sec. 227.10. DEV DEPARTMENT OF DEVELOPMENT

State Special Revenue Fund Group

4W0 195-629 Roadwork Development	\$	18,699,900	\$	18,699,900
TOTAL SSR State Special Revenue				
Fund Group	\$	18,699,900	\$	18,699,900
TOTAL ALL BUDGET FUND GROUPS	\$	18,699,900	\$	18,699,900

ROADWORK DEVELOPMENT FUND

The Roadwork Development Fund shall be used for road improvements associated with economic development opportunities that will retain or attract businesses for Ohio. "Road improvements" are improvements to public roadway facilities located on, or serving or capable of serving, a project site.

The Department of Transportation, under the direction of the Department of Development, shall provide these funds in accordance with all guidelines and requirements established for Department of Development appropriation item 195-412, Business Development, including Controlling Board review and approval as well as the requirements for usage of gas tax revenue prescribed in Section 5a of Article XII, Ohio Constitution. Should the Department of Development require the assistance of the Department of Transportation to bring a project to completion, the Department of Transportation shall use its authority under Title LV of the Revised Code to provide such assistance and enter into contracts on behalf of the Department of Development. In addition, these funds may be used in conjunction with appropriation item 195-412, Business Development, or any other state funds appropriated for infrastructure improvements.

The Director of Budget and Management, pursuant to a plan submitted by the Department of Development or as otherwise determined by the Director of Budget and Management, shall set a cash transfer schedule to meet the cash needs of the Department of Development's Roadwork Development Fund (Fund 4W0), less any other available cash. The Director shall transfer to the Roadwork Development Fund from the Highway Operating Fund (Fund 002), established in section 5735.291 of the Revised Code, such amounts at such times as determined by the transfer schedule.

Of the foregoing appropriation item 195-629, Roadwork Development,

\$1,000,000 over the fiscal year 2008-2009 biennium shall be used for improvements to the State Route 33 Avery Muirfield Interchange.

TRANSPORTATION IMPROVEMENT DISTRICTS

Notwithstanding section 5540.151 of the Revised Code, of the foregoing appropriation item 195-629, Roadwork Development, \$250,000 in each fiscal year of the biennium shall be granted by the Director of Development to each of the transportation improvement districts of Butler, Clermont, Hamilton, Lorain, Medina, Montgomery, Muskingum, and Stark counties and to the Rossford Transportation Improvement District in Wood County. Any grant made under this paragraph is not subject to the restrictions of appropriation item 195-629, Roadwork Development.

Sec. 555.08. The Department of Transportation shall construct the major new construction projects selected by the Transportation Review Advisory Council on December 20, 2006, as Tier I projects for construction in fiscal years 2007 through 2013 and shall not undertake other major new construction projects until construction of such selected Tier I projects has commenced in accordance with the December 20, 2006, recommendations. However, nothing in this section shall require the Department of Transportation to undertake the major new Tier I construction projects selected by the Transportation Review Advisory Council on December 20, 2006, ahead of projects selected as Tier I projects prior to that date; the Department may continue with such previously selected Tier I projects in accordance with the prior recommendations. The Transportation Review Advisory Council may recommend additional major new projects in accordance with the policies promulgated by the Council, but new Tier I projects shall not be given priority over Tier I projects recommended on December 20, 2006.

Sec. 557.10. ~~(A)~~ Notwithstanding Chapter 5735. of the Revised Code, the following shall apply for the period of July 1, 2007, through June 30, 2009:

(A)(1) For the discount under section 5735.06 of the Revised Code, if the monthly report is timely filed and the tax is timely paid, 1.0 ~~per cent~~ % of the total number of gallons of motor fuel received by the motor fuel dealer within the state during the preceding calendar month, less the total number of gallons deducted under divisions (B)(1)(a) and (b) of section 5735.06 of the Revised Code, less 0.50 ~~per cent~~ % of the total number of gallons of motor fuel that were sold to a retail dealer during the preceding calendar month.

(2) For the semiannual periods ending December 31, 2007, June 30, 2008, December 31, 2008, and June 30, 2009, the refund provided to retail

dealers under section 5735.141 of the Revised Code shall be 0.50 ~~per cent~~ % of the Ohio motor fuel taxes paid on fuel purchased during those semiannual periods.

(B) ~~Each retail~~ If the monthly report is timely filed and the tax is timely paid, each motor fuel dealer is allowed a ~~vendor tax collection and administration~~ discount equal to 0.90% of the motor fuel taxes paid on motor fuel purchased received by the retail motor fuel dealer during each of the semiannual periods occurring during the biennium beginning July 1, 2007, and ending June 30, 2009. The vendor discount shall be refunded to the retail dealer upon application by the dealer to the Tax Commissioner within 120 days after the end of each such semiannual period in the manner prescribed by the Tax Commissioner on which the dealer remits the motor fuel tax. The discount shall be taken by the motor fuel dealer on the dealer's monthly motor fuel tax report. The ~~vendor~~ discount is in addition to any other discount or refund allowed the motor fuel dealer under division (A) of this section. The ~~vendor~~ discount shall be paid in the same manner and from the same fund as prescribed in section 5735.141 of the Revised Code. As used in this section, "motor fuel" and "~~retail~~ "motor fuel" dealer" have the same meanings as in section 5735.01 of the Revised Code.

* SECTION 603.06. That existing Sections 203.50, 209.10, 227.10, 555.08, and 557.10 of Am. Sub. H.B. 67 of the 127th General Assembly are hereby repealed.

SECTION 605.05. That Section 252.70 of Am. Sub. H.B. 530 of the 126th General Assembly be amended to read as follows:

Sec. 252.70. OSU OHIO STATE UNIVERSITY			Reappropriations
CAP-074	Basic Renovations	\$	19,255,664
CAP-149	Basic Renovations - Regional Campuses	\$	2,083,163
CAP-198	Brown Hall Annex Replacement	\$	6,213
CAP-254	Basic Renovations - ATI	\$	127,444
CAP-255	Supplemental Renovations - OARDC	\$	2,826,343
CAP-256	Supplemental Renovations - Regional	\$	191,955
CAP-258	Dreese Lab Addition	\$	12,340
CAP-261	Bioscience/Parks Hall Addition	\$	12,584
CAP-269	Greenhouse Modernization	\$	40,982
CAP-271	Horticulture/Entomology Greenhouse - OARDC	\$	15,344
CAP-292	Life Sciences Research Building	\$	202,898
CAP-302	Food Science & Technology Building	\$	89,990
CAP-306	Heart & Lung Institute	\$	32,437
CAP-311	Superconducting Radiation	\$	65,094
CAP-313	Brain Tumor Research Center	\$	6,001

CAP-314	Engineering Center Net Shape Manufacturing	\$	20,730
CAP-315	Membrane Protein Typology	\$	8,835
CAP-316	Instructional and Data Processing Equipment	\$	198,844
CAP-321	Fine Particle Technologies	\$	157,936
CAP-323	Advanced Plasma Engineering	\$	22,379
CAP-324	Plasma Ramparts	\$	1,150
CAP-326	IN-SITU AL-BE Composites	\$	1,733
CAP-335	Jay Cooke Residence - Roof and Windows	\$	86,668
CAP-347	Asbestos Abatement	\$	5,325
CAP-349	Materials Network	\$	91,983
CAP-350	Bio-Technology Consortium	\$	42,378
CAP-352	Analytical Electron Microscope	\$	375,000
CAP-353	High Temp Alloys & Alluminoids	\$	220,000
CAP-357	Supplemental Renovations - ATI	\$	33,969
CAP-361	Maintenance, Receiving, and Storage Facility - Marion	\$	58,646
CAP-362	McPherson Lab Rehabilitation	\$	10,278
CAP-368	Heart and Lung Institute	\$	101,808
CAP-374	ADA Modifications	\$	178,870
CAP-375	ADA Modifications - ATI	\$	41,936
CAP-376	ADA Modifications - Lima	\$	95,538
CAP-377	ADA Modifications - Mansfield	\$	15,253
CAP-387	Titanium Alloys	\$	54,912
CAP-394	ATI/OARDC Roof Replacements	\$	13,913
CAP-398	Advanced Manufacturing	\$	38,579
CAP-399	Manufacturing Processes/Materials	\$	62,574
CAP-401	Terhertz Studies	\$	35,294
CAP-406	Marion Park/Road/Sidewalk/Lights	\$	2,750
CAP-413	Pomerene Lighting/Wiring	\$	249,584
CAP-419	NMR Consortium	\$	75,116
CAP-420	Versatile Film Facility	\$	62,872
CAP-421	OCARNET	\$	5,916
CAP-422	Bioprocessing Research	\$	1,905
CAP-423	Localized Corrosion Research	\$	6,128
CAP-424	ATM Testbed	\$	3,633
CAP-425	Physical Sciences Building	\$	27,748
CAP-427	Morrill Hall Remodeling - Vacated Library Space - Marion	\$	1,347,191
CAP-431	Sisson Hall Replacement	\$	5,571
CAP-436	Machinery Acoustics	\$	3,804
CAP-439	Sensors and Measurements	\$	15,115
CAP-440	Polymer Magnets	\$	1,099
CAP-458	Al Alloy Corrosion	\$	14,292
CAP-484	Page Hall Planning	\$	7,210
CAP-485	Botany & Zoology Building Planning	\$	207,932
CAP-486	Larkins Hall Addition/Renovation Planning	\$	26,206
CAP-487	Robinson Laboratory Planning	\$	149,100
CAP-488	Don Scott Field Replacement Barns	\$	1,495,619
CAP-489	Galvin Hall 3rd Floor Renovation - Lima	\$	22,135
CAP-491	Horticultural Operations Center - ATI	\$	1,474,400
CAP-492	OARDC Feed Mill	\$	5,598,644
CAP-499	Biological Sciences Cooling Tower	\$	6,930
CAP-509	Mount Hall HVAC Modifications	\$	40,982
CAP-519	Ohio Biomedical Consortium on Medical Therapeutic Micro Devices	\$	49,275

CAP-520	Plant and Microbe Functional Genomics Facilities	\$	16,259
CAP-523	Consortium for Novem Microfabrications Methods of Medical Devices in Non-Silicon Materials	\$	193,886
CAP-524	Bone & Mineral Metabolism Research Lab	\$	5,845
CAP-531	Animal & Plant Biology Level 3	\$	8,133,780
CAP-534	Main Library Rehabilitation	\$	9,320,846
CAP-535	Psychology Building	\$	2,128,529
CAP-536	Thorne Hall and Gowley Hall Renovations - Phase 3	\$	199,799
CAP-539	Nanosecond Infrared Measurement	\$	2,588
CAP-550	Millimeter/Submillimeter Instrument	\$	5,919
CAP-552	X-Ray Powder Diffractometer	\$	558
CAP-554	Deconvolution Microscope	\$	1,101
CAP-556	Heart/Lung Institute Animal Facility	\$	13,140
CAP-564	Denney Hall Renovation - Phase I	\$	18,495
CAP-565	Ion Mass Spectrometry	\$	6,594
CAP-568	Role of Molecular Interfaces	\$	17,554
CAP-572	New Millimeter Spectrometer	\$	714
CAP-574	Noncredit Job Training - Marion	\$	2,933
CAP-576	1224 Kinnear Road - Bale	\$	11,722
CAP-577	Non-Silicon Micromachining	\$	73,991
CAP-579	Veterinary Hospital Auditorium Renovation	\$	7,736
CAP-586	Electroscience Lab Renovation	\$	5,853
CAP-587	OARDC Boiler Replacement	\$	622,757
CAP-590	Supercomputer Center Expansion	\$	6,804,275
CAP-596	Information Literacy	\$	135,574
CAP-597	Online Business Major	\$	5,768
CAP-599	Renovation of Graves Hall	\$	68,196
CAP-602	OARDC Wooster Phone System Replacement	\$	467,398
CAP-605	Utility - North Tunnel Steamline Upgrade	\$	111,981
CAP-608	Dual Beam Characterization	\$	150,000
CAP-616	Environmental Technology Consortium	\$	11,297
CAP-617	Campbell, University, and Evans Hall	\$	87,439
CAP-620	School of Music - Planning	\$	1,500
CAP-622	Western Branch Headquarters & Machinery Building	\$	779,525
CAP-624	Muck Crops Branch/Shop Building Replacement	\$	756,336
CAP-625	Hazardous Waste Handling/Storage Building	\$	1,103,062
CAP-626	Agriculture/Engineering Building Renovation & Addition	\$	200,000
CAP-628	Wood County Center for Agriculture	\$	1,000,000
CAP-629	Community Heritage Art Gallery - Lima	\$	100,000
CAP-631	Health Psychology	\$	250,000
CAP-632	Nanotechnology Molecular Assembly	\$	500,000
CAP-633	Networking and Communication	\$	500,000
CAP-634	Planetary Gear	\$	125,000
CAP-635	X-Ray Fluorescence Spectrometer	\$	2,283
CAP-636	Precision Navigation	\$	85,000
CAP-637	Welding & Metal Working	\$	200,000
CAP-638	Spin Driven Electronics	\$	6,436
CAP-639	Inductively Coupled Plasma Etching	\$	126,729
CAP-641	Accelerated Metals	\$	1,020,331
CAP-642	Mathematical Biosciences Institute	\$	54,863
CAP-646	Mershon Auditorium HVAC System Improvements	\$	2,098
CAP-647	Molecular Microdevices	\$	14,033
CAP-648	Research Center HVAC System Improvements	\$	17,088

CAP-649	Infrared Absorption Measurements	\$	2,899
CAP-650	Dark Fiber	\$	3,983,440
CAP-651	Shared Data Backup System	\$	20,922
CAP-653	Third Frontier Network Testbed	\$	280,564
CAP-654	Distributed Learning Workshop	\$	270,000
CAP-656	Accelerated Maturation of Materials	\$	209,702
CAP-657	Nanoscale Polymers Manufacturing	\$	629,699
CAP-658	Hydrogen Production and Storage	\$	32,396
CAP-659	Ohio Organic Semiconductor	\$	367,587
CAP-663	Comprehensive Cancer - Chiller Replacement	\$	42,687
CAP-664	Kottman Hall - 103 Central Classroom	\$	19,285
CAP-668	West Campus Chilled Water & Scott Hall	\$	16,139
CAP-669	McCracken Power Plant Spill Control	\$	268,508
CAP-670	Glacial Assessment	\$	22,764
CAP-672	Chemical Vapor Deposition	\$	13,500
CAP-674	Parks Hall Chiller Replacement	\$	135,360
CAP-675	Hybrid Electric Vehicle Modeling	\$	504,536
CAP-676	Computational Nanotechnology	\$	500,000
CAP-677	Townshend Hall - Roof Replacement	\$	328,772
CAP-678	Center For Materials Design	\$	1,037
CAP-681	Vet Hospital Roof Replacement Phase II	\$	85,645
CAP-682	Hopkins Hall Phase II Priorities I, II	\$	108,052
CAP-683	Bioscience 6th Floor Renovation - Priority	\$	983,186
CAP-684	Ohio Commons For Digital Education	\$	118,924
CAP-685	Postle Hall Fire Alarm Replacement	\$	116,441
CAP-686	NonCredit Job Education & Training	\$	21,104
CAP-687	Campus South Dorms Renovation/Improvements	\$	950,000
CAP-688	Bricker Hall Roof Replacement	\$	23,123
CAP-694	Neuroscience Center Core	\$	193,991
CAP-696	Campus Grounds-Exterior Lighting - Phase VIII	\$	33,814
CAP-697	930 Kinnear Road Renovations	\$	773,303
CAP-698	Waterman Lab & Don Scott Field	\$	652,752
CAP-699	Lincoln Tower Renovations - Phase I	\$	477,626
CAP-700	Coe Corrosion Coop	\$	58,750
CAP-701	OSU Cancer Program Expansion	\$	2,000,000
CAP-702	Smith Laboratory Rehabilitation	\$	2,800,000
CAP-704	Warner Library and Student Center	\$	1,789,324
CAP-705	Hopewell Hall Science Suite	\$	508,408
CAP-706	Atomic Force Microscopy	\$	180,000
CAP-707	Interactive Applications	\$	463,018
CAP-712	OSU Mansfield - Third Street Project	\$	234,000
CAP-714	Health Psychology	\$	150,000
CAP-716	Ohio Bioproducts Innovation Center	\$	9,689,847
CAP-717	Center for Materials Design	\$	602,615
CAP-718	Specialized Planetary Gears	\$	150,000
CAP-719	OSU Agricultural Building	\$	1,500,000
CAP-720	Automated Afm System	\$	180,000
CAP-721	Integrated Wireless Communication	\$	141,000
Total Ohio State University		\$	105,955,671

BASIC RENOVATIONS

The amount reappropriated for the foregoing appropriation item CAP-074, Basic Renovations, is the sum of the unencumbered and unallotted balance as of June 30, 2006, in appropriation item CAP-074,

Basic Renovations, plus \$6,927.

OARDC THORNE & GOURLEY HALL

The amount reappropriated for the foregoing appropriation item CAP-274, OARDC Thorne & Gourley Hall shall be \$1,007.

WOOD COUNTY CENTER FOR AGRICULTURE

Of the foregoing appropriation item CAP-628, Wood County Center for Agriculture, up to \$300,000 shall be used for building renovations to the OSU Extension Office/Ag Business Enhancement Center.

The remainder of appropriation item CAP-628, Wood County Center for Agriculture, shall be used for an alternative energy generation project at the East Gypsy Lane Complex in Wood County or an agricultural energy facility recommended by the Wood County commissioners.

SECTION 605.06. That existing Section 252.70 of Am. Sub. H.B. 530 of the 126th General Assembly is hereby repealed.

SECTION 605.17. That Sections 227.10, 235.10.50, and 235.50.80 of Am. Sub. H.B. 699 of the 126th General Assembly be amended to read as follows:

Sec. 227.10. All items set forth in this section are hereby appropriated out of any moneys in the state treasury to the credit of the Cultural and Sports Facilities Building Fund (Fund 030), that are not otherwise appropriated.

AFC CULTURAL FACILITIES COMMISSION			Appropriations
CAP-734	Hayes Center Renov & Repairs	\$	300,000
CAP-745	Renovations and Repairs	\$	850,000
CAP-763	Historic Site Signage	\$	250,000
CAP-770	Serpent Mound Improvements	\$	340,000
CAP-781	Information Technology Project	\$	364,000
CAP-784	Center Rehabilitation	\$	1,035,000
CAP-803	Digitization of Collections	\$	300,000
CAP-809	Exhibit Replace/Orientation	\$	415,000
CAP-910	Collections Facility Planning	\$	1,240,000
CAP-911	W.P. Snyder Restoration	\$	876,000
CAP-912	Lockington Locks Restoration	\$	172,000
CAP-913	Huntington Park	\$	7,000,000
CAP-914	Schuster Center for the Performing Arts	\$	5,500,000
CAP-916	Cincinnati Symphony Orchestra - Riverbend	\$	3,000,000
CAP-917	Marina District Amphitheatre	\$	2,900,000
CAP-918	Cincinnati Museum Center	\$	2,000,000
CAP-919	National Underground Railroad Freedom Center	\$	2,000,000
CAP-920	Cincinnati Sports Facility Improvements	\$	2,000,000
CAP-921	Pro Football Hall of Fame	\$	1,650,000

CAP-922	Heritage Center of Dayton Manufacturing & Entrepreneurship	\$	1,300,000
CAP-923	Western Reserve Historical Society	\$	1,000,000
CAP-925	COSI Columbus	\$	1,000,000
CAP-926	Columbus Museum of Art	\$	1,000,000
CAP-927	Mason ATP Tennis Center	\$	1,300,000
CAP-928	Stan Hywet Hall and Gardens	\$	1,175,000
CAP-929	Akron Art Museum	\$	1,000,000
CAP-930	Sauder Village	\$	830,000
CAP-931	Horvitz Center for the Arts	\$	750,000
CAP-932	Ensemble Theatre	\$	750,000
CAP-933	Voice of America Museum	\$	750,000
CAP-934	Cleveland Steamship Mather	\$	600,000
CAP-935	Cuyahoga County Soldiers' and Sailors Monument	\$	500,000
CAP-936	King-Lincoln Arts & Entertainment District	\$	500,000
CAP-937	Art Academy of Cincinnati	\$	500,000
CAP-938	Great Lakes Historical Society	\$	500,000
CAP-939	McKinley Museum	\$	425,000
CAP-940	Charles A. Eulett Education Center and Appalachian Museum	\$	300,000
CAP-942	Davis Shai Historical Facility	\$	300,000
CAP-943	Massillon Museum	\$	275,000
CAP-944	The Mandel Center	\$	250,000
CAP-945	Worthington Arts Center	\$	250,000
CAP-946	CCAD	\$	250,000
CAP-947	BalletMet	\$	250,000
CAP-948	Stambaugh Hall Improvements	\$	250,000
CAP-949	Youngstown Symphony Orchestra	\$	250,000
CAP-950	Wood County Historical Center & Museum	\$	220,000
CAP-951	Harding Memorial	\$	210,000
CAP-952	Cincinnati Ballet	\$	200,000
CAP-953	City of Avon Stadium Complex	\$	200,000
CAP-954	Renaissance Performing Arts Center	\$	200,000
CAP-956	Oxford Arts Center Historic Renovation	\$	174,000
CAP-957	Wayne County Historical Society - Lincoln Highway	\$	170,000
CAP-958	Maumee Valley Historical Society	\$	150,000
CAP-959	Trumbull County Historical Society	\$	150,000
CAP-960	First Lunar Flight Project	\$	25,000
CAP-961	Holmes County Historical Society Improvements	\$	140,000
CAP-962	Canal Winchester Historical Society	\$	125,000
CAP-963	Ukrainian Museum	\$	100,000
CAP-964	Gordon Square Arts District	\$	100,000
CAP-965	Moreland Theatre Renovation	\$	100,000
CAP-966	Karamu House	\$	100,000
CAP-967	Symmes Township Historical Society - Ross House	\$	100,000
CAP-968	Springfield Veterans Park Amphitheatre	\$	100,000
CAP-969	Gallia County Historical Genealogical Society	\$	100,000
CAP-970	Gallia County French Art Colony	\$	100,000
CAP-971	The Octagon House	\$	100,000
CAP-972	Vinton County Stages - Pavilion Project	\$	100,000
CAP-973	County Line Historical Society (Wayne/Holmes)	\$	100,000
CAP-974	Paul Brown Museum	\$	75,000
CAP-975	The Works - Ohio Center for History, Art and Technology	\$	75,000

CAP-976	Van Wert Historical Society	\$	70,000
CAP-977	Indian Mill Renovations	\$	66,000
CAP-978	Hale Farm & Village	\$	50,000
CAP-979	Howe House Historic Site	\$	50,000
CAP-980	Beavercreek Community Theatre	\$	50,000
CAP-981	Jamestown Opera House	\$	50,000
CAP-982	Johnny Appleseed Museum	\$	50,000
CAP-983	Vinton County Historical Society - Alice's House Project	\$	50,000
CAP-984	Woodward Opera House	\$	50,000
CAP-985	Little Brown Jug Facility Improvements	\$	50,000
CAP-986	Applecreek Historical Society	\$	50,000
CAP-987	Wyandot Historic Building Renovation	\$	50,000
CAP-988	Galion Historic Big Four Depot Restoration	\$	30,000
CAP-989	Bucyrus Historic Depot Renovations	\$	30,000
CAP-990	Myers Historical Stagecoach Inn Renovation	\$	25,000
CAP-991	Arts West Performing Arts Center	\$	25,000
CAP-992	Chester Academy Historic Building	\$	25,000
CAP-993	Portland Civil War Museum and Historic Displays	\$	25,000
CAP-994	Morgan County Historic Opera House	\$	25,000
CAP-996	Crawford Antique Museum	\$	9,000
CAP-997	Monroe City Historical Society Building Repairs	\$	5,000
CAP-998	Wright-Dunbar Historical	\$	250,000
CAP-041	Cleveland Playhouse	\$	200,000
CAP-081	Hip Klotz Memorial Facility Improvements	\$	150,000
CAP-082	Music Hall Garage	\$	1,000,000
CAP-083	AB Graham Center	\$	40,000
CAP-084	Bradford Ohio Railroad Museum Restoration	\$	30,000
CAP-085	WACO Aircraft Museum	\$	30,000
CAP-086	Fort Recovery Renovations	\$	100,000
CAP-087	Columbus Children's Hospital Amphitheater	\$	1,000,000
Total Cultural Facilities Commission		\$	55,296,000
			<u>55,096,000</u>
TOTAL Cultural and Sports Facilities Building Fund		\$	55,296,000
			<u>55,096,000</u>

Sec. 235.10.50. THIRD FRONTIER WRIGHT CAPITAL

Notwithstanding sections 151.01 and 151.04 of the Revised Code, of the foregoing appropriation item CAP-068, Third Frontier Wright Capital, up to \$11,400,000 in fiscal year 2008 shall be used by the Office of Information Technology, in partnership with the Ohio Supercomputer Center's OSCnet, to acquire the equipment and services necessary to migrate state agencies' network to the existing OSCnet network backbone. This state network shall be known as the NextGen Network.

The remainder of foregoing appropriation item CAP-068, Third Frontier Wright Capital, shall be used to acquire, renovate, or construct facilities and purchase equipment for research programs, technology development, product development, and commercialization programs at or involving state-supported and state-assisted institutions of higher education. The funds shall be used to make grants awarded on a competitive basis, and shall be

administered by the Third Frontier Commission. Expenditure of these funds shall comply with Section 2n of Article VIII, Ohio Constitution, and sections 151.01 and 151.04 of the Revised Code for the period beginning July 1, 2006, and ending June 30, 2008.

The Third Frontier Commission shall develop guidelines relative to the application for and selection of projects funded from appropriation item CAP-068, Third Frontier Wright Capital. The Commission may develop these guidelines in consultation with other interested parties. The Board of Regents and all state-assisted and state-supported institutions of higher education shall take all actions necessary to implement grants awarded by the Third Frontier Commission.

The foregoing appropriation item CAP-068, Third Frontier Wright Capital, for which an appropriation is made from the Higher Education Improvement Fund (Fund 034), is determined to consist of capital improvements and capital facilities for state-supported and state-assisted institutions of higher education, and is designated for the capital facilities to which proceeds of obligations in the Higher Education Improvement Fund (Fund 034) are to be applied.

		Appropriations
Sec. 235.50.80. STC STARK TECHNICAL COLLEGE		
CAP-004	Basic Renovations	\$ 277,804
CAP-039	Health & Science Building	\$ 5,097,338
Total Stark Technical College		\$ 5,375,142
Total Board of Regents and		
Institutions of Higher Education		\$ 578,626,534
		<u>578,836,534</u>
TOTAL Higher Education Improvement Fund		\$ 579,946,534
		<u>580,146,534</u>

SECTION 605.18. That existing Sections 227.10, 235.10.50, and 235.50.80 of Am. Sub. H.B. 699 of the 126th General Assembly are hereby repealed.

SECTION 605.20. That Section 235.20.20 of Am. Sub. H.B. 699 of the 126th General Assembly, as subsequently amended by Am. Sub. H.B. 67 of the 127th General Assembly, be amended to read as follows:

		Appropriations
Sec. 235.20.20. CLS CLEVELAND STATE UNIVERSITY		
CAP-023	Basic Renovations	\$ 3,796,031
CAP-125	College of Education	\$ 10,115,719
CAP-148	Cleveland Institute of Art	\$ 1,000,000
<u>CAP-155</u>	<u>Cleveland Playhouse</u>	<u>\$ 200,000</u>

CAP-163	Anthropology Department Renovations/Relocation	\$	400,000
CAP-164	Chester Building Annex Demolition	\$	921,583
CAP-165	Bakers Building Renovations	\$	1,328,583
CAP-167	Cleveland State University Windtower Generator Project	\$	400,000
CAP-168	Kenston Wind Turbine Project in Geauga (CSU Engineering Department)	\$	300,000
Total Cleveland State University		\$	18,261,916 <u>18,461,916</u>

SECTION 605.21. That existing Section 235.20.20 of Am. Sub. H.B. 699 of the 126th General Assembly, as subsequently amended by Am. Sub. H.B. 67 of the 127th General Assembly, is hereby repealed.

SECTION 605.23. That Section 203.20 of Sub. S.B. 321 of the 126th General Assembly be amended to read as follows:

Sec. 203.20. AGO ATTORNEY GENERAL

Tobacco Master Settlement Agreement Fund Group

J87 055-635	Law Enforcement	\$	620,000	\$	0 3,350,000
	Technology, Training, and Facility Enhancements				
U87 055-402	Tobacco Settlement Oversight, Administration, and Enforcement	\$	673,797	\$	723,797
TOTAL TSF Tobacco Master Settlement Agreement Fund Group		\$	1,293,797	\$ 723,797	<u>4,073,797</u>
TOTAL ALL BUDGET FUND GROUPS		\$	1,293,797	\$	723,797 <u>4,073,797</u>

SECTION 605.24. That existing Section 203.20 of Sub S.B. 321 of the 126th General Assembly is hereby repealed.

SECTION 621.05. That Section 153 of Am. Sub. H.B. 117 of the 121st General Assembly, as most recently amended by Am. Sub. H.B. 66 of the 126th General Assembly, be amended to read as follows:

Sec. 153. (A) Sections 5112.01, 5112.03, 5112.04, 5112.05, 5112.06, 5112.07, 5112.08, 5112.09, 5112.10, 5112.11, 5112.18, 5112.19, 5112.21, and 5112.99 of the Revised Code are hereby repealed, effective October 16, ~~2007~~ 2009.

(B) Any money remaining in the Legislative Budget Services Fund on October 16, ~~2007~~ 2009, the date that section 5112.19 of the Revised Code is repealed by division (A) of this section, shall be used solely for the purposes

stated in then former section 5112.19 of the Revised Code. When all money in the Legislative Budget Services Fund has been spent after then former section 5112.19 of the Revised Code is repealed under division (A) of this section, the fund shall cease to exist.

SECTION 621.06. That existing Section 153 of Am. Sub. H.B. 117 of the 121st General Assembly, as most recently amended by Am. Sub. H.B. 66 of the 126th General Assembly, is hereby repealed.

SECTION 631.04. That Section 3 of Am. Sub. H.B. 694 of the 126th General Assembly is hereby repealed.

SECTION 631.05. The amendments to sections 3517.13 and 3517.992 of the Revised Code by Am. Sub. H.B. 694 of the 126th General Assembly shall apply only to contributions made on or after April 4, 2007.

SECTION 631.06. The provisions of sections 631.04 and 631.05 of this act clarify the General Assembly's original intent in enacting Am. Sub. H.B. 694 of the 126th General Assembly, are remedial in nature, and apply to contracts awarded on or after the effective date of that act.

SECTION 701.10. Not later than thirty days after the effective date of this section, the Director of Development shall convene a task force composed of experts from the economic development community, local governments, and consultants involved in the site selection and negotiation process to study the economic development incentives that are available to local governments, regional groups, and the state. Not later than January 1, 2008, the Director shall submit a written report to the Speaker of the House of Representatives and the President of the Senate on the findings of the task force and make recommendations for changes to Ohio's local, regional, and state economic development incentives so that those incentives are more effective in strengthening Ohio's economy and are less complex, faster to implement, and more transparent to the taxpayers of Ohio.

SECTION 703.10. The Governor's Office of Faith-Based and Community Initiatives, with the assistance of the Advisory Board of the Governor's

Office of Faith-Based and Community Initiatives, shall conduct a study of the feasibility and advisability of the Office becoming a private nonprofit entity rather than a part of the Governor's office. The study and any resulting recommendations shall be submitted, not later than July 1, 2008, to the Governor, the Speaker of the House of Representatives, the President of the Senate, and the Minority Leaders of the House of Representatives and the Senate.

SECTION 706.03. (A) As used in this section, "appointing authority" has the same meaning as in section 124.01 of the Revised Code, and "exempt employee" has the same meaning as in section 124.152 of the Revised Code.

(B) Notwithstanding section 124.181 of the Revised Code, both of the following apply:

(1) In cases where no vacancy exists, an appointing authority may, with the written consent of an exempt employee, assign duties of a higher classification to that exempt employee for a period of time not to exceed two years, and that exempt employee shall receive compensation at a rate commensurate with the duties of the higher classification.

(2) If necessary, exempt employees who are assigned to duties within their agency to maintain operations during the Ohio Administrative Knowledge System (OAKS) implementation may agree to a temporary assignment that exceeds the two-year limit.

SECTION 735.10. (A) Nothing in division (L)(1)(c) of section 3517.13 of the Revised Code, as enacted by this act, shall exempt the holder of the public office with ultimate responsibility for the award of the contract from complying with section 3517.093 of the Revised Code prior to the Secretary of State adopting rules under division (L)(1)(c) of section 3517.13 of the Revised Code.

As used in division (A) of this section, "holder of the public office with ultimate responsibility for the award of the contract" has the same meaning as in section 3517.093 of the Revised Code.

(B) Nothing in division (L)(1)(c) of section 3517.13 of the Revised Code, as enacted by this act, shall exempt a state agency or department, a political subdivision, the Administrator of Workers' Compensation, or the employees of the Bureau of Workers' Compensation from complying with divisions (I), (J), (Y), and (Z) of that section, as applicable, prior to the Secretary of State adopting rules under division (L)(1)(c) of that section.

SECTION 737.10. Notwithstanding any provision of law to the contrary, on January 1, 2008, the terms of office of the members of the Sewage Treatment System Technical Advisory Committee created in section 3718.03 of the Revised Code whose terms expire in 2008 and in 2009 shall terminate. The appointing authorities specified in divisions (A)(1), (2), and (3) of that section as amended by this act, the Governor, the President of the Senate, and the Speaker of the House of Representatives, shall appoint new members to the Committee in accordance with that section to replace the members whose terms are terminated. However, members appointed to replace the members whose terms were to expire in 2009 shall be appointed for a term of four years instead of three years as required by section 3718.03 of the Revised Code. Members whose terms expire on January 1, 2008, by the operation of this section may be reappointed by the Governor, President of the Senate, or Speaker of the House of Representatives in accordance with this section and section 3718.03 of the Revised Code.

SECTION 737.11. (A) There is hereby created the Household Sewage and Small Flow On-Site Sewage Treatment System Study Commission consisting of the following members:

(1) A representative of the Department of Health appointed by the Director of Health;

(2) A representative of the Environmental Protection Agency appointed by the Director of Environmental Protection;

(3) A representative of the Department of Natural Resources appointed by the Director of Natural Resources;

(4) Five members appointed by the Association of Ohio Health Commissioners, one of whom shall be from the northwest region of the state, one of whom shall be from the northeast region of the state, one of whom shall be from the southwest region of the state, one of whom shall be from the southeast region of the state, and one of whom shall be from the central region of the state. In making the appointments, special consideration shall be given to a county in which at least twenty-five per cent of the parcels of land are serviced by sewage treatment systems.

(5) One member appointed by the Association of Ohio Pedologists;

(6) One member appointed by the County Commissioners Association of Ohio;

(7) One member appointed by the County Engineers Association of Ohio;

- (8) One member appointed by the Ohio Association of Realtors;
- (9) One member appointed by the Ohio Environmental Council;
- (10) One member appointed by the Ohio Environmental Health Association;
- (11) One member appointed by the Ohio Home Builders Association;
- (12) One member appointed by the Ohio Manufactured Homes Association;
- (13) Two members appointed by the Ohio Onsite Wastewater Association;
- (14) One member appointed by the Ohio Precast Concrete Association;
- (15) One member appointed by the Ohio Public Health Association;
- (16) One member appointed by the Ohio State University Extension;
- (17) One member appointed by the Ohio Township Association;
- (18) One member appointed by the Ohio Waste Haulers Association;
- (19) Three members of the House of Representatives appointed by the Speaker of the House of Representatives, two from the majority party and one from the minority party;
- (20) Three members of the Senate appointed by the President of the Senate, two from the majority party and one from the minority party;
- (21) One member appointed by the Ohio Farm Bureau Federation;
- (22) One member appointed by the Ohio Farmers Union;
- (23) One member appointed by the Ohio Society of Professional Engineers.

(B) All appointments shall be made to the Commission not later than thirty days after the effective date of this section. One member of the Senate and one member of the House of Representatives jointly designated by the President of the Senate and the Speaker of the House of Representatives shall serve as co-chairpersons of the Commission. The Commission shall hold its first meeting not later than sixty days after the effective date of this section and shall hold regular meetings as necessary after the initial meeting.

(C) The Commission shall study issues concerning household sewage treatment systems and small flow on-site sewage treatment systems and shall recommend appropriate legislation to the General Assembly establishing reasonable standards for the siting, design, installation, operation, monitoring, maintenance, and abandonment of household sewage treatment systems and small flow on-site sewage treatment systems for the purpose of the treatment of sewage and the prevention of public health nuisances. In making recommendations regarding such standards, the Commission shall consider the economic impact of those standards on property owners, the state of technology currently utilized in household

sewage treatment systems and small flow on-site sewage treatment systems, and the nature and economics of available alternatives to that technology. The Commission also shall explore and establish recommendations regarding funding sources for and mechanisms for providing assistance to homeowners for paying the cost of compliance with the new proposed standards.

(D) Not later than December 1, 2008, the Commission shall submit a report of its findings and recommendations to the Governor, the President of the Senate, and the Speaker of the House of Representatives. Upon the submission of the report, the Commission shall cease to exist.

(E) As used in this section and Section 737.12 of this act, "household sewage treatment system" and "small flow on-site sewage treatment system" have the same meanings as in section 3718.01 of the Revised Code.

SECTION 737.12. (A) The Director of Health shall issue a report to the Household Sewage and Small Flow On-Site Sewage Treatment System Study Commission created in Section 737.11 of this act that includes recommendations regarding standards for the siting, design, installation, operation, monitoring, maintenance, and abandonment of household sewage treatment systems and small flow on-site sewage treatment systems. The recommendations shall include information concerning the cost and state of technology currently utilized in household sewage treatment systems and small flow on-site sewage treatment systems and the nature and economics of available alternatives to that technology. The Director shall issue the report to the Commission not later than January 1, 2008.

(B) The Director shall conduct a survey of boards of health in this state concerning household sewage treatment system operations and the failure rates of those systems. The Director shall issue a report concerning the survey to the Household Sewage and Small Flow On-Site Sewage Treatment System Study Commission not later than June 1, 2008. Boards of health shall provide, in a timely manner, any and all relevant information pertaining to the household sewage treatment system program that is requested by the Director under this division and that the Director determines to be necessary for completion of the survey.

SECTION 737.20. In enacting section 5.2235 of the Revised Code, the members of the General Assembly call on the people of this state to recognize the important role that a nutritious diet plays in their health and well-being. The members of the General Assembly are aware that according

to the United States Department of Health and Human Services, dietary changes could reduce cancer deaths in the United States by as much as thirty-five per cent. Only twenty-five per cent of American adults eat the recommended servings of fruits and vegetables each day. More than sixty per cent of young Americans eat too much fat, and less than twenty per cent eat the recommended servings of fruits and vegetables. The members of the General Assembly thus encourage all the people of this state to review both the United States Department of Health and Human Services' "Dietary Guidelines for Americans" and the United States Department of Agriculture's food pyramid recommendations and to work toward developing a nutritious lifestyle.

SECTION 737.21. In enacting section 5.2235 of the Revised Code, the members of the General Assembly also call on the people of this state to make daily exercise a priority. The members of the General Assembly are aware that according to the United States Center for Disease Control and Prevention, twenty-six per cent of all Ohioans report no leisure time or physical activity, and sixty per cent of Ohioans are overweight or obese, which is the thirteenth highest level in the United States. The members of the General Assembly thus encourage individuals, community organizations, local governments, and schools, when holding celebrations, to include physical and athletic activities and to work toward the goal of a state whose citizens are healthy, active, and physically fit.

SECTION 737.30. The amendment to section 3745.04 of the Revised Code by this act applies to any action of the Director of Environmental Protection that is the subject of an appeal to the Environmental Review Appeals Commission that is already pending on the effective date of the amendment to that section by this act as well as to actions appealed after the effective date of that amendment.

SECTION 739.10. Section 3905.36 of the Revised Code is amended by this act for the purpose of clarifying the intent of the 126th General Assembly when it amended division (B)(4) of section 3905.36 of the Revised Code. Notwithstanding any provision of section 3905.36 of the Revised Code to the contrary, all agencies and departments of the state or any political subdivision shall apply the legislative intent from this amendment as of January 1, 2007.

SECTION 745.10. (A) The enactment of section 4517.261 of the Revised Code is intended as a clarification of existing law allowing documentary service charges to be assessed in all retail and wholesale sales and leases of motor vehicles, including those involving a retail installment sale and those not involving a retail installment sale, including leases, cash transactions, and transactions in which consumers obtain their own financing.

(B) The enactment of section 4517.261 of the Revised Code expresses the legislative intent of the General Assembly currently and at the time of the original enactment of the Revised Code by recognizing that motor vehicle dealers may charge, and historically have charged, a documentary service charge in all transactions, including those involving a retail installment sale and those not involving a retail installment sale, including leases, cash transactions, and transactions in which consumers obtain their own financing.

SECTION 747.10. (A) There is hereby created the Nursing Education Study Committee consisting of the following members:

(1) Two members of the House of Representatives who are members of the same political party as the Speaker of the House of Representatives, to be appointed by the Speaker of the House of Representatives;

(2) One member of the House of Representatives who is a member of the largest political party of which the Speaker of the House of Representatives is not a member, to be appointed by the Speaker of the House of Representatives;

(3) Two members of the Senate who are members of the same political party as the President of the Senate, to be appointed by the President of the Senate, one of whom shall be designated as the temporary chairperson of the Committee;

(4) One member of the Senate who is a member of the largest political party of which the President of the Senate is not a member, to be appointed by the President of the Senate;

(5) One member of the Ohio Nurses Association, to be appointed by the Ohio Nurses Association;

(6) One member of the Licensed Practical Nurse Association of Ohio, to be appointed by the Licensed Practical Nurse Association of Ohio;

(7) One member of the Ohio Board of Nursing, to be appointed by the Ohio Board of Nursing;

(8) One member of the Ohio Board of Regents, to be appointed by the

Ohio Board of Regents;

(9) One member of the Ohio Hospital Association, to be appointed by the Ohio Hospital Association;

(10) One member of the Ohio Association of Community Health Agencies, to be appointed by the Ohio Association of Community Health Agencies;

(11) One nursing educator from an associate degree nursing program, to be appointed by the Speaker of the House of Representatives;

(12) One nursing educator from a baccalaureate degree nursing program, to be appointed by the Speaker of the House of Representatives;

(13) One nursing educator from a graduate degree nursing program, to be appointed by the Speaker of the House of Representatives;

(14) One nursing educator from a private university with a nursing education program, to be appointed by the President of the Senate;

(15) One nursing educator from a state university with a nursing education program, to be appointed by the President of the Senate.

(B) Appointments to the Committee shall be made not later than September 1, 2007. Members of the Committee shall serve without compensation.

(C) The member of the Committee designated as the temporary chairperson shall call the initial meeting of the Committee. At that initial meeting, the Committee shall elect a chairperson, by majority vote, from among its members. Thereafter, the chairperson shall call meetings as the chairperson considers necessary for the Committee to carry out its duties.

(D)(1) The Committee shall study the current nurse faculty shortage and the shortage of clinical placement sites for nursing education programs, with a focus on the critical needs of nursing faculty at Ohio's institutions of higher education and alternatives to clinical placement sites.

(2) In conducting the study required under division (D)(1) of this section, the Committee shall consider, but is not limited to, all of the following:

(a) Salary disparities for nursing faculty members as compared to faculty members in other disciplines and as compared to salaries for master's degree-prepared nurses in health care settings;

(b) The feasibility and financial implications of providing a refundable state income tax credit to nursing faculty members for a specified limited period of time;

(c) The feasibility and financial implications of providing assistantships at a stipend level to nurses pursuing master's degrees or doctoral study who agree to become nursing faculty members in Ohio;

(d) The extent to which clinical simulation devices could be used to decrease the number of hours nursing students are required to spend providing care directly to patients in a clinical setting, including the portion of clinical hours that could be obtained in a clinical simulation laboratory;

(e) The disparity in the number of clinical hours students are required to complete in Ohio nursing education programs;

(f) The extent to which nursing education programs are adequately preparing nurses to provide care in community or public health settings, particularly to the geriatric population;

(g) Ways in which nurses may be more effectively utilized to train or educate health care workers providing care in community or public health settings.

(3) Not later than December 31, 2008, the Committee shall prepare and submit a report to the General Assembly that focuses on the following topics and also includes a recommendation for a range of clinical hours nursing students shall be required to complete to assure adequate practice experience:

(a) Strategies to produce more nursing faculty;

(b) Ways to address the issue of insufficient clinical placement opportunities.

Upon submission of the report, the Committee shall cease to exist.

(E) Sections 101.82 to 101.87 of the Revised Code do not apply to the Committee.

SECTION 749.10. Consistent with divisions (A)(6) to (A)(8) of section 4927.02 of the Revised Code, the Public Utilities Commission shall establish a study mechanism to make recommendations for a competitively neutral telecommunications relay service funding program for costs incurred in calendar year 2009 and thereafter and submit the recommendations to the General Assembly by January 1, 2009.

SECTION 751.10. The Director of Job and Family Services and the Director of Development jointly shall prepare a plan to utilize the funds the state receives to administer the federal "Workforce Investment Act of 1998," 112 Stat. 936, 29 U.S.C. 2801, as amended, to train workers within this state and jointly shall submit that plan to the Governor, the President of the Senate, and the Speaker of the House of Representatives within one year after the effective date of this section.

SECTION 751.20. The Department of Job and Family Services shall provide guidance to local workforce policy boards to encourage the broadest participation by training providers, including those providers who are proprietary schools, who demonstrate effectiveness in providing training opportunities to eligible Ohioans under the "Workforce Investment Act of 1998," 112 Stat. 936, 29 U.S.C. 2801, as amended.

SECTION 753.20. (A) The staff of the Legislative Service Commission shall study the feasibility and potential results of the state's offering incentives for local entities, including municipal corporations, counties, townships, local historical societies, and regional authorities, to assume control of state historical sites. The incentives to be studied shall include the establishment of tax credits, the contribution of capital dollars, and the creation of an endowment-matching program.

The study shall focus on the cost and funding aspects of the incentives that are studied. In addition, the study shall attempt to determine the potential results of providing each incentive at varying levels.

(B) Not later than six months after the effective date of this section, the staff of the Commission shall report its findings to the Commission.

SECTION 753.30. (A) The Governor is hereby authorized to execute a deed in the name of the state conveying to the City of Columbus, and its successors and assigns, all of the state's right, title, and interest in real estate consisting of approximately 13 acres in Franklin Township of Franklin County, being part of or near the former Training Institution Central Ohio, together with any perpetual easements of access over certain existing or future driveways, the real estate being more particularly described as follows:

Situated in the State of Ohio, County of Franklin, City of Columbus, Township 5 North, Range 23 West and in the Virginia Military District. Being a part of the State of Ohio original 300-acre tract of record in Deed Book 101, page 390 of the Recorder's Records, Franklin County, Ohio, and being more particularly described as follows:

Beginning, For Reference, at an iron pin with identification cap stamped "Patridge" found marking the intersection of the easterly line of the Wheatland Avenue 40-foot-wide Right-of-Way and the Northerly line of West Broad Street 80-foot-wide Right-of-Way;

thence North 5°12'48" West 2612.22 feet, in said easterly line of Wheatland Avenue and vacated Wheatland Avenue, to a 5/8-inch reinforcing rod found; thence South 75°43'06" East 188.42 feet, to an iron pipe set marking the Place of Beginning of the tract herein described;

thence North 5°02'11" West 384.70 feet, to an iron pipe set;

thence North 67°03'42" East 118.78 feet, to an iron pipe set;

thence North 74°42'07" East 230.99 feet, to an iron pipe set;

thence North 79°39'53" East 191.19 feet, to a 5/8-inch reinforcing rod found marking the most easterly corner of the Gang of Four, Ltd. 5.254-acre tract of record in Instrument Number 199902040029850 of said Recorder's Records, in a northerly line of said 300-acre tract and a Point of Tangency in the original southerly line of the Camp Chase Industrial Railroad Corporation Tract of record in Official Record 28363 F03 of said Recorder's Records;

thence North 86°38'37" East 383.75 feet, in a southerly line of said Camp Chase Railroad tract and in a northerly line of said 300-acre tract, to an iron pipe set;

thence South 04°38'21" West 694.64 feet, to an iron pipe set;

thence South 75°43'06" East 174.01 feet, to an iron pipe set;

thence North 89°32'10" East 521.90 feet, to an iron pipe set;

thence South 85°04'20" East 161.72 feet, to an iron pipe set;

thence South 14°52'48" East 63.77 feet, to a spike set;

thence North 85°04'20" West 180.51 feet, to an iron pipe set;

thence South 89°32'10" West 526.84 feet, to an iron pipe set;

thence North 75°43'06" West 1005.86 feet, to the Place of Beginning containing 12.997 acres, more or less.

This description is based on a field survey in April and May of 2007 by Gary L. Elswick, Professional Surveyor #6395. Iron pipes set are 3/4-inch ID galvanized pipe with identification cap stamped "HOCKADEN". Bearings are assumed and for the determination of angles only.

This description may be modified to a final form if modifications are needed.

(B)(1) Consideration for the conveyance of the real estate is the purchase price of \$194,955.00.

(2) The State may also require additional consideration for any perpetual easement needed by the City of Columbus to access the real estate. The consideration shall be a price mutually agreed upon between the City of Columbus and the state.

(C)(1) The conveyance of the real estate is subject to the following conditions and restrictions:

(a) The City of Columbus and its successors and assigns shall receive written approval from the state to use or develop the real estate for any purpose other than a police heliport or uses or developments incident thereto.

(b) The City of Columbus shall, prior to selling, conveying, or transferring ownership of the real estate, first offer the state the right to purchase the real estate at a price not less than fair market value as appraised by a disinterested party.

(2) The conveyance may be subject to conditions and restrictions that have been determined necessary by the Director of Administrative Services to assure there is no interference with state uses on state-owned real estate that adjoins the real estate conveyed.

(D) Upon payment of the purchase price, the Auditor of State, with the assistance of the Attorney General, shall prepare a deed to the real estate. The deed shall state the consideration and the conditions and restrictions. The deed shall be executed by the Governor in the name of the state, shall be countersigned by the Secretary of State, shall be sealed with the Great Seal of the State, shall be presented for recording in the Office of the Auditor of State, and shall be delivered to the City of Columbus. The City of Columbus shall present the deed for recording in the Office of the Franklin County Recorder.

(E) The City of Columbus shall pay the costs of the conveyance.

(F) This section expires one year after its effective date.

SECTION 753.40. (A) The Governor is hereby authorized to execute a deed in the name of the state conveying to the City of Celina the state's right of reverter retained in the conveyance authorized in Am. H.B. 823 of the 112th General Assembly in the following described real estate:

Being a parcel of land situated in the City of Celina, Jefferson Township, Mercer County, Ohio, and in the northwest quarter of Section 6, Township 6 South, Range 3 East, being more particularly described as follows:

Commencing at an iron pin with cap set at the most southern point of lot number 6 of Dickman's Addition (Plat Book 2, Page 3) in the City of Celina;

thence N 68°42'59" W, 20.00 feet along the south line of said Dickman's Addition to an iron pin with cap set as the Point of Beginning;

thence S 57°41'29" W, 210.06 feet to an iron pin with cap set;

thence N 46°02'00" W, 214.80 feet to an iron pin with cap set;

thence S 73°50'04" E, 102.64 feet along the south line of said Dickman's Addition to an iron pin with cap set;

thence N 75°48'13" E, 132.78 feet along the south line of said Dickman's Addition to an iron pin with cap set;

thence S 68°42'59" E, 112.51 feet along the south line of said Dickman's Addition to the Point of Beginning, containing 0.535 acres of land more or less, subject to all valid easements and right-of-way.

All bearings were calculated from angles turned in an actual field survey by Kent B. Marbaugh, Registered Surveyor #7421, dated April 16, 2007, on file in the County Engineer's Office.

The state retains its right of reverter for the remainder of the real estate conveyed pursuant to that act.

(B) Consideration for conveyance of the right of reverter is the mutual benefit accruing to the state and to the City of Celina from the reconfiguration of the entrance to the city park located on the real estate conveyed in Am. H.B. 823 of the 112th General Assembly.

(C) The Auditor of State, with the assistance of the Attorney General, shall prepare a deed to the real estate conveying the right of reverter. The deed shall state the consideration. The deed shall be executed by the Governor in the name of the state, countersigned by the Secretary of State, sealed with the great seal of the state, presented in the office of the Auditor of State for recording, and delivered to the City of Celina. The City of Celina shall present the deed for recording in the office of the Mercer County Recorder.

(D) This section expires four years after its effective date.

SECTION 753.50. (A) The Governor is hereby authorized to execute releases in the name of the state releasing to the Dairy Barn Southeastern Ohio's Cultural Arts Center, Inc., the state's reversionary interests retained in the conveyance authorized in Am. H.B. 552 of the 113th General Assembly, which is recorded at volume 364, page 558 in the office of the Athens County Recorder, and in the conveyance authorized in Am. H.B. 385 of the 116th General Assembly, which is recorded at Official Records volume 25, page 443 in the office of the Athens County Recorder. The release of the reversionary interests will remove impediments to financing of improvements to continue cultural arts programs.

(B) The Department of Administrative Services, with the assistance of the Attorney General, shall prepare the releases of the reversionary interests contained in the conveyances described in division (A) of this section. The releases shall be executed by the Governor in the name of the state and presented in the office of the Auditor of State for recording. The Dairy Barn Southeastern Ohio's Cultural Arts Center, Inc., shall present the releases for

recording in the office of the Athens County Recorder.

(C) This section expires one year after its effective date.

* SECTION 755.03. The Director of Transportation may conduct a twelve-month pilot project to be completed not later than June 30, 2009, for energy price risk management by entering into a contract with a qualified provider of energy risk management services. The contract may include rate analysis, negotiation services, market and regulatory analysis, budget and financial analysis, and mitigation strategies for volatile energy sources, including natural gas, gasoline, oil, and diesel fuel, but shall not include energy procurement and shall not subject more than thirty per cent of the Department's annual energy needs to the risk management services. The Director shall select the energy risk management services provider through a qualifications-based selection process, subject to Controlling Board approval. The contract shall specify that the Department may share the analysis and services of the energy risk management services provider with all state agencies and operations. The Director may use revenues from the state motor vehicle fuel tax or other funds appropriated by the General Assembly for the pilot project to pay amounts due under the contract and shall deposit any amounts received under the contract into the Highway Operating Fund created under section 5735.291 of the Revised Code.

SECTION 757.01. Every two years during biennial budget deliberations, the Tax Commissioner shall review the percentage of the total price of electricity that is indicated under division (C)(2) of section 5727.81 of the Revised Code, as amended by this act. Such review shall include a consideration of the fluctuations in the price of electricity that have occurred in the most recent two fiscal years and other factors influencing the economy of the state.

SECTION 757.03. (A) Beginning in July 2007 and ending in November 2007, on or before the seventh day of each month, the Tax Commissioner shall determine and certify to the Director of Budget and Management the amount to be credited from each tax source under divisions (B), (C), and (D) of this section to the Local Government Fund, the Library and Local Government Support Fund, and the Local Government Revenue Assistance Fund.

(B) Notwithstanding sections 5727.45, 5727.84, 5733.12, 5739.21,

5741.03, and 5747.03 of the Revised Code or any other provision of law to the contrary, for each month in the period beginning July 1, 2007, and ending November 30, 2007, tax revenues credited to the Local Government Fund, the Library and Local Government Support Fund, and the Local Government Revenue Assistance Fund under those sections shall instead be credited as follows:

(1) An amount shall first be credited to the Local Government Fund as prescribed under division (C) of this section;

(2) An amount shall next be credited to the Local Government Revenue Assistance Fund as prescribed under division (C) of this section;

(3) An amount shall next be credited to the Library and Local Government Support Fund as prescribed under division (D) of this section.

In December 2007, an amount totaling \$1,000,000 shall be credited from amounts otherwise scheduled to be credited to the Local Government Fund to the Local Government Services Collaboration Grant Fund established under section 384.10 of this act.

(C) Receipts from the corporation franchise, sales and use, public utility excise, kilowatt-hour, and personal income taxes shall be credited to the Local Government Fund and the Local Government Revenue Assistance Fund as follows:

(1) In July 2007, the amount that was credited in July 2006;

(2) In August 2007, the amount that was credited in August 2006;

(3) In September 2007, the amount that was credited in September 2006;

(4) In October 2007, the amount that was credited in October 2006;

(5) In November 2007, the amount that was credited in November 2006.

(D) Receipts from the personal income tax shall be credited to the Library and Local Government Support Fund as follows:

(1) In July 2007, the amount that was credited in July 2006;

(2) In August 2007, the amount that was credited in August 2006;

(3) In September 2007, the amount that was credited in September 2006;

(4) In October 2007, the amount that was credited in October 2006;

(5) In November 2007, the amount that was credited in November 2006, except that the amount credited to the Local Government Fund from personal income tax revenue shall be reduced by an additional \$1,000,000 and this reduction shall be borne entirely by the countywide nontownship and nonvillage distribution in January 2008.

(E)(1) To the extent the amounts required to be credited to the Local Government Fund, the Library and Local Government Support Fund, and

the Local Government Revenue Assistance Fund under divisions (C) and (D) of this section exceed the amounts that otherwise would have been credited to those funds under sections 5727.45, 5727.84, 5733.12, 5739.21, 5741.03, and 5747.03 of the Revised Code, amounts required to be credited to the General Revenue Fund under those sections shall be reduced accordingly.

(2) To the extent the amounts required to be credited to the Local Government Fund, the Library and Local Government Support Fund, and the Local Government Revenue Assistance Fund under divisions (C) and (D) of this section are less than the amounts that otherwise would have been credited to those funds under sections 5727.45, 5727.84, 5733.12, 5739.21, 5741.03, and 5747.03 of the Revised Code, amounts required to be credited to the General Revenue Fund under those sections shall be increased accordingly.

(F) The total amount credited each month under this section to the Local Government Fund, the Library and Local Government Support Fund, and the Local Government Revenue Assistance Fund shall be distributed on or before the tenth day of the immediately succeeding month as follows:

(1) Each county undivided Local Government Fund shall receive a distribution from the Local Government Fund that is based upon its proportionate share of the total amount received by it from the fund in the same month during the preceding calendar year.

(2) Each municipal corporation receiving a direct distribution from the Local Government Fund shall receive a distribution that is based upon its proportionate share of the total amount received by it from the fund in the same month during the preceding calendar year.

(3) Each county undivided Local Government Revenue Assistance Fund shall receive a distribution from the Local Government Revenue Assistance Fund that is based upon its proportionate share of the total amount received by it from the fund in the same month during the preceding calendar year.

(4) Each county undivided Library and Local Government Support Fund shall receive a distribution from the Library and Local Government Support Fund that is based upon its proportionate share of the total amount received by it from the fund in the same month during the preceding calendar year.

(G) Distributions shall not be made in accordance with sections 5747.47 and 5747.50 of the Revised Code until January 1, 2008.

(H) Notwithstanding section 5747.47 of the Revised Code, the Tax Commissioner is not required to issue the certification required by that section to be made in December 2007 for calendar year 2007. The Tax Commissioner may, as the Commissioner considers appropriate, provide to

each county auditor additional revised estimates or other information relating to distributions in 2007, 2008, or 2009 at any time during the period beginning July 1, 2007, and ending June 30, 2009.

(I)(1) Notwithstanding division (A) of section 131.51 of the Revised Code, on or before January 5, 2008, the Director of Budget and Management shall credit to the Local Government Fund an amount equal to three and sixty-eight one-hundredths per cent of total tax revenues credited to the General Revenue Fund during December 2007. In determining the total tax revenues credited to the General Revenue Fund during that month, transfers made from the General Revenue Fund during that month to the Local Government Fund, the Local Government Revenue Assistance Fund, and the Library and Local Government Support Fund shall be disregarded. Moneys credited to the Local Government Fund under division (I)(1) of this section shall be distributed in January 2008 in accordance with section 5747.50 of the Revised Code.

(2) Notwithstanding division (B) of section 131.51 of the Revised Code, on or before January 5, 2008, the Director of Budget and Management shall credit to the Library and Local Government Support Fund an amount equal to two and twenty-two one-hundredths per cent of total tax revenues credited to the General Revenue Fund during December 2007. In determining the total tax revenues credited to the General Revenue Fund during that month, transfers made from the General Revenue Fund during that month to the Local Government Fund, the Local Government Revenue Assistance Fund, and the Library and Local Government Support Fund shall be disregarded. Moneys credited to the Library and Local Government Support Fund under division (I)(2) of this section shall be distributed in January 2008 in accordance with section 5747.47 of the Revised Code.

SECTION 757.04. Notwithstanding sections 5747.46 and 5747.47 of the Revised Code or any other provision of law to the contrary, a county's actual Library and Local Government Support Fund total entitlement for the 2007 distribution year shall equal the amount that was distributed to the county's Library and Local Government Support Fund from the Library and Local Government Support Fund during the 2007 calendar year. Each county's resulting calendar year 2007 Library and Local Government Support Fund entitlement shall be used by the Tax Commissioner for purposes of determining the guaranteed share of the Library and Local Government Support Fund in section 5747.46 of the Revised Code for the 2008 distribution year and shall be used by the Commissioner in making:

(A) The calendar year 2008 estimated entitlements of the Library and

Local Government Support Fund required by section 5747.47 of the Revised Code to be certified to county auditors in July 2007, December 2007, and June 2008; and

(B) The calendar year 2008 actual Library and Local Government Support Fund entitlement computations required by section 5747.47 of the Revised Code to be certified to county auditors in December 2008.

SECTION 757.06. As used in this section, "electric company tax value loss" has the same meaning as in section 5727.84 of the Revised Code.

The amendment by this act of division (D) of section 5727.84 of the Revised Code is remedial in nature. The Tax Commissioner shall determine the amount of any additional electric company tax value loss resulting from that amendment. Notwithstanding the deadlines prescribed in sections 5727.84, 5727.85, and 5727.86 of the Revised Code to the contrary, the Tax Commissioner and the Department of Education shall perform all of the computations and make all of the certifications and payments described in those sections in connection with any additional electric company tax value loss resulting from division (D)(4) of section 5727.84 of the Revised Code, as amended by this act.

SECTION 757.07. For tax years 2007 and thereafter, telephone, telegraph, and interexchange telecommunications companies, as defined in section 5727.01 of the Revised Code, shall list taxable property at the percentage of true value required in Chapter 5711. of the Revised Code. For purposes of assigning taxable valuation to each taxing district for those years, the Tax Commissioner shall continue to use the apportionment provisions of Chapter 5727. of the Revised Code. However, such property shall be listed by the county auditor and certified to the county treasurer for collection under the provisions applicable to the general tax list of personal property and not upon the tax list and duplicate of real and public utility personal property.

SECTION 757.08. Resolutions adopted by a board of township trustees of a limited home rule township pursuant to Chapter 504. and section 5709.73 of the Revised Code in December 2005 are hereby deemed to have had an immediate effective date if the board unanimously adopts a resolution so declaring. This section applies to applications for exemption under section 5709.73 of the Revised Code pending before the Tax Commissioner on the effective date of this section and to such applications filed or refiled within

90 days after that effective date.

SECTION 757.10. The Office of Information Technology, in conjunction with the Department of Taxation, may acquire the State Taxation Accounting and Revenue System (STARS) pursuant to Chapter 125. of the Revised Code, including, but not limited to, the application software and installation and implementation thereof, for the use of the Department of Taxation. STARS is an integrated tax collection and audit system that will replace all of the state's existing separate tax software and administration systems for the various taxes collected by the state. Any lease-purchase arrangement used under Chapter 125. of the Revised Code to acquire STARS, including any fractionalized interests therein as defined in division (N) of section 133.01 of the Revised Code, must provide that at the end of the lease period, STARS becomes the property of the state.

SECTION 757.20. (A) As used in this section, "commercial or industrial parcel subject to assessment" means a parcel that is classified by a county auditor as commercial or industrial according to the county auditor's use codes as listed in the Conservancy Appraisal Record of the Muskingum Watershed Conservancy District.

(B) The board of directors of the Muskingum Watershed Conservancy District shall prepare written notification of the maintenance assessment to be levied by the District under section 6101.53 of the Revised Code that is scheduled to begin collection in calendar year 2008. The notification shall include a statement that the District intends to levy the maintenance assessment and shall include, with respect to each person to whom notification is required to be sent under division (C) of this section, an indication of the amount of the maintenance assessment that is applicable to that person.

(C) The board of directors of the Muskingum Watershed Conservancy District shall cause to be sent by United States mail the notification of the maintenance assessment that is required in division (B) of this section to each person who owns property within the territorial boundaries of the district that is a commercial or industrial parcel subject to assessment. The notification shall be sent not later than ninety days prior to the date on which the maintenance assessment is scheduled to begin collection.

SECTION 757.30. Notwithstanding section 321.261 of the Revised Code,

a board of county commissioners of a county with a population exceeding one million two hundred thousand may, by resolution, authorize the use of up to three million dollars in the county's delinquent tax and assessment collection fund to prevent residential mortgage foreclosures in the county and to assist municipal corporations located in the county in the nuisance abatement of deteriorated residential buildings in foreclosure. The funds shall be used to provide financial assistance in the form of loans to borrowers in default on their home mortgages, including for the payment of late fees, to clear arrearage balances, and to augment moneys used in the county's Foreclosure Prevention Program. The funds also shall be used to assist municipal corporations located in the county, upon application to the county department of development for the funds, in the nuisance abatement of deteriorated residential buildings in foreclosure, including paying the costs of boarding up such buildings and lot maintenance and demolition costs. Funds shall not be accessed or used for the purposes provided under this section after June 30, 2008.

SECTION 757.40. As used in this section, "Ohio Business Gateway" has the same meaning as in section 718.051 of the Revised Code.

The tax collected by a motor vehicle dealer on sales of motor vehicles to nonresident purchasers under the provisions of section 5739.029 of the Revised Code occurring prior to July 1, 2008, shall be reported and remitted as follows:

(A) The motor vehicle dealer shall provide evidence to the clerk of courts that the tax was collected from the nonresident purchaser at the time the dealer applies for title to the vehicle. Notwithstanding section 4505.06 of the Revised Code, the clerk of courts shall issue the appropriate title for any vehicle sold to a nonresident purchaser when the evidence required by this division is provided by the motor vehicle dealer. For purposes of this division, an application for title made by a motor vehicle dealer that indicates the amount of the sales tax collected by the dealer shall constitute the required evidence.

(B) By the tenth day of each month, each motor vehicle dealer shall, for each location from which the dealer makes sales of motor vehicles, remit the tax collected on all motor vehicles sold during the preceding month to nonresident purchasers through the Ohio Business Gateway in the manner prescribed by the Tax Commissioner.

(C) The Ohio Office of Information Technology shall, on or before the

fifteenth day of each month, issue a report of nonresident motor vehicle sales tax payments made through the Ohio Business Gateway by each motor vehicle dealer for sales made during the preceding month. The report shall be in the form prescribed by the Tax Commissioner. A copy of the report shall be provided to the Tax Commissioner and to the Registrar of Motor Vehicles.

(D) The Registrar of Motor Vehicles shall compare the report issued by the Ohio Office of Information Technology pursuant to division (C) of this section with the motor vehicle titles issued by its office for vehicles sold to nonresident purchasers and report any discrepancies to the Tax Commissioner by the last day of the month in which the report is received.

(E) The Commissioner may collect from a motor vehicle dealer any tax due on sales of motor vehicles to nonresident purchasers of motor vehicles pursuant to section 5739.029 of the Revised Code that has not been remitted through the Ohio Business Gateway as provided in this section by assessment in the manner provided in section 5739.13 of the Revised Code.

(F) If any motor vehicle dealer fails to remit tax for any of its locations on sales to nonresident purchasers through the Ohio Business Gateway in the manner provided in division (B) of this section, the Tax Commissioner may assess a late payment fee not to exceed one hundred dollars for each such location. The late payment fee shall be considered as revenue arising from the tax and may be collected by assessment in the manner provided in section 5739.13 of the Revised Code.

(G) The revenue deposited into the state treasury from taxes paid pursuant to section 5739.029 of the Revised Code and this section shall be credited to the state general revenue fund. From the amounts so credited, a share shall be distributed to the counties as follows:

(1) Five-sixtieths of the revenue collected shall be distributed to the county where the sale is situated under 5739.035 of the Revised Code;

(2) Distributions made to each county shall be made not later than seventy-five days after the report is filed under division (C) of this section;

(3) The amount to be so distributed to each county shall be credited to the funds of the county as provided by divisions (A) and (B) of section 5739.211 of the Revised Code.

SECTION 803.03. The amendment or enactment by this act of sections 3119.022, 3119.023, 3119.05, 3119.29, 3119.30, 3119.302, and 3119.32 of the Revised Code first applies on February 1, 2008, or on the effective date of regulations defining "reasonable cost" issued by the United States Secretary of Health and Human Services, whichever is later.

SECTION 803.06. The amendments by this act to sections 323.151, 323.152, 323.153, and 323.154 of the Revised Code are first effective for tax year 2007, and the amendments to sections 4503.064, 4503.065, 4503.066, and 4503.067 of the Revised Code are first effective for tax year 2008, and the following provisions shall apply:

(A) Notwithstanding the filing deadlines set forth in sections 323.153 and 4503.066 of the Revised Code, original applications requesting reductions pursuant to division (A) of section 323.152 or section 4503.065 of the Revised Code may be filed not later than October 1, 2007. Notwithstanding the deadlines set forth in division (A) of section 323.153 of the Revised Code for homesteads in a housing cooperative, not later than August 1, 2007, the nonprofit corporation that owns and operates the housing cooperative shall obtain original applications from the county auditor and provide one to each occupant in the cooperative. Not later than September 1, 2007, any occupant who may be eligible for the reduction in taxes under division (A) of section 323.152 of the Revised Code shall submit the completed application to the corporation. Not later than October 1, 2007, the corporation shall file all completed applications and the information required by division (B) of section 323.159 of the Revised Code with the county auditor of the county in which the occupants' homesteads are located.

(B) Notwithstanding the deadlines set forth in sections 323.154 and 4503.067 of the Revised Code, if an application requesting the reduction under division (A) of section 323.152 of the Revised Code for tax year 2007 or under section 4503.065 of the Revised Code for tax year 2008 is not approved or the county auditor otherwise determines that the homestead does not qualify for a reduction in taxes, the auditor's deadline to notify the applicant of the reasons for such denial shall be extended to November 1, 2007.

SECTION 803.07. The amendment by this act of sections 5711.01 and 5727.06 of the Revised Code applies to telephone, telegraph, or interexchange telecommunications companies, as defined in section 5727.01 of the Revised Code, for tax year 2007 and thereafter.

SECTION 803.09. The amendment or enactment by this act of section 4505.06, division (B)(23) of section 5739.02, section 5739.029, division (C)

of section 5739.033, and section 5739.213 of the Revised Code apply to sales described in division (A) of section 5739.029 of the Revised Code on or after August 1, 2007.

SECTION 806.03. The sections and items of law contained in this act, and their applications, are severable. If any section or item of law contained in this act, or if any application of any section or item of law contained in this act, is held invalid, the invalidity does not affect other sections or items of law contained in this act and their applications that can be given effect without the invalid section or item of law or application.

SECTION 809.03. An item of law, other than an amending, enacting, or repealing clause, that composes the whole or part of an uncodified section contained in this act has no effect after June 30, 2009, unless its context clearly indicates otherwise.

SECTION 812.03. Except as otherwise specifically provided in this act, the codified sections of law amended or enacted in this act, and the items of law of which the codified sections of law amended or enacted in this act are composed, are subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the codified sections of law amended or enacted by this act, and the items of law of which the codified sections of law as amended or enacted by this act are composed, take effect on the ninety-first day after this act is filed with the Secretary of State. If, however, a referendum petition is filed against any such codified section of law as amended or enacted by this act, or against any item of law of which any such codified section of law as amended or enacted by this act is composed, the codified section of law as amended or enacted, or item of law, unless rejected at the referendum, takes effect at the earliest time permitted by law.

SECTION 812.06. Except as otherwise specifically provided in this act, the repeal by this act of a codified section of law is subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the repeal by this act of a codified section of law takes effect on the ninety-first day after this act is filed with the Secretary of State. If, however, a referendum petition is filed against any such repeal, the repeal, unless rejected at the referendum, takes effect at the

earliest time permitted by law.

SECTION 812.09. The amendments to section 5111.014 of the Revised Code are subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the amendments take effect January 1, 2008. If, however, a referendum petition is filed against the amendments, the amendments, unless rejected at the referendum, take effect at the earliest time permitted by law that is on or after the effective date specified in this section.

SECTION 812.12. Uncodified sections of law amended or enacted in this act, and items of law contained within the uncodified sections of law amended or enacted in this act, that are marked with an asterisk are subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the uncodified sections and items of law marked with an asterisk take effect on the ninety-first day after this act is filed with the Secretary of State. If, however, a referendum petition is filed against an uncodified section or item of law marked with an asterisk, the uncodified section or item of law marked with an asterisk, unless rejected at the referendum, takes effect at the earliest time permitted by law.

If the amending and existing repeal clauses commanding the amendment of an uncodified section of law are both marked with asterisks, the uncodified section as amended is deemed also to have been marked with an asterisk.

An asterisk marking an uncodified section or item of law has the form*.

This section defines the meaning and form of, but is not itself to be considered marked with, an asterisk.

SECTION 815.03. The sections of law amended or enacted by this act that are listed in this section, and the items of law of which such sections as amended or enacted by this act are composed, are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, such sections as amended or enacted by this act, and the items of law of which such sections as amended or enacted by this act are composed, go into immediate effect when this act becomes law.

Sections 117.11, 117.112, 121.51, 122.051, 122.071, 122.076, 122.17, 122.171, 122.174, 122.602, 124.152, 126.16, 126.24, 126.40, 133.061,

173.35, 183.01, 183.021, 183.17, 183.33, 183.34, 183.35, 183.51, 183.52, 709.01, 1503.05, 1713.031, 2305.2341, 2927.023, 3109.04, 3109.041, 3119.022, 3119.023, 3119.05, 3119.29, 3119.30, 3119.302, 3119.32, 3301.0711, 3313.615, 3313.98, 3314.015, 3314.016, 3314.02, 3314.074, 3314.08, 3314.087, 3314.091, 3314.19, 3314.26, 3317.01, 3317.012, 3317.013, 3317.014, 3317.015, 3317.016, 3317.017, 3317.021, 3317.022, 3317.023, 3317.024, 3317.025, 3317.029, 3317.0216, 3317.0217, 3317.03, 3317.04, 3317.05, 3317.052, 3317.063, 3317.08, 3317.16, 3317.20, 3317.201, 3318.12, 3326.01, 3326.02, 3326.03, 3326.04, 3326.05, 3326.06, 3326.07, 3326.08, 3326.09, 3326.10, 3326.11, 3326.12, 3326.13, 3326.14, 3326.15, 3326.16, 3326.17, 3326.18, 3326.19, 3326.20, 3326.21, 3326.22, 3326.23, 3326.31, 3326.32, 3326.33, 3326.34, 3326.35, 3326.36, 3326.37, 3326.38, 3326.49, 3326.50, 3333.36, 3333.38, 3333.55, 3333.60, 3333.61, 3333.62, 3333.63, 3333.64, 3333.65, 3333.66, 3333.67, 3333.68, 3333.69, 3333.70, 3345.32, 3345.35, 3353.02, 3353.03, 3365.01, 3701.047, 3701.135, 3702.68 (3702.59), 3704.03, 3721.51, 3721.541, 3721.56, 3735.672, 4503.10, 4513.263, 4723.621, 4723.63, 4723.64, 4723.65, 4723.66, 4743.05, 4766.05, 4775.08, 5101.802, 5101.98, 5104.04, 5104.30, 5111.871, 5111.8814, 5112.341, 5123.01, 5123.033, 5123.045, 5123.0414, 5123.0415, 5123.051, 5123.16, 5123.161, 5123.162, 5123.163, 5123.164, 5123.165, 5123.166, 5123.167, 5123.168, 5123.169, 5123.19, 5123.196, 5123.198, 5123.20, 5123.211, 5123.38, 5123.41, 5123.51, 5123.605, 5123.99, 5126.12, 5126.15, 5126.19, 5126.25, 5126.40, 5126.42, 5126.43, 5126.45, 5126.47, 5709.68, 5711.01, 5727.06, 5727.86, 5747.47, 5747.50, 5747.501, 5747.51, 5747.54, 5751.21, 5907.15, 5907.16, and 6111.0381 of the Revised Code.

SECTION 815.06. The repeal by this act of the sections of law listed in this section is not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the repeals go into immediate effect when this act becomes law.

Sections 183.02, 183.27, 183.32, 5123.16, 5123.182, 5123.199, 5126.053, 5126.431, 5126.44, 5126.451, 5747.61, 5747.62, and 5747.63 of the Revised Code.

The version of section 3702.68 of the Revised Code that was scheduled to take effect July 1, 2007.

SECTION 815.09. The sections of law amended, enacted, or repealed by this act that are listed in this section are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the repeals go into immediate effect when this act becomes law.

Date: June 30, 2007

Ted Strickland
Ted Strickland, Governor

of the Revised Code, the sections as amended, enacted, or repealed, and the items of law of which as amended or enacted they are composed, go into effect as specified in this section.

Sections 126.04, 127.16, 173.351, 173.401, 3718.03, 5101.27, 5101.272, 5111.872, 5111.89, 5111.891, 5111.894, 5123.046, 5123.047, 5123.048, 5123.049, 5123.0411, 5123.0416, 5126.054, 5126.056, 5126.059, 5126.0510, 5126.0512, and 5705.44 of the Revised Code take effect July 1, 2007.

Sections 340.03 and 5119.611 of the Revised Code take effect July 1, 2007.

Section 718.03 of the Revised Code takes effect July 1, 2007.

Section 4301.43 of the Revised Code takes effect July 1, 2007.

Sections 5727.45, 5733.12, 5739.21, 5741.03, and 5747.03 of the Revised Code take effect December 1, 2007.

Sections 131.44, 131.51, 5705.29, 5725.24, 5739.032, 5739.122, 5739.124, 5741.121, and 5741.122 of the Revised Code take effect January 1, 2008.

SECTION 815.12. Except as otherwise specifically provided in this act, the uncodified sections of law amended or enacted in this act, and the items of law of which the uncodified sections of law amended or enacted in this act are composed, are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the uncodified sections of law amended or enacted in this act, and the items of law of which the uncodified sections of laws amended or enacted in this act are composed, go into immediate effect when this act becomes law.

SECTION 818.03. The amendment or enactment by this act of the sections of law listed in this section provides for or is essential to implementation of a tax levy. Therefore, under Ohio Constitution, Article II, Section 1d, the amendments and enactments, and the items of which they are composed, are not subject to the referendum and go into immediate effect when this act becomes law.

Sections 133.01, 305.31, 307.672, 319.202, 319.54, 322.01, 323.151, 323.152, 323.153, 323.154, 325.31, 718.01, 4503.06, 4503.061, 4503.064, 4503.065, 4503.066, 4503.067, 4505.06, 5733.39, 5739.02, 5739.029, 5739.033, 5739.035, 5739.09, 5739.12, 5739.123, 5739.213, 5740.10, 5741.02, 5741.05, 5743.01, 5743.20, 5743.99, 5745.02, 5745.05, 5745.13, 5747.01, 5748.01, 5748.02, 5748.022, and 5751.23 of the Revised Code.

SECTION 818.09. The repeal by this act of section 5743.331 of the Revised Code provides for or is essential to the implementation of a tax levy. Therefore, under Ohio Constitution, Article II, Section 1d, the repeal is not subject to the referendum and goes into immediate effect when this act becomes law.

SECTION 821.06. (A) Except as otherwise provided in division (B) of this section, the amendments by this act to section 3317.02 of the Revised Code are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the amendments go into immediate effect.

(B) The amendment to section 3317.02 of the Revised Code that substitutes the term "state education aid" for the term "SF-3 payment" is subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the amendment takes effect on the ninety-first day after this act is filed with the Secretary of State. If, however, a referendum petition is filed against the amendment, the amendment, unless rejected at the referendum, takes effect at the earliest time permitted by law.

SECTION 821.12. (A) Except as otherwise provided in division (B) of this section, the amendments by this act to section 5111.20 of the Revised Code are subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the amendments take effect on the ninety-first day after this act is filed with the Secretary of State. If, however, a referendum petition is filed against the amendments, the amendments, unless rejected at the referendum, take effect at the earliest time permitted by law.

(B) The amendment to division (H)(3)(a) of section 5111.20 of the Revised Code is not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the amendment goes into immediate effect.

SECTION 821.13. (A) Except as otherwise provided in division (B) of this section, the amendments by this act to section 5126.046 of the Revised Code are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the

amendments go into immediate effect.

(B) The amendments to division (A) and the third paragraph of division (B) of section 5126.046 of the Revised Code are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the amendments take effect July 1, 2007.

SECTION 821.15. (A) Except as otherwise provided in division (B) of this section, the amendments by this act to section 5126.055 of the Revised Code are subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the amendments take effect on the ninety-first day after this act is filed with the Secretary of State. If, however, a referendum petition is filed against the amendments, the amendments, unless rejected at the referendum, take effect at the earliest time permitted by law.

(B) The amendment to section 5126.055 of the Revised Code that strikes through "5123.16" and inserts "5123.161" is not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the amendment goes into immediate effect.

SECTION 821.16. (A) Except as otherwise provided in division (B) of this section, the amendments by this act to section 5126.057 (5126.0511) of the Revised Code are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the amendments take effect July 1, 2007.

(B) The amendments to relettered division (A)(2) and (A)(4) of section 5126.057 of the Revised Code are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the amendments go into immediate effect.

SECTION 821.17. (A) Except as otherwise provided in division (B) of this section, the amendments by this act to section 5126.18 of the Revised Code are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the amendments go into immediate effect.

(B) The amendments to division (H) of section 5126.18 of the Revised Code are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the

amendments take effect July 1, 2007.

SECTION 821.17.10. (A) Except as otherwise provided in division (B) of this section, the amendments by this act to section 5727.84 of the Revised Code are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the amendments take effect December 1, 2007.

(B) The amendments to division (D) of section 5727.84 of the Revised Code are not subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1d and section 1.471 of the Revised Code, the amendments take immediate effect.

SECTION 821.18. (A) Except as otherwise provided in division (B) of this section, the amendments by this act to section 5727.87 of the Revised Code provide for or are essential to implementation of a tax levy. Therefore, under Ohio Constitution, Article II, Section 1d, the amendments are not subject to the referendum and go into immediate effect when this act becomes law.

(B) The amendment to division (A)(2)(b) of section 5727.87 of the Revised Code is subject to the referendum. Therefore, under Ohio Constitution, Article II, Section 1c and section 1.471 of the Revised Code, the amendment takes effect on the ninety-first day after this act is filed with the Secretary of State. If, however, a referendum petition is filed against the amendment, the amendment, unless rejected at the referendum, takes effect at the earliest time permitted by law.

SECTION 821.21. If the amendment or enactment in this act of a codified or uncoded section of law is subject to the referendum, the corresponding indications in the amending, enacting, or existing repeal clauses commanding the amendment or enactment also are subject to the referendum, along with the amendment or enactment. If the amendment or enactment by this act of a codified or uncoded section of law is not subject to the referendum, the corresponding indications in the amending, enacting, or existing repeal clauses commanding the amendment or enactment also are not subject to the referendum, the same as the amendment or enactment.

SECTION 824.03. The General Assembly, applying the principle stated in

division (B) of section 1.52 of the Revised Code that amendments are to be harmonized if reasonably capable of simultaneous operation, finds that the following sections, presented in this act as composites of the sections as amended by the acts indicated, are the resulting versions of the sections in effect prior to the effective date of the sections as presented in this act:

Section 109.572 of the Revised Code as amended by both Am. Sub. S.B. 185 and Am. Sub. S.B. 238 of the 126th General Assembly.

Section 111.18 of the Revised Code as amended by both Am. Sub. H.B. 94 and Am. Sub. S.B. 74 of the 124th General Assembly.

Section 323.153 of the Revised Code as amended by both Am. H.B. 595 and Am. Sub. H.B. 672 of the 123rd General Assembly.

Section 711.131 of the Revised Code as amended by both Sub. H.B. 231 and Sub. S.B. 115 of the 125th General Assembly.

Section 2921.42 of the Revised Code as amended by both Sub. H.B. 150 and Am. Sub. H.B. 285 of the 120th General Assembly.

Section 3301.0714 of the Revised Code as amended by Am. Sub. H.B. 79, Am. Sub. H.B. 137, Am. Sub. H.B. 276, and Am. Sub. H.B. 530 of the 126th General Assembly.

Section 3313.64 of the Revised Code as amended Am. Sub. H.B. 137, Am. Sub. H.B. 530, Sub. S.B. 164, and Am. Sub. S.B. 238 of the 126th General Assembly.

Section 3317.03 of the Revised Code as amended by both Am. Sub. H.B. 79 and Am. Sub. H.B. 699 of the 126th General Assembly.

Section 3318.01 of the Revised Code as amended by both Am. Sub. H.B. 11 of the 125th General Assembly and Am. Sub. H.B. 16 of the 126th General Assembly.

Section 5107.05 of the Revised Code as amended by Am. Sub. H.B. 283, H.B. 471, and Sub. S.B. 245, all of the 123rd General Assembly, and Am. Sub. H.B. 66 of the 126th General Assembly.

Section 5739.035 of the Revised Code as amended by both Am. Sub. H.B. 66 and Am. Sub. S.B. 26 of the 126th General Assembly.

Section 5741.02 of the Revised Code as amended by both Sub. H.B. 294 and Am. Sub. S.B. 269 of the 126th General Assembly.

Section 5748.01 of the Revised Code as amended by both Sub. H.B. 73 and Am. Sub. H.B. 699 of the 126th General Assembly.

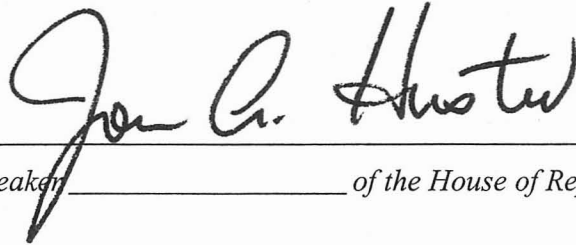
Section 5748.02 of the Revised Code as amended by both Am. Sub. H.B. 3 and Am. Sub. H.B. 530 of the 126th General Assembly.

Am. Sub. H. B. No. 119

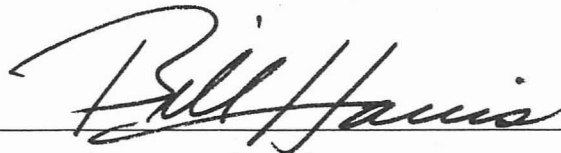
4369

The finding in this section takes effect at the same time as the section referenced in the finding takes effect.

Am. Sub. H. B. No. 119



Speaker _____ of the House of Representatives.



President _____ of the Senate.

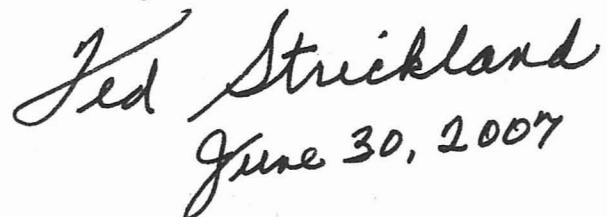
Passed June 27, 2007

Approved _____, 20____

Governor.

The boxed and initialed text
contained in Am. Sub. H.B. 119
is disapproved.

All remaining text is approved.


June 30, 2007

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

Mark C. Flanders

Interim Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the 30th day of June, A. D. 20 07.

James B. ...

Secretary of State.

File No. 15

Effective Date Some sections effective immediately,
on 6/30/07. Referendum period, if
applicable expires 9/28/07.
Other sections effective as provided
in the Act.

Veto Message**STATEMENT OF THE REASONS FOR VETOES OF ITEMS IN
AMENDED SUBSTITUTE HOUSE BILL 119**

June 30, 2007

Article II, Section 16 of the Ohio Constitution authorizes the Governor to veto any item or items in any bill making an appropriation of money. I have boxed and initialed text in Amended Substitute House Bill 119 that I have disapproved. All remaining text in the bill is approved. The reasons for my vetoes are set out below.

Introduction

The original budget bill passed unanimously through the House and Senate, and the final budget passed with only a single dissenting vote. Today I am happy to add my signature and make this budget law.

This budget represents a historic consensus. But long after our agreement is forgotten, the people of Ohio will be benefiting from what we agreed upon.

This budget makes a commitment to education from pre-schools to universities. Instead of spiraling tuition costs, we will have a two year tuition freeze. We make a substantial investment in our primary and secondary schools. And as we strengthen our schools we will also reduce the property tax burden on every senior and disabled homeowner through an expansion of the Homestead Property Tax Exemption.

This budget makes a commitment to provide health care coverage to the uninsured children of Ohio.

This budget makes a commitment to investing in growth and development, both by expanding the skills and education of our people, and by identifying and supporting emerging economic opportunities.

The following sections detail 38 line item vetoes I have issued among five issue areas. These are areas of honest disagreement. But in a budget document containing 1865 pages, and tens of thousands of lines of text, I

would say our differences are remarkably small in the face of our larger common purpose.

Indeed, the biggest area of disagreements is not about a policy but rather questions of governance and management. Such matters are a natural area for asserting executive authority. In fact, in some cases the Constitution requires that we respond in order to follow its provisions.

The budget reflects a set of commitments I have made, and the legislature has supported, to live within our means and invest in what matters. I believe that a new Ohio awaits us. And that has never been clearer than it is today.

A. Health and Human Services

The administration believes we have both an obligation and an opportunity to invest in the health of Ohioans. This budget will provide health care coverage to uninsured children and both expand and improve our preventive medicine efforts through Healthy Ohio. In the process, we address some of Ohio's most urgent health needs. The following vetoes reflect a commitment to pursuing a commonsense, comprehensive approach to the health of Ohioans. Several vetoes remove earmarks that would limit the effectiveness of available funds and weaken the underlying program. Others reflect a need to spend our funds in the most effective manner possible, and to impose oversight that is logical and productive.

Item Number 1**

On page 5, delete "5111.69,".

On page 9, delete "5111.69,".

On page 1117, delete the boxed text.

On page 1118, delete the boxed text.

* Throughout this Veto Message, the disapproval of consecutive lines of boxed text is indicated by use of the phrases "beginning with" and "ending with." The use of these phrases indicates disapproval of all text contained within the referenced box.

+ Page 6 contains an inadvertent stamp and signature. This has been corrected with correction fluid. It is not my intent to disapprove any items on these pages.

Section 5111.69 – Medical Care Advisory Council

The Medical Care Advisory Council is a federally required component of the Medicaid program. This provision places the committee's operation in state law and unduly restricts committee member appointments. Vetoing this item will allow the Department of Job and Family Services to continue to operate the committee administratively and will provide flexibility with respect to committee appointments. This will assure broad based representation on this important advisory committee. Therefore this veto is in the public interest.

Item Number 2

On page 1627, delete the following boxed text, beginning with the words "The Department of Health" and ending with "HEALTHY OHIO ASSESSMENT."

On page 1627, delete the following boxed text, beginning with the words "Of the foregoing" and ending with the word "pneumococcal."

On page 1627, the paragraph beginning with the words "Of the foregoing" and ending with "retention." was inadvertently boxed. It is not my intent to disapprove this paragraph.

On page 1628, delete the boxed text.

On page 1629, delete the boxed text.

On page 1631, delete the boxed text.

On page 1632, delete the boxed text.

Section 293.30 and 293.35 - Healthy Ohio

Healthy Ohio is a key component of the administration's commitment to protecting the health of Ohioans. Setting expectations of state agencies and providers, linking state dollars to results, and connecting people to interventions that work, are all key pathways to prevention. The program will enhance the state's efforts to efficiently use our resources to promote

healthy behaviors and prevent illness, address health care disparities, and improve chronic care management. In total, the earmarks for this line item are greater than the appropriation. The \$200,000 earmark for the purchase of pneumococcal vaccinations is an amount inadequate for the stated purpose. The earmark for the Health Ohio Assessment impinges on the executive authority to use funds to meet the purposes of the program. The language for the Healthy Ohio Assessment is too prescriptive. Taken together, the earmarks and the prescriptive language would prevent the Department of Health from achieving the established goals of Healthy Ohio. This veto will restore the program's ability to meet its objectives. Therefore this veto is in the public interest.

Item Number 3

On page 1455, delete the boxed text.

On page 1456, delete the boxed text.

On page 1458, delete the boxed text.

On page 1459, delete the boxed text.

Pages 1460 through 1464 contain inadvertent stamps. It is not my intent to disapprove any items on these pages.

Section 9.901 - School Employees Health Care Board Duties

This item creates an agency to identify and develop health care plans to encourage efficient and effective health care services for public school employees through the use of industry best practices and fiscal transparency methods. The School Employees Health Care Board would be responsible for the development and implementation of the program. However, the provisions in this item compromise the School Employees Health Care Board's authority to carry out that task. The provisions constrain the School Employees Health Care Board's ability to develop best practice standards and approve health care plans which may provide the optimal combination of coverage, cost, choice and stability of benefits. In sum, this provision undermines the School Employees Health Care Board's ability to fulfill its mission and places an undue burden on the agency's ability to carry out the responsibilities of statutory law. In order to strengthen the School

Employees Health Care Board's authority to develop and implement the program, a veto is necessary to ensure that the board can meet the expectations of statutory law and create cost savings for school districts and, ultimately, the public. Therefore this veto is in the public interest.

Item Number 4

On page 1697, delete the boxed text.

On page 1698, delete the boxed text.

On page 1699, delete the boxed text.

On page 1700, delete the boxed text.

Section 335.40.15 - Behavioral Health Pilot

This item establishes a Behavioral Health Pilot program. The administration has numerous concerns with this provision. The language does not fully recognize the need to coordinate care across all payer sources, including local, state, federal and private. Further, the vagueness of the language does not appear to propose a system which is user friendly, transparent and seamless to all Ohioans. Nor does it adequately address the state oversight responsibilities directly connected to the Substance Abuse Prevention and Treatment (SAPT) Block Grant, which is a predominant source of revenue for substance abuse/addiction services, or the oversight responsibilities for Ohio's Medicaid program. Finally, this proposal singles out two healthcare components (substance abuse/addiction and mental health) and places them on a different work schedule rather than maintaining integration within the broader healthcare system. Rather than support a compartmentalized pilot program approach to reform, the administration believes we would be better served to seek a system-wide solution. Indeed, a broad focus coupled with an inclusive approach that brings together the Legislature, the Administration, boards, providers and advocates would produce the best results for reforming our health care system and serving the needs of Ohioans. Therefore this veto is in the public interest.

Item Number 5

On page 1464, delete the boxed text.

Section 9.901- Annual Review of the best practices of the School Employees Health Care Board

This item requires the Superintendent of Insurance to evaluate the performance of the School Employee Health Care Board's best practices during the previous year and submit the results in writing to the Governor and the General Assembly. These requirements, however, are outside of the scope of the Ohio Department of Insurance's work and mission. Additionally, the Department lacks the resources necessary to carry out these functions and there is not sufficient funding provided to perform the required reviews and audits. Therefore this veto is in the public interest.

Item Number 6

On page 1098, delete the boxed text.

On page 1108, delete the boxed text beginning with "(4)" and ending with "(C)" and beginning with "and the limitations" and ending with "section" and beginning with "(C)" and ending with "coverage for".

On page 1109, delete the boxed text.

Section 5111.085 and 5111.172 - Limitations on Restrictions of Coverage of Mental Health Drugs

The proposed language restricts the ability of the Department of Job and Family Services, and Medicaid managed care plans, to provide an appropriate and cost-effective prescription drug benefit for the Medicaid program. This veto serves the need to provide coverage for appropriate drugs and meet federal Medicaid requirements. Therefore this veto is in public interest.

Item Number 7

On page 1627, delete the following boxed text, beginning with the words "The guidelines," and ending with "locations."

On page 1629, delete the boxed text

Section 293.30 - Federal Abstinence Earmark

This earmark requires the Department to spend federal dollars on a program regardless of whether these funds may be expended for this purpose under federal law. Therefore this veto is in the public interest.

Item Number 8

On page 1627, delete the following boxed text, beginning with the words "The guidelines," and ending with "locations."

Section 293.30 – Abstinence Education

This provision creates a General Revenue Fund appropriation and requires it be used for abstinence and adoption education. Focusing exclusively on abstinence is contrary to a comprehensive educational approach. Available evidence demonstrates that utilizing an approach that includes abstinence education and vital health information will serve to better protect the health and well-being of our youth. For school districts inclined to continue the abstinence-only approach, funding remains available from the federal government through the Community-Based Abstinence Education (CBAE) grants. Therefore this veto is in the public interest. Note an identical veto has also been used on page 1629 that pertains to federal funds.

B. Education

The administration believes that strengthening education is the surest path to strengthening Ohio. There is little doubt that jobs will go where the workforce is best educated. The administration is committed to dramatically expanding the number of Ohioans who graduate from college, and doing so by strengthening our schools at every level of the education system. This budget expands early learning opportunities, strengthens our primary and

secondary schools, and opens the doors of our public colleges and universities to more Ohioans with an infusion of resources and a two year tuition freeze. The following vetoes reflect a need to preserve flexibility and efficiency in education programs, and a commitment to use public tax dollars in the most effective way to benefit public school programs that are accountable to Ohioans.

Item Number 9

On page 1761, delete the boxed text.

Section 375.50.50 – Student Choice Grants

Historically, balances from the Ohio Choice Grant have been used to supplement shortfalls in Ohio's financial aid programs, such as the Ohio College Opportunity Grant (OCOG), which offers a benefit twice as large to students of private colleges compared to those attending public institutions. These shortfalls occur because there are many significant unknowns related to enrollment levels and the participation of non-traditional students that affect the overall cost of OCOG implementation. Accordingly, it remains important that the administration preserves the right to transfer any unused or lapsed funds from other state-funded financial aid or scholarship programs, including the Ohio Choice Grant, to the Ohio College Opportunity Grant Program to assist in defraying additional costs. Therefore this veto is in the public interest.

Item Number 10

On page 1737, delete the boxed text.

Section 375.20.40 - Innovation Incentive

The Innovation Incentive Program is designed to build world-class research capacity within Ohio's universities and complement the Third Frontier Project. Rather than distributing funding on a competitive basis, this provision would disburse funds through a formula. The administration believes that Ohio can maximize the effect of the Innovation Incentive Program on our state's economic growth by providing funds to reward the achievement of excellence. Therefore this veto is in the public interest.

Item Number 11

On page 9, delete "3345.35,".

On page 685, delete the boxed text.

On page 1754, delete the boxed text.

Section 3345.35 - Purchasing Consortium

This provision would prevent a statewide, all-inclusive approach to purchasing collaboration. Logic and evidence suggest a collaborative approach to purchasing among state institutions would be beneficial. Indeed, a statewide, all-inclusive approach that is aligned with the strategic plan for higher education in Ohio would be most appropriate. The administration believes this provision would perpetuate inefficiencies and comes at the expense of taxpayers. Therefore this veto is in the public interest.

Item Number 12

On page 1, delete "109.57,".

On page 7, delete 109.57,".

On page 24 delete the boxed text.

On page 25, delete the boxed text.

On page 27, delete the boxed text.

On page 36, delete the boxed text.

On page 37, delete the boxed text.

On page 395, delete the boxed text.

On page 396, delete the boxed text.

On page 397, delete the boxed text.

On page 398, delete the boxed text.

On page 399, delete the boxed text.

On page 400, delete the boxed text.

On page 401, delete the boxed text.

On page 420, delete the boxed text.

On page 517, delete the boxed text.

On page 552, delete the boxed text.

On page 553, delete the boxed text.

On page 554, delete the boxed text.

On page 555, delete the boxed text.

On page 556, delete the boxed text.

On page 632, delete the boxed text.

On page 1271, delete the boxed text.

On page 1430, delete "109.57,".

On page 1554, delete the boxed text.

On page 1555, delete the boxed text.

Pages 26, 28, 29 and 30 contain inadvertent stamps. It is not my intent to disapprove any items on these pages.

Section 109.57; 109.572; 3310.51-3310.63; 3317.022; 3317.03; 3323.052; 5727.84; 101.02; 269.60.33; 269.60.36 - Special Education Scholarship Pilot Program

This item would create a Special Education Scholarship Pilot Program that would, starting in fiscal year 2009, provide vouchers for students in grades K-12 who have an individualized education program (IEP) to attend private schools, other public school districts, or public entities that are not school districts. The administration believes that funding private schools with public tax dollars deprives the state and its taxpayers of proper oversight and accountability of these programs. Further, by draining funds that would otherwise be used to support public schools, such a program serves to harm the vast majority of students, including disabled students, who attend public schools. The administration is committed to working with the Department of Education and parents to review alternative policies to best meet the needs of all children with disabilities. Indeed, the administration has increased funding for special education by more than 8 percent in each year of the biennium. However, this program does not serve that goal. Therefore this veto is in the public interest.

Item Number 13

On page 477, delete the boxed text.

On page 478, delete the boxed text.

Section 3314.08 (O) - Disputed Enrollment between Community School and District

This language creates an unnecessary burden for local school districts in instances where school districts and community schools dispute enrollment figures and where the two parties are not able to resolve the differences. The Department of Education has worked with affected parties over the past several months to develop a set of business practices to address the concerns related to this item. The business practices developed by the Department will more fairly apply to both community schools and school districts. The creation of new statutory provisions is unnecessary and would limit agency discretion to address the needs of stakeholders and resolve disagreements. Therefore this veto is in the public interest.

Item Number 14

On page 2, delete "3318.36,"

On page 1431, delete "3318.36,".

On page 592, delete the boxed text.

On page 607, delete the boxed text.

On page 608, delete the boxed text.

Section 3318.36(F) - Ranking of Expedited Local Partnership Program Districts

This language would result in moving Expedited Local Partnership Program (ELPP) districts higher on the equity list, and therefore move other districts lower relative to the ELPP districts. This would increase the local share of education costs of some, potentially many, districts. Additionally, this would increase the amounts and millages necessary for school district bond issues. This violates the premise of which Ohio school facilities commission funds are allocated. Therefore this veto is in the public interest.

Item Number 15

On page 1560, delete the boxed text.

Section 269.20.20 – Literacy Improvement Professional Development (Reading Recovery Training Network)

This item would provide \$900,000 in each fiscal year to fund the Reading Recovery Training Network, provide pilot grants to other districts to implement other reading improvement programs, and conduct an evaluation of the impact and effectiveness of the Reading Recovery program and other reading improvement programs. Reading Recovery is a short term early literacy intervention program. The program accelerates the reading ability of students that have difficulty with reading. The program utilizes job embedded peer coaches and intensive literacy training for the Reading Recovery teachers. The provisions in this item would divert valuable funds from the Reading Recovery program to unproven, non-research based pilot

projects. The veto of this item is necessary to ensure the cost effective implementation of this proven research based reading intervention program. Therefore this veto is in the public's interest.

C. Environment and Public Safety

The administration is committed to protecting the well being of Ohioans by protecting our environment and providing public safety services. This budget allows us to move forward on plans to improve the efficiency of state resources and to make improvements in such areas as emergency management. The following vetoes reflect a commitment to utilize our resources wisely and preserve sensible safety policies.

Item Number 16

On page 1718, delete the boxed text.

Section 343.35 - Fairport Harbor

The Ohio Waterways Safety Fund provides grant funding, on a competitive basis, to local communities throughout the state. Communities use these grants for a variety of purposes including enhancing the public's access to water related recreation opportunities and improving access areas for boating safety. The administration recognizes the need for dredging the Grand River at the Village of Fairport Harbor. However, this provision would disadvantage other communities applying for these grant funds. Instead, the Ohio Division of Watercraft has been instructed to work with the Village to address this situation before the 2008 dredging season begins. Therefore this veto is in the public interest.

Item Number 17

On page 1603, delete the boxed text.

Section 281.10 – Areawide Planning Agencies

This item requires Ohio EPA to provide up to \$75,000 per year to the six areawide planning agencies for water quality management and planning. In recognition of the valuable role of the areawide planning agencies, the Ohio

EPA will work closely with each of these agencies in support of their efforts. This provision, however, would have a direct and negative impact on the Division of Surface Water. This earmark would result in a reduction of funds available to the Division of Surface Water impeding the permitting process for 401 water quality certifications and/or NPDES permits, and would negatively affect the State 208 Plan for the 22 counties not covered by an areawide planning agency. Therefore this veto is in the public interest.

Item Number 18

On page 842, delete the boxed text.

On page 843, delete the boxed text.

On page 846, delete the boxed text.

On page 847, delete the boxed text.

On page 848, two red lines were inadvertently added above and below the following text “(5) A fireworks showroom structure that exists on”. It is not my intent to box and disapprove this text.

On page 848, delete the following boxed text “~~the effective date of this section~~ June 30, 1997,”.

On page 848, delete the following boxed text “or if a licensee voluntarily so elects,”.

On page 848, delete the following boxed text “, in which case division (A)(1) of this section does not apply”.

On page 848, delete the following boxed text “~~the effective date of this section~~ June 30, 1997,”.

Section 3743.17, 3743.19, and 3743.25 - Fireworks Law Changes

The language in this provision raises issues and questions around defused sample stores not having proper fire suppression systems and removes law currently in place for public safety protection. The administration believes

this language creates potential public safety hazards. Therefore this veto is in the public interest.

Item Number 19

On page 4, delete "3704.14,".

On page 806, delete the boxed text.

On page 807, delete the boxed text.

On page 951, delete the boxed text.

On page 1601, delete the boxed text.

Section 3704.14; 281.10; 4503.10; 105.01 - E-check program

This item requires using decentralized testing programs that employ only onboard diagnostics (OBD) tests. While EPA currently uses OBD testing for some vehicles, the method is ineffective in vehicles manufactured prior to 1996. OBD-only testing would result in an estimated loss of 800 tons per year of air pollution reductions which could lead to tighter restrictions on industry to compensate for the loss. Ultimately this would impede economic development and seriously threaten Ohio jobs. Therefore this veto is in the public interest.

D. Technology

The administration believes that investing in and developing technology in Ohio will help create a competitive, well-connected economy benefiting us individually and collectively. This budget funds Broadband Ohio, a commitment to expanding access to high-speed Internet connections across all of Ohio's 88 counties. The following vetoes reflect a commitment to wisely using the resources available to us and assuring that a sensible advisory structure is utilized.

Item Number 20

On page 1859, delete the boxed text.

Section 3353.02 -3353.03– eTech Commission Membership and Duties

During its consideration of HB119, the Senate adopted changes to Section 3353.02 making modifications to the membership, operations, organization and duties of the eTech Commission. While it appears as though the Senate language was adopted by the Conference Committee, with one small exception, there are no references to Section 3353.02 in the enrolled bill. At Section 815.03 of the enrolled bill, Section 3353.02 is listed in the group of new or amended sections of code that will go into immediate effect when HB 119 becomes law. Since no modifications to Section 3353.02 are reflected in the enrolled bill, the suggestion that modifications to Section 3353.02 will go into immediate effect when HB 119 becomes law is untenable. It appears as though the Senate amendments to Section 3353.02 were inadvertently left out of the enrolled bill. Nevertheless, the administration disagrees with the changes to Section 3353.02 that were proposed because they would place an undue burden on the Commission in fulfilling its duties, would inappropriately limit the decision making authority of the commission, and unnecessarily limit the governor's ability to appoint the Commission's chair. Although the Senate-enacted changes to Section 3353.02 are not contained in the enrolled bill, because of the reference to the immediate enactment of those changes, this provision is vetoed. Had the changes appeared in their entirety, they would also have been vetoed. This veto is in the public interest.

Item Number 21

On page 1539, delete the boxed text.

On page 1540, delete the boxed text.

Section 263.20.90 - Limitations on NextGen/Third Frontier earmark

This language slows the provision of funding to the NextGen Network and hinders the implementation of the administration's Broadband Ohio Plan. The NextGen Network will improve and consolidate broadband service

delivery to Ohio's executive agencies, boards, and commissions, and leverage existing network resources to focus on innovation, research, education, and economic competitiveness. The first phase will, among other goals, establish a foundation upon which broadband network speed can be supplied to all 88 counties. In this phase, the primary task is procurement of equipment necessary to provide the infrastructure for service provision, a task that is substantively different from the competitive process supervised by the Third Frontier Commission. Therefore this veto is in the public interest.

Item Number 22

On page 1605, delete the boxed text.

Section 285.30 Digital/HDTV Earmark

This provision would earmark \$1 million to public broadcast stations to purchase and install digital high definition conversion. In a time of limited resources, state investments must be focused on effective responses to public necessities. Therefore this veto is in the public interest.

E. Governance, Management, and Administration

The administration is committed to maintaining the ability of the executive branch to effectively and efficiently manage Ohio's state government. The following vetoes reflect that commitment.

Executive Branch Policy

Item Number 23

On page 892, delete the following boxed text "No rule shall set a price that exceeds twenty dollars to purchase an individual lottery ticket."

Section 3770.03 - Maximum Lottery Ticket Price

This language prevents the Lottery Commission from approving any game with a ticket price exceeding \$20. The Ohio Lottery Commissioners have

historically exercised their authority to set ticket prices. This provision overrides the authority of the Commission and limits the Lottery's ability to market new games. Therefore this veto is in the public interest.

Item Number 24

On page 892, delete the following boxed text “No rule shall authorize on a Sunday for any lottery game unless the rule is approved by executive order of the governor.”

Section 3770.03 - Executive Order for Sunday drawings

This language requires that any game rule approved by the Commission authorizing Sunday drawings must further be approved by an Executive Order of the Governor. Historically, drawing days have been determined exclusively by the Director of the Ohio Lottery upon consultation with the Governor. Game rules do not, by definition, include the timing of a drawing. Therefore this veto is in the public interest.

Financial Management

Item Number 25

One page 1803, delete the boxed text.

Section 503.15 - Controlling Board Notification GRF Subsidy Encumbrances

In a typical fiscal year, more than 200 encumbrances occur that would be subject to additional reporting requirements under this provision. This language imposes an undue burden on the Executive Branch by establishing excessive red tape and duplicative reporting requirements that could interfere with the flexibility of the administration to manage state finances on a daily basis. Therefore this veto is in the public interest.

Item Number 26

On page 83, delete the boxed text.

Section 126.16 (G) - 5% Debt Service Limitation Calculation

This language requires that calculations of the 5% debt limit for the State's "direct obligations" include debt service on obligations that are "avoided" (not issued) as a result of the tobacco securitization authorized in ORC 183.51. This provision creates uncertainty in the calculation of the State's 5% debt limit because it fails to provide necessary guidance for how the debt service that would have been incurred is to be calculated. Further, the provision indicates that any new direct obligations of the State may not be issued without passage of additional issuance authority by the General Assembly. This provision is duplicative of Section 518.03 which requires that the authorization to issue those avoided obligations be reduced on a dollar for dollar basis. The Executive Branch will fully comply with both the letter and spirit of existing constitutional debt limitations. Therefore this veto is in the public interest.

Tax Administration**Item Number 27**

On page 1304, delete the boxed text.

5739.029 - Nonresident Motor Vehicle Sales Tax

This item makes it difficult to implement the new requirement to collect the Ohio sales tax from nonresident purchasers of automobiles in a timely and efficient manner. By requiring that every credit and exemption of the customer's home state and local taxing jurisdiction be subtracted from the tax-base, the language would result in an expensive, cumbersome and complex administrative process to calculate and collect the tax. Therefore this veto is in the public interest.

Item Number 28

On page 1809, delete the boxed text.

Section 512.38 - Transfer from Automated Title Processing Fund

The Ohio Constitution, Article XII, §5a prohibits the use of motor vehicle licensing fees or taxes for purposes other than those explicitly set forth in the Constitution. This provision, however, would result in moneys being transferred for purposes outside those provided for in the Constitution. Therefore this veto is in the public interest.

Item Number 29

On page 4, delete "3313.82,".

On page 438, delete the boxed text.

On page 439, delete the boxed text.

On page 440, delete the boxed text.

On page 441, delete the boxed text.

On page 1246, delete the boxed text.

On page 1247, delete the boxed text.

On page 1248, delete the boxed text.

On page 1249, delete the boxed text.

On page 1250, delete the boxed text.

Section 3313.82 - Cuyahoga County Special Services District

This provision allows multiple school districts from a county with 1.2 million people to form a Special Services District to serve special education students. This provision would create one special tax district in the state and

empower the district to tax and issue debt. The impact of granting the tax and debt issuance authority is unknown. Therefore this veto is in public interest.

Program Management

Item Number 30

On page 5, delete "5111.085,".

On page 9, delete "5111.085,".

On page 1105, delete the boxed text.

On page 1106, delete the boxed text.

On page 1107, delete the boxed text.

Section 5111.17-Managed Care Reimbursement Rates

This item specifies payment standards for Medicaid managed care organization rates. Sections of the language restate the federal Medicaid payments standards. Other sections impose additional requirements over and above the federal requirements. To the extent the language restates federal payment requirements, it is unnecessary as the state is required to comply with federal Medicaid requirements. To the extent the language imposes requirements over and above federal requirements, the language could result in unnecessary costs. Therefore this veto is in the public interest.

Item Number 31

On page 5, delete "5111.165,".

On page 5, delete "5111.166,".

On page 9, delete "5111.165,".

On page 9, delete "5111.166,".

On page 1105, delete the boxed text.

On page 1106, delete the boxed text.

On page 1107, delete the boxed text beginning with "health insuring" and ending with "reports." And beginning with "(1)" and ending with "rates".

Section 5111.165 - Risk adjusted managed care rates

This item specifies payment standards for Medicaid managed care organizations. The language imposes requirements over and above federal requirements and could result in payments over and above federal requirements. The proposed language will restrict the ability of the Department of Job and Family Services to set rates in a manner that is prudent and fiscally responsible. Further, this provision compromises the Department of Job and Family Services' ability to manage the Medicaid program in an efficient manner. Therefore this veto is in the public interest.

Item Number 32

On page 1642, delete the boxed text.

On page 1643, delete the following boxed text, "approved by the Controlling Board".

On page 1643, delete the following boxed text, beginning with "submit" and ending with "shall".

On page 1643, delete the following boxed text, "approved by the Controlling Board".

Section 309.30.16-Medicaid Reserve Fund

This item creates a Medicaid reserve fund and requires the Office of Budget and Management to seek Controlling Board approval to transfer \$120,000,000 of the state share in fiscal year 2008 and \$205,000,000 of the state share in fiscal year 2009 to the General Revenue Fund. This requirement infringes upon the Executive Branch's authority and limits the state's ability to effectively manage the Medicaid program. Therefore this veto is in the public interest.

Item Number 33

On page 1072, delete the boxed text.

On page 1641, delete the boxed text.

On page 1005, delete the boxed text.

Section 5111.017 - Electronic Submission and Maintenance of Applications

This language requires electronic submission and maintenance of Medicaid applications by county boards. This constitutes an unfunded mandate, creates competing records storage systems for the same material, and conflicts with the Department of Job and Family Services' comprehensive information technology efforts and implementation strategy. Therefore this veto is in the public interest.

Item Number 34

On page 5, delete "5111.0120,".

On page 9, delete "5111.0120,".

On page 1069, delete the boxed text.

On page 1074, delete the boxed text.

Section 5111.0121 - Electronic Submission of Medicaid Applications

This language requires electronic submission of Medicaid applications. This language is inconsistent with the administration's comprehensive information technology plan. The language will divert resources from the plan to new requirements while offering uncertain benefits to the state and to Medicaid applicants. Therefore this veto is in the public interest.

Item Number 35

On page 825, delete the boxed text.

On page 825, it is not my intent to box "Sec. 3727.391." A correction has been made to inadvertent boxing of this text with correction fluid.

On page 1630, delete the boxed text.

Section 3727.391 - Hospital Performance Data

This provision requires the Director of Health to enter into a contract with an outside vendor to create a website listing data on hospital performance. The administration agrees that it is important for Ohioans to have access to valid, complete and easy-to-use data measuring hospital performance. However, the \$50,000 appropriated here is not sufficient to carry out the required task using an outside contractor. To best serve the public's need for this information while safeguarding our limited resources, the requirement that the Department of Health pay an outside contractor to create this website is vetoed and the Department has been instructed to create this website using current staff and internal resources. Therefore this veto is in the public interest.

Item Number 36

On page 1643, delete the following boxed text, beginning with "SECTION 309.30.18" and ending with "Code."

Section 309.30.18 - Medicaid Provider Audits

This item provides \$2,000,000 per year for the Auditor of State, in consultation with the Department of Job and Family Services, to perform audits of providers of Medicaid services. The Department already performs this function, and paying the Auditor to repeat this task is an unnecessary expense in view of the funding limitations being imposed on the Department in HB119. Therefore this veto is in public interest.

Item Number 37

On page 1501, delete the boxed text.

On page 1501, the phrase "shall be used for community based care" was inadvertently boxed. It is not my intent disapprove this text.

Section 335.20.50 - Auditor of State Performance Audit of the Department of Alcohol and Drug Addiction Services

This provision calls for an unfunded performance audit performed by the Auditor of State that is duplicative of the internal review of policies and procedures included in the Executive Budget. The goal of the internal review provision that was included in the Executive Budget was to ensure that the state's Alcohol and Drug Addiction Services system operates as efficiently as possible to ensure Ohioans receive the services they need with savings resulting from the review being used to support community services. This audit would require the expenditure of resources that could be utilized to benefit the community. The administration believes that the internal review process is sufficient and will yield useful results. Therefore this veto is in the public interest.

Item Number 38

On page 1693, delete the boxed text.

On page 1694, delete the boxed text.

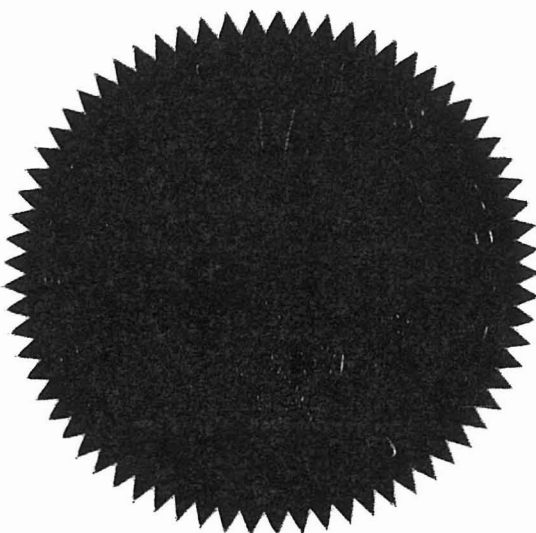
Section 335.20.50 - Auditor of State Performance Audit of the Department of Mental Health

This provision calls for an unfunded performance audit performed by the Auditor of State that is duplicative of an internal review of policies and procedures included in the Executive Budget. The goal of the internal review provision included in the Executive Budget was to ensure that the state's Mental Health Services system operates as efficiently as possible to ensure Ohioans receive the services they need with savings resulting from the review being used to support important services. This audit would

require the expenditure of resources that could be utilized to benefit Ohioans in need. The administration believes that the internal review process is sufficient and will yield useful results. Therefore this veto is in the public interest.

I signed this veto message on June 30, 2007 in Columbus, Ohio and transmitted it, today, with copies of the disapproved text, to the Clerk of the Ohio House of Representatives.

In order to signal my approval of the text not disapproved by me, I have, today, also filed the enrolled and engrossed original copies of the bill with the Secretary of State.


Ted Strickland
 Ted Strickland, Governor

I acknowledge receipt of an original copy of this veto message, along with a copy of the disapproved text in the bill on June 30, 2007.

Laura P. Clemens
 Name of Officer

Clerk
 Title of Officer

6.30.07 7:07 p.m.
 Date and Time of Receipt

Index to items by Department

Administrative Services 3
Alcohol and Drug Addiction 37
Board of Regents 9, 10, 11
Budget and Management 25, 26
Commerce 18
Development 21
Education 12, 13, 15, 29
Environmental Protection 17, 19
E-tech 20, 22
Health 2, 7, 8, 35
Insurance 5
Jobs and Family Services 1, 6, 30, 31, 32, 33, 34, 36
Lottery 23, 24
Mental Health 4, 38
Natural Resources 16
Public Safety 28
School Facilities 14
Taxation 27