(129th General Assembly)
(Substitute House Bill Number 280)

AN ACT

To amend sections 5910.01, 5910.02, and 5919.34 and to enact section 5910.07 of the Revised Code to qualify for a War Orphans Scholarship, children of military veterans who participated in an operation for which the Armed Forces Expeditionary Medal was awarded, and to authorize the administrators of the Ohio National Guard Scholarship Program and the Ohio War Orphans Scholarship Program to apply for, and receive and accept, grants, and to receive and accept gifts, bequests, and contributions, from public and private sources, to provide for the reimbursement of certain school districts for deductions taken for certain Jon Peterson Special Needs Scholarships, and to make an appropriation.

Be it enacted by the General Assembly of the State of Ohio:

SECTION 1. That sections 5910.01, 5910.02, and 5919.34 be amended and section 5910.07 of the Revised Code be enacted to read as follows:

Sec. 5910.01. As used in this chapter and section 5919.34 of the Revised Code:

(A) "Child" includes natural and adopted children and stepchildren who have not been legally adopted by the veteran parent provided that the relationship between the stepchild and the veteran parent meets the following criteria:

(1) The veteran parent is married to the child's natural or adoptive parent at the time application for a scholarship granted under this chapter is made; or if the veteran parent is deceased, the child's natural or adoptive parent was married to the veteran parent at the time of the veteran parent's death;

(2) The child resided with the veteran parent for a period of not less than ten consecutive years immediately prior to making application for the scholarship; or if the veteran parent is deceased, the child resided with the veteran parent for a period of not less than ten consecutive years

immediately prior to the veteran parent's death;

(3) The child received financial support from the veteran parent for a period of not less than ten consecutive years immediately prior to making application for the scholarship; or if the veteran parent is deceased, the child received financial support from the veteran parent for a period of not less than ten consecutive years immediately prior to the veteran parent's death.

(B) "Veteran" includes ~~either~~ any of the following:

(1) Any person who was a member of the armed services of the United States for a period of ninety days or more, or who was discharged from the armed services due to a disability incurred while a member with less than ninety days' service, or who died while a member of the armed services; provided that such service, disability, or death occurred during one of the following periods: April 6, 1917, to November 11, 1918; December 7, 1941, to December 31, 1946; June 25, 1950, to January 31, 1955; January 1, 1960, to May 7, 1975; August 2, 1990, to the end of operations conducted as a result of the invasion of Kuwait by Iraq, including support for operation desert shield and operation desert storm, as declared by the president of the United States or the congress; October 7, 2001, to the end of operation enduring freedom as declared by the president of the United States or the congress; March 20, 2003, to the end of operation Iraqi freedom as declared by the president of the United States or the congress; or any other period of conflict established by the United States department of veterans affairs for pension purposes;

(2) Any person who was a member of the armed services of the United States and participated in an operation for which the armed forces expeditionary medal was awarded;

(3) Any person who served as a member of the United States merchant marine and to whom either of the following applies:

(a) The person has an honorable report of separation from the active duty military service, form DD214 or DD215.

(b) The person served in the United States merchant marine between December 7, 1941, and December 31, 1946, and died on active duty while serving in a war zone during that period of service.

(C) "Armed services of the United States" or "United States armed forces" includes the army, air force, navy, marine corps, coast guard, and such other military service branch as may be designated by congress as a part of the armed forces of the United States.

(D) "Board" means the Ohio war orphans scholarship board created by section 5910.02 of the Revised Code.

(E) "Disabled" means having a sixty per cent or greater

service-connected disability or receiving benefits for permanent and total nonservice-connected disability, as determined by the United States department of veterans affairs.

(F) "United States merchant marine" includes the United States army transport service and the United States naval transport service.

Sec. 5910.02. There is hereby created an Ohio war orphans scholarship board as part of the department of veterans services. The board consists of eight members as follows: the chancellor of the Ohio board of regents or the chancellor's designee; the director of veterans services or the director's designee; one member of the house of representatives, appointed by the speaker; one member of the senate, appointed by the president of the senate; and four members appointed by the governor, one of whom shall be a representative of the American Legion, one of whom shall be a representative of the Veterans of Foreign Wars, one of whom shall be a representative of the Disabled American Veterans, and one of whom shall be a representative of the AMVETS. At least ninety days prior to the expiration of the term of office of the representative of a veterans organization appointed by the governor, the governor shall notify the state headquarters of the affected organization of the need for an appointment and request the organization to make at least three nominations. Within sixty days after making the request for nominations, the governor may make the appointment from the nominations received, or may reject all the nominations and request at least three new nominations, from which the governor shall make an appointment within thirty days after making the request for the new nominations. If the governor receives no nominations during this thirty-day period, the governor may appoint any veteran.

Terms of office for the four members appointed by the governor shall be for four years, commencing on the first day of January and ending on the thirty-first day of December, except that the term of the AMVETS representative shall expire December 31, 1998, and the new term that succeeds it shall commence on January 1, 1999, and end on December 31, 2002. Each member shall hold office from the date of the member's appointment until the end of the term for which the member was appointed. The other members shall serve during their terms of office. Any vacancy shall be filled by appointment in the same manner as by original appointment. Any member appointed to fill a vacancy occurring prior to the expiration of the term for which the member's predecessor was appointed shall hold office for the remainder of such term. Any appointed member shall continue in office subsequent to the expiration date of the member's term until the member's successor takes office, or until a period of sixty days

has elapsed, whichever occurs first. The members of the board shall serve without pay but shall be reimbursed for travel expenses and for other actual and necessary expenses incurred in the performance of their duties, not to exceed ten dollars per day for ten days in any one year to be appropriated out of any moneys in the state treasury to the credit of the general revenue fund.

The chancellor of the board of regents shall act as secretary to the board and shall furnish such clerical and other assistance as may be necessary to the performance of the duties of the board.

The board shall determine the number of scholarships to be made available, receive applications for scholarships, pass upon the eligibility of applicants, decide which applicants are to receive scholarships, and do all other things necessary for the proper administration of this chapter.

The board may apply for, and may receive and accept, grants, and may receive and accept gifts, bequests, and contributions, from public and private sources, including agencies and instrumentalities of the United States and this state, and shall deposit the grants, gifts, bequests, or contributions into the Ohio war orphans scholarship fund.

Sec. 5910.07. The Ohio war orphans scholarship fund is created in the state treasury. The fund shall consist of gifts, bequests, grants, and contributions made to the fund. Investment earnings of the fund shall be deposited into the fund. The fund shall be used to operate the war orphans scholarship program and to provide grants under sections 5910.01 to 5910.06 of the Revised Code.

Sec. 5919.34. (A) As used in this section:

(1) "Academic term" means any one of the following:

(a) Fall term, which consists of fall semester or fall quarter, as appropriate;

(b) Winter term, which consists of winter semester, winter quarter, or spring semester, as appropriate;

(c) Spring term, which consists of spring quarter;

(d) Summer term, which consists of summer semester or summer quarter, as appropriate.

(2) "Eligible applicant" means any individual to whom all of the following apply:

(a) The individual does not possess a baccalaureate degree.

(b) The individual has enlisted, re-enlisted, or extended current enlistment in the Ohio national guard or is an individual to which division (F) of this section applies.

(c) The individual is actively enrolled as a full-time or part-time student

for at least three credit hours of course work in a semester or quarter in a two-year or four-year degree-granting program at a state institution of higher education or a private institution of higher education, or in a diploma-granting program at a state or private institution of higher education that is a school of nursing.

(d) The individual has not accumulated ninety-six eligibility units under division (E) of this section.

(3) "State institution of higher education" means any state university or college as defined in division (A)(1) of section 3345.12 of the Revised Code, community college established under Chapter 3354. of the Revised Code, state community college established under Chapter 3358. of the Revised Code, university branch established under Chapter 3355. of the Revised Code, or technical college established under Chapter 3357. of the Revised Code.

(4) "Private institution of higher education" means an Ohio institution of higher education that is nonprofit and has received a certificate of authorization pursuant to Chapter 1713. of the Revised Code, that is a private institution exempt from regulation under Chapter 3332. of the Revised Code as prescribed in section 3333.046 of the Revised Code, or that holds a certificate of registration and program authorization issued by the state board of career colleges and schools pursuant to section 3332.05 of the Revised Code.

(5) "Tuition" means the charges imposed to attend an institution of higher education and includes general and instructional fees. "Tuition" does not include laboratory fees, room and board, or other similar fees and charges.

(B) There is hereby created a scholarship program to be known as the Ohio national guard scholarship program.

(C) The adjutant general shall approve scholarships for all eligible applicants. The adjutant general shall process all applications for scholarships for each academic term in the order in which they are received. The scholarships shall be made without regard to financial need. At no time shall one person be placed in priority over another because of sex, race, or religion.

(D)(1) Except as provided in divisions (I) and (J) of this section, for each academic term that an eligible applicant is approved for a scholarship under this section and either remains a current member in good standing of the Ohio national guard or is eligible for a scholarship under division (F)(1) of this section, the institution of higher education in which the applicant is enrolled shall, if the applicant's enlistment obligation extends beyond the

end of that academic term or if division (F)(1) of this section applies, be paid on the applicant's behalf the applicable one of the following amounts:

(a) If the institution is a state institution of higher education, an amount equal to one hundred per cent of the institution's tuition charges;

(b) If the institution is a nonprofit private institution or a private institution exempt from regulation under Chapter 3332. of the Revised Code as prescribed in section 3333.046 of the Revised Code, an amount equal to one hundred per cent of the average tuition charges of all state universities;

(c) If the institution is an institution that holds a certificate of registration from the state board of career colleges and schools, the lesser of the following:

(i) An amount equal to one hundred per cent of the institution's tuition;

(ii) An amount equal to one hundred per cent of the average tuition charges of all state universities, as that term is defined in section 3345.011 of the Revised Code.

(2) An eligible applicant's scholarship shall not be reduced by the amount of that applicant's benefits under "the Montgomery G.I. Bill Act of 1984," Pub. L. No. 98-525, 98 Stat. 2553 (1984).

(E) A scholarship recipient under this section shall be entitled to receive scholarships under this section for the number of quarters or semesters it takes the recipient to accumulate ninety-six eligibility units as determined under divisions (E)(1) to (3) of this section.

(1) To determine the maximum number of semesters or quarters for which a recipient is entitled to a scholarship under this section, the adjutant general shall convert a recipient's credit hours of enrollment for each academic term into eligibility units in accordance with the following table:

Number of credit hours of enrollment in an academic term	equals	The following number of eligibility units if a semester	or	The following number of eligibility units if a quarter
12 or more hours		12 units		8 units
9 but less than 12		9 units		6 units
6 but less than 9		6 units		4 units
3 but less than 6		3 units		2 units

(2) A scholarship recipient under this section may continue to apply for scholarships under this section until the recipient has accumulated ninety-six eligibility units.

(3) If a scholarship recipient withdraws from courses prior to the end of an academic term so that the recipient's enrollment for that academic term is less than three credit hours, no scholarship shall be paid on behalf of that person for that academic term. Except as provided in division (F)(3) of this section, if a scholarship has already been paid on behalf of the person for that academic term, the adjutant general shall add to that person's accumulated eligibility units the number of eligibility units for which the scholarship was paid.

(F) This division applies to any eligible applicant called into active duty on or after September 11, 2001. As used in this division, "active duty" means active duty pursuant to an executive order of the president of the United States, an act of the congress of the United States, or section 5919.29 or 5923.21 of the Revised Code.

(1) For a period of up to five years from when an individual's enlistment obligation in the Ohio national guard ends, an individual to whom this division applies is eligible for scholarships under this section for those academic terms that were missed or could have been missed as a result of the individual's call into active duty. Scholarships shall not be paid for the academic term in which an eligible applicant's enlistment obligation ends unless an applicant is eligible under this division for a scholarship for such academic term due to previous active duty.

(2) When an individual to whom this division applies withdraws or otherwise fails to complete courses, for which scholarships have been awarded under this section, because the individual was called into active duty, the institution of higher education shall grant the individual a leave of absence from the individual's education program and shall not impose any academic penalty for such withdrawal or failure to complete courses. Division (F)(2) of this section applies regardless of whether or not the scholarship amount was paid to the institution of higher education.

(3) If an individual to whom this division applies withdraws or otherwise fails to complete courses because the individual was called into active duty, and if scholarships for those courses have already been paid, either:

(a) The adjutant general shall not add to that person's accumulated eligibility units calculated under division (E) of this section the number of eligibility units for the academic courses or term for which the scholarship was paid and the institution of higher education shall repay the scholarship amount to the state.

(b) The adjutant general shall add to that individual's accumulated eligibility units calculated under division (E) of this section the number of

eligibility units for the academic courses or term for which the scholarship was paid if the institution of higher education agrees to permit the individual to complete the remainder of the academic courses in which the individual was enrolled at the time the individual was called into active duty.

(4) No individual who is discharged from the Ohio national guard under other than honorable conditions shall be eligible for scholarships under this division.

(G) A scholarship recipient under this section who fails to complete the term of enlistment, re-enlistment, or extension of current enlistment the recipient was serving at the time a scholarship was paid on behalf of the recipient under this section is liable to the state for repayment of a percentage of all Ohio national guard scholarships paid on behalf of the recipient under this section, plus interest at the rate of ten per cent per annum calculated from the dates the scholarships were paid. This percentage shall equal the percentage of the current term of enlistment, re-enlistment, or extension of enlistment a recipient has not completed as of the date the recipient is discharged from the Ohio national guard.

The attorney general may commence a civil action on behalf of the chancellor of the Ohio board of regents to recover the amount of the scholarships and the interest provided for in this division and the expenses incurred in prosecuting the action, including court costs and reasonable attorney's fees. A scholarship recipient is not liable under this division if the recipient's failure to complete the term of enlistment being served at the time a scholarship was paid on behalf of the recipient under this section is due to the recipient's death or discharge from the national guard due to disability.

(H) On or before the first day of each academic term, the adjutant general shall provide an eligibility roster to the chancellor and to each institution of higher education at which one or more scholarship recipients have applied for enrollment. The institution shall use the roster to certify the actual full-time or part-time enrollment of each scholarship recipient listed as enrolled at the institution and return the roster to the adjutant general and the chancellor. Except as provided in division (J) of this section, the chancellor shall provide for payment of the appropriate number and amount of scholarships to each institution of higher education pursuant to division (D) of this section. If an institution of higher education fails to certify the actual enrollment of a scholarship recipient listed as enrolled at the institution within thirty days of the end of an academic term, the institution shall not be eligible to receive payment from the Ohio national guard scholarship program or from the individual enrollee. The adjutant general shall report on a ~~semi-annual~~ semiannual basis to the director of budget and

management, the speaker of the house of representatives, the president of the senate, and the chancellor the number of Ohio national guard scholarship recipients, the size of the scholarship-eligible population, and a projection of the cost of the program for the remainder of the biennium.

(I) The chancellor and the adjutant general may adopt rules pursuant to Chapter 119. of the Revised Code governing the administration and fiscal management of the Ohio national guard scholarship program and the procedure by which the chancellor and the department of the adjutant general may modify the amount of scholarships a member receives based on the amount of other state financial aid a member receives.

(J) The adjutant general, the chancellor, and the director, or their designees, shall jointly estimate the costs of the Ohio national guard scholarship program for each upcoming fiscal biennium, and shall report that estimate prior to the beginning of the fiscal biennium to the chairpersons of the finance committees in the general assembly. During each fiscal year of the biennium, the adjutant general, the chancellor, and the director, or their designees, shall meet regularly to monitor the actual costs of the Ohio national guard scholarship program and update cost projections for the remainder of the biennium as necessary. If the amounts appropriated for the Ohio national guard scholarship program and any funds in the Ohio national guard scholarship reserve fund are not adequate to provide scholarships in the amounts specified in division (D)(1) of this section for all eligible applicants, the chancellor shall do all of the following:

(1) Notify each private institution of higher education, where a scholarship recipient is enrolled, that, by accepting the Ohio national guard scholarship program as payment for all or part of the institution's tuition, the institution agrees that if the chancellor reduces the amount of each scholarship, the institution shall provide each scholarship recipient a grant or tuition waiver in an amount equal to the amount the recipient's scholarship was reduced by the chancellor.

(2) Reduce the amount of each scholarship under division (D)(1)(a) of this section proportionally based on the amount of remaining available funds. Each state institution of higher education shall provide each scholarship recipient under division (D)(1)(a) of this section a grant or tuition waiver in an amount equal to the amount the recipient's scholarship was reduced by the chancellor.

(K) Notwithstanding division (A) of section 127.14 of the Revised Code, the controlling board shall not transfer all or part of any appropriation for the Ohio national guard scholarship program.

(L) The chancellor and the adjutant general may apply for, and may

receive and accept grants, and may receive and accept gifts, bequests, and contributions, from public and private sources, including agencies and instrumentalities of the United States and this state, and shall deposit the grants, gifts, bequests, or contributions into the national guard scholarship reserve fund.

SECTION 2. That existing sections 5910.01, 5910.02, and 5919.34 of the Revised Code are hereby repealed.

SECTION 3. All items in this section are hereby appropriated as designated out of any moneys in the state treasury to the credit of the designated fund. For all appropriations made in this act, those in the first column are for fiscal year 2012 and those in the second column are for fiscal year 2013. The appropriations made in this act are in addition to any other appropriations made for the FY 2012-FY 2013 biennium.

			Appropriations	
EDU DEPARTMENT OF EDUCATION				
Lottery Profits Education Fund Group				
7018	200683	Jon Peterson Scholarship Reimbursement	$ 0	$ 3,200,000
TOTAL LPE Lottery Profits Education Fund Group			$ 0	$ 3,200,000
TOTAL ALL BUDGET FUND GROUPS			$ 0	$ 3,200,000

JON PETERSON SCHOLARSHIP REIMBURSEMENT

The Department of Education shall reimburse school districts that receive supplemental operating funding for fiscal year 2013 under Section 267.30.53 of Am. Sub. H.B. 153 of the 129th General Assembly for the amount deducted for fiscal year 2013 under section 3310.55 of the Revised Code for scholarships awarded under section 3310.52 of the Revised Code to students who have never attended a public school in Ohio.

The foregoing appropriation item 200683, Jon Peterson Scholarship Reimbursement, shall be used by the Department to reimburse school districts under this section.

SECTION 4. Within the limits set forth in this act, the Director of Budget and Management shall establish accounts indicating the source and amount of funds for each appropriation made in this act, and shall determine the form and manner in which appropriation accounts shall be maintained. Expenditures from appropriations contained in this act shall be accounted for as though made in Am. Sub. H.B. 153 of the 129th General Assembly.

The appropriations made in this act are subject to all provisions of Am. Sub. H.B. 153 of the 129th General Assembly that are generally applicable to such appropriations.

SECTION 5. Sections 3 and 4 of this act, and the items of law of which they are composed, are not subject to the referendum under Ohio Constitution Article II, section 1d and section 1.471 of the Revised Code and, therefore, go into immediate effect when this act becomes law.

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Speaker _____ of the House of Representatives.

_____

President _____ of the Senate.

Passed _____, 20____

Approved _____, 20____

_____

Governor.

The section numbering of law of a general and permanent nature is complete and in conformity with the Revised Code.

_____

Director, Legislative Service Commission.

Filed in the office of the Secretary of State at Columbus, Ohio, on the ____ day of _____, A. D. 20____.

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Secretary of State.

File No. _____ Effective Date _____