

As Introduced

136th General Assembly

Regular Session

H. B. No. 698

2025-2026

Representative Young

To amend sections 113.70, 113.73, 3345.45, and 1
3345.454; to enact sections 107.037, 3345.0220, 2
3345.0221, and 3345.0222; and to repeal section 3
3345.456 of the Revised Code to enact the S.B. 1 4
Compliance Supplemental Appropriation Act 5
regarding the operation of state institutions of 6
higher education. 7

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

Section 1. That sections 113.70, 113.73, 3345.45, and 8
3345.454 be amended and sections 107.037, 3345.0220, 3345.0221, 9
and 3345.0222 of the Revised Code be enacted to read as follows: 10

Sec. 107.037. As used in this section, "state institution 11
of higher education" has the same meaning as in section 3345.011 12
of the Revised Code. 13

The governor shall ensure that among the various budget 14
recommendations made by the governor and the director of budget 15
and management to the general assembly each biennium there are 16
recommendations to set aside a portion of the state share of 17
instruction funds for state institutions of higher education for 18
the purposes of sections 3345.0220 and 3345.0222 of the Revised 19
Code. The state share of instruction funds in that set aside 20

shall be calculated and distributed in the same manner as any 21
other state share of instructions funds, except that their 22
release to each state institution is subject to those sections. 23

Sec. 113.70. As used in sections 113.70 to 113.77 of the 24
Revised Code: 25

(A) "Expenditure" means a payment, distribution, loan, 26
advance, reimbursement, deposit, or gift of money from a state 27
entity to any supplier. 28

(B) "Political subdivision" means a county, city, village, 29
public library, township, park district, school district, 30
regional water and sewer district, or regional transit 31
authority. 32

(C) "Public library" means a library that is created, 33
maintained, and regulated under Chapter 3375. of the Revised 34
Code. 35

(D) "School district" means a city, local, exempted 36
village, or joint vocational school district; a science, 37
technology, engineering, and mathematics school established 38
under Chapter 3326. of the Revised Code; or an educational 39
service center. "School district" does not mean a community 40
school established under Chapter 3314. of the Revised Code. 41

(E) "State entity" means the general assembly, the supreme 42
court, the court of claims, the office of an elected state 43
officer, or a department, bureau, board, office, commission, 44
agency, institution, instrumentality, or other governmental 45
entity of this state established by the constitution or laws of 46
this state for the exercise of any function of state government, 47
but excludes a political subdivision, an institution of higher 48
education, a state retirement system, and the city of Cincinnati 49

retirement system. "State entity" does not include the nonprofit corporation formed under section 187.01 of the Revised Code. 50
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(F) "State institution of higher education" has the same meaning as in section 3345.011 of the Revised Code. 52
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(G) "State retirement system" means the public employees retirement system, the Ohio police and fire pension fund, the state teachers retirement system, the school employees retirement system, and the state highway patrol retirement system. 54
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(G)(H) "Supplier" means any person, partnership, corporation, association, organization, state entity, or other party, including any executive officer, legislative officer, judicial officer, or member or employee of a state entity, that does either of the following: 59
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(1) Sells, leases, or otherwise provides equipment, materials, goods, supplies, or services to a state entity pursuant to a contract between the supplier and a state entity; 64
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(2) Receives reimbursement from a state entity for any expense. 67
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Sec. 113.73. (A) The Ohio state and local government expenditure database shall include the following features: 69
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(1) A searchable database of all expenditures; 71

(2) The ability to filter expenditures by the following categories: 72
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(a) The category of expense; 74

(b) The Ohio administrative knowledge system accounting code for a specific good or service. 75
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(3) The ability to search and filter by any of the factors listed in section 113.72 of the Revised Code;	77 78
(4) The ability to aggregate data contained in the database;	79 80
(5) The ability to determine the total amount of expenditures awarded to a supplier by a state entity;	81 82
(6) The ability to download information obtained through the database;	83 84
(7) A searchable database of state-and, school district, and state institution of higher education employee salary and employment information.	85 86 87
(B) The information required under division (A) (7) of this section shall be provided by the department of administrative services—or, the department of education and workforce, or a state institution of higher education, as applicable.	88 89 90 91
<u>Sec. 3345.0220.</u> (A) As used in this section, "state institution of higher education" has the same meaning as in section 3345.011 of the Revised Code.	92 93 94
(B) Each state institution of higher education shall annually certify compliance with sections 3333.045, 3345.029, 3345.0216, 3345.0217, 3345.382, 3345.451, 3345.453, and 3345.591 of the Revised Code. Each state institution shall certify its compliance to the chancellor of higher education as follows:	95 96 97 98 99
(1) For fiscal year 2027, on the effective date of this section;	100 101
(2) For fiscal year 2028 and each fiscal year thereafter, by the first day of July of that fiscal year.	102 103

<u>(C) For fiscal year 2028 and each fiscal year thereafter,</u>	104
<u>the chancellor shall withhold a state institution's portion of</u>	105
<u>any state share of instruction funds in the set aside for that</u>	106
<u>fiscal year for the purposes of this section if that institution</u>	107
<u>fails to file a certification in that fiscal year as required</u>	108
<u>under this section.</u>	109
<u>(D) The chancellor may audit institutional records,</u>	110
<u>require documentation, and conduct reviews to verify a state</u>	111
<u>institution's certification.</u>	112
<u>(E) (1) A recklessly false or fraudulent certification</u>	113
<u>constitutes noncompliance with this section. For fiscal year</u>	114
<u>2028 and each fiscal year thereafter, a recklessly false or</u>	115
<u>fraudulent certification constitutes grounds for the chancellor</u>	116
<u>to withhold the entirety of a state institution's portion of any</u>	117
<u>state institution's state share of instruction funds in the set</u>	118
<u>aside for that fiscal year for the purposes of this section.</u>	119
<u>(2) A recklessly false or fraudulent certification may</u>	120
<u>subject the state institution or responsible officers to civil</u>	121
<u>penalties.</u>	122
<u>(F) Any state share of instruction funds withheld from a</u>	123
<u>state institution under this section for a fiscal year shall not</u>	124
<u>be released regardless of subsequent compliance with this</u>	125
<u>section.</u>	126
<u>Sec. 3345.0221. (A) As used in this section:</u>	127
<u>(1) "State institution of higher education" has the same</u>	128
<u>meaning as in section 3345.011 of the Revised Code.</u>	129
<u>(2) "Substantially different duties" means material</u>	130
<u>changes in primary responsibilities or supervisory authority.</u>	131
<u>"Substantially different duties" does not include temporary</u>	132

<u>assignments, title changes, or minor duty adjustments.</u>	133
<u>(B) No state institution of higher education shall</u>	134
<u>reassign, reclassify, or otherwise disguise any position to</u>	135
<u>continue diversity, equity, and inclusion functions prohibited</u>	136
<u>by section 3345.0217 of the Revised Code.</u>	137
<u>(C) Each state institution shall prepare an inventory of</u>	138
<u>all employees who, on January 1, 2025, performed diversity,</u>	139
<u>equity, and inclusion functions and who were reassigned on or</u>	140
<u>before September 25, 2025. The inventory shall include:</u>	141
<u>(1) Employee name, title, and unit;</u>	142
<u>(2) Prior duties related to diversity, equity, and</u>	143
<u>inclusion;</u>	144
<u>(3) Reassignment details;</u>	145
<u>(4) Salary changes;</u>	146
<u>(5) New duties;</u>	147
<u>(6) Attestation of accuracy by the chief human resources</u>	148
<u>officer and general counsel.</u>	149
<u>(D) (1) For each employee described in division (C) of this</u>	150
<u>section, a state institution shall prepare a justification</u>	151
<u>report containing:</u>	152
<u>(a) A narrative explanation of the employee's</u>	153
<u>reassignment;</u>	154
<u>(b) Proof that the employee's reassignment consists of</u>	155
<u>substantially different duties from diversity, equity, and</u>	156
<u>inclusion functions;</u>	157
<u>(c) Side-by-side job comparisons;</u>	158

<u>(d) Attestation of accuracy by the institution's general counsel;</u>	159 160
<u>(e) Itemized compensation breakdown;</u>	161
<u>(f) Compliance plan for ongoing review;</u>	162
<u>(g) Certification by the president and chair of the board of trustees.</u>	163 164
<u>(2) The chancellor of higher education shall determine whether the evidence submitted by an institution under division (D) (1) (b) of this section sufficiently establishes that an employee's new duties are substantially different from diversity, equity, and inclusion functions. The chancellor shall make this determination using a preponderance of the evidence standard.</u>	165 166 167 168 169 170 171
<u>(E) Each state institution of higher education shall submit the inventories and reports described in divisions (C) and (D) of this section to the chancellor not later than ninety days after the effective date of this section. Beginning with fiscal year 2028, each state institution shall submit updated inventories and reports regarding employees described in division (C) of this section annually not later than the first day of July.</u>	172 173 174 175 176 177 178 179
<u>(F) Inventories and reports submitted by state institutions under this section are public records.</u>	180 181
<u>Sec. 3345.0222. (A) As used in this section, "state institution of higher education" has the same meaning as in section 3345.011 of the Revised Code.</u>	182 183 184
<u>(B) The president of a state institution of higher education and the chair of the board of trustees of the</u>	185 186

institution shall sign each certification, inventory, and report 187
submitted by the institution as required under sections 188
3345.0220 and 3345.0221 of the Revised Code. 189

(C) If a state institution of higher education fails to 190
comply with the requirements of sections 3345.0220, 3345.0221, 191
or 3345.454 of the Revised Code as amended or enacted by this 192
act in a fiscal year, for fiscal year 2028 and each fiscal year 193
thereafter, the chancellor of higher education shall withhold a 194
state institution's portion of any state share of instruction 195
funds in the set aside for that fiscal year for the purposes of 196
this section. 197

(D) Any state share of instruction funds withheld from a 198
state institution of higher education under this section shall 199
not be released regardless of subsequent compliance with this 200
section. 201

Sec. 3345.45. (A) The chancellor of higher education 202
jointly with all state institutions The board of trustees of 203
each state institution of higher education, as defined in 204
section 3345.011 of the Revised Code, shall develop standards 205
for adopt an instructional workloads workload policy for full- 206
time and part-time faculty in keeping with the institutions' 207
missions and with special emphasis that maintains a primary 208
emphasis on the undergraduate learning experience. The standards 209
shall contain clear guidelines for institutions to determine a 210
range of acceptable undergraduate teaching by 211
faculty instruction. An instructional workload policy shall not 212
establish a minimum workload that falls below the prevailing 213
Ohio standards for undergraduate instruction. The chancellor of 214
higher education shall not prescribe alternative ranges or 215
minimum standards for instructional workload policies. 216

(B) The board of trustees of each state institution of higher education shall take formal action to adopt a faculty workload policy consistent with the standards developed under this section.	217 218 219 220
(C)(1)(B) (1) The board of trustees of each state institution of higher education shall review the institution's policy on faculty tenure and update that policy to promote excellence in instruction, research, service, or commercialization, or any combination thereof.	221 222 223 224 225
(2) As a condition for a state institution of higher education to receive any state funds for research that are allocated to the department of higher education under the appropriation line items referred to as either "research incentive third frontier fund" or "research incentive third frontier-tax," the chancellor shall require the institution to include multiple pathways for faculty tenure, one of which may be a commercialization pathway, in its policy.	226 227 228 229 230 231 232 233
(D)(1)(C) (1) At least once every five years, each state institution of higher education shall update its faculty workload policy and submit the policy to the chancellor. The updated policies shall be approved by the state institution's board of trustees each time it is submitted to the chancellor.	234 235 236 237 238
(2) Each state institution of higher education's faculty workload policy shall include all of the following:	239 240
(a) An objective and numerically defined teaching workload expectation based on credit hours as defined in 34 C.F.R. 600.2;	241 242
(b) A definition of all faculty workload elements in terms of credit hours as defined in 34 CFR 600.2 with a full-time workload minimum standard established by the board of trustees	243 244 245

and made publicly accessible on the state institution's web site;	246 247
(c) A definition of justifiable credit hour equivalents for activities other than teaching, including research, clinical care, administration, service, and other activities as determined by the state institution of higher education;	248 249 250 251
(d) Administrative action that a state institution of higher education may take, including censure, remedial training, for-cause termination, or other disciplinary action, regardless of tenure status, if a faculty member fails to comply with the policy's requirements. Termination under these circumstances requires the recommendation of the dean, provost, or equivalent official, concurrence of the state institution of higher education's president, and approval of the state institution of higher education's board of trustees.	252 253 254 255 256 257 258 259 260
<u>Sec. 3345.454. This section applies only to state institutions of higher education that have tenured faculty members.</u>	261 262 263
(A) As used in this section:	264
(1) "State institution of higher education" has the same meaning as in section 3345.011 of the Revised Code.	265 266
(2) "Retrenchment" means a process by which a state institution of higher education reduces programs or services, thus resulting in a temporary suspension or permanent separation of one or more institution faculty, to account for a reduction in student population or overall funding, a change to institutional missions or programs, or other fiscal pressures or emergencies facing the institution.	267 268 269 270 271 272 273
(3) "Faculty" means any employee holding a full-time	274

<u>faculty appointment at a state institution of higher education,</u>	275
<u>regardless of tenure status, rank, track, or title.</u>	276
<u>(4) "Academic unit" means any college, school, department,</u>	277
<u>program, division, or other organizational unit within a state</u>	278
<u>institution of higher education.</u>	279
<u>(B) In addition to the policies described in sections</u>	280
<u>3345.45 to 3345.453 of the Revised Code, each state institution</u>	281
<u>of higher education board of trustees shall develop policies on</u>	282
<u>tenure and retrenchment consistent with this section. Each state</u>	283
<u>institution shall submit those policies to the chancellor of</u>	284
<u>higher education. Each state institution's board of trustees</u>	285
<u>shall update those policies every five years.</u>	286
<u>(C) (1) Not later than ninety days after the effective date</u>	287
<u>of this amendment, each state institution of higher education</u>	288
<u>board of trustees shall adopt a retrenchment policy that</u>	289
<u>specifies all of the following:</u>	290
<u>-(a) That the authority to initiate retrenchment is held</u>	291
<u>by the board of trustees;</u>	292
<u>(b) That the board of trustees may delegate its authority</u>	293
<u>to initiate retrenchment to the president or provost of the</u>	294
<u>institution;</u>	295
<u>(c) That a dean or comparable academic officer may</u>	296
<u>recommend retrenchment but may not unilaterally initiate it;</u>	297
<u>(d) That the provost, in consultation with the president,</u>	298
<u>shall administer and complete the retrenchment process subject</u>	299
<u>to any parameters imposed by the board of trustees;</u>	300
<u>(e) That retrenchment may be initiated for any lawful</u>	301
<u>academic or operational reason determined by the board of</u>	302

<u>trustees, including enrollment stagnation or decline, program reduction or discontinuation, organizational restructuring, business necessity, institutional strategic realignment, financial emergency, or other lawful reasons;</u>	303 304 305 306
<u>(f) That before finalizing retrenchment decisions, the provost shall consider relevant factors that affect the institution and students, including program interdependence, student completion pathways, feasibility of phased reductions, academic reputation, alternative organizational arrangements, potential redeployment of affected faculty, and attrition or voluntary separation as alternatives to retrenchment;</u>	307 308 309 310 311 312 313
<u>(g) That the provost's consideration of relevant factors under division (C) (1) (f) of this section does not create enforceable rights beyond those expressly provided in the policy and this section;</u>	314 315 316 317
<u>(h) That selection, retention, and non-displacement standards may affect multiple faculty positions;</u>	318 319
<u>(i) That when fewer than all faculty positions within an academic unit are retrenched, the institution shall retain faculty members the provost determines are best qualified to meet programmatic, curricular, and institutional needs;</u>	320 321 322 323
<u>(j) Except as provided in division (C) (2) of this section, that seniority, tenure, rank, or length of service do not confer a right of retention;</u>	324 325 326
<u>(k) That a faculty member whose position is selected for retrenchment may not displace or bump another faculty member;</u>	327 328
<u>(l) That a faculty member whose position is selected for retrenchment shall receive written notice in a form and at a time determined by the board of trustees and set forth in the</u>	329 330 331

<u>policy;</u>	332
(m) <u>That during the notice period specified by the board</u>	333
<u>of trustees in the policy under division (C) (1) (1) of this</u>	334
<u>section, a faculty member shall remain subject to applicable</u>	335
<u>institutional policies and performance expectations unless</u>	336
<u>relieved of duties by the institution;</u>	337
(n) <u>That a faculty member whose position is selected for</u>	338
<u>retrenchment shall receive procedural protections substantially</u>	339
<u>similar to those historically afforded by the institution,</u>	340
<u>including written notice identifying the position selected for</u>	341
<u>retrenchment and effective date, an opportunity to meet with a</u>	342
<u>designated administrator to discuss the retrenchment decision as</u>	343
<u>it relates to the faculty member's position, and a limited</u>	344
<u>internal review or appeal process confined to whether the</u>	345
<u>institution materially complied with its policy and this</u>	346
<u>section;</u>	347
(o) <u>That retrenchment is not a disciplinary action and no</u>	348
<u>review may substitute the board of trustee's judgment regarding</u>	349
<u>academic, programmatic, or institutional needs;</u>	350
(p) <u>That the board of trustees may approve a buyout</u>	351
<u>program, voluntary separation incentive, or other negotiated</u>	352
<u>separation arrangements for faculty positions subject to</u>	353
<u>retrenchment when the board determines those arrangements to be</u>	354
<u>cost effective or in the best financial or operational interests</u>	355
<u>of the institution;</u>	356
(q) <u>That participation in programs described in division</u>	357
<u>(C) (1) (p) of this section is voluntary unless otherwise</u>	358
<u>authorized by law;</u>	359
(r) <u>The provost may adopt written procedures to implement</u>	360

<u>retrenchment, including timelines, documentation standards,</u>	361
<u>verification processes, and notice formats;</u>	362
<u> (s) Any procedures adopted by the provost pursuant to</u>	363
<u> division (C) (1) (r) of this section shall be publicly accessible.</u>	364
<u> (2) A policy on retrenchment adopted under division (C) (1)</u>	365
<u> of this section shall specify that a faculty member whose</u>	366
<u> position is selected for retrenchment who, at the time the</u>	367
<u> faculty member receives notice of the selection, has at least</u>	368
<u> thirty but not more than thirty-five years of service credit in</u>	369
<u> a state retirement system shall be exempt from retrenchment</u>	370
<u> until the faculty member attains thirty-five years of service</u>	371
<u> credit. The policy shall require verification of the faculty</u>	372
<u> member's service credit within fifteen days after the faculty</u>	373
<u> member receives notice that the member's position has been</u>	374
<u> selected for retrenchment. Consistent with section 3345.454 of</u>	375
<u> the Revised Code, division (C) (2) of this section prevails over</u>	376
<u> any conflicting provision of a collective bargaining amendment</u>	377
<u> entered into on or after the effective date of this amendment.</u>	378
<u> (D) Each state institution of higher education's board of</u>	379
<u> trustees shall update a policy adopted under this section not</u>	380
<u> less than once every five years. Whenever a state institution of</u>	381
<u> higher education board of trustees adopts or modifies a policy</u>	382
<u> under this section, the board of trustees shall submit it to the</u>	383
<u> chancellor of higher education.</u>	384
<u> (E) The chancellor shall review each retrenchment policy</u>	385
<u> submitted under this section to determine whether the policy</u>	386
<u> complies with the requirements of this section. If the</u>	387
<u> chancellor determines that a submitted retrenchment policy</u>	388
<u> complies with this section, the chancellor shall notify the</u>	389
<u> board of trustees of the determination. If the chancellor</u>	390

determines that a submitted policy does not comply with this 391
section, the chancellor shall notify the board of trustees in 392
writing and identify the specific provisions that fail to 393
comply. The chancellor's review under this division shall be 394
limited to determining compliance with the requirements of this 395
section and shall not include approval, disapproval, or 396
modification of the substantive academic, managerial, or 397
strategic judgments in the policy. 398

(F) A board of trustees that receives a notice of 399
noncompliance under division (E) of this section shall revise 400
and resubmit the policy not more than sixty days after receipt 401
of the notice of noncompliance. 402

(G) If a retrenchment policy has been in place for less 403
than five years and has been determined by the chancellor to be 404
in compliance with this section, the chancellor is prohibited 405
from changing that determination unless the policy is updated or 406
this section is amended. 407

(H) Nothing in this section shall be construed to limit or 408
otherwise impair the authority of a board of trustees of a state 409
institution of higher education to adopt, amend, or enforce 410
additional provisions relating to retrenchment that do not 411
conflict with this section. The authority to determine, 412
implement, and administer retrenchment policies and decisions 413
rests with the board of trustees, including authority delegated 414
by the board to the president or provost. This section 415
establishes minimum statewide requirements and shall not be 416
construed to prohibit a board of trustees from exercising 417
broader or more specific authority with respect to retrenchment. 418

(I) A state institution of higher education shall 419
eliminate any undergraduate degree program it offers if the 420

institution confers an average of fewer than five degrees in 421
that program annually over any three-year period. A state 422
institution shall not consider any academic year prior to the 423
first academic year in which an undergraduate degree is 424
conferred in determining whether this division applies to the 425
program offering that degree. 426

The chancellor may grant a waiver to a state institution 427
for a program to which this division applies. State institutions 428
shall appeal for a waiver in a form and manner determined by the 429
chancellor. If the chancellor grants a waiver to a state 430
institution, the chancellor shall establish terms under which 431
the state institution may conditionally continue the program, 432
including whether the program is eligible to be supported by 433
state share of instruction funds. 434

Section 2. That existing sections 113.70, 113.73, 3345.45, 435
and 3345.454 of the Revised Code are hereby repealed. 436

Section 3. That section 3345.456 of the Revised Code is 437
hereby repealed. 438

Section 4. (A) As used in this section, "state university" 439
has the same meaning as in section 3345.011 of the Revised Code. 440

(B) On the effective date of this section, the Chancellor 441
of Higher Education shall determine whether each state 442
university is in compliance with section 3345.0220 of the 443
Revised Code. If the Chancellor determines that a state 444
university is noncompliant with that section, the Chancellor 445
shall withhold the state university's portion of the state share 446
of instruction funds in the set aside in division (B)(1)(c) of 447
Section 381.250 of H.B. 96 of the 136th General Assembly, 448
beginning with the first disbursement that occurs after the 449

determination is made. 450

(C) Ninety-one days after the effective date of this 451
section, the Chancellor shall determine whether each state 452
university is in compliance with sections 3345.0220, 3345.0221, 453
3345.0222, and 3345.454 of the Revised Code. If the Chancellor 454
determines that a state university is noncompliant with any of 455
those sections, the Chancellor shall withhold the state 456
university's portion of the state share of instruction funds in 457
the set aside in division (B)(1)(c) of Section 381.250 of H.B. 458
96 of the 136th General Assembly, beginning with the first 459
disbursement that occurs after the determination is made. 460

(D) If, at any time following a determination made under 461
division (B) or (C) of this section, the Chancellor becomes 462
aware of potential noncompliance by a state university of any 463
section of the Revised Code for which a determination was made, 464
the Chancellor may investigate compliance at the state 465
university and make an additional determination. If the 466
Chancellor determines that a state university is noncompliant 467
with one of the applicable sections, the Chancellor shall 468
withhold the state university's portion of the state share of 469
instruction funds in the set aside in division (B)(1)(c) of 470
Section 381.250 of H.B. 96 of the 136th General Assembly, 471
beginning with the first disbursement that occurs after the 472
additional determination is made. 473

(E) At any time following a determination made under 474
division (B), (C), or (D) of this section, a state university 475
that has been determined noncompliant may request an additional 476
determination from the Chancellor to evaluate whether the state 477
university has resolved the noncompliance. If the Chancellor 478
determines that a state university has become compliant, the 479

Chancellor shall resume disbursing the state university's 480
portion of the state share of instruction funds in the set aside 481
in division (B)(1)(c) of Section 381.250 of H.B. 96 of the 136th 482
General Assembly, beginning with the first disbursement that 483
occurs after the new determination is made. 484

(E) Any state share of instruction funds withheld from a 485
state institution under this section shall not be released 486
regardless of subsequent compliance determinations. 487

Section 5. This act shall be known as the S.B. 1 488
Compliance Supplemental Appropriation Act. 489