

As Introduced

136th General Assembly

Regular Session

2025-2026

H. B. No. 698

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 50
corporation formed under section 187.01 of the Revised Code. 51

(F) "State institution of higher education" has the same 52
meaning as in section 3345.011 of the Revised Code. 53

(G) "State retirement system" means the public employees 54
retirement system, the Ohio police and fire pension fund, the 55
state teachers retirement system, the school employees 56
retirement system, and the state highway patrol retirement 57
system. 58

~~(G)~~ (H) "Supplier" means any person, partnership, 59
corporation, association, organization, state entity, or other 60
party, including any executive officer, legislative officer, 61
judicial officer, or member or employee of a state entity, that 62
does either of the following: 63

(1) Sells, leases, or otherwise provides equipment, 64
materials, goods, supplies, or services to a state entity 65
pursuant to a contract between the supplier and a state entity; 66

(2) Receives reimbursement from a state entity for any 67
expense. 68

Sec. 113.73. (A) The Ohio state and local government 69
expenditure database shall include the following features: 70

(1) A searchable database of all expenditures; 71

(2) The ability to filter expenditures by the following 72
categories: 73

(a) The category of expense; 74

(b) The Ohio administrative knowledge system accounting 75
code for a specific good or service. 76

(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

(C) For fiscal year 2028 and each fiscal year thereafter, 104
the chancellor shall withhold a state institution's portion of 105
any state share of instruction funds in the set aside for that 106
fiscal year for the purposes of this section if that institution 107
fails to file a certification in that fiscal year as required 108
under this section. 109

(D) The chancellor may audit institutional records, 110
require documentation, and conduct reviews to verify a state 111
institution's certification. 112

(E) (1) A recklessly false or fraudulent certification 113
constitutes noncompliance with this section. For fiscal year 114
2028 and each fiscal year thereafter, a recklessly false or 115
fraudulent certification constitutes grounds for the chancellor 116
to withhold the entirety of a state institution's portion of any 117
state institution's state share of instruction funds in the set 118
aside for that fiscal year for the purposes of this section. 119

(2) A recklessly false or fraudulent certification may 120
subject the state institution or responsible officers to civil 121
penalties. 122

(F) Any state share of instruction funds withheld from a 123
state institution under this section for a fiscal year shall not 124
be released regardless of subsequent compliance with this 125
section. 126

Sec. 3345.0221. (A) As used in this section: 127

(1) "State institution of higher education" has the same 128
meaning as in section 3345.011 of the Revised Code. 129

(2) "Substantially different duties" means material 130
changes in primary responsibilities or supervisory authority. 131
"Substantially different duties" does not include temporary 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</u>	159
<u>counsel;</u>	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</u>	163
<u>of trustees.</u>	164
<u>(2) The chancellor of higher education shall determine</u>	165
<u>whether the evidence submitted by an institution under division</u>	166
<u>(D) (1) (b) of this section sufficiently establishes that an</u>	167
<u>employee's new duties are substantially different from</u>	168
<u>diversity, equity, and inclusion functions. The chancellor shall</u>	169
<u>make this determination using a preponderance of the evidence</u>	170
<u>standard.</u>	171
<u>(E) Each state institution of higher education shall</u>	172
<u>submit the inventories and reports described in divisions (C)</u>	173
<u>and (D) of this section to the chancellor not later than ninety</u>	174
<u>days after the effective date of this section. Beginning with</u>	175
<u>fiscal year 2028, each state institution shall submit updated</u>	176
<u>inventories and reports regarding employees described in</u>	177
<u>division (C) of this section annually not later than the first</u>	178
<u>day of July.</u>	179
<u>(F) Inventories and reports submitted by state</u>	180
<u>institutions under this section are public records.</u>	181
<u>Sec. 3345.0222. (A) As used in this section, "state</u>	182
<u>institution of higher education" has the same meaning as in</u>	183
<u>section 3345.011 of the Revised Code.</u>	184
<u>(B) The president of a state institution of higher</u>	185
<u>education and the chair of the board of trustees of the</u>	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~~ emphasis 208
on the undergraduate learning experience. The standards 209
~~shall contain clear guidelines for institutions to determine a~~ range of acceptable undergraduate teaching by 210
~~faculty instruction. An instructional workload policy shall not~~ establish a minimum workload that falls below the prevailing 211
Ohio standards for undergraduate instruction. The chancellor of 212
higher education shall not prescribe alternative ranges or 213
minimum standards for instructional workload policies. 214
215
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~~(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
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~~(C) (1)~~ (B) (1) The board of trustees of each state 221
institution of higher education shall review the institution's 222
policy on faculty tenure and update that policy to promote 223
excellence in instruction, research, service, or 224
commercialization, or any combination thereof. 225

(2) As a condition for a state institution of higher 226
education to receive any state funds for research that are 227
allocated to the department of higher education under the 228
appropriation line items referred to as either "research 229
incentive third frontier fund" or "research incentive third 230
frontier-tax," the chancellor shall require the institution to 231
include multiple pathways for faculty tenure, one of which may 232
be a commercialization pathway, in its policy. 233

~~(D) (1)~~ (C) (1) At least once every five years, each state 234
institution of higher education shall update its faculty 235
workload policy and submit the policy to the chancellor. The 236
updated policies shall be approved by the state institution's 237
board of trustees each time it is submitted to the chancellor. 238

(2) Each state institution of higher education's faculty 239
workload policy shall include all of the following: 240

(a) An objective and numerically defined teaching workload 241
expectation based on credit hours as defined in 34 C.F.R. 600.2; 242

(b) A definition of all faculty workload elements in terms 243
of credit hours as defined in 34 CFR 600.2 with a full-time 244
workload minimum standard established by the board of trustees 245

and made publicly accessible on the state institution's web 246
site; 247

(c) A definition of justifiable credit hour equivalents 248
for activities other than teaching, including research, clinical 249
care, administration, service, and other activities as 250
determined by the state institution of higher education; 251

(d) Administrative action that a state institution of 252
higher education may take, including censure, remedial training, 253
for-cause termination, or other disciplinary action, regardless 254
of tenure status, if a faculty member fails to comply with the 255
policy's requirements. Termination under these circumstances 256
requires the recommendation of the dean, provost, or equivalent 257
official, concurrence of the state institution of higher 258
education's president, and approval of the state institution of 259
higher education's board of trustees. 260

~~Sec. 3345.454. This section applies only to state 261
institutions of higher education that have tenured faculty 262
members. 263~~

(A) As used in this section: 264

(1) "State institution of higher education" has the same 265
meaning as in section 3345.011 of the Revised Code. 266

(2) "Retrenchment" means a process by which a state 267
institution of higher education reduces programs or services, 268
thus resulting in a temporary suspension or permanent separation 269
of one or more institution faculty, to account for a reduction 270
in student population or overall funding, a change to 271
institutional missions or programs, or other fiscal pressures or 272
emergencies facing the institution. 273

(3) "Faculty" means any employee holding a full-time 274

faculty appointment at a state institution of higher education, 275
regardless of tenure status, rank, track, or title. 276

(4) "Academic unit" means any college, school, department, 277
program, division, or other organizational unit within a state 278
institution of higher education. 279

(B) In addition to the policies described in sections 280
3345.45 to 3345.453 of the Revised Code, each state institution 281
of higher education board of trustees shall develop policies on 282
tenure and retrenchment consistent with this section. ~~Each state~~ 283
~~institution shall submit those policies to the chancellor of-~~ 284
~~higher education. Each state institution's board of trustees-~~ 285
~~shall update those policies every five years.~~ 286

(C) (1) Not later than ninety days after the effective date 287
of this amendment, each state institution of higher education 288
board of trustees shall adopt a retrenchment policy that 289
specifies all of the following: 290

-(a) That the authority to initiate retrenchment is held 291
by the board of trustees; 292

(b) That the board of trustees may delegate its authority 293
to initiate retrenchment to the president or provost of the 294
institution; 295

(c) That a dean or comparable academic officer may 296
recommend retrenchment but may not unilaterally initiate it; 297

(d) That the provost, in consultation with the president, 298
shall administer and complete the retrenchment process subject 299
to any parameters imposed by the board of trustees; 300

(e) That retrenchment may be initiated for any lawful 301
academic or operational reason determined by the board of 302

trustees, including enrollment stagnation or decline, program 303
reduction or discontinuation, organizational restructuring, 304
business necessity, institutional strategic realignment, 305
financial emergency, or other lawful reasons; 306

(f) That before finalizing retrenchment decisions, the 307
provost shall consider relevant factors that affect the 308
institution and students, including program interdependence, 309
student completion pathways, feasibility of phased reductions, 310
academic reputation, alternative organizational arrangements, 311
potential redeployment of affected faculty, and attrition or 312
voluntary separation as alternatives to retrenchment; 313

(g) That the provost's consideration of relevant factors 314
under division (C) (1) (f) of this section does not create 315
enforceable rights beyond those expressly provided in the policy 316
and this section; 317

(h) That selection, retention, and non-displacement 318
standards may affect multiple faculty positions; 319

(i) That when fewer than all faculty positions within an 320
academic unit are retrenched, the institution shall retain 321
faculty members the provost determines are best qualified to 322
meet programmatic, curricular, and institutional needs; 323

(j) Except as provided in division (C) (2) of this section, 324
that seniority, tenure, rank, or length of service do not confer 325
a right of retention; 326

(k) That a faculty member whose position is selected for 327
retrenchment may not displace or bump another faculty member; 328

(l) That a faculty member whose position is selected for 329
retrenchment shall receive written notice in a form and at a 330
time determined by the board of trustees and set forth in the 331

policy; 332

(m) That during the notice period specified by the board 333
of trustees in the policy under division (C) (1) (1) of this 334
section, a faculty member shall remain subject to applicable 335
institutional policies and performance expectations unless 336
relieved of duties by the institution; 337

(n) That a faculty member whose position is selected for 338
retrenchment shall receive procedural protections substantially 339
similar to those historically afforded by the institution, 340
including written notice identifying the position selected for 341
retrenchment and effective date, an opportunity to meet with a 342
designated administrator to discuss the retrenchment decision as 343
it relates to the faculty member's position, and a limited 344
internal review or appeal process confined to whether the 345
institution materially complied with its policy and this 346
section; 347

(o) That retrenchment is not a disciplinary action and no 348
review may substitute the board of trustee's judgment regarding 349
academic, programmatic, or institutional needs; 350

(p) That the board of trustees may approve a buyout 351
program, voluntary separation incentive, or other negotiated 352
separation arrangements for faculty positions subject to 353
retrenchment when the board determines those arrangements to be 354
cost effective or in the best financial or operational interests 355
of the institution; 356

(q) That participation in programs described in division 357
(C) (1) (p) of this section is voluntary unless otherwise 358
authorized by law; 359

(r) The provost may adopt written procedures to implement 360

retrenchment, including timelines, documentation standards, 361
verification processes, and notice formats; 362

(s) Any procedures adopted by the provost pursuant to 363
division (C)(1)(r) of this section shall be publicly accessible. 364

(2) A policy on retrenchment adopted under division (C)(1) 365
of this section shall specify that a faculty member whose 366
position is selected for retrenchment who, at the time the 367
faculty member receives notice of the selection, has at least 368
thirty but not more than thirty-five years of service credit in 369
a state retirement system shall be exempt from retrenchment 370
until the faculty member attains thirty-five years of service 371
credit. The policy shall require verification of the faculty 372
member's service credit within fifteen days after the faculty 373
member receives notice that the member's position has been 374
selected for retrenchment. Consistent with section 3345.454 of 375
the Revised Code, division (C)(2) of this section prevails over 376
any conflicting provision of a collective bargaining amendment 377
entered into on or after the effective date of this amendment. 378

(D) Each state institution of higher education's board of 379
trustees shall update a policy adopted under this section not 380
less than once every five years. Whenever a state institution of 381
higher education board of trustees adopts or modifies a policy 382
under this section, the board of trustees shall submit it to the 383
chancellor of higher education. 384

(E) The chancellor shall review each retrenchment policy 385
submitted under this section to determine whether the policy 386
complies with the requirements of this section. If the 387
chancellor determines that a submitted retrenchment policy 388
complies with this section, the chancellor shall notify the 389
board of trustees of the determination. If the chancellor 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