
Executive**AUDCD1 Audit Management and Services****Section: 223.20**

Requires that GRF ALI 070401, Audit Management and Services, be used to: (1) pay AOS costs that are not recovered through charges to local governments and state agencies, including certain costs not recoverable under federal guidelines, and (2) cover costs of the Local Government Services Section that are not charged to clients.

AUDCD2 Performance Audits**Section: 223.20**

Requires that GRF ALI 070402, Performance Audits, be used to support costs for providing performance audits for local governments, school districts, state agencies, and colleges and universities that are not recovered through charges, including certain costs not recoverable under federal guidelines.

AUDCD3 Fiscal Distress Technical Assistance**Section: 223.20**

Requires that GRF ALI 070403, Fiscal Distress Technical Assistance, be used to support costs for providing services to local governments, schools, or colleges and universities that are in or are at risk of being in fiscal caution, watch, or emergency.

AUDCD4 Local Government Audit Support**Section: 223.20**

Requires that GRF ALI 070412, Local Government Audit Support, be used to pay AOS costs that are not recovered through charges to local governments and state entities, including certain costs not recoverable under federal guidelines.

AUDCD5 Local Government Audit Support Fund**Section: 223.20**

Requires that Fund 5VPO ALI 070611, Local Government Audit Support Fund, be used to offset the costs of audits that would otherwise be charged to local public offices in the absence of the fund.

Executive

BORCD95 State institutions under fiscal caution**R.C. 3345.721, 3345.71**

Requires the Chancellor, in consultation with OBM, to adopt rules that include:

- (1) Criteria for determining when to review and, if necessary, declare a state institution under fiscal caution;
- (2) A requirement that a state institution on fiscal caution submit a financial recovery plan within a defined period after the declaration is made;
- (3) A requirement that a state institution on fiscal caution submit a three-year forecast of revenues and expenditures;
- (4) A requirement that a state institution on fiscal caution consult with AUD regarding steps to bring the institution's financial accounting and reporting into compliance with AUD's requirements;
- (5) A requirement that a state institution submit regular reports for the duration of a fiscal caution; and
- (6) Criteria for determining when to declare the termination of the fiscal caution of a state institution.

Permits the Chancellor to impose limitations on a state institution that fails to comply with requirements related to a fiscal caution or fails to take decisive action to improve the institution's financial condition.

Fiscal effect: ODHE, OBM, and AUD may incur increased administrative costs in identifying and supporting institutions under fiscal distress.