

Executive

As Passed by the House

As Passed by the Senate

**AUDCD2 Costs Assessed to the Uniform Accounting Network Fund**

R.C. 117.101

Removes the requirement that the Director of Budget and Management approve assessments to be charged against the Uniform Accounting Network Fund (Fund 6750) to pay for administrative costs that the Auditor of State determines can be attributed to the operation of the Uniform Accounting Network.

**Fiscal effect: None.**

R.C. 117.101

Same as the Executive.

**Fiscal effect: Same as the Executive.**

R.C. 117.101

Same as the Executive.

**Fiscal effect: Same as the Executive.**

**AUDCD3 Cost Recovery for Audits of Local Public Offices**

R.C. 117.13

Repeals the authority of the Auditor to recover certain local public office audit costs. Eliminates the authority to fund vacation and sick leave costs of assistant auditors performing the audits, employees, and typists from the GRF.

Eliminates the authority to pay necessary travel and hotel expenses of deputy inspectors and supervisors of public offices from the state treasury. Requires, instead, that the Auditor establish rates by rule to be charged to public offices for recovering the costs of audits of local public offices.

**Fiscal effect: Local governments would now pay these costs through the newly established cost recovery plan.**

R.C. 117.13

Same as the Executive.

Same as the Executive.

**Fiscal effect: Same as the Executive.**

R.C. 117.13

Same as the Executive.

Same as the Executive.

**Fiscal effect: Same as the Executive.**

## Executive

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## AUDCD1      Fiscal Watch/Emergency Technical Assistance

## Section: 225.10

Requires that GRF appropriation item 070403, Fiscal Watch/Emergency Technical Assistance, be used to pay the expenses incurred for fiscal watch or fiscal emergency activities under R.C. 118 and R.C. 3316. Specifies that these qualifying expenses include but are not limited to: (1) duties related to the determination or termination of fiscal watch or fiscal emergency of municipal corporations, counties, townships, or school districts; (2) development of preliminary accounting reports; (3) performance of annual forecasts; (4) provision of performance audits; and (5) supervisory, accounting, or auditing services for the municipal corporations, counties, townships, or school districts. Reappropriates the unexpended, unencumbered portion of the line item at the end of FY 2012 for the same purpose in FY 2013.

## Section: 225.10

Same as the Executive.

## Section: 225.10

Same as the Executive.

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**Other Education Provisions**

EDUCD137      Fiscal Emergency School Districts

R.C.      **3316.21**

R.C.      **3316.21, 3316.20**

No provision.

Requires the Auditor of State to notify the Superintendent of Public Instruction if the Auditor determines that the financial recovery plan of a school district declared to be in fiscal emergency cannot be expected to correct and eliminate fiscal emergency conditions within five fiscal years.

Same as the House.

No provision.

Requires the Superintendent to develop an operations plan for the district and submit the plan to the State Board for approval within 90 days of the notification by the Auditor.

Same as the House.

No provision.

Directs the State Board to suspend the charter of the district and take over its operation upon approval of the operations plan until such time as an acceptable financial recovery plan has been submitted.

Same as the House.

No provision.

No provision.

Grants a school district four fiscal years or, upon the approval of the Director of Budget and Management and the Superintendent of Public Instruction, ten fiscal years to reimburse the state for a payment from the School District Solvency Assistance Fund (instead of two fiscal years as under current law).

**Fiscal effect: May increase administrative costs for ODE to create operations plans and operate districts.**

**Fiscal effect: Same as the House, but also potentially decreases the revolving balance of the School District Solvency Assistance Fund as the length of time for districts to reimburse the state is extended.**

## Executive

## As Passed by the House

## As Passed by the Senate

HFACD1

Ohio Housing Study Committee

**Section: 701.40**

Creates the Ohio Housing Study Committee for the purpose of reviewing the policies, programs, and partnerships of the Ohio Housing Finance Agency (OHFA). Requires the Committee to (1) perform a comprehensive review of Chapter 175. of the Revised Code, (2) review OHFA's relationships with its for-profit and non-profit partners, (3) review OHFA's leadership and the economic impact of its Single-Family Mortgage Revenue Bond Program, (4) review OHFA's Qualified Allocation Plan development process and underlying policy, (5) create a quantitative report measuring the economic benefits of OHFA's single-family and multi-family programs over the last ten years, and (6) evaluate the possible efficiencies of combining existing Department of Development housing programs with OHFA. Authorizes the Director of Commerce to include other relevant areas of study as necessary.

**Section: 701.40**

Same as the House, but requires review of OHFA's relationships generally, rather than just with its for-profit and non-profit partners; specifies that the study of economic impact is to include the measurable economic impact of all OHFA programs, rather than just the Single-Family Mortgage Revenue Bond Program; and specifies that the Committee's chairperson, rather than the Director of Commerce, may include other relevant areas of study as necessary.

No provision.

No provision.

Requires the Committee to consist of the Director of Commerce, who is the chair, and two members of the General Assembly, to be appointed by the Speaker of the House and the President of the Senate, respectively.

Changes the membership of the Committee to include the Auditor of State or the Auditor's designee; the Director of Commerce or the Director's designee; the Director of Development or the Director's designee; and four members of the General Assembly, two from each chamber; and specifies that the chairperson is to be determined by the Governor, the Speaker of the House, and the President of the Senate.

No provision.

Requires the Committee to provide a report of its findings to the Governor, the Speaker of the House, and the President of the Senate on or before January 1, 2012.

Same as the House, but extends the deadline for submitting the report to March 31, 2012 and expands the required content of the report to include financial, policy, or legislative recommendations.

Executive	As Passed by the House	As Passed by the Senate
No provision.	No provision.	Requires reasonable expenses of the Committee to be paid from Ohio Housing Finance Agency funds, and authorizes the use of such funds to contract with the Auditor of State for services related to the Committee's responsibilities, including financial and performance audits. Further authorizes the Auditor of State to contract with an independent auditor, authorizes the Committee to contract with other outside entities for services related to its responsibilities, and caps the amount that may be spent on services of the Auditor, an independent auditor, or other entities at \$200,000.
No provision.	No provision.	Prohibits any entity contracting with the Committee for services rendered from having a financial or vested interest in OHFA, its affiliates, or its non-profit partners. <b>Fiscal effect: Requires OHFA to pay for the Committee's reasonable expenses, but restricts the amount of OHFA funds the Committee may allocate for contracts with the Auditor of State and other entities to \$200,000.</b>

Executive

As Passed by the House

As Passed by the Senate

LOCCD24 Local Governments in Fiscal Distress

R.C. 118.023, 118.025, 118.04, 118.05, 118.06, 118.12, 118.31, 118.99

R.C. 118.023, 118.025, 118.04, 118.05, 118.06, 118.12, 118.31, 118.99

No provision.

Creates the designation of "fiscal caution" that applies to municipal corporations, counties, and townships (referred to as political subdivisions in this entry) and requires the Auditor of State to develop guidelines for identifying fiscal practices and budgetary conditions of these political subdivisions that, if uncorrected, could result in a future declaration of fiscal watch or fiscal emergency. Authorizes the Auditor of State to declare these political subdivisions to be under fiscal caution if any of those practices or conditions exist.

Same as the House.

No provision.

Requires the Auditor of State to notify a political subdivision of a declaration of fiscal caution and to request written proposals for discontinuing or correcting the fiscal practices or budgetary conditions that prompted the declaration.

Same as the House.

No provision.

Permits the Auditor of State to visit and inspect any political subdivision declared to be under a fiscal caution, and permits the Auditor to provide technical assistance to eliminate the practices or budgetary conditions that prompted the declaration of fiscal caution. Allows the Auditor to (a) determine whether reasonable proposals have been made or actions have been taken to discontinue or correct the practices and conditions, and (b) if necessary, declare the political subdivision to be in a state of fiscal watch to prevent further fiscal decline.

Same as the House.

No provision.

Requires a political subdivision in fiscal watch to provide the Auditor of State with a financial recovery plan that identifies actions for eliminating the conditions that prompted the declaration, including dates of the commencement and completion of those actions, as well as a five-year forecast reflecting the effects of the actions.

Same as the House.

Executive	As Passed by the House	As Passed by the Senate
No provision.	Requires the Auditor of State to review and approve the financial recovery plan of a political subdivision in fiscal watch, and if the Auditor determines that a feasible financial recovery plan has not been submitted within 120 days of the declaration of fiscal watch, or within any extension of time granted, authorizes the Auditor of State to declare a state of fiscal emergency.	Same as the House.
No provision.	Makes the following changes in current law that apply to political subdivisions in fiscal emergency:	Same as the House, except:
(1) No provision.	(1) Revises the composition of, and reduces to five the number of members on, a financial planning and supervision commission established when a political subdivision is declared to be in fiscal emergency, and allows the commission chairperson to remove the appointed member if that member fails to attend three consecutive meetings.	(1) Replaces the House provision with a provision that restores the current law seven-member financial planning and supervision commission, but only for political subdivisions in fiscal emergency with populations of at least 1,000. Repeals the current law provision allowing the mayor on a commission to name a designee to attend meetings when the mayor is absent or cannot attend.
(2) No provision.	(2) Requires that the Auditor of State, rather than a financial planning and supervision commission as under current law, serve as the financial supervisor for villages or townships with a population of less than 2,500 that are in fiscal emergency.	(2) Same as the House, but decreases the population threshold from 2,500 to 1,000.
(3) No provision.	(3) Requires that a political subdivision's financial plan include a five-year forecast reflecting the effects of the actions specified in the plan and that the plan be updated annually.	(3) Same as the House.
(4) No provision.	(4) Requires that, upon certification of the commission, all state funding for a political subdivision (except for benefit assistance to individuals) that fails to submit a financial plan, or fails to substantially comply with it, be escrowed until a plan is submitted and approved or compliance is achieved.	(4) Same as the House.
(5) No provision.	(5) Permits a commission to limit expenditures from any political subdivision fund if deemed prudent, instead of just	(5) Same as the House.

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(6) No provision.	<p>general fund expenditures.</p> <p>(6) Provides for the dissolution of political subdivisions that are in fiscal emergency and meet specified conditions.</p>	<p>(6) Same as the House, but removes counties from the provisions dissolving political subdivisions by court action due to fiscal emergency; changes, from two to four, the number of consecutive years that a municipal corporation or township must have been under a fiscal emergency before a court action could be filed to dissolve the subdivision; and specifies new procedures for a court-appointed receiver to follow when dissolving a municipal corporation or township.</p>
(7) No provision.	<p>(7) Specifies that an officer of a political subdivision in fiscal emergency who is convicted of certain violations of current law is ineligible to hold any public office in Ohio or be employed by a public entity in Ohio for seven years after the conviction.</p>	<p>(7) Same as the House.</p>
No provision.	<p>Clarifies that the Auditor of State must be reimbursed for any expenses incurred relating to a fiscal emergency or watch, including technical and support services.</p>	<p>Same as the House, but adds expenses related to fiscal caution to those expenses to be reimbursed.</p>
No provision.	<p>Requires the Controlling Board to provide funds to cover the costs incurred by the Auditor of State relative to a fiscal caution determination.</p>	<p>Same as the House, except allows (instead of requires) the Controlling Board to provide those funds.</p>
No provision.	<p>Clarifies that the Controlling Board must provide sufficient funds if necessary to reimburse the Auditor of State's expenses relating to fiscal watch and emergency.</p> <p><b>Fiscal effect: The Auditor of State could incur costs for overseeing political subdivisions in fiscal watch or caution, although these expenses may be reimbursed by the Controlling Board. Political subdivisions could also incur costs for compliance, which would presumably be offset through the implementation of financial recovery plans.</b></p>	<p>Same as the House, except allows (instead of requires) the Controlling Board to provide those funds.</p> <p><b>Fiscal effect: Same as the House.</b></p>