

Executive

As Reported By House Finance

**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.

**Section: 223.20**

Same as the Executive.

**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.

**Section: 223.20**

Same as the Executive.

No provision.

Earmarks up to \$500,000 in FY 2026 under GRF ALI 070402, Performance Audits, to conduct a performance audit of indigent defense services within Ohio.

No provision.

Requires the AOS to review the challenges of the delivery of indigent defense services, including, but not limited to the costs, accounting, and payment processes of the Office of the Ohio Public Defender and at least five counties that represent each of the various indigent defense delivery methods in the state.

No provision.

Requires the audit to be completed and a report submitted to the President and Minority Leader of the Senate and to the Speaker and Minority Leader of the House of Representatives by August 1, 2026.

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As Reported By House Finance

**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.

**Section: 223.20**

Same as the Executive.

**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.

**Section: 223.20**

Same as the Executive.

**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.

**Section: 223.20**

Same as the Executive.

**AUDCD7 State audit of Medicaid Next Generation system**

No provision.

**Section: 751.70**

Requires the AOS, by December 31, 2027, to conduct a performance audit and fiscal audit of ODM's next generation system. Requires the AOS to examine nine specified components of the system.

No provision.

Requires the Auditor to submit a copy of the audit reports to the Executive Director of JMOC.

**Fiscal effect: Additional costs for AOS to conduct the performance audit.**

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Other Education Provisions

EDUCD123 School district operational revenue and expenditure report

No provision.

R.C. 5705.391, (conforming changes in various sections)

Reduces from five to three years the duration for operational revenue and expenditure forecasts school districts are required to develop twice annually.

No provision.

Requires the Auditor of State or DEW to examine the projections to determine whether a district has the potential to incur a deficit during the first two years of the three-year period, rather than the first three years of the five-year period as under current law.

**Fiscal effect: May reduce administrative workload for school districts, DEW, and the Auditor of State.**

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**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.**

**R.C. 3345.721, 3345.71**

Same as the Executive.

(1) Same as the Executive.

(2) Same as the Executive.

(3) Same as the Executive.

(4) Same as the Executive.

(5) Same as the Executive.

(6) Same as the Executive.

Same as the Executive.

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

Executive

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LOCCD18 Local fiscal emergency receivership

No provision.

R.C. 118.29, 2743.03

Establishes a process for the creation of a receivership for counties, townships, and municipal corporations in fiscal emergency.

No provision.

Grants the court of claims jurisdiction to appoint a receiver for counties, townships, and municipal corporations in fiscal emergency.

**Fiscal effect: Potential fiscal impact on the state if a municipal corporation, county, or township, make a referral to the AGO for the creation of a receivership over those entities in fiscal emergency.**

LOCCD24 Village dissolution evaluation

No provision.

R.C. 703.331

Adds electric services to the list of services that may be counted when evaluating whether a village has provided five services and therefore does not qualify for an automatic ballot question on village dissolution.