



Board of Regents

University System of Ohio

John R. Kasich, Governor

John Carey, Chancellor

April 21, 2015

Rich Rowe
Chair, Board of Trustees
Owens Community College
Post Office Box 10,000
Toledo, Ohio 43699

Dear Chairman Rowe:

The composite score for your institution for the period of July 1, 2013 to June 30, 2014 is 1.0. As you know, the composite score the prior year was 1.1. Pursuant to Ohio Administrative Rule 126:3-1-01, paragraph C, the Chancellor shall declare fiscal watch if any of the criteria set forth in paragraph B has been satisfied for reasons other than natural disaster. Paragraph B(3) states a criteria for fiscal watch is a composite score of 1.75 or less for the last two consecutive years.

Please closely review Rule 126:3-1-01, (<http://codes.ohio.gov/oac/126%3A3-1>), as the rule outlines the steps required to be taken by institutions declared to be in fiscal watch.

Below is a list of a few key requirements of the rule:

- A. Within ninety days of the declaration of fiscal watch the institution shall **adopt a financial recovery plan** with the purpose to end fiscal watch within three years, which is to be approved by the Chancellor. The financial recovery plan shall contain:
1. An analysis of the financial difficulty of the state university or college and the causes of all significant revenue or expenditure problems;
 2. A description of efforts or initiatives proposed or undertaken by the state university or college to address the financial difficulties, including an estimation of the time required to resolve the financial difficulties;
 3. An analysis of how these efforts or initiatives have resolved or will resolve the financial difficulties;
 4. A description of contingency plans designed to address the financial difficulties, and other potential circumstances that could worsen the financial difficulties;
 5. A financial forecast for three years, including a description of key assumptions and methodology which will correct all fiscal conditions at the end of the three year period;
 6. Such other information, reports, and documentation as the Chancellor may request.

Please begin the process of creating your financial recovery plan and we will inform you shortly of any other information, reports and documentation that are requested to be included in your plan.

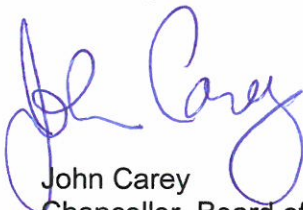
- B. As well as adopting a financial recovery plan the rule requires you to **consult with the Auditor of State**. Please let us know if we can assist you in connecting with the Office of the Auditor to comply with this requirement.

As you review the rule for the full list of requirements of an institution declared to be in fiscal watch, please also review the **additional reporting obligations** of state university or college under fiscal watch and board of trustees, which pertain to the quarterly reporting and a required annual report, as well as any interim report that is requested by the Governor, either chamber of the General Assembly, or the Chancellor.

Finally, the rule also sets forth procedures and criteria to terminate a fiscal watch of which we can turn our attention to once the other requirements of the rule are satisfied and the composite scores improve. However, the first of three required criteria to be met is that the institution has **a composite score of at least 2.40** for a fiscal year.

Please let us know if we can be of any assistance or provide additional guidance on the rule and its requirements.

Sincerely,



John Carey
Chancellor, Board of Regents

Cc: President Mike Bower