



Fiscal Emergency – Replacing Fear With Facts

Roger W. Hardin, Fiscal Consultant, ODE

Paul Marshall, Fiscal Consultant, ODE

Daryl Kubilus, Superintendent, Cloverleaf Local School District

Today's Discussion



Fiscal Emergency



Fiscal Emergency Conditions

15%

Fiscal Emergency Conditions



Fiscal Emergency Conditions

May be declared when a district under fiscal watch **fails to submit or update an acceptable financial recovery plan**



What Does Fiscal Emergency Do?



What Does Fiscal Emergency Do?

1

Establishes a **Financial
Planning and
Supervision Commission**

What Does Fiscal Emergency Do?

2

Requires that a **Financial Recovery Plan** be developed and implemented

What Does Fiscal Emergency Do?

3

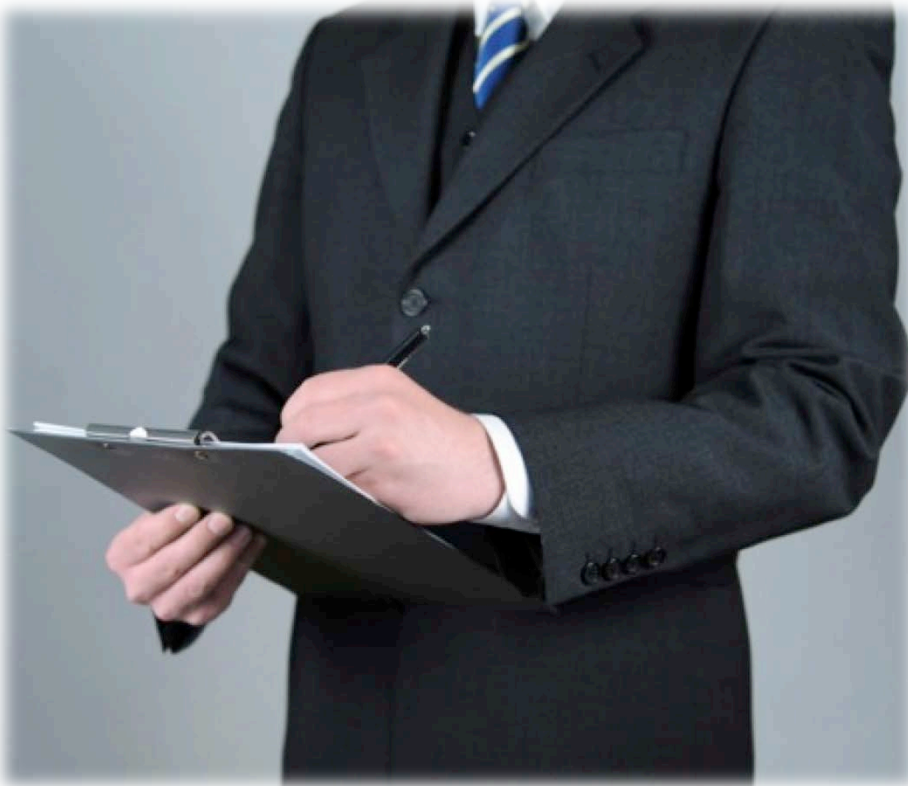
Makes the district eligible for an advance from the state's **Solvency Assistance Fund**

Financial Planning and Supervision Commission



Consists of five
voting members

Powers of the Commission



To review or assume responsibility for all things financial

Powers of the Commission

To bring civil actions to enforce this chapter of the law

To implement steps to bring accounting reports and procedures into compliance with Auditor of State requirements



Powers of the Commission

To make recommendations and implement cost reductions and revenue increases to achieve balanced budgets and carry out the recovery plan

Powers of the Commission

To make reductions in force to bring the district's budget into balance not withstanding any provisions to the contrary in the collective bargaining agreement

Powers of the Commission

To remove the superintendent or treasurer for failing to comply with the Commission's orders concerning the preparation or implementation of the financial recovery plan

The Financial Recovery Plan

Must detail the actions that will be taken to restore the **fiscal solvency** of the school district

Specify the level of **fiscal and management control** that the Commission will exercise

The Financial Recovery Plan

Set **target dates** for implementation of action plans

Specify the amount and purpose of any issuance of **debt obligations**

The Solvency Assistance Fund

Two year, interest free advance on the district's state foundation payments

Must be in fiscal emergency to be eligible

The Solvency Assistance Fund

Requires State Controlling Board approval

Repayment starts in the next fiscal year

Academics



Assistance Available to the Commission

Ohio Department of Education

In addition to chairing the Commission:

Commission secretary

Financial monitor

Services of the School Finance Area Office

Assistance Available to the Commission

Office of the Auditor of State:

Serves as financial advisor to the Commission

May conduct a Performance Audit

Upon request, the Auditor of State will assign personnel to assist the Commission

Assistance Available to the Commission

Office of the Attorney General:

Serves as legal counsel to the Commission

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