



# Fiscal Emergency – Replacing Fear With Facts

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# Today's Discussion



# Fiscal Emergency



# Fiscal Emergency Conditions

15%

# Fiscal Emergency Conditions

10%

# 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

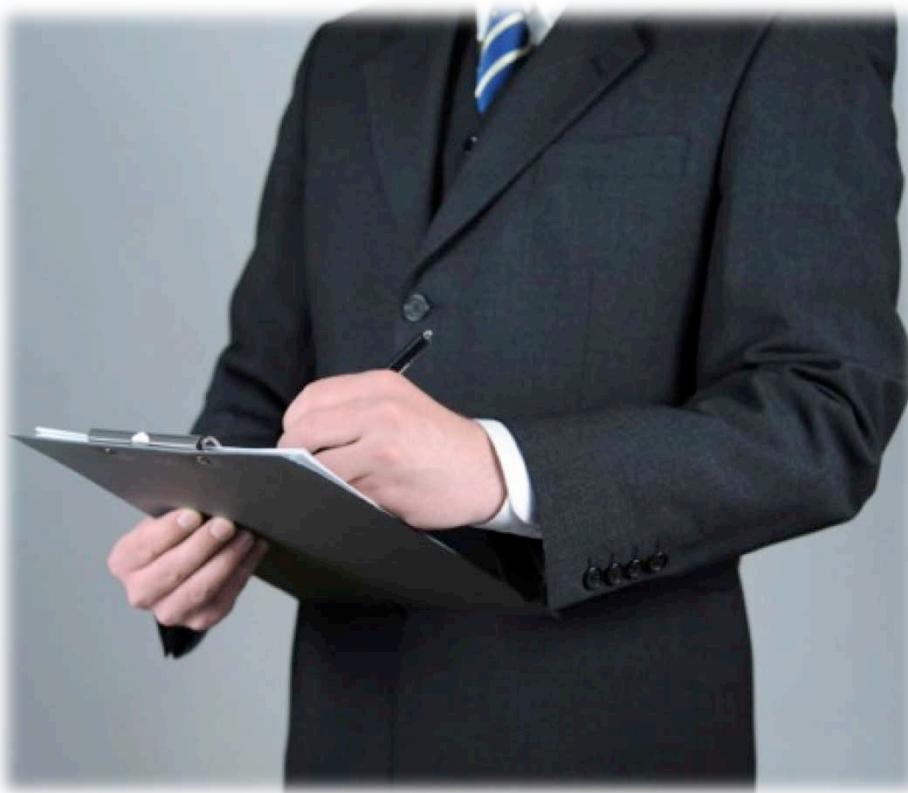
Makes the district eligible for an advance from the state's **Solvency Assistance Fund**

# 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 notwithstanding 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

# education.ohio.gov



# Social Media



Ohio Families and Education  
Ohio Teachers' Homeroom



ohio-department-of-education



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