

Jefferson Township Local School District



JTLSD Mission:

To prepare students in our community to compete, succeed, and excel in a complex, diverse, and changing future.

JTLSD Vision:

To be the school district and community of choice in Montgomery County.

JTLSD Core Values:

Visionary Leadership

Valuing People

Organizational Learning

Student-Centered Excellence

Agility and Resilience

Management by Fact

Delivering Results

Treasurer's Office:

Responsible for prudent management, optimal investment and clearing reporting of the district's financial resources.

1. Fiscal Condition Summary



- Chapter 3316 of the Ohio Revised Code governs the actions that the State may take when a school district is experiencing financial trouble

Fiscal Caution: deficit $>2\%$ but $< 8\%$

- ❖ Alert that financial trouble is probable

Fiscal Watch: current fiscal year deficit $>8\%$

- ❖ Imminent intermediate financial insolvency

Fiscal Emergency: current fiscal year deficit $>15\%$

- ❖ Imminent severe financial insolvency

2. General Overview



- A school district may be placed in fiscal caution, fiscal watch or fiscal emergency depending upon severity
- Ohio Department of Education and Workforce (ODEW) declares fiscal caution
- Auditor of State (AOS) declares watch or emergency
- School districts are contacted for any of following:
 - ❖ Current year deficit or low balance (i.e. 2% positive cash or less)
 - ❖ Deficit in Year 2 of Five-Year Forecast
 - ❖ Deficit in Year 3 of Five-Year Forecast
- Recovery plan must demonstrate positive balances
- Is independent of Operating Standards for Ohio Schools

3. Fiscal Caution



- ORC 3316.031 (B)(3): The Director of Education and Workforce **must** declare Fiscal Caution if the Auditor of State certifies a deficit that is **>2%** but **<8%** of prior year general fund revenue and elects not to place the district in Fiscal Watch
- ORC 3316.031 (C): The Director of Education and Workforce shall notify district of declaration of Fiscal Caution and request **“written proposal”** for correcting the conditions that led to Fiscal Caution and preventing further fiscal difficulties
- ORC 3316.031 (D): While under Fiscal Caution, the Ohio Department of Education and Workforce:
 - ❖ May visit and inspect the district and conduct performance audit
 - ❖ Shall provide technical assistance in implementing proposals
 - ❖ May make recommendations concerning the board’s proposals
- Districts will have 60 days to provide a written proposal

4. Fiscal Watch



- ORC 3316.03 (A)(1): The Auditor of State **shall** declare fiscal watch when **both** of the following conditions exist:
 - ❖ The Auditor of State has certified an operating deficit for the current fiscal year which exceeds **8%** of the general fund revenue for the preceding fiscal year
 - ❖ The voters have not approved a levy that would raise enough money in the next fiscal year to eliminate the deficit
- ORC 3316.04: Within 60 days of the Auditor of State declaration, board shall submit a financial recovery plan to the Director of Education and Workforce to eliminate current deficit and avoid future deficits
- Director of Education and Workforce evaluates, then accepts or rejects plan within 30 days

4. Fiscal Watch (cont.)



- ORC 3316.03 (A)(4) The Auditor of State **may** declare fiscal watch if **all** of the following conditions exist:
 - ❖ The Auditor of State has certified an operating deficit for the current fiscal year which exceeds **2%**, but does not exceed **8%** of the school district's general fund revenue for the preceding fiscal year
 - ❖ The voters have not approved a levy that would raise enough money in the next fiscal year to eliminate the deficit
 - ❖ The Auditor of State determines there is no reasonable cause for the deficit or fiscal watch is necessary to prevent further fiscal decline

5. Fiscal Emergency



- ORC 3316.03 (B)(1): The Auditor of State **shall** declare fiscal emergency when **both** of the following conditions exist:
 - ❖ The Auditor of State has certified an operating deficit for the current fiscal year which exceeds **15%** of the school district's general fund revenue for the preceding fiscal year
 - ❖ The voters have not approved a levy that would raise enough money in the next fiscal year to eliminate the deficit
- ORC 3316.03 (B)(2): The Auditor of State **shall** declare fiscal emergency if a district fails to submit and acceptable recovery plan within 120 days or fails to submit an updated recovery plan when one is required

5. Fiscal Emergency (cont.)



- ORC 3316.03 (B)(5): The Auditor of State *may* declare fiscal emergency if **all** of the following conditions exist:
 - ❖ The Auditor of State has certified an operating deficit for the current fiscal year which exceeds **10%**, but does not exceed **15%** of the school district's general fund revenue for the preceding fiscal year
 - ❖ The voters have not approved a levy that would raise enough money in the next fiscal year to eliminate the deficit
 - ❖ The Auditor of State determines declaration of fiscal emergency is necessary to correct the fiscal problems and to prevent further decline

6. Supervision Commission



- ORC 3316.05: A Financial Planning and Supervision Commission shall consist of five voting members:
 - Director of State Office of Budget and Management (or designee)
 - Director of Education and Workforce (or designee)
 - Parent with child in the district appointed by Director of Education and Workforce
 - Business person appointed by Governor
 - Business person appointed by County Auditor
- ORC 3316.06: Within 120 days after its first meeting, the commission shall adopt a financial recovery plan
 - ❖ Director of Education and Workforce shall review the recovery plan and either approve or disapprove it within thirty days
- ORC 3316.07: Powers include implementing cost reductions and revenue increases

6. Solvency Assistance Fund



- Purpose: To provide assistance and grants to school district to enable them to remain solvent and to pay unforeseeable expenses of a temporary or emergency nature that they are unable to pay from existing resources
 - ❖ Shared Resource Account: Advances money to assist districts in Fiscal Emergency. Money advanced will be reimbursed by the end of the second fiscal year following the fiscal year in which the advance is made
 - ❖ Catastrophic Expenditures Account: Grant money to districts that suffer an “unforeseen catastrophic event that severely depletes the district’s financial resources. Money does not have to be paid back.

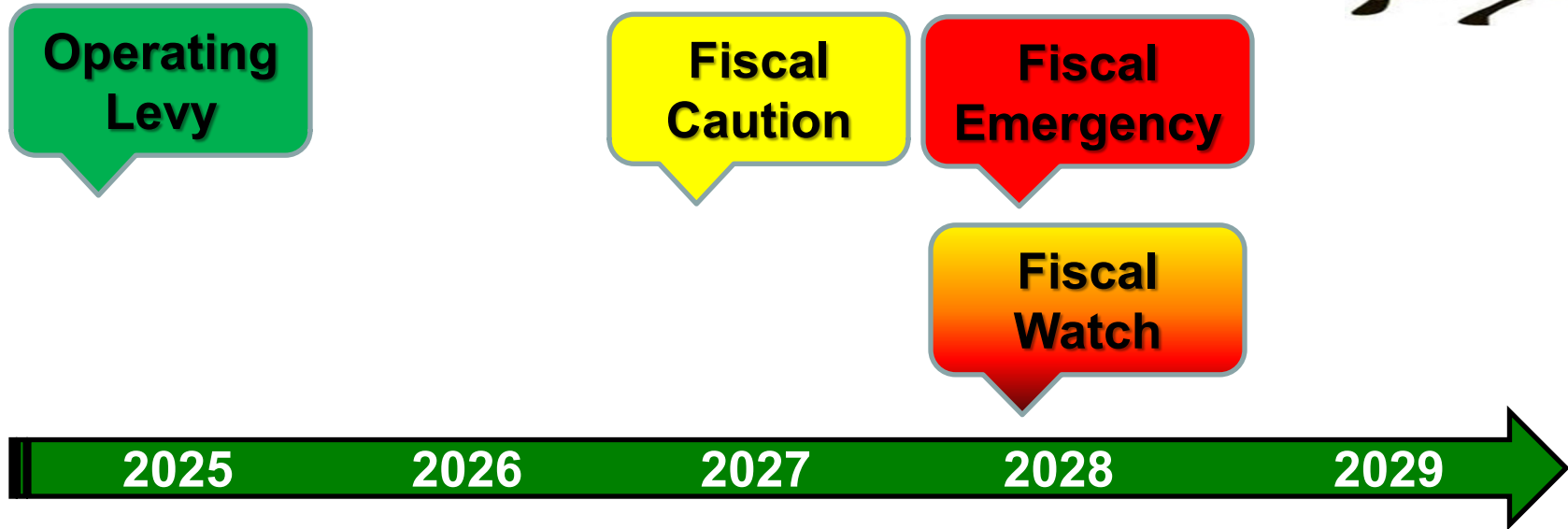


Citizens of
Jefferson Township,
Montgomery County, OH

Financial Planning and
Supervision Commission

Jefferson Township Local
Board of Education

7. Status Timeline



- Fiscal Caution declared: Fiscal 2027 deficit of **\$(309,524)** is **-4.49%** of Fiscal 2026 Total Revenues of \$6,899,026
- Without additional revenue and/or significant expenditure reductions JTLSD could be in fiscal emergency by 2028
- **FISCAL WATCH: 02/09/2004-08/11/2008=4.5 YRS**
- **FISCAL EMERGENCY: 08/11/2008-04/14/2011=2.7 YRS**