



CLEVELAND UNIVERSITY **HEIGHTS** CITY SCHOOL DISTRICT

Treasurer's Report
"3 Things"
Financial Forecast
2/3/26

CH-UH Strategic Plan



Goal 5, Objective 3:

Inform and educate all stakeholders regarding District finances and school funding in Ohio.

A stylized illustration of a building's dome and clock tower, rendered in gold and black outlines. The dome is topped with a weather vane. The clock tower features two visible clock faces with Roman numerals. The illustration is positioned on the left side of the slide, partially overlapping the yellow header.

#1 -The Transition to a Four-Year Reporting Model

- ❖ Under the new legislation in **House Bill 96**, the State of Ohio has overhauled the timing and depth of financial reporting for school districts and community schools to provide more immediate fiscal oversight.
 - **The "3+1" Structure:** Districts are no longer required to submit a full five-year projection. Instead, they must submit **current year budget** information (appropriations and revenue) plus **three succeeding fiscal years** of projections.
 - **New Submission Deadlines:** To ensure the state has "fresh" data, the filing windows have shifted. Forecasts are now due by **August 31** and the **last day of February** (with a special one-time extension to October 15 for the initial FY26 rollout).
 - **Fund Balance Scrutiny:** HB 96 places intense focus on "Carry-over Balances." If a district's cash reserve exceeds specific thresholds (initially discussed at 30%, with final negotiations centering on a **50% cap**), the County Budget Commission may be authorized to reduce property tax collections.



#2-Transparency & The “Notes and Assumptions”

Where the Numbers Meet the Narrative

- ❖ Ohio’s review process emphasizes that figures alone do not provide a full picture. The state requires “Notes and Assumptions” to be filed alongside the data to justify the math.
 - **The Narrative Requirement:** Local boards must explain significant changes, such as new tax levies, expiration of grants, or changes in salary schedules.
 - **Public Accountability:** All forecasts and their accompanying assumptions are posted on the **DEW and Auditor of State websites**, allowing citizens and state analysts to scrutinize the rationale behind the projections.
 - **Risk Identification:** The state uses these assumptions to determine if a district is ignoring “Key Factors”—such as property reappraisals or declining enrollment—that could lead to a deficit.



#3 -State Oversight & Early Warning Systems

Monitoring Financial Health Indicators (FHI)

- ❖ The Auditor of State uses the forecast as part of a proactive monitoring system to prevent "Fiscal Emergency" declarations before they happen.
 - **Financial Health Indicators:** The Auditor's office tracks 16-17 specific indicators (like debt-to-revenue ratios and unreserved fund balances) to give entities a "vitals" report.
 - **Fiscal Caution and Watch:** If a forecast shows a projected deficit in the first three years of the five-year period, the state may place the entity under **Fiscal Caution** or **Fiscal Watch**.
 - **Mandatory Recovery Plans:** Once a "Watch" is declared, the entity has **60 days** to submit a written financial plan to the state. The DEW then evaluates this plan to ensure it effectively eliminates the projected deficit.



CLEVELAND UNIVERSITY HEIGHTS CITY SCHOOL DISTRICT

Questions

<https://www.chuh.org/departments/finance/public-school-funding>