



To: Senator Jerry Cirino, Chairman, Senate Finance Committee
Representative Brian Stewart, Chairman, House Finance Committee
Senator Paula Hicks-Hudson, Ranking Member, Senate Finance Committee
Representative Bride Rose Sweeney, Ranking Member, House Finance Committee
Ms. Kimberly Murnieks, Director, Office of Budget & Management
Ms. Wendy Zhan, Director, Legislative Service Commission

From: Mike Duffey, Chancellor

Date: March 10, 2025

Subject: Second Quarter Financial Reports for FY25

Please find enclosed the quarterly financial reports for the second quarter of fiscal year 2025, which were submitted by Ohio's 36 public institutions of higher education. Pursuant to Ohio Revised Code §3345.72, these reports are to be distributed to you.

The report contains thirteen questions to be answered by the campus fiscal officer or an appropriate designee. The questions are designed to probe for any serious cash flow problems and to provide early warnings of significant problems with the current year budget. The desirable answer to each question is *No*. Of the 36 public colleges and universities, three institutions answered yes to at least one of the thirteen questions in their quarterly report.

Central State responded affirmatively to several of the questions. The University has been placed on heightened cash monitoring (HCM) level 1 by the United States Department of Education (ED) and was recently declared to be under a state of fiscal watch by the Ohio Department of Higher Education (ODHE). In accordance with Ohio Administrative Code (OAC) Rule 126-3-1-01, Central State adopted a financial recovery plan to end fiscal watch within three years and submitted it to the Chancellor within the required ninety days. The Chancellor has provided conditional approval of the plan subject to several contingencies.

In order to more closely monitor and confirm the University's financial projections and status, ODHE has engaged a fiscal consultant to work with them. ODHE meets regularly with the fiscal consultant who provides weekly progress reports, in addition to a series of regular meetings that ODHE conducts with Central State University leadership.

Two other institutions, Youngstown State University and Columbus State Community College, indicated "yes" to question #5: An increase in liabilities that do not occur during normal business operations (including new debt issues). Both have already issued or plan to issue new debt in FY25.

Additionally, ODHE received notice on December 5, 2024 from the Auditor of State that Central State University and Terra State Community College did not file their 2024 fiscal year financial

statements by the October 31, 2024 deadline required by OAC 126:3-1-01. Both institutions subsequently submitted a written statement to the Chancellor and requested an extension from the Auditor of State.

ODHE is monitoring the financial status of Ohio's public colleges and universities very carefully, and we are willing to discuss the information in this report in greater depth if it would be helpful. Should you have any questions concerning the content of the enclosed reports, you are welcome to contact me personally.