



To: Senator Matt Dolan, Chairman, Senate Finance Committee
Representative Jay Edwards, Chairman, House Finance Committee
Senator Vernon Sykes, Ranking Minority 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: Randy Gardner
Chancellor

Date: August 15, 2023

Subject: Fourth Quarter Financial Reports for FY23

Please find enclosed the quarterly financial reports for the fourth quarter of fiscal year 2023, which were submitted by Ohio's 37 public institutions of higher education. Pursuant to Ohio Revised Code §3345.72, these reports are to be distributed to you.

The report contains twelve 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 37 public colleges and universities, only one institution answered yes to at least one of the twelve questions in their quarterly report. Additional information is provided on the attached.

Although occurring in FY24, an important item to note is that Eastern Gateway Community College (EGCC) went before the Ohio Controlling Board on 8/7/2023 to request an advance of \$3,590,374 State Share of Instruction (SSI). Per Controlling Board # JTC0105007:

In August 2022, United State Department of Education (USDOE) placed EGCC on "Heightened Cash Monitoring 2" status (HCM2), which requires the USDOE to complete a review of student files prior to its release of federal financial aid. To date, USDOE has reimbursed EGCC \$8.5 million of the \$25 million in federal student aid that EGCC advanced to its 24,500 students, including 5,225 Ohio students. Given these circumstances, EGCC respectfully requests a two month advance in SSI to ensure adequate cash flow to sustain operations while EGCC works through the issues identified by USDOE in an effort to access outstanding student financial aid amounts. EGCC believes this request reflects unique and exceptional circumstances.

The request was approved, and the funding will be advanced along with their August SSI payment.

ODHE is monitoring the financial status of all our colleges and universities very carefully, and we are willing to discuss the information in this report at 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.

Enclosures



The following yes responses have been received:

Northeast Ohio Medical University

- ❖ Composite Score # 5 An increase in liabilities that do not occur during normal business operations (including new debt issues)?

We issued \$31M in general receipts bonds to pay off the bonds that our affiliated entity ERS Housing, LLC held with the Portage County Port Authority.

The following other responses have been received:

Lakeland Community College

- ❖ No yes responses, however, under Reportable Event #6 Lakeland stated, "Projected Actual vs. Budgeted Revenues are down; however, the College has reduced its operating expenses."