

# OHIO AUDITOR OF STATE KEITH FABER



## DECLARATION OF FISCAL EMERGENCY

Effective September 26, 2017, the Department of Education declared the Niles City School District, Trumbull County, to be in a state of fiscal caution in accordance with Section 3316.031 of the Ohio Revised Code. The declaration was based on an anticipated deficit for the fiscal year ending June 30, 2018, as well as the potential for deficits in future years.

The Auditor of State declared the Niles City School District in fiscal watch on June 14, 2018. This declaration was based upon the District's failure to submit a written proposal for eliminating the anticipated deficits that prompted the declaration of fiscal caution. Upon a determination by the Department of Education that the district had not provided an acceptable proposal and with the concurrence of the Auditor of State that this determination was reasonable, the Niles City School District was placed in fiscal watch.

Under Section 3316.03(B)(3), Revised Code, the Auditor of State shall issue an order declaring a school district to be in a state of fiscal emergency if the school district is not materially complying with the provisions of an original or updated plan as approved by the state superintendent as required under Section 3316.04 of the Revised Code, and the state superintendent has determined the declaration of a state of fiscal emergency is necessary to prevent further fiscal decline. Upon reviewing the documentation provided by the Department of Education which included a five-year forecast approved by the Board of Education on January 14, 2019, the Auditor of State found the Department of Education's request that the Niles City School District be placed in fiscal emergency to be reasonable. The five-year forecast is contrary to the plan approved by the state superintendent on October 12, 2018 and includes forecasted deficits in all five fiscal years of the forecast.

Accordingly, the Auditor of State hereby declares the Niles City School District to be in a state of fiscal emergency as defined by Ohio Revised Code Section 3316.03(B)(3). A copy of this declaration is being submitted to Susan Longacre, President of the Niles City School District Board of Education; Kimberly Murnieks, Director of the Ohio Office of Budget and Management; Steve Mientkiewicz, Mayor of the City of Niles, and Paolo DeMaria, State Superintendent of Public Instruction.



Keith Faber  
Auditor of State

February 26, 2019