



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: June 27, 2025

Subject: Third Quarter Financial Reports for FY25

Please find enclosed the quarterly financial reports for the third quarter of FY25, 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 fourteen 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, two institutions answered yes to at least one of the questions in their quarterly report. 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 institutions issued new debt in FY25. This does not necessarily indicate a significant concern, as debt issuance is not unusual.

As previously reported, Central State University was placed on heightened cash monitoring (HCM) level 1 by the United States Department of Education (ED) and declared to be under a state of fiscal watch by the Ohio Department of Higher Education (ODHE). This past quarter, ED performed an in-depth review of Central State's financial aid policies and procedures and affirmed the level 1 HCM designation, rather than increasing the risk designation to level 2. ODHE and its fiscal consultant continue to regularly work with the University's leadership to monitor its financial status and ensure compliance with its financial recovery plan.

ODHE is actively monitoring the financial status of Ohio's public colleges and universities. Our review of Q3 reports submitted by institutions showed that six out of 13 universities and 14 out of 20 community colleges projected a lower FY25 composite score than their final composite score in FY24. Lower scores this year are primarily the result of a decrease in net income. *Please note: the Auditor of State has not released the FY24 audits for one university and two community colleges, so they are excluded from this comparison.*

Out of 36 institutions, 27 reported enrollment growth for fall semester and 24 indicated that they budgeted enrollment growth for spring semester.

Should you have any questions concerning the content of the enclosed reports or have other questions about the fiscal conditions of institutions, you are welcome to contact me directly.

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