



Auditor of State Betty Montgomery

Declaration of Fiscal Emergency

Effective March 2, 2006, the Department of Education declared the Youngstown City School District, Mahoning 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 years ending June 30, 2006 and 2007.

The Auditor of State declared the Youngstown City School District in fiscal watch on June 16, 2006. This declaration was based upon a determination by the Department of Education that the District had not provided an acceptable written proposal for correcting the budgetary conditions that prompted the declaration of fiscal caution and for preventing the District from experiencing further fiscal difficulties. Upon reviewing the Youngstown City School District's five-year forecast filed with the Department of Education on June 2, 2006, which included a deficit of \$4,407,000 and \$10,816,000 for the fiscal years ending June 30, 2006 and 2007, respectively, the Auditor of State found the Department of Education's request that the Youngstown City School District be placed in fiscal watch to be reasonable.

Section 3316.04, Revised Code, requires that the board of education of a district declared to be in fiscal watch prepare and submit a financial plan to the State Superintendent of Public Instruction that demonstrates the actions the board will take to eliminate the district's current operating deficit and avoid incurring future operating deficits. A school district that fails to submit an acceptable plan within 120 days of the declaration of fiscal watch is required to be declared in a state of fiscal emergency in accordance with Section 3316.03(B), Revised Code. The Youngstown City School District Board of Education has failed to submit an acceptable plan to the Superintendent of Public Instruction.

Accordingly, the Auditor of State hereby declares the Youngstown City School District to be in a state of Fiscal Emergency under Section 3316.03 (B) (2) of the Ohio Revised Code. A copy of this declaration is being submitted to Michael Write, President of the Board of Education of the Youngstown City School District, Timothy Keen, State Director of Budget and Management, Jay Williams, Mayor of the City of Youngstown, and Susan Tave Zelman, State Superintendent of Public Instruction.

A handwritten signature in black ink that reads "Betty Montgomery".

Betty Montgomery
Auditor of State

November 16, 2006