



Ohio Revised Code

Section 3313.487 Report on district's financial condition.

Effective: October 3, 2023

Legislation: House Bill 33

(A) Upon receipt of a copy of a request for a determination under section 3313.483 of the Revised Code or upon the issuance of written notification under division (B) of section 3313.489 of the Revised Code, the department of education and workforce shall analyze the district's financial condition and ascertain what elements of the district's educational program exceed or fail to meet the minimum standards of the director of education and workforce and requirements set forth in the Revised Code, and what, if any, additional revenues or revenue sources may be available to the district that are not included in its official certificate or amended certificate of estimated resources. The director shall make a written report of the director's findings to the school district's board of education and the auditor of state. The report shall include any recommendations, including reductions in programs which exceed minimum standards of the director or requirements set forth in the Revised Code, that, if followed, would enable the district to reduce its expenses while operating an educational program that is responsive to the educational needs of the school district in accordance with its adopted school calendar. The director may determine that a responsive educational program requires the inclusion of elements exceeding the minimum standards of the director or requirements of the Revised Code. If, upon completion of the analysis and findings as provided in this division, the director determines that the district will be financially unable to operate its educational program in accordance with its adopted school calendar and pay all obligated expenses, the director shall notify the auditor of state in writing. Upon receipt of such notification, the auditor of state shall issue findings pursuant to section 3313.483 of the Revised Code.

(B) Upon the receipt of the director of education and workforce's report under division (A) of this section or a certification from the auditor of state under section 3313.483 of the Revised Code, the director may, at any time during the next ninety days, issue an order making the school district subject to section 3313.488 of the Revised Code if it finds the school district is not able to operate an educational program from existing revenue sources during the current and the ensuing school year. Such order shall take immediate effect, and such section shall apply to the school district. A board of education may appeal the order on questions of fact to the court of common pleas of Franklin county.



(C) Notwithstanding division (B) of this section, the director shall issue an order making a school district subject to section 3313.488 of the Revised Code if the district fails to enter into a loan agreement with a commercial lending institution within forty-five days of the deficit certification pursuant to section 3313.483 of the Revised Code. If the director issues an order under this division, the director shall apply for a loan from a commercial lending institution pursuant to section 3313.483 of the Revised Code on behalf of the district. The director shall have full authority to act on behalf of the board of education of a school district with respect to the making of loan agreements, and any loan agreement made by the director shall be fully binding on the school district.

(D) This section does not apply to a school district declared to be under a fiscal emergency pursuant to division (B) of section 3316.03 of the Revised Code.