



Ohio Revised Code

Section 3314.30 [Repealed effective 9/30/2021 by H.B. 110, 134th General Assembly] Community school revolving loan fund.

Effective: April 8, 2003

Legislation: House Bill 364 - 124th General Assembly

(A) As used in this section:

(1) "Start-up community school" means a "new start-up school" as that term is defined in division (A) of section 3314.02 of the Revised Code.

(2) A "school's contract" means the contract entered into between the governing authority and the sponsor of a community school under section 3314.03 of the Revised Code.

(B) There is hereby created in the state treasury the community school revolving loan fund. The fund shall consist of federal moneys allocated to the state for development and operation of community schools.

(C) The department of education may make a loan from the fund created in division (B) of this section to the governing authority or the sponsor of any start-up community school upon approval of the loan by the superintendent of public instruction. Moneys loaned from the fund shall be used only to pay the costs associated with any provision of the school's contract. A start-up community school may receive more than one loan from the fund; however, no school shall receive a cumulative loan amount throughout the term of the school's contract that is greater than two hundred fifty thousand dollars.

(D) The superintendent of public instruction may consider all of the following when determining whether to approve a loan from the fund created in division (A) of this section:

(1) Soundness of the school's business plan;

(2) Availability of other sources of funding for the school;



- (3) Geographic distribution of other such loans;
 - (4) Impact of receipt of the loan on a school's ability to secure other public and private funding;
 - (5) Plans for the creative use of the loan amounts to create further financing, such as loan guarantees or other types of credit enhancements;
 - (6) Financial needs of the community school.
- (E) The superintendent of public instruction shall give priority for loans under this section to newly established community schools to pay start-up costs.
- (F) The rate of interest charged on any loan under this section shall be the rate that would be applicable to the same money if invested in the Ohio subdivision's fund created in section 135.45 of the Revised Code as of the date the loan is disbursed to the community school.
- (G) Commencing in the first fiscal year that next succeeds the fiscal year that a community school receives a loan under this section, the department shall deduct from the periodic payments made to the school under section 3314.08 of the Revised Code a prorated amount of the annual repayment amount due under the loan. The amount deducted from a school's periodic payments under this division that is attributed to the principal of the loan shall be deposited into the fund created in division (B) of this section. The amount deducted from a school's periodic payments under this division that is attributed to the interest on the loan shall be deposited into the fund created in section 3314.31 of the Revised Code. The repayment period for any loan made under this section shall not exceed five consecutive fiscal years.
- (H) The office of budget and management and the department of education shall monitor the adequacy of moneys on hand in the fund created in division (B) of this section and shall report annually to the general assembly on such adequacy and any recommended changes in the interest rate charged on loans under this section or changes in default recovery procedures.