



Ohio Revised Code Section 3314.50 Community school; bond.

Effective: October 3, 2023

Legislation: House Bill 33

No community school shall initiate operation unless the governing authority of the school has posted a bond in the amount of fifty thousand dollars with the auditor of state. The bond or cash guarantee shall be used, in the event the school closes, to pay the auditor of state any moneys owed or that become owed by the school for the costs of audits conducted by the auditor of state or a public accountant under Chapter 117. of the Revised Code.

The department of education and workforce shall notify the auditor of state of the proposed initiation of operations of any community school and shall provide the auditor of state with the certification of the sponsor of the community school of the compliance by the community school with all legal preconditions to the initiation of its operations, including compliance with this section.

In lieu of the bond, the school's sponsor or an operator that has a contract with the school may provide a written guarantee of payment, which shall obligate the school's sponsor or the operator that provides the written guarantee to pay the cost of audits of the school under this section up to the amount of fifty thousand dollars. Any such written guarantee shall be binding upon any successor entity that enters into a contract to sponsor or to operate the school, and any such entity, as a condition of its undertaking shall acknowledge and accept such obligation.

In the event that a sponsor or operator has provided a written guarantee under this section, and, subsequent to the provision of the guarantee, the governing authority of the school posts a bond under this section, the written guarantee shall cease to be of further effect.

The auditor of state shall notify the department when the school's governing authority has filed the bond or submitted a written guarantee of payment.

When the auditor of state conducts an audit of a community school that has closed and is subject to the requirements of this section, the auditor of state shall certify the amount of forfeiture to the attorney general, who shall assess the bond for the costs of the audit to reimburse the auditor of state



or public accountant for costs incurred in conducting audits of the school.

To the extent that the amount of the bond is not needed to cover audit costs, the bond shall be of no further effect. When the auditor of state conducts an audit of a community school that has closed and is subject to the requirements of this section, and, as to which, a written guarantee has been given under this section, the entity that provided the guarantee shall be solely and fully liable for any such audit costs, and shall promptly pay the costs of the audit up to fifty thousand dollars.

No community school that is subject to the provisions of this section shall maintain or continue its operations absent the ongoing provision of a bond or a written guarantee as required by this section.