



Ohio Revised Code

Section 3316.04 Submitting financial plan after declaration of watch.

Effective: October 3, 2023

Legislation: House Bill 33

(A) Within sixty days of the auditor's declaration under division (A) of section 3316.03 of the Revised Code, the board of education of the school district shall prepare and submit to the director of education and workforce a financial plan delineating the steps the board will take to eliminate the district's current operating deficit and avoid incurring operating deficits in ensuing years, including the implementation of spending reductions. The financial plan also shall evaluate the feasibility of entering into shared services agreements with other political subdivisions for the joint exercise of any power, performance of any function, or rendering of any service, if so authorized by statute. The director shall evaluate the initial financial plan, and either approve or disapprove it within thirty calendar days from the date of its submission. If the initial financial plan is disapproved, the director shall recommend modifications that will render the financial plan acceptable. No school district board shall implement a financial plan submitted to the director under this section unless the director has approved the plan.

(B) Upon request of the board of education of a school district declared to be in a state of fiscal watch, the auditor of state and director shall provide technical assistance to the board in resolving the fiscal problems that gave rise to the declaration, including assistance in drafting the board's financial plan.

(C) A financial plan adopted under this section may be amended at any time with the approval of the director. The board of education of the school district shall submit an updated financial plan to the director, for the director's approval, every year that the district is in a state of fiscal watch. The updated plan shall be submitted in a form acceptable to the director. The director shall approve or disapprove each updated plan no later than the anniversary of the date on which the first such plan was approved.

(D) A school district that has restructured or refinanced a loan under section 3316.041 of the Revised Code shall be declared to be in a state of fiscal emergency if any of the following occurs:



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- (1) An operating deficit is certified for the district under section 3313.483 of the Revised Code for any year prior to the repayment of the restructured or refinanced loan;
- (2) The director determines, in consultation with the auditor of state, that the school district is not satisfactorily complying with the terms of the financial plan required by this section;
- (3) The board of education of the school district fails to submit an updated plan that is acceptable to the director under division (C) of this section.