

**As Introduced**

**131st General Assembly  
Regular Session  
2015-2016**

**S. B. No. 59**

**Senator Skindell  
Cosponsors: Senators Schiavoni, Tavares**

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**A BILL**

To amend section 3314.074 and to enact section 1  
3314.025 of the Revised Code with respect to the 2  
use of state-appropriated funds by operators of 3  
community schools. 4

**BE IT ENACTED BY THE GENERAL ASSEMBLY OF THE STATE OF OHIO:**

**Section 1.** That section 3314.074 be amended and section 5  
3314.025 of the Revised Code be enacted to read as follows: 6

**Sec. 3314.025.** (A) Any state funds paid to a community 7  
school pursuant to this chapter that are used as payment for 8  
services rendered by an operator or management company shall 9  
maintain their status as public money once transferred to the 10  
operator or management company. 11

(B) When an operator or management company expends public 12  
money to purchase furniture, computers, software, equipment, or 13  
other personal property for use in the operation of a community 14  
school under this chapter, such property is property of that 15  
school and is not property of the operator or management 16  
company. 17

(C) An operator or management company that has been 18

contracted to provide services to a community school is not 19  
prohibited from earning a profit by way of its utilization of 20  
public money. However, the operator or management company shall 21  
retain proceeds gained through such services only after the 22  
operator or management company has fully discharged its 23  
contractual, statutory, and fiduciary obligations to that 24  
community school. 25

**Sec. 3314.074.** Divisions (A) ~~and~~, (B), and (C) of this 26  
section apply only to the extent permitted under Chapter 1702. 27  
of the Revised Code. 28

(A) If any community school established under this chapter 29  
permanently closes and ceases its operation as a community 30  
school, the assets of that school shall be distributed first to 31  
the retirement funds of employees of the school, employees of 32  
the school, and private creditors who are owed compensation, and 33  
then any remaining funds shall be paid to the department of 34  
education for redistribution to the school districts in which 35  
the students who were enrolled in the school at the time it 36  
ceased operation were entitled to attend school under section 37  
3313.64 or 3313.65 of the Revised Code. The amount distributed 38  
to each school district shall be proportional to the district's 39  
share of the total enrollment in the community school. 40

(B) If a community school closes and ceases to operate as 41  
a community school and the school has received computer hardware 42  
or software from the former Ohio SchoolNet commission or the 43  
former eTech Ohio commission, such hardware or software shall be 44  
turned over to the department of education, which shall 45  
redistribute the hardware and software, to the extent such 46  
redistribution is possible, to school districts in conformance 47  
with the provisions of the programs as they were operated and 48

administered by the former eTech Ohio commission. 49

(C) When a community school permanently closes and ceases its operation as a community school, any furniture, computers, software, equipment, or other personal property that was acquired by the operator or management company of the school, as described in division (B) of section 3314.025 of the Revised Code, shall be redistributed to the school districts in which the students who were enrolled in the school at the time it ceased operation were entitled to attend under section 3313.64 or 3313.65 of the Revised Code, to the extent redistribution is possible. 50  
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(D) If the assets of the school are insufficient to pay all persons or entities to whom compensation is owed, the prioritization of the distribution of the assets to individual persons or entities within each class of payees may be determined by decree of a court in accordance with this section and Chapter 1702. of the Revised Code. 60  
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**Section 2.** That existing section 3314.074 of the Revised Code is hereby repealed. 66  
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