



# OHIO LEGISLATIVE SERVICE COMMISSION

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## Bill Analysis

Cody Weisbrodt

### **H.B. 87**

132nd General Assembly  
(As Introduced)

**Reps.** Roegner, Becker, Blessing, Butler, Dean, DeVitis, Dever, Duffey, Fedor, Hambley, Henne, Hill, Keller, Leland, Patterson, Patmon, Rezabek, Riedel, Schaffer, Slaby, K. Smith, R. Smith, Stein, Thompson, Vitale, Young

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## **BILL SUMMARY**

- Provides the Department of Education with specific guidance on distributing funds returned to the state from a community school as the result of a finding for recovery from the Auditor of State.
  - If the funds are returned because of an audit of a community school's enrollment records, requires the Department to credit the funds to certain public school district's state education aid.
  - If the Auditor's finding did not result from an audit of the school's enrollment records, requires the Department to proportionally redistribute the funds to the public school districts the students enrolled in the community school were entitled to attend.
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## **CONTENT AND OPERATION**

### **Auditor of State and findings for recovery**

The bill provides specific guidance to the Department of Education for distributing funds returned to the state from a community school because of a finding of recovery by the Auditor of State.<sup>1</sup> Under continuing law, the Auditor is charged with auditing public offices and certain funds and accounts of private institutions, associations, boards, and corporations that have received public funds. In certain instances, the Auditor may audit all funds of a private entity that has received public

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<sup>1</sup> R.C. 3314.52.

funds.<sup>2</sup> If the audit report shows that public money was illegally expended, then the Auditor may issue a finding for recovery to have the money returned to the state.<sup>3</sup>

## **Department of Education to credit returned funds**

### **Finding for recovery as a result of an audit of enrollment records**

If the Auditor's finding for recovery from a community school resulted from an audit of the school's enrollment records, the bill provides specific guidance to the Department of Education for crediting the funds returned to the state.<sup>4</sup> In that situation, the Department must credit the returned funds to the public school district's state education aid from which the money was initially deducted, in the amount that was originally deducted. Under continuing Ohio law, money is deducted from the state aid given to a public school district and credited to a community school when a student who could have enrolled in the public school instead enrolls in a community school.<sup>5</sup> The money returned to the public school district from a finding for recovery resulting from an audit of a community school's enrollment records reverses this deduction.<sup>6</sup>

### **Finding for recovery not resulting from an audit of enrollment records**

If the Auditor's finding for recovery from a community school does not result from an audit of the school's enrollment records, the bill also provides specific guidance to the Department for crediting returned funds. In that situation, the Department must redistribute the funds to the public school districts the students enrolled in the community school would have attended when the finding for recovery was issued, instead of crediting the funds to the district's state education aid. The funds are to be proportionally distributed based on a district's share of the total students enrolled in the community school who could have attended that district when the finding for recovery was issued.<sup>7</sup>

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<sup>2</sup> R.C. 117.10, not in the bill.

<sup>3</sup> R.C. 117.28, not in the bill.

<sup>4</sup> R.C. 3314.52(A).

<sup>5</sup> R.C. 3314.08, not in the bill.

<sup>6</sup> R.C. 3314.52(A).

<sup>7</sup> R.C. 3314.52(B).



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## HISTORY

ACTION

DATE

Introduced

02-22-17

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