



Financial Difficulty and Closing Procedure Plan for Community School Sponsored by Mid-Ohio ESC

- A. Should the Community School show signs of experiencing or trending towards financial difficulty, the Sponsor shall immediately meet with the Board of Directors of the School or representative thereof, and the School Treasurer, in order to make contingency plans or corrective plans, and such plans shall be monitored as often as deemed necessary by the Sponsor. As soon as it appears that a budget or financial plan must be modified, the School shall cooperate in modifying the budget. If at any time such plans or modifications require downsizing or other corrective action, the Board of Directors shall take prompt action to render the financial condition of the School secure. All efforts will be made, by the School, to not allow closure of the school mid-year. In certain dire circumstances, if the School cannot meet its obligations, the School may have to close either voluntarily or by action of the Sponsor.
- B. If for some reason the School must close before the end of the school year, students enrolled on the date of the closure shall be admitted to the schools of the district in which the child is entitled to attend under R.C. 3313.64 or 3313.65, or another authorized community school, unless otherwise prohibited under R.C. 3313.97 or 3313.98 shall be waived for students to whom this division pertains. The Mid-Ohio Educational Service Center (the "Sponsor"), at its discretion, or the Ohio Department of Education, may operate the School in the event the School Governing Authority fails to continue until the end of the approved school year or is forced to close under the provisions of the Sponsor contract or the Ohio Department of Education invokes their authority pursuant to R.C. 3314.073 or R.C. 3314.015.

The Sponsor may terminate the contract for any of the reasons stated in the Community School Sponsor Contract between the parties and/or for any of the reasons listed in Ohio law.

A termination shall be effective at the conclusion of the instructional year, unless otherwise permitted by law. Additionally, if the Sponsor has suspended the operation of this school under R.C. 3314.072, the Sponsor may choose to terminate the contract with the School prior to its expiration or prior to the end of the school year.

In the event the contract is terminated or not renewed pursuant to section 3314.07, Ohio revised Code, the School and Sponsor shall mutually agree on the disposition of employees. If the contract is not renewed or terminated prior to the expiration date, the School may seek to contract with an alternative sponsor prior to closing.

The School, if terminated, shall close permanently at the end of the current school year or on the date specified in the notification of termination. If the contract with the school is terminated, the School shall not enter into a contract with any other sponsor.

- C. The School specifically recognizes and acknowledges the following:
- 1) The Sponsor's authority to assume operation of the School under Ohio Revised Code section 3314.073.
 - 2) The authority of public health and safety officials to inspect and order School facilities closed if not in compliance with health and safety laws and regulations in accordance with Ohio revised Code Section 3314.03(A)(22)(a).
 - 3) The authority of the Ohio Department of Education to suspend the operation of the School under Ohio Revised Code Section 3314.072 if the Department has evidence of conditions or violations of law at the School that pose an imminent danger to the health and safety of the School's students and employees and the sponsor refuse to take such action. The Ohio Department of Education may take over sponsorship of the School in accordance with Ohio Revised Code 3314.015(C).
- D. The Sponsor is not liable for the acts or omissions, or debts of the School pursuant to the Ohio Revised Code sections 3314.07(0) and 3314.08(1)(2), and any other applicable law or Contract term limited by the liability of the Sponsor.
- E. Intent to Suspend/Suspension. The Sponsor may suspend operation of the School for any of the reasons stated in the Community School Sponsor Contract between the parties and/or any of the reasons listed in Ohio law.
- F. Student Records. The Chief Administrative Officer of School shall in good faith take all reasonable steps necessary to collect and assemble in an orderly manner the educational records of each student who is or has been enrolled in the School so that those records may be transmitted to each student's resident school district within seven (7) business days of closing or risk being found in guilty of a misdemeanor in the third degree.
- G. Disposition of Assets. In the event that the Contract is:
- a) Suspended and terminated;
 - b) Not renewed and not reassigned or transferred to another sponsor;
or
 - c) If the School dissolves, the operation of the School will cease as a community school. The following requirements and procedures apply regarding the School Governing Authority and the School:
 - 1) Adherence to R.C. 3313.07(A) and (B) should be respect to the fullest extent possible.
 - 2) After paying or adequately providing for the payment of all known obligations of the corporation, the Directors shall distribute the remainder of the assets as follows:
 - a) Assets held by it in trust for specified purposes shall be applied so far as is feasible and in accordance with the terms of the trust,

- b) In the case of a public benefit corporation:
 - i. The remaining assets not held in trust shall be applied so far as is feasible towards carrying out the purposes stated in the School's articles,
 - ii. In the event and to the extent that, and in judgment of the directors, it is not feasible to apply the assets provided in the above clauses (a) and (b), the assets shall be applied as may be directed by the Court of Common Pleas and the County and this state with which the principal office of the corporation is located.

H. Management by Third Parties. Should the School Governing Authority enter into any contract for management or operation of the School or its curriculum or operations, or any portion thereof, such contract must be provided to the Sponsor. If the management company provides services to the School in excess of twenty percent (20%) of the School's gross annual revenues, then the management company must provide a detailed accounting of the nature and costs of the services it provides to the School, acceptable to the Auditor of the State of Ohio.

I. ODE Guidance. In the event that the contract is terminated with the School prior to the end of the Contract, or at the end of the Contract, the School and Sponsor shall complete the tasks specified in the Ohio Department of Education Closing Assurances Form.