



# LOUISIANA DEPARTMENT OF EDUCATION

**Date:** May 8, 2017

**To:** Parish/City School Business Managers  
Type 2, Type 3B, and Type 5 Charter School Business Managers

**From:** Charlotte Stevens, Division Director  
Education Finance

**Subject:** FY2016-17 Fiscal Risk Assessment

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By law, each city, parish or other local public school board shall be notified on a regular basis by the State Department of Education of its financial status per the annual Fiscal Risk Assessment. The FY2016-17 Fiscal Risk Assessment has been updated and populated for each school system or school to include the latest data available for each factor. The following documents are attached:

- **Description of Factors** - contains details regarding each factor included in the financial risk assessment
- **District/School Response Form** - to be completed and submitted to the Department of Education by close of business on **Friday, May 19, 2017**.
- **Purpose of Financial Risk Assessment** – provided for your reference

Each school system's or school's preliminary data will be available on the "edfin" FTP site on Tuesday, May 9, 2017. Please review each of the factors carefully, complete the attached response form, and return it to [errica.taylor2@la.gov](mailto:errica.taylor2@la.gov). Responses received by Friday, May 19, 2017 will be used to make updates (if necessary) to the risk assessment data for each school system or school. The response form includes the following items:

- Additional Information/Comments
  - Should you find that the data for your school system or school is in error for any given factor, provide updated information accompanied by documentation to substantiate the update. Also provide any additional comments or information that you feel should be considered during the review process.
- Factor R (General Fund Deficit Spending)
  - The method for calculating Factor R has been revised this year. See the Description of Factors attachment for details. If your school system or school experienced general fund deficit spending, provide details to justify why the situation occurred, and/or outline plans that have been or will be put in place to address any deficiencies.
- Factor S (General Fund Balance as a Percentage of General Fund Revenue)
  - If your fund balance is near or below the recommended percentage of general fund revenues, or has decreased significantly from the prior year, provide details regarding the

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status of your general fund balance and/or outline any plans that have been or will be put in place to address any deficiencies.

Department staff will prepare an action summary in which the issues for each school system or school are listed. The action summaries will be provided to the State Board of Elementary and Secondary Education (SBESE) along with the Department's recommendation for further follow-up categorized as follows:

- No Action Necessary
- Department of Education Action Required
- Potential SBESE Action Required

Phase III of the Fiscal Risk Assessment process includes the evaluation of certain data as it becomes available throughout the fiscal year and includes the following two factors:

- Evaluation of the next year's General Fund Budget Form A which is due to the Department September 30 each year.
- Consideration of the receipt of information or an occurrence during the fiscal year that creates a critical situation.

If you have any questions, you may contact Errica Taylor at 225-342-0182 or via e-mail at [errica.taylor2@la.gov](mailto:errica.taylor2@la.gov).

CS/kbs

Attachments

c: Parish/City Superintendents  
Type 2, Type 3B, and Type 5 Charter School Board Presidents  
Beth Scioneaux, Deputy Superintendent, Finance

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