REPORT TO THE OHIO LEGISLATURE

April 1, 2014

Ohio School Districts in Fiscal Emergency

Prepared by:
Roger Hardin, Fiscal Consultant
Finance Program Services
LEGISLATIVE BACKGROUND

Title XXXIII (33) 3316.01 to 3316.19 (O.R.C.)

School Districts in Fiscal Caution, Watch, and Emergency

With the passage of Am. Sub. S.B. 310, the 121st General Assembly created procedures for evaluating school district financial reports and placing districts exhibiting potential insolvency under the oversight of the Auditor of State through the declaration of Fiscal Watch or Fiscal Emergency. Am. Sub. S.B. 345 of the 123rd General Assembly expanded the scope of fiscal designations by creating the category of Fiscal Caution which places districts declared to be in Fiscal Caution under the oversight of the Ohio Department of Education (ODE). As stated in ORC §3316.02, the intent of the statute “is to enact procedures, provide powers, and impose restrictions to assure fiscal integrity of school districts”. For any district that receives a fiscal designation, ODE provides technical assistance and monitors district finances to encourage and support strong fiscal management practices. The scope and level of support from each of the agencies increases as a district moves from caution to watch to emergency.

In the final stage, Fiscal Emergency, a Financial Planning and Supervision Commission (Commission) is created with the primary purpose “To review or to assume responsibility for the development of all tax budgets, tax levy and bond and note resolutions, appropriation measures, and certificates of estimated resources of the school district.” [ORC §3316.07] With the creation of these statutes, the General Assembly also required the submission of an annual report by April 1st of each year “concerning progress of the school district to eliminate Fiscal Emergency conditions, failures of the school district to comply with this chapter, and recommendations for further actions to attain the objectives of this chapter, including any legislative action needed to make provisions of law more effective for their purposes, or to enhance revenue raising or financing capabilities of school districts.” [ORC §3316.07]

Currently, there are eight districts in the fiscal emergency category, and each has made varying degrees of improvement over the past year. One district has been released since last April while three districts were added. Each of these districts is discussed in greater detail later in this report. Also, we are monitoring several other districts that may need the declaration of fiscal emergency in order to acquire solvency assistance. Usually, the election results and/or their ability to make enough reductions determine whether or not a district is declared.

The legislation creating fiscal emergency was approved in 1996, and since that time a total of forty-one districts have been declared in fiscal emergency. Thirty-three of those districts have since been released. This fact is mentioned to note the effectiveness of our system of procedures currently in place that give confidence to districts as they enter fiscal emergency. The average length of time in emergency is less than four years, and is dependent on the cooperation and the districts’ ability to amend their financial practices in regaining the fiscal solvency necessary for release.
DISTRICTS IN FISCAL EMERGENCY AS OF APRIL 1, 2014

<table>
<thead>
<tr>
<th>District</th>
<th>County</th>
<th>Date Declared</th>
<th>Duration</th>
</tr>
</thead>
<tbody>
<tr>
<td>Bellaire Local</td>
<td>Belmont</td>
<td>12/31/09</td>
<td>4 year, 3 months</td>
</tr>
<tr>
<td>Ledgemont Local</td>
<td>Geauga</td>
<td>11/9/10</td>
<td>3 years, 4 months</td>
</tr>
<tr>
<td>Liberty Local</td>
<td>Trumbull</td>
<td>7/11/11</td>
<td>2 years, 8 months</td>
</tr>
<tr>
<td>Cloverleaf Local</td>
<td>Medina</td>
<td>1/24/12</td>
<td>2 years, 2 months</td>
</tr>
<tr>
<td>Monroe Local</td>
<td>Butler</td>
<td>5/10/12</td>
<td>1 year, 10 months</td>
</tr>
<tr>
<td>Brookfield Local</td>
<td>Trumbull</td>
<td>5/14/13</td>
<td>0 years, 10 months</td>
</tr>
<tr>
<td>Mansfield City</td>
<td>Richland</td>
<td>12/17/13</td>
<td>0 years, 3 months</td>
</tr>
<tr>
<td>Bettsville Local</td>
<td>Seneca</td>
<td>2/6/14</td>
<td>0 years, 1 month</td>
</tr>
</tbody>
</table>

DISTRICTS RELEASED FROM FISCAL EMERGENCY SINCE APRIL 1, 2013

<table>
<thead>
<tr>
<th>District</th>
<th>County</th>
<th>Date Declared</th>
<th>Date Released</th>
</tr>
</thead>
<tbody>
<tr>
<td>Little Miami Local</td>
<td>Warren</td>
<td>7/11/10</td>
<td>5/22/13</td>
</tr>
</tbody>
</table>

Duties and Services Provided By the Financial Planning and Supervision Committees for Districts in Fiscal Emergency

- Five-member commission meets monthly or as needed
- Monitors district operations with potential financial implications
- Re-establishes the fiscal integrity of the district
- Commission may grant itself the same authorities as the Board of Education that it needs to accomplish the task of fiscal solvency, including but not limited to:
  - Purchasing
  - Employment contracts
  - Issuance of debt
  - Cost reductions
  - Staffing levels
- Within 120 days, the Commission adopts a Financial Recovery Plan which addresses, but is not limited to the following:
  - Solvency Assistance Fund advancements
  - Staff reductions and shared services
  - Establishment of procedures for monitoring annual appropriation funds through a monthly cash flow analysis by the district administration and BOE
  - Establishment of procedures for encumbering funds as purchase orders are issued whereas the district administration and treasurer work jointly
  - Adoption by the local BOE of an appropriation measure consistent with the Five Year Forecast and the Financial Recovery Plan
SPECIFIC ACTIONS FOR EACH DISTRICT (IN THE PAST YEAR)

Bellaire Local (Belmont)

The Bellaire Local School District was placed in fiscal emergency on December 9, 2009, and during fiscal years 2010 through the present much work has been devoted to the reduction of expenditures in an effort to right the district’s over-spending pattern. During these years, three advances from the solvency assistance fund (SAF) were requested by the district. At the conclusion of the current fiscal year the district will have repaid all three advances in full. The Auditor of State (AOS) recently released the financial forecast which projects a positive balance for fiscal year 2014 of $1,117,000. Mirroring the AOS forecast, the district forecast projects positive balances each of the five years going forward although there is evidence of overspending in the last two years of the forecast.

The AOS released the Accounting Methods Report which list any financial policy, practice, or procedure in need of updating to AOS standards. Currently the district has addressed over one half of the issues identified. All issues will need to be addressed prior to release from fiscal emergency which is anticipated to be by the end of the calendar year. Again, this will depend on the district’s ability to satisfy the AOS and the financial issues already identified.

Areas that have been corrected over the past five years include the food service over-expenditures, escalating health insurance costs whereas $350,000 has been saved without reducing benefits, and maintenance costs within the transportation department. One individual was employed to supervise both the food service and transportation departments, and other such shared service arrangements have been adopted to reduce costs. Negotiations with the classified staff resulted in a three year contract at no additional cost to the district. The district is currently focusing on updating its capital assets management plan.

Other key activities of the commission include the following:

- 5/1/13 - The Commission heard from the AOS representative who stated that in the four years he has been working with the district, 3.7 million dollars has been reduced from the district budget, including certified, classified, and administrative staff. Also during this time three union contracts have been negotiated.
- 7/2/13 - District Treasurer noted that it was anticipated that health insurance costs would rise by 18% due to the new health care law. The district also anticipated losing 5% in Federal funding due to fewer qualifying students.
- 8/22/13 - The superintendent reported it has been 27 years since a new tax levy was approved in the district. Still the district is making gains towards solvency. District officials are also reviewing all contracts (copiers, mail couriers, insurance, etc.) and using shared service arrangements wherever possible. The district report card showed the district earning a D grade but still meeting 21 of the 26 categories.
- 10/16/13 - A new 5.9 mill issue is on the November ballot (it failed by 186 votes). New funds are necessary especially for the purchase of new buses and upgrading the educational programs, many of which have been reduced. The district’s five year forecast
and revised recovery plan were both approved. Both documents project additional savings in fiscal year 2014 of approximately $575,000.

• 2/25/14 - Yet another levy will be attempted in May which will be the eighth attempt. Capital outlay has increased due to additional expenditures on technology, two new buses, and maintenance needs. The AOS reported that work continues on capital assets, GAAP reporting, and other issues within the Accounting Methods Report.

The Commission is scheduled to meet on April 8, 2014. Items of interest include meeting the requirements of the Accounting Methods Report, pre-school and open enrollment monitoring, and a discussion on what is yet needed prior to requesting release from fiscal emergency.

Bettsville Local (Seneca)

Bettsville Local is the most recent district to be declared in fiscal emergency. Based on treasurer concerns over meeting payroll throughout the year, an ODE fiscal consultant performed a financial analysis and noted a large percentage deficit for the current year. The Auditor of State was asked to review the district’s forecast which found the district to have a certified deficit in fiscal year 2014 of nearly $775,000 or 36% of its previous year’s revenue. While waiting for fiscal emergency to be declared, the ODE had to advance the district a portion of its annual foundation payments in order to meet payroll. A solvency assistance advance for the deficit amount was requested and approved by the Controlling Board on February 25, 2015, just a few days after the Commission held its first meeting.

Bettsville Local is perhaps Ohio’s smallest districts (other than the island districts) with only 150 students. This district plus the neighboring Old Fort Local School District have already started talks of merging, and it appears this may be an option. Community meetings have been held and the general feeling is that both communities will support the merger although repaying the Bettsville deficit may be a hindrance.

Other key activities of the commission include the following:

• 2/6/14 - The Auditor of State (AOS) declared the district to be in a state of fiscal emergency.
• 2/21/14 - The Commission held its first meeting. Approved at the meeting were by-laws for the Commission, a letter of engagement with the AOS, and a resolution supporting the district’s request for an advance from the state’s solvency assistance fund.

Future community meetings are planned to discuss the merger possibility. It appears at this point that the North Central Ohio Education Service Center (ESC) will act as lead on this endeavor at request of the two local districts. The Ohio Revised Code discusses the procedure to be used with the ESC as leader (3311.22). This may be the first district in fiscal emergency that has merged with another district as direct result of its financial circumstance.
Brookfield Local (Trumbull)

Brookfield Local was declared in fiscal emergency May 14, 2013 by the Auditor of State (AOS) due to the district being unable to submit to the Department of Education an acceptable fiscal watch recovery plan. The district voters had already approved a new tax levy that is projected to generate approximately $606,000 per year, but even by borrowing against that levy the district was unable to complete the fiscal year and meet all of its financial obligations. Therefore fiscal emergency had to be declared and a solvency assistance advance was necessary. As collections from the aforementioned tax levy are now in full force, the district’s five year forecast shows great improvement. The AOS has already released the Accounting Methods Report and once the district addresses each of the issues identified, we believe release from fiscal emergency may be attainable. A second solvency assistance advance was requested and received for fiscal year 2014, but repayment of both advances are included in the forecast which currently projects four years of positive balances after the current fiscal year.

Other key activities of the commission include the following:

- 5/28/13 - Commission is established and held its first meeting. Commission by-laws, a letter of engagement with AOS, the districts’ five year forecast, and a request for solvency assistance advance were all approved by the Commission.
- 8/19/13 – The Commission discussed a draft of the recovery plan which is to be approved the following month. The plan takes into account the new levy, half of which will be collected in fiscal year 2014, and additional revenue projected from the new biennial budget. The revenue plus reductions and/or savings of approximately $700,000 will help the district get through the year with only a small deficit.
- 9/11/13 - An initial recovery plan was adopted by the Commission.
- 10/22/13 - The Commission approved a resolution supporting the district’s Straight A Fund application.
- 12/3/13 The Auditor of State representative reported that the Accounting Methods Report was in the final stage and it listed 26 comments which need to be addressed. She also reported that a Performance Audit was nearing completion to assist the district with some additional savings recommendations. The district treasurer reported he was updating the five year forecast to match the AOS forecast.
- 2/24/14 - AOS representatives reported on revenue and expenditures of the district by reviewing their official forecast. The representative also mentioned that the district now had 12 comments from the Accounting Methods Report left to address.

With passage of a new tax levy prior to entering fiscal emergency, the district had a portion of its financial picture already in place. With the aide of solvency assistance it was able to meet all financial obligations for the two years in fiscal emergency, and with the reductions made the overall financial status of the district is much better. It is anticipated that release from fiscal emergency will be requested soon and be completed during fiscal year 2015.
Cloverleaf Local (Medina)

Cloverleaf district officials have put together a list of possible additional reductions totaling a million dollars to be implemented if May’s requested levy fails. This levy will be the district’s 6th attempt since going into fiscal oversight in 2006. Optimism is high for this ballot issue, but failure means additional reductions including music, art, and PE throughout the district as well as a continuation of crowded classrooms. Passage of the levy will project positive balances on the district’s forecast and a possible restoration of student-centered options. As expected, the district will be most cautious in bringing back any of the reduced services. They continue to share any service possible, including the district treasurer with a neighboring district and a recreation center with their community.

Other key activities of the commission include the following:

- **8/1/13** - Many personnel moves were approved by the Commission; mostly replacements for staff members leaving the district due to retirements or resignations. It was also noted that the food service department was reporting self-sufficiency and no longer required general fund subsidy. A three year contract with classified staff was approved with zero base salary increase throughout.

- **8/28/13** - Although the new levy request was not approved in early August a renewal levy was approved allowing the district a slight carryover projection for fiscal year 2014. The district superintendent also discussed the district meeting 24 of the 24 state indicators on the local report card.

- **10/18/13** - The Commission approved a resolution supporting the district as it applied for Straight A Grant funds. The district was involved in three proposals, including a distance learning initiative, a LEAN collaborative with a neighboring district, and a Green/STEM project involving a greenhouse, composting, bulk fuel purchasing, and use of waste oil to heat the bus garage. None of the proposals were approved for funding.

- **11/21/13** - Much discussion was held concerning the recent levy failure and what to do next. While all agreed that additional reductions would put the district at or below state standards, it would not be in the best interest of students. The superintendent will, if directed by the Commission put a plan together in case of another levy defeat in May.

- **1/14/14** - Further discussion on the amount of reductions and what might be brought back if the May ballot issue is approved was reported. It was also noted the Auditor of State had completed the Accounting Methods Report with only having comments (items to be resolved) in five areas. Several of these issues were already being addressed. The superintendent noted the district was asking for a combination levy request of 3.5 mills property tax and a .75% income tax on the May ballot.

- **2/26/14** - The superintendent reported a recent community meeting regarding the levy whereas 350 attendees discussed the district’s future. Further, the levy campaign chairperson noted over 900 people on social media so optimism for passage is apparent. Without approval, the district has developed a plan for an additional one million dollars in reductions.
Ledgemont Local (Geauga)

According to past superintendents of the district and past superintendents of neighboring districts, the Ledgemont Local School District has struggled financially for well over twenty years. It is a small rural district that has been in fiscal emergency now for over three years and a request for a fourth solvency assistance advance will be finalized prior to the end of this fiscal year. The district seems to be in a struggle with needing advances to repay previous advances, even though a delayed alternative repayment schedule has been arranged for one of the advances. There is great concern that pushing the repayment until later years for additional advances would mean the district might be repaying three or more advances while still trying to meet its current financial obligations.

There has been discussion within the district and with neighboring districts regarding a merger or consolidation, but the outstanding deficits caused by the solvency assistance advances appears to be a great hindrance. The Ledgemont Board of Education recently passed a resolution to move inside millage into a debt fund in order to repay the advances which could make it more attractive for merger. There is question of the legality of this move and an Attorney General’s Opinion has been requested. The district has also tried several new levies, all to no avail and within two years it will need to renew an income tax approved in May, 2010. In essence, the community seems divided on trying to salvage the district with its building concerns or completing the merger with another district.

Other key activities of the commission include the following:

- 7/16/13 - Commission approved resolution supporting the district to place a new levy on November’s ballot. Much discussion was held regarding the possible merger with other districts, including the obstacle with over the district’s two million dollar deficit.
- 8/27/13 - The Commission adopted a resolution supporting the district’s memo of understanding with the certified association to outsource the district’s transportation needs. This move is projected to save the district approximately $40,000. A new treasurer was approved for the district to replace the one who resigned last month. Other staffing changes/replacements projected savings of $147,403.
- 9/12/13 - Members of the Geauga county ESC were in attendance to discuss the contracts between the two entities, specifically for special education services. ODE personnel was also there to discuss the solvency assistance extended repayment schedule, the revised recovery plan, executive sessions for the Commission, and procedures in general on how Commissions do their duty. The local superintendent brought up the fact that the Governor has not had a representative on the Commission for almost two years and questioned why. No answer was available.
- 10/25/13 - The Commission approved a resolution supporting the district in its application for a Straight A Fund grant.
- 12/18/13 - The district superintendent discussed the ongoing discussions with neighboring districts regarding mergers. HB 216 (to forgive solvency assistance advances in certain situations) has not yet been approved by the General Assembly. The treasurer discussed conversations with health insurance companies in an attempt to save funds. The AOS presented the district forecast which certified a deficit for fiscal year
2014 at $214,000. Salaries and other expenses are down but purchased services are up due to open enrollment of students out and the outsourced transportation agreement. A resolution was also approved to share technology services with a neighboring school district.

- 1/21/14 - Discussion was centered on the moving of inside millage (4.5 mills to bring in approximately $401,000) and the legality of the issues. A formal Attorney General Opinion will be requested. The Commission Chair also noted a letter from ODE stating that the recently submitted recovery plan needed revisions before it could be approved. Four items were specifically requested for clarification and/or addressing.
- 2/28/14 - The district BOE approved a resolution moving the inside millage, the County Budget Commission approved it, but the Commission tabled a vote until a final opinion from the AG’s Office is rendered. The district also discussed the feasibility of moving its high school students into the elementary building as a cost savings means. The Commission deferred approving the revisions to the district recovery plan, but approved a resolution requesting additional funds from the state’s solvency assistance fund.

As one can see there are many issues prevailing within this district, but finding a way to break the cycle of receiving advances to repay previous advances stands out. Of the approximate 600 residential students, the district is only educating close to 450 of them with the others open enrolling out or in community schools. The community appears divided on maintaining its school district or collaborating with a neighboring district. These will be important issues for the community to resolve before the school district can emerge from fiscal emergency.

**Liberty Local (Trumbull)**

Liberty Local was placed in fiscal emergency in fiscal year 2010 and struggled with a variety of issues at the onset. They were experiencing turmoil with the accounting books not being reconciled for the year, the treasurer’s position, health care costs, and issues with two conversion schools. These issues have been successfully addressed and/or resolved, though there is still some work remaining. The first year in fiscal emergency the AOS certified a deficit of $1,921,000; whereas in the current fiscal year a surplus of $1,143,000 has been certified. This shows the progress the district has made with expenditure reductions, health insurance changes from self-insurance to a consortium, additional shared services, and general tighter controls of all expenditures. No new tax levies have been approved, but it is believed that a small levy may still be necessary to complete the restructuring of the district.

Other key activities of the commission include the following:

- 5/24/13 - The district continues to reduce expenditures with another $500,000 in reductions for fiscal year 2014 which brings the total in expenditure reductions to $3,000,000. The treasurer reported that year-end figures will be as projected with the AOS and May forecast.
- 9/10/13 - The district Superintendent reported that contract negotiations with the employees has been completed and ratified by both the Board of Education and the
employees. The major provision was that the district will seek to join a health insurance consortium which is projected to save $1.5 million over the three year contract. The district’s annual budget and permanent appropriations are being finalized and a draft of a revised recovery plan was distributed for review.

- 10/23/13 - Items approved at the Commission meeting included the annual appropriations, five year forecast, negotiated agreement, support for a Straight A application, bond refunding (lower rates, more saving), and the revised recovery plan.
- 12/3/13 - The district superintendent noted that the district made it to the second round of the Straight A Funding Grant application.
- 2/24/14 - This was a joint meeting between the Commission and local Board of Education with the AOS representatives leading a discussion on the district revenue and expenditures. The main concern was the expenditures in employee fringe benefits, specifically with retirement charges and health benefits that were originally charged to federal projects but needed to be charged to the general fund. There were also questions regarding the amount projected for health insurance since the district has switched from a self-insurance program to a premium based insurance. The district has been able to use the balance in its self-insurance fund to pay the premiums to the new insurance.

The district continues to recover as the changes in personnel and health insurance coverage allow the district better control over expenditures. As noted, a small tax increase may be necessary but the district is attempting to progress towards release without a new levy. The local BOE and Commission are working together to move the district towards release although it may take another fiscal year to determine the final pieces of the district’s overall fiscal recovery.

Mansfield City (Richland)

Mansfield City School District is new to fiscal emergency although the city of Mansfield has been in fiscal emergency for several years. The district was in fiscal watch since fiscal year 2006 during which time a four million dollar renewal levy request was defeated by the district voters causing the funds generated from that levy to disappear. A new levy was recently approved to make up for the $4M lost, but the district lost approximately two years of collections in the meantime. Despite the approval of the new levy the district projected a deficit in FY 2014 and it was unable to submit an acceptable fiscal watch recovery plan to eliminate that deficit. The city school district was thus declared in a state of fiscal emergency by the Auditor of State effective December 17, 2013.

Other key activities of the commission include the following:

- 1/02/14 - The Commission held its first meeting, an organizational meeting whereas an overview of fiscal emergency was provided and resolutions accepting the by-laws and a letter of engagement with the AOS was approved.
- 2/26/14 - The Commission approved a resolution supporting the district’s application for a Straight A Fund grant.
District officials and the Commission are currently working on preparing the financial recovery plan which is due in early May, 2014. At this point approximately 100 total staff positions have been identified as possible reductions. Although this will reduce approximately four million dollars in expenditures it will not eliminate the projected deficit for fiscal year 2015. A solvency assistance advance should be approved in late March with repayment beginning in fiscal year 2105 adding to the district’s deficit. With the recent passage of the new levy this past November, neither district officials nor the Commission favor asking for another new levy. Additional reductions, shared services, or other means of reducing expenditures will be reviewed in the coming months in an attempt to restore the district’s fiscal solvency.

Monroe Local (Butler)

Monroe Local has made great progress towards fiscal integrity in the past year; in fact, the local BOE has already approved their resolution requesting release from fiscal emergency and the Commission is expected to follow with its own resolution. The main items currently holding the district in fiscal emergency are the recommendations of the Accounting Methods Report, which are being addressed. So far nine of the nineteen issues have been adequately addressed with the remainder in various stages of completion. In regards to the district’s financial status, the passage of a 7.05 mill levy in November, 2012 and the overall reduction of over three million dollars have put the district back on solid financial ground. The district five year forecast projects positive balances through all five years with no structural deficits showing (expenditures exceeding revenue). The district’s solvency assistance is accounted for and its self-debt to the bond fund is being repaid quarterly. We do expect release from fiscal emergency before the end of the calendar year.

Other key activities of the commission include the following:

- 5/30/13 - For the first time financial records showed receipts from a recently built pipeline. The Commission approved the district’s May five year forecast which projected a small positive balance for the fiscal year.
- 6/26/13 - The district superintendent discussed the needs and realities of the new teacher evaluation tool (OTES) while the treasurer discussed the local tax incremental finance agreement (TIF) and how it worked for the district. Temporary appropriations were approved for the new fiscal year and a finance class from nearby Xavier University was in attendance to see how a Commission worked.
- 7/31/13 - After one year the Sodexho contract appears to be paying dividends for the district with cleaner buildings and less cost. A revised recovery plan was adopted and sent to the State Superintendent for final approval.
- 8/29/13 - Discussions were held on the state produced local report card with the district continuing to meet all standards. A review of the elementary class size and staff made it apparent a new teacher was necessary due to oversized classes. It was also noted how OTES would be a huge change in the evaluation process but the administrative and
teaching staffs appear to be working through those changes. Representatives of the AOS reported that the Accounting Methods Report and GAAP would begin soon.

- 9/26/13 – The Commission approved a resolution supporting the district’s Straight A Fund grant application. Also, the district’s five year forecast was approved, to be submitted in to ODE prior to the October deadline

- 11/7/13 - A draft of the Accounting Methods Report was complete and discussed. The district superintendent presented a ‘State of the Schools’ report. The Commission approved the permanent appropriations and a spreadsheet showing all athletic supplement contracts for winter sports.

- 1/30/14 - The district treasurer is currently working on the Accounting Methods Report, assessing and doing due diligence on each item. New services for special education were required due to the addition of several high need students. With the forecast looking good, the Commission encouraged the district superintendent to develop a plan to replace some of the educational options or student-centered services that were previously reduced.

- 3/27/14 - Next Commission meeting scheduled.

These eight districts are in varying stages of fiscal recovery and each has made some recognizable progress over the past year, or months in several districts. The Finance Program Services sections at ODE continues to monitor all districts within the state, assisting them when needed with financial or staffing analysis; all with the goal of preventing fiscal emergency. Due to a variety of circumstances however, generally two or three districts a year are determined to meet the qualifications of fiscal emergency and require the assistance prevailing. The Department of Education is truly appreciative of the partnerships and working relationships we have developed with the Attorney General’s Office, the Office of Budget and, Management, and the Auditor of State’s Office. Together we are better able to serve the districts in fiscal emergency and assist those districts by restoring fiscal integrity.