

## THE PERFECT STORM

We are all pretty familiar with the phrase “the perfect storm.” It’s a phrase used to describe a series of events that lead up to a negative outcome. Many of you have probably seen the movie by the same name where fishing boat is caught out at sea in a terrible storm. Eventually, the boat is swamped by the ocean, and lives are lost at sea.

There are all sorts of “perfect storms” that occur in our lives, whether it be where we work or where we worship. We have perfect storms in our own lives. No matter how hard we try, it seems that nobody’s sky is immune from clouds. And, so it is at this time with the Adams County/Ohio Valley School District.

For months, I have been sharing with you the ever growing concerns that I have with the District’s finances. We are fast approaching a “perfect storm” for cash flow in our general fund. If you stop to reflect on some of the contributors to this issue, it becomes easy to figure out how we have gotten there – So, let’s do a little review of already known and recently discovered components of our perfect storm.

- 1) Ohio’s economy has really gone in the tank in recent years, as has the economy of many states.
- 2) Because of the weak economy, there are many people out of work who are looking for jobs.
- 3) Because of the economy and the high unemployment, the collection of sales taxes and other taxes that are used to support various public entities (including public schools) has gone down.

- 4) Less tax money collected means a problem for cash flow.
- 5) With the economy being so weak, home sales have not only dropped, but so have property values. Lower property values means that less property tax are being collected to support a whole host of thing, including schools.

Salaries and benefits for all employees are excellent and costly. With the income declining, cash flow into the district may so be less than cash flow going out. Certainly, we have been in a “reduce staff” mode through attrition for the past three years. While this has certainly helped, it has gotten to the point where school district everywhere (including Adams County/Ohio Valley School District) is being forced to take a more aggressive approach to curbing costs. Staffs are being reduced through RIFs, or reduction in force. It is truly unfortunate that this has to occur, but it is a matter of simple economics.

The retired/rehired employees and the youngest employees will be the ones most affected by this. There will be fewer certified and classified employees next year and on into the future. Programs will be eliminated or at the very least they will be negatively affected. Class sizes are going to grow. All of these things are unavoidable at this time.

The skeptic in all of us might respond with something like “it isn’t nearly this bad, or we’ve been told all of this before.” Yes, you have heard this before because our economy historically goes through up swings and down swings. I don’t need to tell you that we are in a down swing. It’s very serious, and it calls us to take some pretty serious actions. It has been a long time since our school district asked its voters for more money. We’ve had a good upswing in the past 15-18

years. Unfortunately, we are deep in the middle of what looks to be an extended downswing. This downswing is going to definitely test our collective capacity to brainstorm. And, it is going to test our resolve. Just a week ago, school district in Ohio received word of proposed new cuts in school funding coming from Columbus. The best case scenario (if these cuts are adopted) would see a \$5.9 million cut in funding in FY2012 (2011-2012 school year). The worst case scenario would see a \$7.8 million cut in our state funding. These numbers (either case) would be catastrophic if enacted, and will require a total gutting of our overall educational programs, not to mention more class size increases. Simply put, more RIFs will have to occur—not just here, but statewide.

Will we resolve to maintain an “Excellent” school district during these tough times? We must. Our students are counting on us.

If you have any questions about this article, please feel free to contact me at 544-5586. Thank you.

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