

## ADAMS COUNTY/OHIO VALLEY SCHOOL DISTRICT LOOKS TO CUT COSTS

For the past several weeks and months, officials with the Adams County/Ohio Valley School District have been sharing their concerns regarding the long-term financial health of the district. A decrease in student enrollment coupled with an increased cost of doing business and an uncertain funding formula for schools from Columbus are the major culprits in this situation. Another major contributing factor in all of this is Ohio's bleak economy, which has directly impacted the amount of money available for anything in Ohio.

The air of uncertainty with school funding, and all aspects of Ohio's economy, has school officials across the state looking for ways to cut costs. Thus, finding ways to stretch general fund dollars is on everyone's mind at this time. Even though the AC/OVSD has a history of conservative spending, it still finds itself in the same position as many other school districts when it comes to looking for ways to cut costs.

Our latest five-year budget, adopted by the Board of Education at its May meeting, was based upon "flat funding" from Columbus. Even with flat funding, the district was looking at a budget "in the red" by the end of FY2011. Since the latest five-year forecast was adopted by the board, the actual level of funding in subsequent budget proposals from Columbus has been at a level that is less than "flat funding."

All of the above information has caused great concern for superintendents, treasurers, and Boards of Education across Ohio. This includes the AC/OVSD, where officials have put together a plan that has so far cut costs for FY2010 in excess of \$700,000.00. This includes both hard costs (employee salaries and fringes) and soft costs (purchased services). While this figure

may sound impressive, it is not enough to offset our increase in health insurance benefits for this year, which is 12.1% or \$855,033.00. The cost reduction figure continues to grow as the district evaluates every vacated position and every service contract in an effort to extract as much savings for the general fund as possible.

Several vacated positions are going to go unfilled for the 2009-2010 school year. This would include some administrative positions. As positions are left unfilled, this will undoubtedly have some impact on services to our customers (students and parents) at some point in time. These projected savings for FY2010 have all been accomplished without the implementation of a formal Reduction In Force, which is something that may need to be left on the table for consideration beyond FY2010. After all, most school districts have between 80-85% of their general fund dollars invested in employee salaries and benefits. That figure for the AC/OVSD is 86.7%.

As we move closer to FY2011 (2010-2011 school year), other cost reductions from any and all sources will have to be considered. This is especially true when we consider the condition of Ohio's present economy and the biennium budget. Some programs are going to be eliminated from budget funding completely, or drastically cut.

Anyone having questions concerning the contents of this article or wishing a copy of the AC/OVSD cost reduction spreadsheet for FY2010 may contact me, or Treasurer Tina Hageman, at 544-5586.

Charles P. Kimble

Superintendent