



BELLBROOK-SUGARCREEK SCHOOLS

"Soaring Toward Excellence"

January 2020

Dear Auditor Faber,

Bellbrook-Sugarcreek Local Schools is at a critical juncture. Our school district has outstanding, dedicated teachers and staff that do an excellent job educating and supporting our children. The district is consistently recognized for this effort and ranked among the best locally and across the state. There is so much we have to offer to provide all of our students a high-quality and well-rounded educational experience. I am proud each and every day of what is accomplished in our schools. The district has received a "B" and an "A" on the last two State Report Cards, the high school has been recognized by The Washington Post, US News and Newsweek as one of the top high schools in the nation; and the middle school has been named an "Ohio Schools to Watch."

The single most important issue facing our schools right now is our budget. The districts 5-year forecast in May 2019 projected a \$1.5 million deficit in the 2020-21 school year. That, along with a levy failure in May of 2019, triggered your office, in consultation with the Ohio Department of Education, to work collaboratively to conduct a performance audit of Bellbrook-Sugarcreek Schools. In the summer of 2019, we were already in the process of making reductions. By the fall of 2019, we had made \$1.8 million reductions (we had already made \$500,000 in 2018) for a total of \$2.3 million. These cuts included the reduction of 20 staff positions, half of which are teaching positions, in addition to a pay freeze for all employees in the 2020-21 school-year.

Your report has been released and we have reviewed your recommendations. Due to an already lean budget, the auditors found it very challenging to find many areas to reduce without striking at the core of our schools and forever changing the well-rounded and high-caliber educational experience our students deserve and our community expects. Without additional funds - such as the passage of the March levy - these reductions will be devastating; however, even if the levy does pass, the finances in the district are still very perilous. *Your recommendations are in addition to the \$2.3 million in reductions we have already made.* The following are a list of *your* recommended reductions.

Recommended reductions starting in the 2020-21 school-year (Reductions = \$2,544,578)

Eliminate 16 regular education teachers or 10% across the board staffing reduction
Eliminate ½ career tech teacher
Eliminate 1 counselor
Eliminate ½ library staff
Eliminate 1.5 nurses
Eliminate 1 computer support person
Eliminate the General Fund subsidy for extra-curricular activities and sports
Increase rental revenue or sell/donate Sugarcreek Elementary

Recommended reductions (in addition to 2020-21 reductions) starting in the 2021-22 through 2023-24 school-year (Reductions = \$3,020,090/year)

Renegotiate negotiated agreements, which includes pay freezes and no steps
Reduce cost of vision insurance
Delay the purchase of student computers for 1 year

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The reductions stated in the above sections would eliminate over 20 more positions and, if implemented, "these options would eliminate the deficit each year of the forecast; however, each option *could drastically change service levels within the District.*" For example, the elimination of 20 or more teacher positions will dramatically increase class sizes and could eliminate many - if not all - of the specials and electives (such as art, STEM, music, A.P. classes, advanced courses, etc...) that we offer. Eliminating the General Fund subsidy for extra-curricular activities could increase the cost to nearly \$1,000 or more per sport per student athlete.

Additional reductions would be necessary going into the 2023-24 school-year because even with all of these cuts, over the next three school years the district's ending budget balance is projected to be \$309 at the end of school-year 2023-24.

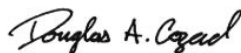
Regardless of how you feel about school funding, these reductions are a devastating and a grim reality for Bellbrook-Sugarcreek Schools. Over the years, the district has seen inflationary increases that are outside the district's control that include unfunded and underfunded state mandates in addition to the increase in the cost of doing business, plus district funding from the state has generally been flat-lined with very little increases. Only 27% of our funding is from the state. We take fiscal responsibility very seriously, but we cannot spend what we do not have. We believe that this report demonstrates that balancing the district budget is not a spending issue, it is a revenue issue. *As shown in the report, our community's tax burden, when taking in consideration the income level and property wealth and the actual taxes being paid, is lower than the state, local districts and peer districts' averages.*

Also noteworthy are the areas where there were not any recommendations. These areas were considered and evaluated by the State Auditor's Office but no savings could be found. For example, our transportation practices and routes were found to be extremely efficient. *Our teacher and support staff salaries are below peer districts and will be even lower due to their pay freeze for the 2020-21 school year.* Our maintenance and custodial staffing is well below peer districts, which is remarkable considering the great shape our facilities are in!

Due to the financial situation that we are in and the timing of the March 17 levy on the ballot, we will begin to examine and implement some of the recommendations from the State Auditor's office Performance Review. Additionally, we plan on forming a community-based committee to look at these recommendations long term and provide further input to our Board of Education.

The Bellbrook-Sugarcreek Local Schools Board of Education and administration would like to thank you for conducting this performance audit. We appreciate the very thorough and professional work of Mark Ingles and his team. We are always looking for ways to be as efficient as possible so we can continue to be good stewards of taxpayer dollars.

Sincerely,



Douglas A. Cozad, PhD
Superintendent
Bellbrook-Sugarcreek Local Schools