

MVTHS reviews deficit reduction plan *11/19/09*

*Plan calls for decrease in
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\$500,000 starting next
year and going to 2013*

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MT. VERNON — Officials at Mt. Vernon Township High School are continuing their efforts to improve the fiscal situation of the district.

Superintendent Mike Smith updated the Board of Education on the school's deficit reduction plan at this week's meeting.

"The deficit reduction plan continues to be a work in progress," Smith said Tuesday.

The superintendent made budget projections for the school through the year 2013. He prefaced that information with a prediction that the state deficit could reach a minimum of \$12.2 billion by 2011 if it remains on its present course, meaning it would be even more imperative to reduce its own expenditures to offset funding problems at the state level.

"Currently, the state owes the school reimbursement in excess of \$350,000 for the year," Smith said.

With other contributing factors like minor changes in the consumer price index and equalized assessed valuation, he noted, "We could be looking at pretty close to level funding."

Smith's four-year plan calls for a decrease in expenditures totaling \$500,000 beginning next year and carrying through 2013.

"The trend without the \$500,000 reduction would still place us on the

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financial warning list, but we would be able to end with a positive fund balance," he said. "With the \$500,000 reduction and the other assumptions of the plan in 2011, 2012, and 2013 we could move up to financial review. By 2013, we would be able to pay back out tax anticipation warrants, and that would help our rating even more."

The ultimate end result, barring any major emergency expenditures during that time, the district could end up with a positive balance in excess of \$2 million.

"With 1.25 million borrowed, that's where we need to head," Smith said.

Part of the reductions would be found by reviewing the cost the district incurs with its current services. By finding new providers for liability and workers' compensation insurance coverage, Smith noted, the district will already save more than \$100,000 next year.

"There are already fluctuations with revenue. We hope to incorporate savings along with some level of reductions," Smith said. "We want to reduce cost in the area of health care and negotiate that without adjustments in benefits. We're going to look at level spending in supplies for next year and what we are paying for services."

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