

# Fort Frye Local School District



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The Honorable Jerry C. Cirino  
Senator, Ohio's 18th Senate District  
1 Capitol Square, Room 127  
Columbus, OH 43215  
Chairman Cirino

We would like to take this opportunity to share the financial story of Fort Frye Local Schools, and why we are so concerned about the impact of Substitute House Bill 96. We are a small rural district located in southeast Ohio. The current Board of Education and administration have worked very hard to be fiscally responsible, priding ourselves on the fact that we have not asked our voters for new monies since 2006 and that we are the lowest tax base in our county. Further, after a multi-year master facility planning project, Fort Frye decided to maintain its existing school facilities in order to offer smaller community schools that our residents greatly value.

To support the long-term facility plan, the district was very purposeful in building its cash reserve so that there are funds available to repair and maintain all five school campuses that are all at least 55 years old. These funds are set aside for roof systems, maintaining adequate HVAC systems, replacing original commercial food services equipment, upgrading windows, and improving mechanical systems just to name a very few. For years, our district administrators have met with the Washington County Budget Commission, and we have been able to articulate our detailed spending plan for our cash reserve. We have already completed some of our master facility plan projects, yet we still have many more projects that are incomplete and general maintenance of older buildings does not end.

Please keep in mind that if Fort Frye had chosen to seek new facilities, its state funding would have been less than 10% of the cost. The burden would have fallen on local taxpayers. We chose not to ask that of our community, and to maintain what we have with our existing revenue. Should we be penalized for this now by HB 96?

In addition to needing to have a savings account for our facilities because we have no permanent improvement levies, like all employers, Fort Frye Local Schools has been faced with huge increases in our medical benefit plan for employees. In fact, for the last several years, our increases have been averaging over 14%, which results in deficit spending. Deficit spending then causes us to resort to using more of our cash carryover account.

For years, Ohio legislators have told us to manage our local school systems in a fiscally conservative way. Fort Frye Local Schools has done just that! In fact, we were able to operate without deficit spending in some recent years and build up the needed cash reserve despite the turbulent funding of

Ohio's public schools. Within the past 15 years, Fort Frye experienced great volatility in its revenue streams with the closing of the AEP plant in our district. Like all other public districts in the state, Fort Frye received significant one-time funds through the ESSER grants. This led to higher carry-over fund balances that are being eroded over time due to inflation, steep increases in health insurance costs, facility upgrades and maintenance, and the ever-increasing needs of our students. Further, in Southeast Ohio in order to recruit and retain employees into the area we are met with steep increases in personnel costs.

The total school financing package includes state foundation revenue, property taxes, and federal aid for Fort Frye. We acknowledge that the state foundation funding is increasing under the proposed bill and appreciate that. However, that additional funding would be greatly offset if the County Budget Commission is directed to lower Fort Frye's tax rates due to our 86% cash fund balance carry-over. **The net effect of the 30% limitation written into Substitute House Bill 96, if enacted today, would be a reduction of \$8.3 million dollars in total revenue to Fort Frye Local Schools.** Our District does not even receive that much property tax revenue in one year. This is the equivalent of approximately 3 years of Class I property tax revenue.

There are three ways to balance a budget: increase revenue, reduce expenses, or do both. If we are limited on how much revenue we can generate (based on limitation provision), then that leaves significantly cutting expenses. However, 70-80% of public school expenses are spent on salaries and benefits. \$8.3 million dollars is the equivalent of 75% of total annual salaries and benefits for the entire Fort Frye District staff. We absolutely cannot effectively meet the needs of our students if we have to make this level of cuts. This would also be detrimental to our community as we are the largest employer in our District.

Moreover, we would need to go to our voters for increased revenue in the form of taxes much sooner than ever planned. HB 96 is allegedly designed to give local property tax owners a tax break, but in essence it will send school systems in Ohio back to their local communities suddenly asking for more money. The general public will not understand why in 2025 there was a healthy cash balance with earmarked purposes, and now those funds are gone while the district is asking for more funds! How do we make sense of this with our communities?

Ohio is a state that has historically prided itself on local control of education. We ask that you do not take such local control away from school systems and their respective counties by possibly issuing a state-wide limitation on carry-over balances.

We implore you to eliminate the portion of Substitute House Bill 96 that reduces carry-over balances.

Thank you for your time and consideration.

Respectfully,



Dr. Stephanie Starcher, Fort Frye Local Schools Superintendent



Miss Kaitlin Huck, Fort Frye Local Schools Treasurer