



OHIO AUDITOR OF STATE  
**KEITH FABER**



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OHIO AUDITOR OF STATE  
**KEITH FABER**



To the Field Local School District community,

The Auditor of State's Office recently completed a performance audit for the Field Local School District (the District). The District was selected for a performance audit based on its projected financial condition. This review was conducted by the Ohio Performance Team and provides an independent assessment of operations within select functional areas. The performance audit has been provided at no cost to the District through state funds set aside to provide analyses for districts that meet certain criteria, including conditions that would lead to fiscal distress.

This performance audit report contains recommendations, supported by detailed analysis, to enhance the District's overall economy, efficiency, and/or effectiveness. This report has been provided to the District and its contents have been discussed with the appropriate elected officials and District management. The District has been encouraged to use the recommendations contained in the report and to perform its own assessment of operations and develop alternative management strategies independent of the performance audit report.

It is the Auditor's hope that this data-driven analysis of operations will assist in providing the District a path to fiscal sustainability. Additional resources related to performance audits are available on the Ohio Auditor of State's website.

This performance audit report can be accessed online through the Auditor of State's website at <http://www.ohioauditor.gov> and choosing the "Search" option.

Sincerely,



Keith Faber  
Auditor of State  
April 4, 2019

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# Executive Summary

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## Purpose and Scope of the Audit

In consultation with the Ohio Department of Education (ODE), the Auditor of State (AOS) determined that it was appropriate to conduct a performance audit of Field Local School District (FLSD or the District) pursuant to Ohio Revised Code (ORC) § 3316.042. The purpose of this performance audit was to improve FLSD's financial condition through an objective assessment of economy, efficiency, and/or effectiveness of its operations and management. See **Background** for a full explanation of the District's financial condition.

In consultation with the District, the Ohio Performance Team (OPT) selected the following scope areas for detailed review and analysis: Financial Management, Human Resources, Facilities, and Transportation. See **Appendix A: Scope and Objectives** for detailed objectives developed to assess operations and management in each scope area.

## Performance Audit Overview

Performance audits provide objective analysis to assist management and those charged with governance and oversight to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

The United States Government Accountability Office develops and promulgates Government Auditing Standards that establish a framework for performing high-quality audit work with competence, integrity, objectivity, and independence to provide accountability and to help improve government operations and services. These standards are commonly referred to as Generally Accepted Government Auditing Standards (GAGAS).

OPT conducted this performance audit in accordance with GAGAS. Those standards require that OPT plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. OPT believes that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Audit Methodology

To complete this performance audit, auditors gathered data, conducted interviews with numerous individuals associated with the areas of District operations included in the audit scope, and reviewed and assessed available information. Assessments were performed using criteria from a number of sources, including:

- Peer districts;
- Industry standards;
- Leading practices;

- Statutes; and
- Policies and procedures.

In consultation with the District, three sets of peer groups were selected for comparisons contained in this report. A “Primary Peers” set was selected for general, District-wide comparisons. This peer set was selected from a pool of demographically similar districts with similar per pupil spending (no more than 10 percent above FLSD) or lower per pupil spending, and higher academic performance. A “Local Peers” set was selected for a comparison of compensation, benefits, and collective bargaining agreements, where applicable. This peer set was selected specifically to provide context for local labor market conditions. Finally, a “Transportation Peers” set was selected for transportation operating and spending comparisons. This peer set was selected specifically for transportation operational comparability and included only those districts with a similar size in square miles and population density; two significant factors that impact transportation efficiency. **Table 1** shows the Ohio school districts included in these peer groups.

**Table 1: Peer Group Definitions**

<b>Primary Peers</b>
<ul style="list-style-type: none"> <li>• Bath Local School District (Allen County)</li> <li>• Brookville Local School District (Montgomery County)</li> <li>• Girard City School District (Trumbull County)</li> <li>• Jonathan Adler Local School District (Madison County)</li> <li>• Lakeview Local School District (Trumbull County)</li> <li>• Lexington Local School District (Richland County)</li> <li>• Northwest Local School District (Stark County)</li> <li>• Ottawa-Glandorf Local School District (Putnam County)</li> <li>• Ross Local School District (Butler County)</li> <li>• Wayne Local School District (Warren County)</li> </ul>
<b>Local Peers (Compensation, Benefits, and Bargaining Agreements)</b>
<ul style="list-style-type: none"> <li>• Kent City School District (Portage County)</li> <li>• Lake Local School District (Stark County)</li> <li>• Mogadore Local School District (Summit County)</li> <li>• Ravenna City School District (Portage County)</li> <li>• Rootstown Local School District (Portage County)</li> <li>• Springfield Local School District (Summit County)</li> <li>• Stow-Munroe Falls City School District (Summit County)</li> <li>• Tallmadge City School District (Summit County)</li> <li>• Waterloo Local School District (Portage County)</li> </ul>
<b>Transportation Peers</b>
<ul style="list-style-type: none"> <li>• Bath Local School District (Allen County)</li> <li>• Bloom-Carroll Local School District (Fairfield County)</li> <li>• London City School District (Madison County)</li> <li>• Ontario Local School District (Richland County)</li> <li>• Urbana City School District (Champaign County)</li> </ul>

Where reasonable and appropriate, peer districts were used for comparison. However, in some operational areas, industry standards or leading practices were used for primary comparison. Sources of industry standards or leading practices used in this audit include: the American Association of School Administrators (AASA), the American Public Works Association



(APWA), American School and University Magazine (AS&U), the US Environmental Protection Agency (EPA), the Government Finance Officers Association (GFOA), the National Clearinghouse for Education Facilities (NCEF), the National Center for Education Statistics (NCES), the Ohio Department of Administrative Services (DAS), the Ohio Department of Education (ODE), the Ohio Department of Transportation (ODOT), and the Ohio State Employment Relations Board (SERB). District policies and procedures as well as pertinent laws and regulations contained in the Ohio Administrative Code (OAC) and the Ohio Revised Code (ORC) were also assessed.

The performance audit involved information sharing with the District, including drafts of findings and recommendations related to the identified audit areas. Periodic status meetings throughout the engagement informed the District of key issues impacting selected areas, and shared proposed recommendations to improve operations. The District provided verbal and written comments in response to various recommendations, which were taken into consideration during the reporting process.

AOS and OPT express their appreciation to the elected officials, management, and employees of the Field Local School District for their cooperation and assistance throughout this audit.

## Summary of Recommendations

The following table summarizes performance audit recommendations and financial implications, where applicable.

The FLSD Board of Education (the Board) and administration are in the best position to determine what services are required to meet the District's needs. The recommendations contained in this performance audit report are a menu of options for them to consider when determining how best to meet the District's needs while also upholding the responsibility to operate in a financially sustainable manner. Ultimately, the decision to implement these recommendations, or to look for additional opportunities to achieve and sustain long-term financial health, is the prerogative of the Board and administration.

**Table 2: Summary of Recommendations**

Recommendations		Savings
<b>R.1</b>	<b>Eliminate 1.0 FTE building administrator position</b>	\$118,300
<b>R.2</b>	<b>Eliminate 7.0 FTE general education teaching positions</b>	\$432,100
<b>R.3</b>	<b>Eliminate 0.5 FTE psychologist position</b>	\$59,100
<b>R.4</b>	<b>Eliminate 2.5 FTE central office support positions</b>	\$229,400
<b>R.5</b>	<b>Eliminate 1.5 FTE building office support positions</b>	\$61,700
<b>R.6</b>	<b>Eliminate 1.0 FTE library staff position</b>	\$41,100
<b>R.7</b>	<b>Eliminate 6.5 FTE monitor positions</b>	\$107,200
<b>R.8</b>	<b>Develop long-term strategic, capital, and financial plans linked to the budget</b>	N/A
<b>R.9</b>	<b>Renegotiate collective bargaining agreement provisions</b>	N/A
<b>R.10</b>	<b>Reduce employer cost of dental and vision insurance</b>	\$112,500
<b>R.11</b>	<b>Sell, donate, or repurpose the vacant Central Elementary building</b>	\$12,100
<b>R.12</b>	<b>Complete T-1 Forms as prescribed by ODE</b>	N/A
<b>R.13</b>	<b>Right-size the active bus fleet</b>	\$39,200
<b>R.14</b>	<b>Explore options to reduce fuel costs</b>	\$10,800
<b>R.15</b>	<b>Develop a formal transportation preventive maintenance program</b>	N/A
<b>R.16</b>	<b>Make additional reductions to address the deficit</b>	\$2,306,200
<b>Cost Savings Adjustments<sup>1</sup></b>		<b>(\$8,100)</b>
<b>Total Cost Savings from Performance Audit Recommendations</b>		<b>\$3,521,600</b>

Note 1: Each recommendation's savings is calculated based on the average annual cost savings for each year of implementation during the forecast period.

Note 2: Estimated savings from eliminated positions are based on the least tenured personnel and could increase if the reduction occurs through retirement or voluntary separation of more-tenured staff. Estimated savings would be reduced if the District is temporarily obligated to pay unemployment compensation.

<sup>1</sup> Implementation of **R.1**, **R.2**, **R.3**, **R.4**, **R.5**, **R.6**, **R.7**, and **R.13** would reduce the savings achievable in **R.10**.

**Table 3** shows the District's ending fund balances as projected in the October 2018 five-year forecast. Included are annual savings identified in this performance audit and the estimated impact that implementation of the recommendations will have on the ending fund balances.

**Table 3: Financial Forecast with Performance Audit Recommendations**

	<b>FY 2018-19</b>	<b>FY 2019-20</b>	<b>FY 2020-21</b>	<b>FY 2021-22</b>	<b>FY 2022-23</b>
<b>Original Ending Fund Balance</b>	\$1,009,228	(\$1,240,742)	(\$4,608,478)	(\$9,018,297)	(\$14,543,208)
One-time Revenue Adjustment <sup>1</sup>	\$455,135	\$455,135	\$455,135	\$455,135	\$455,135
<b>Revised Ending Fund Balance with Revenue Adjustment</b>	<b>\$1,464,363</b>	<b>(\$785,607)</b>	<b>(\$4,153,343)</b>	<b>(\$8,563,162)</b>	<b>(\$14,088,073)</b>
Cumulative Balance of Performance Audit Recommendations	N/A	\$3,414,363	\$6,898,991	\$10,455,296	\$14,088,247
<b>Revised Ending Fund Balance</b>	<b>\$1,464,363</b>	<b>\$2,628,756</b>	<b>\$2,745,648</b>	<b>\$1,892,134</b>	<b>\$174</b>

Source: FLSD, ODE, and performance audit recommendations

Note: Although the District should seek to implement recommendations as soon as practicable there may be a reasonable delay in doing so. As a result, cost savings have been applied to FY 2019-20 through FY 2022-23 only.

<sup>1</sup> During FY 2018-19 the District received a one-time refund of prior year expenses that was not included in the October five-year forecast.

As shown in **Table 3**, implementing the recommendations contained in this performance audit would allow the district to avoid forecasted deficits in each year of the forecast period.

It is possible that in pursuing the options necessary to balance the budget and achieve fiscal stability, the District could face the unintended consequence of reductions in future federal aid and/or the need to repay federal funds previously received, due to inability to meet federal maintenance of effort (MOE) requirements. Federal funding is designed to supplement local operations within specific program areas such as Title I, Title II, and IDEA Part B. Because this funding is meant to be supplemental, MOE requirements are put into place to ensure that all schools maintain an acceptable level of local spending rather than shifting to an over-reliance on federal funding, also referred to as supplanting.

Federal funds are supplemental to District operations and pursuit of these supplemental funds does not alleviate the obligation to maintain a balanced budget. In exercising the responsibility to maintain a balanced budget, the District will need to critically evaluate the potential impact of planned changes on program expenditures and/or census/enrollment (i.e., the two major inputs used to calculate MOE).

ODE is charged with monitoring school districts' compliance with MOE requirements and is also in a position of working with districts to facilitate seeking a waiver from the US Department of Education, where available within the grant guidelines, when certain conditions are evident.<sup>1</sup>

Two such conditions specific to Title I include:

- An exceptional or uncontrollable circumstance such as natural disaster; and
- A precipitous decline in financial resources (e.g., due to enrollment or loss of tax revenue).

The District should pursue necessary steps to balance, achieve, and maintain long-term fiscal stability, while working with ODE to minimize any unnecessary, unforeseen consequences, including seeking a waiver of MOE requirements, if available.

<sup>1</sup> IDEA Part B does not have a MOE waiver option.

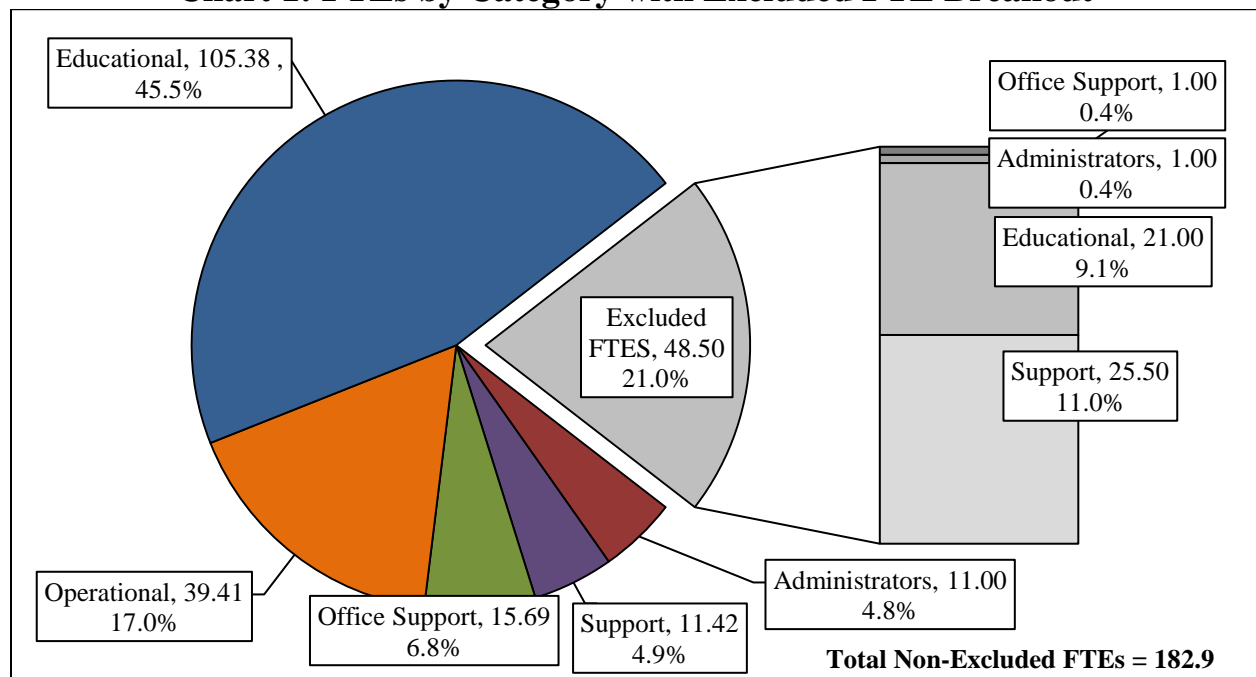
It is important to note that the provision of special education services may have a significant impact on FLSD's overall operating cost and staffing levels. However, the appropriateness of the District's special education cost and staffing were not evaluated as a part of this performance audit. Where applicable, special education staffing information is included for informational purposes only. All conclusions regarding the relative appropriateness of staffing are based solely on non-special education staff for both the District and the primary peers.

### District Staffing Overview

The appropriateness of staffing levels is significant to both the operational and financial conditions within school districts. Operational decisions such as classroom sizes, class offerings, and service levels collectively drive the need for staffing, which, in turn, drives the allocation of scarce resources. Specifically, personnel costs (i.e., salaries and benefits) accounted for 67.7 percent of FLSD’s General Fund expenditures in FY 2017-18, a significant impact on its budget and financial condition.

**Chart 1** shows FLSD’s FY 2018-19 full-time equivalent (FTE) staffing levels by category and breaks down staffing by categories that are included in this performance audit and those that are excluded from the scope of this performance audit due to association with special education or Title I funding.

**Chart 1: FTEs by Category with Excluded FTE Breakout**

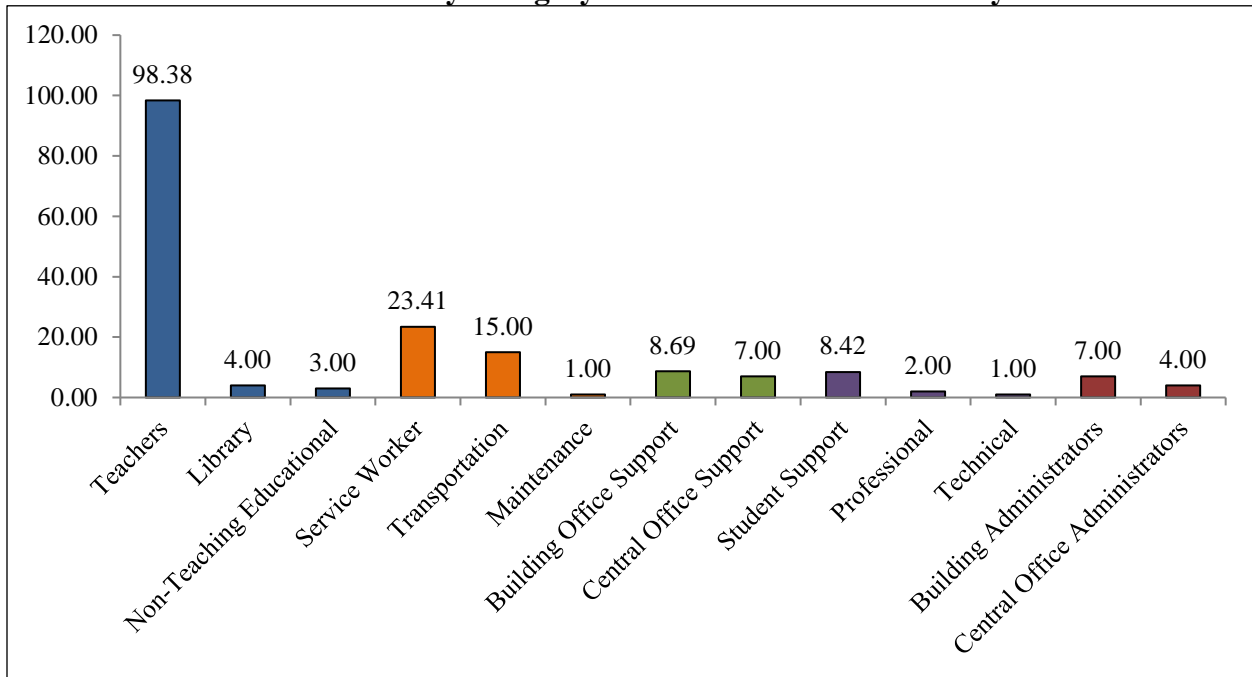


Source: FLSD

As shown in **Chart 1**, FLSD employed a total of 231.4 FTEs in FY 2018-19. Of this total, 48.5 FTEs, or 21.0 percent, were specifically dedicated to special education services or Title I funded.

**Chart 2** shows the remaining 182.9 FTEs by category for FY 2018-19.

**Chart 2: FTEs by Category for Performance Audit Analysis**



Source: FLSD

As shown in **Chart 2**, FLSD’s remaining 182.9 FTEs were distributed across 13 staffing categories.

Categories where staffing levels were compared to the primary peer average included: administrators (see **R.1** and **Table B-1**), teachers (see **R.2**, **Table B-2**, and **Table B-3**), non-teaching educational (**Table B-4**), professional (see **R.3** and **Table B-5**), technical (see **Table B-6**), office support (see **R.4** and **R.5**), library (see **R.6**), nursing (see **Table B-7**), classroom support (see **Table B-8**), and student support (see **R.7** and **Table B-9**). Categories where the District’s staffing level per 1,000 students was higher than the primary peers include administrators, teachers, professional, office support, and student support. Facilities (see **Table B-14**) and transportation workers (see **R.13**) were assessed using workload measures and benchmarks, as these positions operate in areas that have industrywide gauges of efficiency and effectiveness.

## Background

In October 2018, the District released its semi-annual five-year forecast which showed progressively declining year-end fund balances throughout the forecast period. These forecasted financial results served as the primary impetus of the performance audit. **Table 4** shows FLSD's total revenues, total expenditures, results of operations, beginning and ending cash balances, and ending fund balance as projected in the District's October 2018 five-year forecast. This information is an important measure of the financial health of the District and serves as the basis for identification of fiscal distress conditions, possibly leading to formal designation by AOS and ODE.

**Table 4: FLSD Financial Condition Overview (October 2018)**

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Total Revenue	\$20,115,423	\$18,855,912	\$17,437,589	\$17,437,589	\$17,437,589
Total Expenditure	\$21,420,161	\$22,504,205	\$23,601,971	\$24,644,054	\$25,759,146
<b>Results of Operations</b>	<b>(\$1,304,738)</b>	<b>(\$3,648,293)</b>	<b>(\$6,164,382)</b>	<b>(\$7,206,465)</b>	<b>(\$8,321,557)</b>
Beginning Cash Balance	\$2,632,494	\$1,327,756	(\$2,320,537)	(\$8,484,919)	(\$15,691,384)
<b>Ending Cash Balance</b>	<b>\$1,327,756</b>	<b>(\$2,320,537)</b>	<b>(\$8,484,919)</b>	<b>(\$15,691,384)</b>	<b>(\$24,012,941)</b>
Outstanding Encumbrances	\$318,528	\$318,528	\$318,528	\$318,528	\$318,528
Cumulative Balance of Replacement/Renewal Levies		\$1,398,323	\$4,194,969	\$6,911,615	\$9,788,261
<b>Ending Fund Balance</b>	<b>\$1,009,228</b>	<b>(\$1,240,742)</b>	<b>(\$4,608,478)</b>	<b>(\$9,018,297)</b>	<b>(\$14,543,208)</b>

Source: FLSD and ODE

As shown in **Table 4**, the District's October 2018 five-year forecast projects a deficit of \$1.2 million in FY 2019-20. This deficit condition is a direct result of increasing expenditures and declining revenues, depleting cash balances over the forecast period. Left unaddressed, these conditions are projected to result in a cumulative deficit of over \$14.5 million by FY 2022-23.

Revenue is not directly controlled by school districts, but instead by federal and State laws, and support from local residents. ODE uses the Local Tax Effort Index to compare means-adjusted taxpayer support between school districts in Ohio. This index reflects the extent of effort the residents of a school district make in supporting public elementary and secondary education in relation to their ability to pay. A local tax effort of 1.0 represents the State-wide average of all school districts. **Table 5** shows the District's local tax effort in comparison to both the primary peers and local peers. This is important for demonstrating the degree to which FLSD's operation is supported by local revenue relative to similar districts.

**Table 5: Local Tax Effort Comparison**

	District Local Tax Effort Index FY 2017-18
<b>Field LSD</b>	<b>0.7523</b>
<b>Primary Peers</b>	
Bath Local SD (Allen County)	0.7815
Brookville Local SD (Montgomery County)	0.9668
Girard City SD (Trumbull County)	0.7995
Jonathan Alder Local SD (Madison County)	1.1390
Lakeview Local SD (Trumbull County)	0.7475
Lexington Local SD (Richland County)	0.9398
Northwest Local SD (Stark County)	1.0814
Ottawa-Glandorf Local SD (Putnam County)	0.8461
Ross Local SD (Butler County)	0.7844
Wayne Local SD (Warren County)	0.9555
<b>Primary Peer Average</b>	<b>0.9042</b>
<b>Difference</b>	<b>(0.1519)</b>
<b>% Difference</b>	<b>(16.8%)</b>
<b>Local Peers</b>	
Kent City SD (Portage County)	1.5511
Lake Local SD (Stark County)	0.7570
Mogadore Local SD (Summit County)	1.1663
Ravenna City SD (Portage County)	0.9862
Rootstown Local SD (Portage County)	0.8787
Springfield Local SD (Summit County)	0.9903
Stow-Munroe Falls City SD (Summit County)	0.7646
Tallmadge City SD (Summit County)	0.8879
Waterloo Local SD (Portage County)	0.8909
<b>Local Peer Average</b>	<b>0.9859</b>
<b>Difference</b>	<b>(0.2336)</b>
<b>% Difference</b>	<b>(23.7%)</b>

Source: ODE

As shown in **Table 5**, the District's FY 2017-18 local tax effort of 0.7523 was below the primary peer average of 0.9042, signifying that it receives 16.8 percent less means-adjusted local taxpayer support than the primary peers. In comparison to the local peers, the District's means adjusted local taxpayer support is 23.7 percent less than the local peer average of 0.9859.

**Table 6** shows the District's last five years of levy history from November 2013 through November 2018. This information assists in determining the availability of additional local resources over time and can provide insight as to the District's Local Tax Effort.



**Table 6: Levy History**

<b>Year - Month</b>	<b>Millage</b>	<b>Type of Levy</b>	<b>Result</b>
2013 – August	5.5	4.0 Operating / 1.5 Permanent Improvement - Additional	Fail
2013 - November	5.5	4.0 Operating / 1.5 Permanent Improvement - Additional	Fail
2014 - May	7.5	6.5 Operating / 1.0 Permanent Improvement - Additional	Fail
2014 - November	7.3	Renewal - Operating	Pass
2014 - November	1.0	Permanent Improvement - Additional	Fail
2016 - November	6.5	Operating - Additional	Fail
2016 - November	1.0	Permanent Improvement - Additional	Fail
2017 - May	8.3	Operating - Additional	Fail
2017 - November	8.3	Operating - Additional	Fail
2018 – May	10.85	9.85 Operating / 1.0 Permanent Improvement - Additional	Fail
2018 - November	10.85	9.85 Operating / 1.0 Permanent Improvement - Additional	Fail
<b>2019 - May</b>	<b>11.75</b>	<b>10.75 Operating / 1.0 Permanent Improvement - Additional</b>	<b>TBD</b>
<b>2019 - May</b>	<b>7.3</b>	<b>Renewal Operating</b>	<b>TBD</b>

Source: Portage County Board of Elections

As shown in **Table 6**, the District has been unable to attain passage of any additional local revenue since August 2013. In fact, the last new levy that was passed by voters occurred in 1991. In May 2019, FLSD has a 10.75 mill current expense levy, a 1.0 mill permanent improvement levy, and a 7.3 mill renewal levy on the ballot.

Eliminating future deficits can be accomplished by decreasing expenditures, increasing revenue, or a combination of both. Management control over operating decisions can directly affect expenditures. Consequently, the District's management, operations, and resulting expenses were examined by OPT in an effort to identify areas of potential cost savings. If the District's revenue increases, it may be able to address projected deficits without making significant reductions to operations.

# Recommendations

## R.1 Eliminate 1.0 FTE building administrator position

Building administrators are responsible for administering operations and supervising all students and teachers in their respective buildings. FLSD employs 7.0 FTE building administrators which includes one principal in each of the District's four school buildings, one assistant principal in the high school and middle school buildings, and one assistant principal shared between the two elementary schools. **Table 7** shows the District's FY 2018-19 building administrators per 1,000 students compared to the FY 2017-18 primary peer average. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

**Table 7: Building Administrator Staff Comparison**

Students and Buildings	FLSD		Primary Peer Avg.	Difference	
Students Educated <sup>1</sup>	1,895		1,844	51	
Students Educated (thousands)	1.895		1.844	0.051	
Position	FLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) <sup>2</sup>
Assistant Principal	3.00	1.58	0.65	0.93	1.76
Principal	4.00	2.11	2.01	0.10	0.19
<b>Total</b>	<b>7.00</b>	<b>3.69</b>	<b>2.66</b>	<b>1.03</b>	<b>1.95</b>

Source: FLSD and primary peers

<sup>1</sup> Reflects students receiving educational services from the District and excludes the percent of time students are receiving educational services outside of the District.

<sup>2</sup> Represents the number of FTEs that, when added or subtracted, would bring the District's number of FTEs per 1,000 students in line with the primary peer average.

As shown in **Table 7**, FLSD's building administrator staffing is higher than the primary peer average by 1.95 FTEs. This variance is primarily attributed to the assistant principal position. Specifically, only two primary peers employ assistant principals at the elementary level while the remaining eight operate with only a principal.

Eliminating 1.0 FTE building administrator position would result in a staffing ratio more closely aligned with the primary peer average per 1,000 students. While the comparison supports an elimination of 1.5 FTE in order to achieve a staffing level in line with the primary peer average, it is an uncommon practice in Ohio school districts to employ part-time principals or part-time assistant principals. However, if financial conditions require the District to identify additional cost saving measures that may bring staffing levels below the primary peer average, further reductions in the building administrator staff category may be an area to consider as the reduction of 1.0 FTE would still result in a staffing level exceeding the primary peer average by 0.95 FTE per 1,000 students.

**Financial Implication:** Eliminating 1.0 FTE building administrator position could save an average of **\$118,300** in salaries and benefits in each year of implementation over the forecasted period.<sup>2</sup> The value of each FTE is calculated using actual salaries and benefits and projected increases of the lowest paid building administrator position. Estimated savings could increase if the reduction occurs through retirement or voluntary separation of more-tenured staff.

**R.2 Eliminate 7.0 FTE general education teacher positions**

*During the course of the performance audit, the Board approved a reduction-in-force of 13.62 FTE general education teacher positions if the May 2019 levy ballot initiative fails.*

General education teachers instruct students in a regular classroom environment. OAC 3301-35-05 requires the District-wide ratio of general education teachers to students be at least 1.0 FTE classroom teacher for every 25 regular students.<sup>3</sup> The District employs 90.50 FTE general education teachers. This category excludes teaching staffing in other areas such as gifted, special education, art, music, and physical education.

**Table 8** shows FLSD’s FY 2018-19 general education teachers per 1,000 students compared to the primary peer average for FY 2017-18. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

**Table 8: General Education Teacher Staff Comparison**

Students and Buildings	FLSD		Primary Peer Avg.	Difference	
Students Educated <sup>1</sup>	1,895		1,844	51	
Students Educated (thousands)	1.895		1.844	0.051	
Position	FLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) <sup>2</sup>
General Education	90.50	47.76	43.85	3.91	7.41

Source: FLSD and primary peers

<sup>1</sup> Reflects students receiving educational services from the District and excludes the percent of time students are receiving educational services outside of the District.

<sup>2</sup> Represents the number of FTEs that, when added or subtracted, would bring the District’s number of FTEs per 1,000 students in line with the primary peer average.

<sup>2</sup> The value of the savings from this recommendation is projected to increase 5.8 percent annually for FY 2019-20 through FY 2022-23 to account for projected increases in salaries and benefits. Annual increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, vision, life insurance, Medicare, retirement, retirement pick-up, and workers’ compensation.

<sup>3</sup> In FY 2018-19, FLSD’s regular student population was 1,710.47 with a total of 90.50 FTE general education teachers. This resulted in a District-wide ratio of 18.90 students per general education teacher. If the District were to operate at the State minimum ratio of 25:1, it would need a total of 68.42 FTEs, 22.00 less than are currently employed.

As shown in **Table 8**, FLSD’s general education teacher staffing is higher than the primary peer average by 7.41 FTEs. The District would need to eliminate 7.0 FTE general education teacher positions to be in line with the primary peer average per 1,000 students.

**Financial Implication:** Eliminating 7.0 FTE general education teacher positions could save an average of **\$432,100** in salaries and benefits in each year of implementation over the forecasted period.<sup>4</sup> The value of each FTE is calculated using actual salaries and benefits and projected increases of the least tenured teaching positions. Estimated savings could increase if the reduction occurs through retirement or voluntary separation of more-tenured staff.

**R.3 Eliminate 0.5 FTE psychologist position**

School districts in Ohio may provide psychological services for its students in-house or they may contract out psychological services to other entities, such as an Educational Service Center (ESC). FLSD provides its psychological services in-house, employing 2.0 FTE psychologist positions. Likewise, five of the primary peers provide psychological services in-house<sup>5</sup>, while the remaining five primary peers contract out psychological services to an ESC.<sup>6</sup>

**Table 9** shows FLSD’s FY 2018-19 psychologist staff per 1,000 students compared to the primary peer average for FY 2017-18.<sup>7</sup> Comparing psychologist staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

**Table 9: Psychologist Staff Comparison**

Students and Buildings	FLSD		Primary Peer Avg. <sup>1</sup>	Difference	
Students Educated <sup>2</sup>	1,895		1,799	96	
Students Educated (thousands)	1.895		1.799	0.096	
Position	FLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) <sup>3</sup>
Psychologist	2.0	1.06	0.75	0.31	0.59

Source: FLSD and primary peers

<sup>1</sup> Note: Only primary peers that provide psychological services in-house were included in this analysis.

<sup>2</sup> Reflects students receiving educational services from the District and excludes the percent of time students are receiving educational services outside of the District.

<sup>3</sup> Represents the number of FTEs that, when added or subtracted, would bring the District’s number of FTEs per 1,000 students in line with the primary peer average.

<sup>4</sup> The value of the savings from this recommendation is projected to increase 6.6 percent annually for FY 2019-20 through FY 2022-23 to account for projected increases in salaries and benefits. Annual increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, vision, life insurance, retirement, Medicare, and workers’ compensation.

<sup>5</sup> The primary peers that provide psychological services in-house are Brookville LSD, Girard CSD, Lakeview LSD, Lexington LSD, and Northwest LSD.

<sup>6</sup> The primary peers that contract out psychological services are Bath LSD, Jonathan Alder LSD, Ottawa-Glandorf LSD, Ross LSD, and Wayne LSD.

<sup>7</sup> Only primary peers that provided psychological services in-house were included in the analysis.

As shown in **Table 9**, FLSD's psychologist staffing is 0.59 FTE higher than the primary peer average for peers providing psychological services in-house. The District would need to eliminate 0.5 FTE psychologist positions in order to achieve a staffing ratio in line with the primary peer average per 1,000 students.

Additionally, Summit ESC offers school psychological services to its members, and rates vary depending on various factors including the scope of the work, and type of services needed. FLSD may be able to increase savings if these services are obtained at a lower cost through another measure, such as an ESC.

Financial Implication: Eliminating 0.5 FTE psychologist position could save an average of **\$59,100** in salaries and benefits in each year of implementation over the forecasted period.<sup>8</sup> The value of each FTE is calculated using actual salaries and benefits and projected increases of the least tenured psychologist.

#### **R.4 Eliminate 2.5 central office support positions**

*During the course of the performance audit, the Board approved a reduction-in-force of 1.00 FTE athletic secretary if the May 2019 levy ballot initiative fails.*

FLSD employs 7.0 FTE central office support staff positions including the Assistant to the Treasurer (1.00 FTE), the EMIS Coordinator (1.00 FTE), the Payroll Coordinator (1.00 FTE), the Accounts Payable Coordinator (1.00 FTE), and 3.00 FTE secretaries. **Table 10** shows FLSD's FY 2018-19 central office support staff per 1,000 students compared to the primary peer average for FY 2017-18. Comparing central office support staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

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<sup>8</sup> The value of the savings from this recommendation is projected to increase 7.7 percent annually for FY 2019-20 through FY 2022-23 to account for projected increases in salaries and benefits. Annual increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, vision, life insurance, retirement, Medicare, and workers' compensation.

**Table 10: Central Office Support Staff Comparison**

Students and Buildings	FLSD		Primary Peer Avg.	Difference	
Students Educated <sup>1</sup>	1,895		1,844	51	
Students Educated (thousands)	1.895		1.844	0.051	
Position	FLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) <sup>2</sup>
Administrative Assistant	1.00	0.53	0.05	0.48	0.91
Bookkeeping	0.00	0.00	0.43	(0.43)	(0.81)
Central Office Clerical	6.00	3.17	1.74	1.43	2.71
Other Office/Clerical	0.00	0.00	0.05	(0.05)	(0.09)
<b>Total</b>	<b>7.00</b>	<b>3.70</b>	<b>2.27</b>	<b>1.43</b>	<b>2.71</b>

Source: FLSD and primary peers

<sup>1</sup> Reflects students receiving educational services from the District and excludes the percent of time students are receiving educational services outside of the District.

<sup>2</sup> Represents the number of FTEs that, when added or subtracted, would bring the District’s number of FTEs per 1,000 students in line with the primary peer average.

As shown in **Table 10**, FLSD’s central office support staff is 2.71 FTE higher than the primary peer average. The District would need to eliminate 2.5 FTE central office staff positions in order to achieve a staffing ratio in line with the primary peer average per 1,000 students.

**Financial Implication:** Eliminating 2.5 FTE central office support staff positions could save an average of **\$229,400** in salaries and benefits in each year of implementation over the forecasted period.<sup>9</sup> The value of each FTE is calculated using actual salaries and benefits and projected increases of the least tenured central office support positions. Estimated savings could increase if the reduction occurs through retirement or voluntary separation of more-tenured staff.

**R.5 Eliminate 1.5 building office support positions**

*During the course of the performance audit, the Board approved the reduction-in-force of 0.63 FTE office secretaries if the May 2019 levy ballot initiative fails.*

FLSD employs 8.69 FTE building office support staff positions including 2.00 FTE building secretaries and 1.00 FTE guidance secretary at the high school, 2.00 FTE building secretaries at the middle school, and 3.69 FTE building secretaries within the two elementary buildings. **Table 11** shows FLSD’s FY 2018-19 building office support staff per 1,000 students compared to the primary peer average for FY 2017-18. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

<sup>9</sup> The value of the savings from this recommendation is projected to increase 5.3 percent annually for FY 2019-20 through FY 2022-23 to account for projected increases in salaries and benefits. Annual increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, vision, life insurance, Medicare, retirement, retirement pick-up, and workers’ compensation.

**Table 11: Building Office Support Staff Comparison**

Students and Buildings	FLSD		Primary Peer Avg.	Difference	
Students Educated <sup>1</sup>	1,895		1,844	51	
Students Educated (thousands)	1.895		1.844	0.051	
Position	FLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) <sup>2</sup>
School Building Clerical	8.69	4.59	3.55	1.04	1.97
Other Office/Clerical	0.00	0.00	0.03	(0.03)	(0.06)
<b>Total</b>	<b>8.69</b>	<b>4.59</b>	<b>3.58</b>	<b>1.01</b>	<b>1.91</b>

Source: FLSD and primary peers

<sup>1</sup> Reflects students receiving educational services from the District and excludes the percent of time students are receiving educational services outside of the District.

<sup>2</sup> Represents the number of FTEs that, when added or subtracted, would bring the District’s number of FTEs per 1,000 students in line with the primary peer average.

As shown in **Table 11**, FLSD’s building office support staff is 1.91 FTE higher than the primary peer average. The District would need to eliminate 1.5 FTE building office support positions in order to achieve a staffing ratio in line with the primary peer average per 1,000 students.

**Financial Implication:** Eliminating 1.5 FTE building office support staff positions could save an average of **\$61,700** in salaries and benefits in each year of implementation over the forecasted period.<sup>10</sup> The value of each FTE is calculated using actual salaries and benefits and projected increases of the least tenured secretarial positions. Estimated savings could increase if the reduction occurs through retirement or voluntary separation of more-tenured staff.

**R.6 Eliminate 1.0 library staff position**

*During the course of the performance audit, the Board approved a reduction-in-force of 3.00 FTE library secretary positions if the May 2019 levy ballot initiative fails.*

FLSD employs 4.0 FTE library staff positions consisting of 1.00 FTE librarian and 3.00 FTE library secretaries. The library secretaries fill the role of the librarian when they are in another building. **Table 12** shows FLSD’s FY 2018-19 library staff per 1,000 students compared to the primary peer average for FY 2017-18. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

<sup>10</sup> The value of the savings from this recommendation is projected to increase 6.0 percent annually for FY 2019-20 through FY 2022-23 to account for projected increases in salaries and benefits. Annual increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, vision, life insurance, Medicare, retirement, retirement pick-up, and workers’ compensation.

**Table 12: Library Staff Comparison**

Students and Buildings	FLSD		Primary Peer Avg.	Difference	
Students Educated <sup>1</sup>	1,895		1,844	51	
Students Educated (thousands)	1.895		1.844	0.051	
Position	FLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) <sup>2</sup>
Librarian/Media	1.00	0.53	0.17	0.36	0.68
Library Aide	3.00	1.58	1.27	0.31	0.59
<b>Total</b>	<b>4.00</b>	<b>2.11</b>	<b>1.44</b>	<b>0.67</b>	<b>1.27</b>

Source: FLSD and primary peers

<sup>1</sup> Reflects students receiving educational services from the District and excludes the percent of time students are receiving educational services outside of the District.

<sup>2</sup> Represents the number of FTEs that, when added or subtracted, would bring the District’s number of FTEs per 1,000 students in line with the primary peer average.

As shown in **Table 12**, FLSD’s library staff is 1.27 FTEs higher than that primary peer average. The District would need to eliminate 1.0 FTE library staff position in order to achieve a staffing ratio in line with the primary peer average per 1,000 students.

**Financial Implication:** Eliminating 1.0 FTE library staff position could save an average of **\$41,100** in salaries and benefits in each year of implementation over the forecasted period.<sup>11</sup> The value of each FTE is calculated using actual salaries and benefits and projected increases of the least tenured secretarial positions. Estimated savings could increase if the reduction occurs through retirement or voluntary separation of more-tenured staff.

**R.7 Eliminate 6.5 FTE monitoring positions**

*During the course of the performance audit, the Board approved a reduction-in-force of 0.82 FTE playground aide position if the May 2019 levy ballot initiative fails.*

FLSD employs 8.42 FTE<sup>12</sup> monitoring positions that help to keep order on buses, playground, study halls, and cooperative learning rooms. **Table 13** shows FLSD’s FY 2018-19 monitoring staff per 1,000 students compared to the primary peer average for FY 2017-18. Comparing student support staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

<sup>11</sup> The value of the savings from this recommendation is projected to increase 6.0 percent annually for FY 2019-20 through FY 2022-23 to account for projected increases in salaries and benefits. Annual increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, vision, life insurance, Medicare, retirement, retirement pick-up, and workers’ compensation.

<sup>12</sup> FLSD’s 8.42 FTEs consist of two employees working 5.0 hours per day as bus assistants, five employees working 4.5 hours per day as playground monitors, one employee working 5.5 hours per day as a study hall monitor, and two employees working 4.1 hours per day as cooperative learning monitors.



**Table 13: Monitoring Staff Comparison**

Students	FLSD		Primary Peer Avg.	Difference	
Students Educated <sup>1</sup>	1,895		1,844	51	
Students Educated (Thousands)	1.895		1.844	0.051	
Position	FLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) <sup>2</sup>
Monitoring	8.42	4.44	0.84	3.60	6.82

Source: FLSD and primary peers

<sup>1</sup> Reflects students receiving educational services from the District and excludes the percent of time students that are receiving educational services outside of the District

<sup>2</sup> Represents the number of FTEs that, when added or subtracted, would bring the District’s number of FTEs per 1,000 students in line with the primary peer average.

As shown in **Table 13**, FLSD’s monitoring staff is 6.82 FTEs higher than the primary peer average. The District would need to eliminate 6.50 FTE monitoring positions in order to achieve a staffing ratio in line with the primary peer average per 1,000 students. A school district may cover monitoring functions in other ways instead of hiring dedicated monitoring staff. For example, while Ross LSD has one dedicated monitor, cafeteria and playground duty is normally covered by teachers and paraprofessionals.

Financial Implication: Eliminating 6.5 FTE monitoring positions could save an average of **\$107,200** in salaries and benefits in each year of implementation over the forecasted period.<sup>13</sup> The value of each FTE is calculated using actual salaries and benefits and projected increases of the least tenured monitor positions. Estimated savings could increase if the reduction occurs through retirement or voluntary separation of more-tenured staff.

**R.8 Develop long-term strategic, capital, and financial plans linked to the budget**

Although FLSD’s administration often discusses operations, capital, and financial decisions at Board meetings, this routine discussion has not been used to develop formal plan documents. Specifically, the District does not have formal, long-term strategic, capital improvement, or financial plans. As a result, its annual budget is not directly linked to formal goals, objectives, and/or performance measures.

The Government Finance Officers Association (GFOA) provides guidance to governmental entities in the development and maintenance on effective long-term planning. *Establishment of Strategic Plans* (GFOA), (2005) defines strategic planning as “a comprehensive and systematic

<sup>13</sup> The value of the savings from this recommendation is projected to increase 4.6 percent annually for FY 2019-20 through FY 2022-23 to account for projected increases in salaries and benefits. Annual increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, vision, life insurance, Medicare, retirement, retirement pick-up, and workers’ compensation.

management tool designed to help organizations assess the current environment, anticipate and respond appropriately to changes in the environment, envision the future, increase effectiveness, develop commitment to the organization's mission, and achieve consensus on strategies and objectives for achieving that mission." Key steps in the strategic planning process include:

- Initiating the strategic planning process;
- Preparing a mission statement;
- Assessing and identifying environmental factors and critical issues;
- Agreeing upon and developing strategies for a small number of broad goals;
- Creating an action plan, including measurable objectives and performance measures;
- Obtaining approval of the plan; and
- Implementing, monitoring, and reassessing the plan.

*Long-Term Financial Planning* (GFOA, 2008) specifies that long-term financial planning should encompass the following elements:

- Planning at least five-to-ten years into the future;
- Considering all appropriated funds;
- Updating long-term planning activities as needed in order to provide direction to the budget process;
- Analyzing the financial environment, revenue and expenditure forecasts, debt position and affordability analysis, strategies for achieving and maintaining financial balance, and a plan for monitoring mechanisms, such as a scorecard of key indicators of financial health, and;
- Informing the public and elected officials about the long-term financial prospects of the government and strategies for financial balance.

Finally, *Multi-Year Capital Planning* (GFOA, 2006) recommends that public entities create and implement a multi-year capital plan as a component of their comprehensive strategic plan. An adequate capital plan should:

- Identify and prioritize expected needs based on the entity's strategic plan;
- Establish project scopes and costs;
- Detail estimated amounts of funding from various sources; and
- Project future operating and maintenance costs.

The District should concurrently develop a strategic plan and long-term financial plan. As part of its strategic plan, it should create a capital improvement plan for all capital assets and available funding sources. These plans should be linked to a formal budgeting process that involves key stakeholders. In doing so, the ability of the strategic plan to guide program and funding decisions will be enhanced. Without a goal and resource oriented strategic plan based on input from key financial, operational, and instructional participants, the District is at risk of not fully evaluating the relationship between its spending decisions and program outcomes. This, in turn, increases the risk of inefficiently and/or ineffectively addressing District needs.

## R.9 Renegotiate collective bargaining agreement provisions

The District has a collective bargaining agreement (CBA) with the Field Local Teachers Association (certificated CBA), effective through July 31, 2018. The certificated CBA was extended through FY 2018-19 as a result of the failed levy in November 2018. The District also has a CBA with the Ohio Association of Public School Employees (classified CBA), effective through June 30, 2019. An analysis of the current CBAs identified certain provisions that exceeded State minimum standards as set forth in the Ohio Revised Code (ORC), and/or provisions in the local peer district contracts.

- **Sick Leave Accumulation and Severance Payout:** Under the certificated and classified CBAs, FLSD employees are entitled to accumulate an unlimited amount of sick leave. ORC § 3319.141 details sick leave accumulation and specifies that unused sick leave shall be cumulative to 120 days. Providing accumulation in excess of State minimum levels represents the potential for increased liability when sick leave is paid out to retiring employees.

In addition, both CBAs entitle employees to severance payment for accumulated sick leave upon retirement. Specifically, FLSD's certificated employees are entitled to one day's pay for each four days of unused sick leave up to a maximum of 200 unused sick days and one day's pay for each six days of unused sick leave from 201 days up to 481 days, for a maximum amount of 96.83 days. Classified employees may accumulate a maximum of 320 sick days for the purpose of severance payout; a total of 25 percent of 200 days paid out upon retirement with a further 20 percent of days above 200 for a maximum of 74 days.

In comparison, the local peer sick leave payout average is a maximum of 77.92 days for certificated employees and 71 days for classified employees. ORC § 124.39 allows school employees at retirement to be paid for 25 percent of unused sick leave up to a maximum of 30 days. Allowing employees to receive payouts in excess of State minimums becomes costly at employee retirements. See **Table B-11** for the estimated liability of providing provisions over the ORC minimum.

- **Vacation Accrual:** Under the classified CBA, employees are entitled to annual vacation accrual, whereby they can earn 550 vacation days over the course of a 30 year career. This is higher than the local peer average of 541 days and exceeds the ORC § 3319.084 minimum of 460 days. Although direct savings from reducing the vacation schedule could not be quantified, providing employees with more vacation days could increase substitute and overtime costs. Reducing the number of vacation days available would serve to increase the number of available work hours at no additional cost to the District.

**R.10 Reduce employer cost of dental and vision insurance**

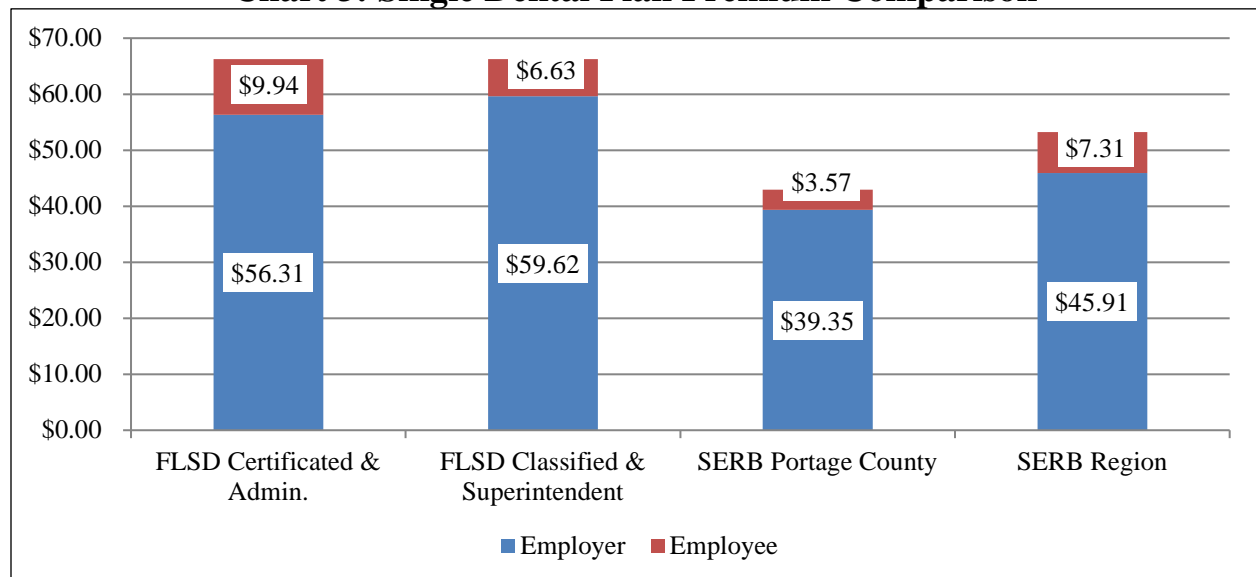
FLSD purchases medical, prescription drug, dental, and vision insurance through the Portage Area Schools Consortium which is a shared risk pool to carry out a cooperative program for the provisions and administration of health care benefits. As of June 30, 2017, there were 25 participating members. FLSD offers two dental and vision insurance plans to all employees, including single and family plans. The plans offered are the same for all employees, however, employee contribution rates for certificated employees and administration are 15 percent, while classified employees and the Superintendent contribute 10 percent.<sup>14</sup> The District’s medical and prescription drug employer costs were lower than the comparison group (see **Appendix B**) while dental and vision was higher.

**Dental Insurance**

As of November 2018, there were 24 certificated and administrative employees enrolled in the single dental plan, and 91 employees enrolled in the family plan. In addition, there were 2 classified<sup>15</sup> employees enrolled in the single dental plan, and 30 employees enrolled in the family plan.

SERB surveys public sector entities concerning medical, dental, and vision insurance costs and publishes this information annually in *The Cost of Health Insurance in Ohio’s Public Sector* (SERB, 2018). **Chart 3** and **Chart 4** shows FLSD’s certificated and classified staff single, and family plan monthly dental insurance premiums and contributions for FY 2018-19 compared to the SERB Portage County average and the SERB Akron/Canton region average.

**Chart 3: Single Dental Plan Premium Comparison**

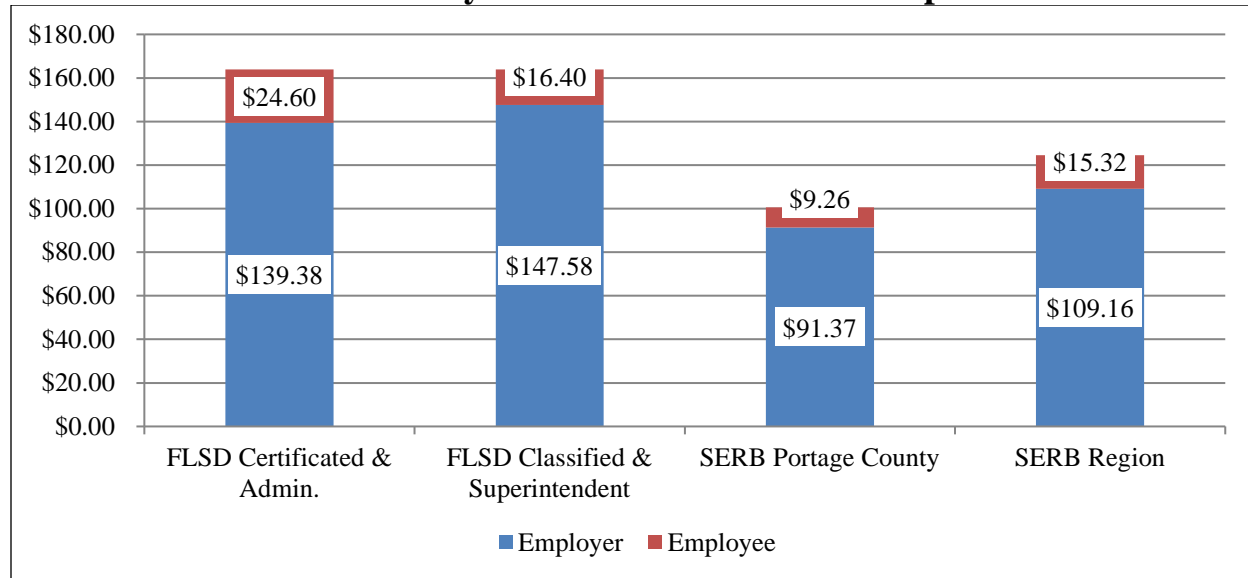


<sup>14</sup> Classified employees are eligible for hospitalization, major medical, life, dental, vision, and prescription drug insurance who are employed 30 hours or more per week, and contribute 10 percent of premiums as indicated in the classified CBA which expires June 30, 2019.

<sup>15</sup> The Superintendent’s contributions are the same as classified employees.

Source: FLSD and SERB  
 Note: SERB region is Akron/Canton

**Chart 4: Family Dental Plan Premium Comparison**



Source: FLSD and SERB  
 Note: SERB region is Akron/Canton

As shown in **Chart 3** and **Chart 4**, FLSD’s employer cost for dental insurance was higher than the Portage County average and the SERB region average for both single and family plan types. While FLSD’s certificated and administration employees contribute 15 percent of the premium, classified employees and the Superintendent contribute 10 percent. In comparison, the SERB County average and SERB region average employee contributions for a single plan are 8.3 percent and 13.7 percent respectively, and family plan contributions are 9.2 percent and 12.3 percent respectively.

**Table 14** and **Table 15** show FLSD’s employer cost of dental insurance for FY 2018-19 compared to the Portage County average and the SERB region average for the single and family plan types. Focusing on the District’s employer cost of dental insurance provides context for the potential savings available through bringing employer cost in line with SERB.

**Table 14: Certificated & Administrative Dental Insurance Premium Comparison**

FLSD Employees Enrolled by Plan Type			
Single			24
Family			91
Plan Type	FLSD Annual Employer Costs	Portage County Avg. Annual Employer Cost	SERB Region Avg. Annual Employer Cost
Single	\$675.72	\$472.25	\$550.97
Family	\$1,672.56	\$1,096.40	\$1,309.97
Single Plan Annual Difference per Employee		\$203.47	\$124.75
Family Plan Annual Difference per Employee		\$576.16	\$362.59
Single Plan Annual Total Cost Savings		\$4,883.28	\$2,994.00
Family Plan Annual Total Cost Savings		\$52,430.56	\$32,995.69
<b>Total Annual Dental Insurance Cost Savings</b>		<b>\$57,313.84</b>	<b>\$35,989.69</b>

Source: FLSD and SERB

Note: SERB region is Akron/Canton

**Table 15: Classified & Superintendent Dental Insurance Premium Comparison**

FLSD Employees Enrolled by Plan Type			
Single			2
Family			30
Plan Type	FLSD Annual Employer Costs	Portage County Avg. Annual Employer Cost	SERB Region Avg. Annual Employer Cost
Single	\$715.44	\$472.25	\$550.97
Family	\$1,770.96	\$1,096.40	\$1,309.97
Single Plan Annual Difference per Employee		\$243.190	\$164.47
Family Plan Annual Difference per Employee		\$674.56	\$460.99
Single Plan Annual Total Cost Savings		\$486.38	\$328.94
Family Plan Annual Total Cost Savings		\$20,236.80	\$13,829.70
<b>Total Annual Dental Insurance Cost Savings</b>		<b>\$20,723.18</b>	<b>\$14,158.64</b>

Source: FLSD and SERB

Note: SERB region is Akron/Canton

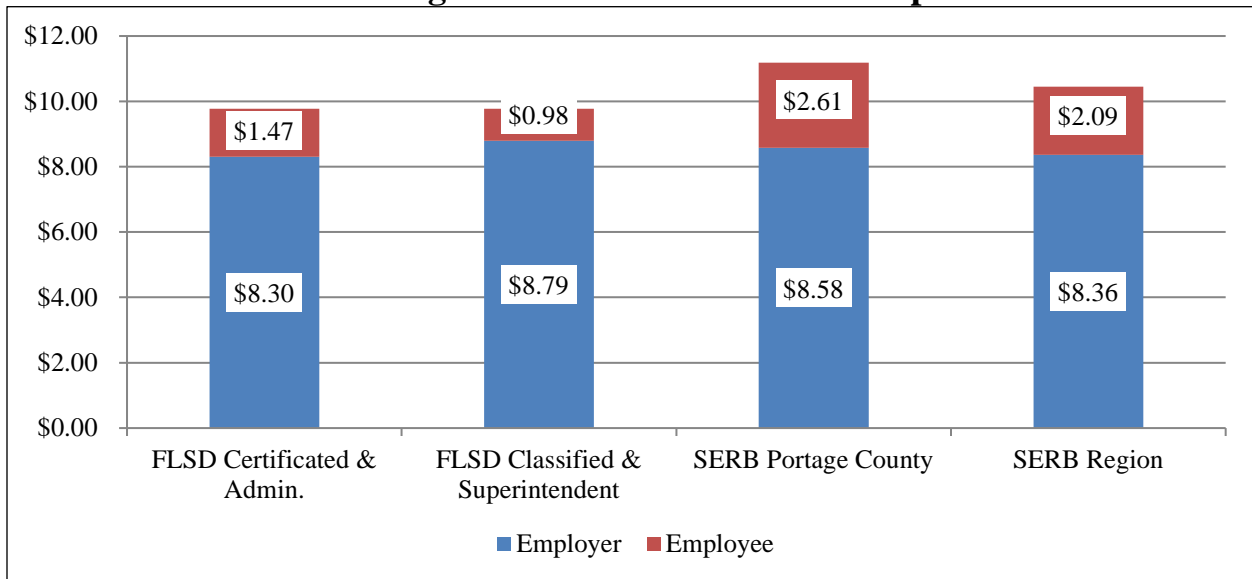
As shown in **Table 14** and **Table 15**, FLSD's annual employer cost of dental insurance for all single and family plans is higher than the Portage County and region average. In total, bringing the District's employer cost in line with the Portage County average could result in a cost savings of \$57,300 annually for certificated and administrative employees, and \$20,700 annually for classified employees and the Superintendent, while bringing employer cost in line with the region average could result in a cost savings of \$35,900, and \$14,100 annually, respectively.

**Vision Insurance**

As of November 2018, there were 26 certificated and administrative employees enrolled in the single vision plan, and 90 employees enrolled in the family plan. In addition, there were 2 classified and Superintendent employees enrolled in the single vision plan, and 30 employees enrolled in the family plan.

**Chart 5** and **Chart 6** shows FLSD’s certificated and classified staff single, and family plan monthly vision insurance premiums and contributions for FY 2018-19 compared to the SERB Portage County average and the SERB Akron/Canton region average.

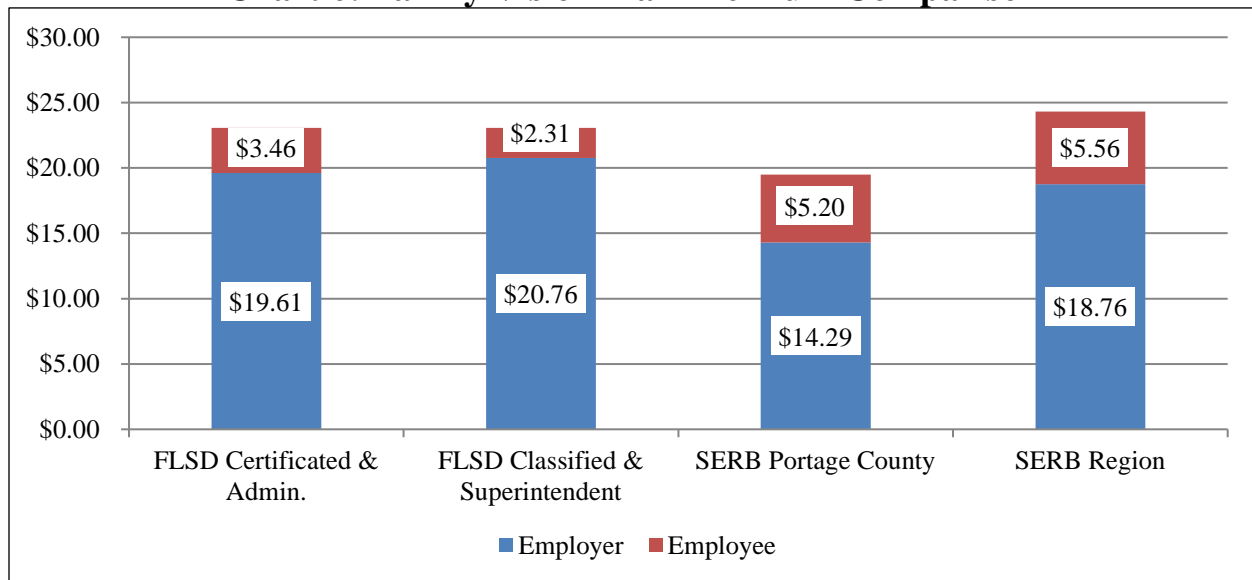
**Chart 5: Single Vision Plan Premium Comparison**



Source: FLSD and SERB

Note: SERB region is Akron/Canton

**Chart 6: Family Vision Plan Premium Comparison**



Source: FLSD and SERB

Note: SERB region is Akron/Canton

As shown in **Chart 5** and **Chart 6**, with the exception the employer cost for certificated and administrative single plans, FLSD’s cost for vision insurance was higher than the Portage County average and the SERB region average. While FLSD’s certificated and administration employees contribute 15 percent of the premium, classified employees and the Superintendent contribute 10 percent. In comparison, the SERB County average and SERB region average employee contributions for a single plan are 23.3 percent and 20.0 percent respectively, and family plan contributions are 26.7 percent and 22.9 percent respectively.

**Table 16** and **Table 17** show FLSD’s employer cost of vision insurance for FY 2018-19 compared to the Portage County average and the SERB region average for the single and family plan types. Focusing on the District’s employer cost of vision insurance provides context for the potential savings available through bringing employer cost in line with SERB.



**Table 16: Certified & Administrative Vision Insurance Premium Comparison**

FLSD Employees Enrolled by Plan Type			
Single			26
Family			90
Plan Type	FLSD Annual Employer Costs	Portage County Avg. Annual Employer Cost	SERB Region Avg. Annual Employer Cost
Single	\$99.60	\$102.92	\$100.34
Family	\$235.32	\$171.46	\$225.14
Single Plan Annual Difference per Employee		(\$3.32)	(\$0.74)
Family Plan Annual Difference per Employee		\$63.86	\$10.18
Single Plan Annual Total Cost Savings			
Family Plan Annual Total Cost Savings		\$5,747.40	\$916.20
<b>Total Annual Vision Insurance Cost Savings</b>		<b>\$5,747.40</b>	<b>\$916.20</b>

Source: FLSD and SERB

Note: SERB region is Akron/Canton

**Table 17: Classified & Superintendent Vision Insurance Premium Comparison**

FLSD Employees Enrolled by Plan Type			
Single			2
Family			30
Plan Type	FLSD Annual Employer Costs	Portage County Avg. Annual Employer Cost	SERB Region Avg. Annual Employer Cost
Single	\$105.48	\$102.92	\$100.34
Family	\$249.12	\$171.46	\$225.14
Single Plan Annual Difference per Employee		\$2.56	\$5.14
Family Plan Annual Difference per Employee		\$77.66	\$23.98
Single Plan Annual Total Cost Savings		\$5.12	\$10.28
Family Plan Annual Total Cost Savings		\$2,329.80	\$719.40
<b>Total Annual Vision Insurance Cost Savings</b>		<b>\$2,334.92</b>	<b>\$729.68</b>

Source: FLSD and SERB

Note: SERB region is Akron/Canton

As shown in **Table 16** and **Table 17**, FLSD's annual employer cost of vision insurance for certificated and administrative employees enrolled in the family plan, and both the single and family plans for classified employees and the Superintendent are higher than the Portage County and region average. In total, bringing the District's employer cost in line with the Portage County average would result in a cost savings of \$5,700 annually for certificated and administrative employees, and \$2,300 annually for classified employees and the Superintendent, while bringing employer cost in line with the region average could result in a cost savings of \$900, and \$700 annually, respectively.

**Financial Implication:** Bringing the employer cost of dental and vision insurance in line with the Portage County average could save the District an average of \$112,500 in each year of implementation over the forecasted period.<sup>16</sup>

### R.11 Sell, donate, or repurpose the vacant Central Elementary building

The District educates students in four school buildings, Brimfield and Suffield elementary schools which house kindergarten through fifth grade, Field middle school which houses sixth through eighth grade and Field high school which houses grades 9 through 12. Additionally, the District has a fifth school building, Central Elementary School, which is not used to educate students and instead used for storage.

**Table 18** shows a student enrollment projection for FLSD, using three years of historical enrollment by grade level (FY 2016-17 through FY 2018-19) to project FY 2019-20 through FY 2023-24 enrollment.<sup>17</sup> Enrollment trends are significant to building operations, as declining enrollments could signify the eventual need for fewer buildings.

**Table 18: Student Enrollment Projections**

Grade	Historical Enrollment			Projected Enrollment				
	2016-17	2017-18	2018-19	2019-20	2020-21	2021-22	2022-23	2023-24
<b>K</b>	146	141	134	118	107	97	86	75
<b>1</b>	148	141	146	131	115	104	95	84
<b>2</b>	164	154	147	146	131	115	104	95
<b>3</b>	171	163	161	142	141	127	111	101
<b>4</b>	176	166	173	169	149	148	133	116
<b>5</b>	168	173	176	184	180	159	158	142
<b>6</b>	181	147	153	173	181	177	156	155
<b>7</b>	171	167	157	156	176	184	180	159
<b>8</b>	159	162	167	156	155	175	183	179
<b>9</b>	149	134	154	153	143	142	160	168
<b>10</b>	145	143	135	153	152	142	141	159
<b>11</b>	111	100	107	100	113	113	105	104
<b>12</b>	124	109	98	101	95	107	107	100
<b>Total:</b>	<b>2,013</b>	<b>1,900</b>	<b>1,908</b>	<b>1,882</b>	<b>1,838</b>	<b>1,792</b>	<b>1,719</b>	<b>1,637</b>

Source: FLSD and ODE

As shown in **Table 18**, the District experienced a decline in enrollment from FY 2016-17 to FY 2017-18, and a slight increase from FY 2017-18 to FY 2018-19. This trend is expected to continue, as the projection shows an expected annual decline for FY 2019-20 through FY 2023-24. Because of this expected trend, the District should consider the necessity of having an additional school building.

<sup>16</sup> The District predicts an 11.0 percent increase in insurance costs annually. As such, the cost savings applied to the five-year forecast are also inflated by 11.0 percent annually to be consistent.

<sup>17</sup> A trend analysis is used to project kindergarten enrollment. The cohort survival method, using linear regression, is used to project all other grades. There are many other factors, however, that could impact actual enrollment such as housing starts; planned annexations; open enrollment; charter schools; vouchers; and digital academies.

In aiming to reduce or completely eliminate the annual expenditures associated with the vacant Central Elementary building, the District has the following primary options:

- **Sell or donate the building.** This would likely represent the most financially beneficial outcome for the District in the short-term as it would eliminate all operating expenditures as well as any expenditures for future repairs. If the District were successful in selling the building, it could also achieve a one-time revenue enhancement resulting from the sale. It is important to note that, barring any circumstances that could supersede the provisions as set forth in ORC § 3313.41, the District would be obligated to first offer the building for lease or sale to any community school, board of trustees of any college-preparatory boarding schools, or the governing bodies of any STEM schools, that are located within the territory of the District.<sup>18</sup>
- **Retain ownership of the building and repurpose it for public use.** In FY 2017-18, the Delaware City School District (Delaware County) opted to repurpose a portion of its Willis Education Center for public and non-profit leasing. In addition to housing the District's administrative office and select student programming, the building's meeting facilities, auditorium, gymnasium, and full cafeteria serve as a community resource. According to Delaware CSD, leading revenue covered approximately 25 percent of the building's operating costs in FY 2017-18. This option could be cost-effective for FLSD if it were successful in generating enough lease revenue to cover the building's annual operating expenditures.
- **Close the building.** Table 19 shows annual savings achievable based upon the closure of Central Elementary School. Total savings from direct closure is typically inclusive of component savings for decreased utilities and maintenance expenditures, and elimination of supplies and materials. However, as the building is already operating with decreased utilities, savings will be achieved only from reduced maintenance and repairs, garbage removal and cleaning services, supplies and materials, and other property services.

**Table 19: Annual Savings from Building Closure**

<b>Central Elementary</b>	
Maintenance and repair services <sup>1</sup>	\$6,494
Garbage removal and cleaning services	\$725
Supplies and Materials	\$3,600
Other property services <sup>2</sup>	\$1,329
<b>Total Savings <sup>3</sup></b>	<b>\$12,148</b>

Source: FLSD and the National Clearinghouse for Education Facilities (NCEF)

Note: Savings for maintenance are based on the estimate that 10.0 percent, of normal expenditures, are needed to maintain a closed school building as published in *Closing a School Building: A Systematic Approach* (NCEF, 2010).

<sup>1</sup> Includes purchased professional and technical services.

<sup>2</sup> Includes security services.

<sup>3</sup> Savings based on three year average of expenditures.

As shown in **Table 19**, savings from closing the Central Elementary School building would be largely based on maintenance and repairs and supplies and materials necessary

<sup>18</sup> ORC § 3313.411 details the right of first refusal requirements pertaining to the lease or sale of unused school facilities.

to maintain a building with additional savings from garbage removal and other property services.

**Financial Implication:** Closing the Central Elementary School building could save the District approximately **\$12,100** annually.

## R.12 Complete T-1 Forms as prescribed by ODE

In accordance with ORC § 3327.012 and OAC 3301-83-01, school districts in Ohio are required to submit annual T-1 and T-2 Forms to ODE. School districts are required to complete the T-1 Form by recording the average number of pupils enrolled and regularly transported to school as well as the average daily miles traveled for pupil transportation, excluding non-routine and extracurricular miles, during the first full week of October, this is known as the October count week. This data certifies the actual number and type of pupils transported, daily miles traveled, and buses used in the transportation program. This data is used for the calculation of the pupil transportation payment, on a per mile or per student basis, whichever is greater, pursuant to ORC § 3327.012. ODE provides detailed instructions for completing the T-1 Form. In particular, it provides guidelines detailing how a district should properly code its students, mileage, and buses. Cost data is reported via the T-2 Form, which serves to certify the actual expenses incurred in the transportation of eligible pupils reported on the corresponding T-1 Form.

It is important to note that the Operations Director, who oversaw the October 2018 count week, resigned shortly thereafter, and this vacancy was filled prior to the November 1<sup>st</sup> reporting deadline. The District's FY 2018-19 T-1 Report, which was submitted prior to the November 1<sup>st</sup> deadline, and bus driver count sheets were reviewed for consistency and accuracy with ODE's instructions. **Table 20** shows the degree of variation between this count data and the information reported on the District's FY 2018-19 T-1 Report. This comparison is important in determining whether the District is compliant in reporting to ODE an accurate count of mileage and riders on its T-1 Form.

**Table 20: T-1 Form Reporting Variation FY 2018-19**

Category	Reported Amount
T-1 Form Mileage Total	1,211
Driver Count Sheet Mileage Total	1,176
<b>Difference</b>	<b>35</b>
<b>% Difference</b>	<b>3.0%</b>
T-1 Form Student Rider Total	999
Driver Count Sheet Student Rider Total	957
<b>Difference</b>	<b>42</b>
<b>% Difference</b>	<b>4.4%</b>

Source: FLSD and ODE

As shown in **Table 20**, the District's T-1 Form over-reported miles and riders when compared to the actual bus driver count sheets. The difference in mileage was the result of errors in reporting odometer readings on the driver count sheets. The difference in ridership was due to the District's failure to follow ODE's instructions for completing the T-1 Form. ODE requires that

districts report riders on their first conveyance to school. Field LSD counted riders in both the morning and afternoon and reported the higher ridership.

Additionally, ODE's instructions state that districts are able to submit any changes using an amended T-1 Report prior to February 1<sup>st</sup> of the current school year. During the course of the performance audit, the District resubmitted rider and mileage data to ODE prior to the February 1<sup>st</sup> deadline. **Table 21** shows the updated T-1 Report compared to the bus driver count sheets. This comparison is important in determining whether the District's updated data is accurate in regards to the count of mileage and riders on its T-1 Form.

**Table 21: Revised T-1 Form Reporting Variation FY 2018-19**

Category	Reported Amount
T-1 Form Mileage Total	1,140
Driver Count Sheet Mileage Total	1,176
<b>Difference</b>	<b>(36)</b>
<b>% Difference</b>	<b>(3.1%)</b>
T-1 Form Student Rider Total	959
Driver Count Sheet Student Rider Total	957
<b>Difference</b>	<b>2</b>
<b>% Difference</b>	<b>0.2%</b>

Source: FLSD and ODE

As shown in **Table 21**, the District's updated T-1 Report showed a variance of 36 miles from the driver count sheets, however, the District's updated T-1 Report does reflect accurate mileage, as the driver count sheets included minor errors in odometer readings. The District was able to determine accurate mileage and riders were calculated on their first conveyance to school. As a result the updated T-1 Report was submitted in accordance with the ODE instructions.

Although the District did make corrections to its T-1 Report and resubmitted the data to ODE in accordance with the instructions, it should develop formal internal policies and procedures for acquiring and compiling T-Form data to ensure it is reported correctly prior to November 1. Developing and implementing formal procedures would help ensure that the District is following the T-1 instructions as prescribed by ODE and reduce the risk of impacting transportation funding.

### **R.13 Right-size the active bus fleet**

FLSD is operating with a total of 16 active buses and 11 spare buses for FY 2018-19. In total, the District reported transporting 959 total riders, of which 942 were resident students and 17 were non-public. The District's practice is to transport all middle and elementary school riders more than one mile from their assigned schools. ORC § 3327.01 establishes state-minimum transportation requirements, including an obligation to transport all resident K-8 students living two or more miles from their assigned schools and the obligation to transport all non-public riders to their destination locations as long as the destination location is within a 30 minute drive of the otherwise assigned resident school.

For FY 2018-19, the District organizes its regular, resident-student routes into two tiers:

- **Tier I** – Includes 392 peak middle school riders and 13 routes; and
- **Tier II** – Includes 584 peak elementary school riders and 13 routes.<sup>19</sup>

*Hidden Savings in Your Bus Budget* (American Association of School Administrators, 2017), provides a number of cost saving ideas to increase transportation efficiency. One such opportunity is to assess how many children are transported on each bus. The article states that an “effective pupil-to-bus ratio should average at least 100 pupils on a double-route, two-tier bus system. Actual capacity use must be measured with 80 percent of rated capacity as a goal.”

When evaluating opportunities for improved efficiency, without significant changes to tiers, start times, and bell schedules, it is important to evaluate if all routes that are underutilized are reasonably able to be improved. This can be difficult or even impossible for routes that are special purpose, such as special needs transportation.<sup>20</sup> Routes that already involve a lengthy ride time may also present a challenge as there may be few opportunities to add significant ridership without creating significantly longer ride times.

There is no state law or District policy that caps bus ride times. One potential method for identifying a relatively long ride time, however, is to use the current reported ride time data to identify an 80<sup>th</sup> percentile threshold, above which it is unlikely to add significant ridership without creating significantly longer ride times. For the District’s regular transportation routes, this methodology results in the exclusion of four total routes, one on Tier I and three on Tier II, which are reported to exceed 50 minutes.

**Table 22** shows a baseline overview of Tiers I and II, focusing on which has the highest baseline utilization. The purpose of this analysis is to identify opportunities for improved efficiency to bring all possible routes up to the goal of 80 percent of capacity being utilized, on average. Accordingly, the tier with the higher baseline utilization is an initial indicator of which tier is most likely to be a limiting factor when analyzing opportunities for efficiency in greater detail.

**Table 22: Baseline Utilization by Tier**

<b>Tier</b>	<b>Total Routes</b>	<b>Average Capacity<sup>1</sup></b>	<b>Total Capacity</b>	<b>Peak Riders</b>	<b>Baseline Utilization</b>
Tier I	13	49.5	644	392	60.9%
Tier II	13	74.3	966	584	60.5%

Source: FLSD and ODE

<sup>1</sup> Capacity is based on the manufacturer’s rated capacity for each bus and adjusted to account for a maximum three riders per seat at the elementary level (i.e., Tier II) and two riders per seat at the middle school level (i.e., Tier I). There are several buses that have a half seat and in all cases these seats are counted as one rider.

<sup>19</sup> This analysis uses peak riders, which is defined as the maximum riders per route that were observed during the count week. This is different than the average ridership required to be reported to ODE and is necessary to consider to ensure that a right-sized fleet will have a sufficient capacity to accommodate actual ridership fluctuations.

<sup>20</sup> Special needs transportation, defined as routes with more than 50 percent ridership categorized as special needs, are excluded from the scope of this analysis as changes to these routes may impact compliance with IDEA Part B maintenance of effort.

As shown in **Table 22**, Tier I has a baseline utilization of 60.9 percent while Tier II has a baseline utilization of 60.5 percent. As such, Tier I is necessary to review in detail first, as it may represent a more limiting efficiency opportunity.

**Table 23** shows a detailed review of Tier I routes after accounting for and excluding those routes that are currently meeting or exceeding the 80 percent utilization goal as well as those that are already at or longer than the 80th percentile threshold for reported route times. After these routes are excluded, the remaining routes are reviewed for additional efficiency opportunities with a sensitivity analysis showing the capacity and utilization rates resulting from an incremental reduction of routes within the tier.

**Table 23: Tier I Detailed Review**

Tier	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Tier I	13	49.5	644	392
<b>Tier I Exclusions</b>				
Reason for Exclusion	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Already At Standard	4	49.0	196	173
80th+ Percentile Time	1	56.0	56	26
<b>Tier I Route Reviewed for Additional Efficiency Opportunity</b>				
	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Tier I	8	49.0	392	193
<b>Tier I Route Elimination Sensitivity Analysis and Impact on Utilization</b>				
Routes Eliminated	1	2	3	4
Capacity Eliminated	49	98	147	196
Adjusted Total Capacity	343	294	245	196
Adjusted Total Utilization	56.3%	65.6%	78.8%	98.5%

Source: FLSD and ODE

As shown in **Table 23**, when only considering Tier I needs, it is possible to eliminate up to three routes without exceeding the 80 percent utilization goal. However, a similar analysis of Tier II is necessary to affirm whether this level of reduction is fully achievable. **Table 24** shows a detailed review of Tier II routes based on these same factors.

**Table 24: Tier II Detailed Review**

Tier	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Tier II	13	74.3	966	584
<b>Tier II Exclusions</b>				
Reason for Exclusion	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Already At Standard	2	72.0	144	121
80th+ Percentile Time	3	74.0	222	143
<b>Tier II Route Reviewed for Additional Efficiency Opportunity</b>				
	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Tier II	8	75.0	600	320
<b>Tier II Route Elimination Sensitivity Analysis and Impact on Utilization</b>				
Routes Eliminated	1	2	3	4
Capacity Eliminated	75	150	225	300
Adjusted Total Capacity	525	450	375	300
Adjusted Total Utilization	61.0%	71.1%	85.3%	106.7%

Source: FLSD and ODE

As shown in **Table 24**, factoring in Tier II needs shows that the relatively high proportion of routes that are already at or longer than the 80<sup>th</sup> percentile threshold for reported route times limits the identified efficiency opportunity to the elimination of two routes.



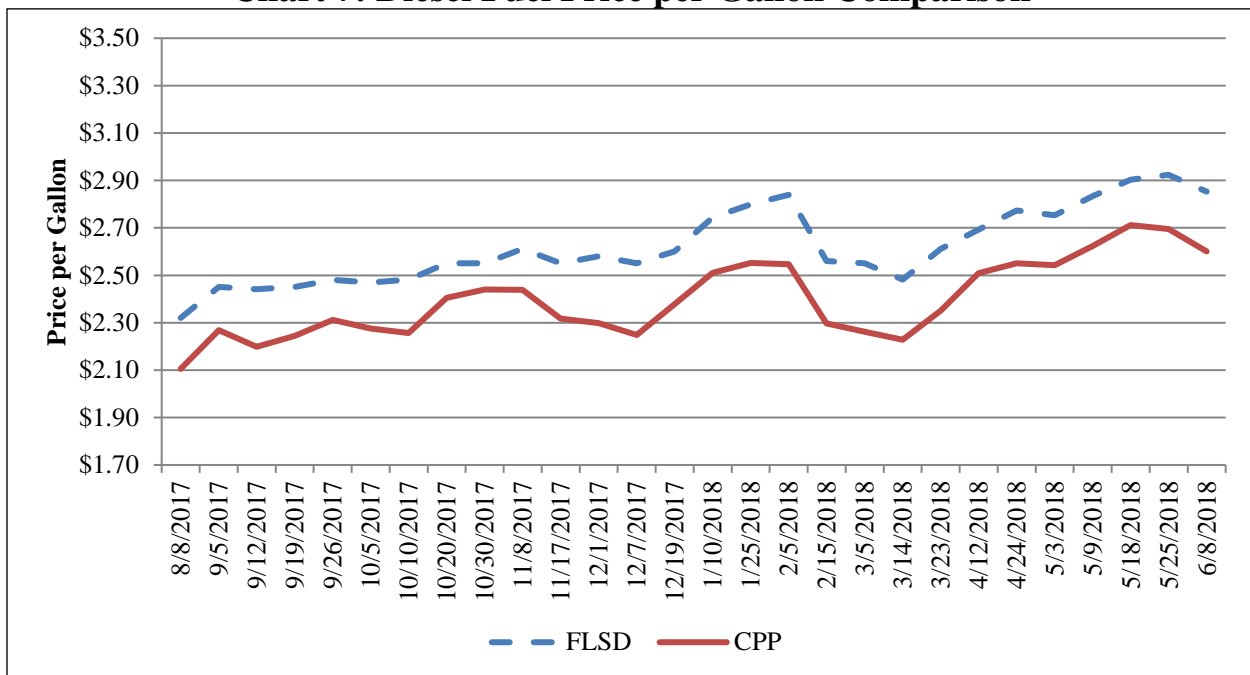
**Financial Implication:** Eliminating two routes on each tier would allow the District to eliminate two buses which could save an average of **\$39,200** in salaries and benefits in each year of implementation over the forecasted period. This was calculated using the actual salaries and benefits and projected increase of the least-tenured bus driver positions and the average bus insurance, per bus, in FY 2018-19. Estimated savings could increase if the reduction occurs through retirement or voluntary separation of more-tenured staff.<sup>21</sup>

**R.14 Explore options to reduce fuel costs**

FLSD purchases diesel fuel from Engelfield Oil, who also provides a 2,000 gallon fuel tank to the District. If the District owned its own fuel tank, it would be eligible to purchase bulk fuel at a discounted rate through the Ohio Department of Administrative Services’ (DAS) Cooperative Purchasing Program (CPP). The CPP offers political subdivisions, including school districts, the benefits and cost savings of procuring goods and services through State contracts.

**Chart 7** shows a comparison between the District’s cost per gallon for diesel fuel and the price offered through the CPP on the same dates during FY 2017-18. This comparison provides insight into the relative price competitiveness of the District’s actual fuel purchases.

**Chart 7: Diesel Fuel Price per Gallon Comparison**



Source: FLSD and DAS

<sup>21</sup> The value of the savings from this recommendation is projected to increase by 2.0 percent annually for FY 2019-20 through FY 2022-23 to account for projected increases in salaries and benefits. These increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, life insurance, Medicare, retirement, and workers’ compensation.

As shown in **Chart 7**, the District paid more per gallon for diesel fuel compared to the CPP throughout FY 2017-18. Based on 44,514 gallons of diesel fuel purchased, the District could have saved more than **\$10,800** had it purchased its fuel from the CPP in FY 2017-18.

As previously noted, in order to take advantage of the lower cost bulk diesel fuel available through the CPP, the District would need to have its own fuel tank. The purchase and installation of a bulk fuel tank and dispensing equipment presents a significant cost, but this cost can be eventually recovered through ongoing fuel savings. The Ohio Department of Transportation (ODOT) purchases fuel tanks through the CPP, and reports a total cost of \$31,800 for the tank and installation.

**Table 25** shows an example cost recovery scenario including the one-time purchase and installation cost, projected annual fuel cost savings based on historical experience, and the number of years it would take to recoup the initial cost, allowing the District to accrue savings from having its own fuel tank. Also shown are the potential savings from extrapolating this model out over the 20 year estimated useful life of an aboveground fuel storage tank as estimated by DAS Asset Management Services. Both pieces of analysis are important to demonstrate the number of years necessary to achieve cost recovery as well as the total potential return on investment (ROI).

**Table 25: Example Fuel Tank Cost Recovery Scenario**

	Purchase and Installation Cost	Ongoing Fuel Cost Savings	Annual Net Savings/(Loss)	Cumulative Net Savings/(Loss)
Initial Outlay	(\$31,800)	N/A	(\$31,800)	(\$31,800)
Year 1	N/A	\$10,804	\$10,804	(\$20,996)
Year 2	N/A	\$10,804	\$10,804	(\$10,193)
<b>Year 3</b>	<b>N/A</b>	<b>\$10,804</b>	<b>\$10,804</b>	<b>\$611</b>
<b>Total Savings/(Loss) Over 20 Years</b>				<b>\$184,274</b>
<b>Total Return on Investment</b>				<b>6.79</b>
<b>Total Net Savings/(Loss) Over 20 Years</b>				<b>\$152,474</b>

Source: FLSD and DAS

As shown in **Table 25**, the up-front cost of purchasing and installing a fuel tank could be recovered within three years. In addition, total net savings over the estimated useful life of the equipment could exceed \$152,400 with a ROI of more than \$6 for every \$1 of initial investment.

Although the District could reasonably pursue owning and operating its own fuel tank, it may be just as cost effective, without need to recover the cost of a fuel tank, to simply negotiate a fuel price with the current supplier that is competitive to what is available through the CPP. Doing so would allow FLSD and the supplier to continue to benefit from an established continuity of operations while allowing the District to generate needed savings.

**Financial Implication:** Renegotiating its fuel price to be in line with the CPP could save the District an annual average of **\$10,800**.

### R.15 Develop a formal transportation preventive maintenance program

The District has a preventive maintenance schedule that states how often a bus is serviced and what services are conducted. Bus drivers are responsible for completing a daily inspection report that tracks mileage and notes any necessary repairs. However, the District does not track supplies costs, have a fleet cycling plan, or maintain contracts with vendors for maintenance.

**Table 26** shows a comparison of the District's bus maintenance and repair expenditure ratios to the transportation peer average for FY 2017-18. This comparison provides a relative gauge of the maintenance costs associated with maintaining the District's bus fleet.

**Table 26: Maintenance and Repair Expenditures Comparison**

	FLSD	Transportation Peer Average	Difference	% Difference
Per Yellow Bus Rider	\$100.84	\$77.35	\$23.49	30.4%
Per Assigned Bus	\$5,962.31	\$5,193.26	\$769.05	14.8%
Per Routine Mile	\$0.45	\$0.36	\$0.09	25.0%
<b>Total Expenditures</b>	<b>\$95,397.00</b>	<b>\$83,092.20</b>	<b>\$12,304.80</b>	<b>14.8%</b>

Source: FLSD and transportation peers

As shown in **Table 26**, the District's maintenance and repair costs were significantly higher than the transportation peer average for expenditures per rider, per active bus, and per routine mile. These higher relative costs increase the importance of the District to effectively track its maintenance and repair expenditures and to use the information to plan for repair and replacement needs. According to *Public Works Management Practices Manual* (American Public Works Association (APWA), 2014), a formal preventive maintenance program should include equipment and parts inventories, a record of maintenance history, analysis of equipment costs, and a fleet replacement cycle.

Adopting a formal preventive maintenance program would allow the District to manage its fleet more efficiently. Specifically, a formal, proactive approach to preventive maintenance could reduce overall maintenance and repair expenditures by limiting the occurrence of major repairs. Additionally, tracking maintenance costs would help the District determine priorities for bus replacement.

### R.16 Make additional reductions to address the deficit

Even after implementing all preceding recommendations, the District's May 2019 five-year forecast would still project a cumulative deficit of approximately \$9,224,800, or an annual average of approximately \$2,306,200.<sup>22</sup> To address the remaining gap, the District would need to consider additional cost savings measures, including those that would bring staffing levels below primary peer averages. The exact nature of these additional cost savings measures are at the discretion of the District leadership and elected officials, with stakeholder input, but should be reflective of the necessity to uphold fiduciary responsibilities.

<sup>22</sup> Represents annual savings needed over the last four years of the forecast period.

The following four options represent decisions the District could make to address the remaining \$9,224,800 deficit over the forecast period. The implementation of a combination of these options would be sufficient to eliminate the deficit by the end of the forecast period.

- **Implement a 25.0 percent across-the-board staff reduction:** While **R.1** through **R.7** addresses FLSD's staffing relative to the primary peer average, the District could make an additional 25.0 percent across-the-board staffing reduction to generate sufficient savings to offset the remaining deficit. **Table 27** shows the nature and savings of this staffing reduction for each staffing category. This provides the District with information necessary to evaluate staffing reductions and the potential savings associated with each.

**Table 27: Additional Staffing Reductions**

Category	Revised Total FTEs	FTEs after 25.0% Reduction	Rounded FTE Reduction	Avg. Annual Savings
Administrators <sup>1</sup>	8.00	6.00	2.00	\$241,129
Office Support	11.69	8.77	2.50	\$146,652
Educational	97.38	73.04	24.00	\$1,820,930
Operational <sup>2</sup>	12.07	9.05	3.00	\$189,639
Support	4.42	3.32	1.00	\$13,920
<b>Total</b>	<b>133.56</b>	<b>100.17</b>	<b>32.50</b>	<b>\$2,412,270</b>

Source: FLSD

<sup>1</sup> Administrators excludes the Superintendent, Treasurer, and Special Services Director.

<sup>2</sup> Transportation personnel are excluded as these staffing level needs were determined based on actual ridership and capacity relative to industry benchmarks (see **R.12**). Further, food service staffing is excluded as these employees are paid out of the Food Service Fund and not the General Fund; therefore reductions in staff would not impact the five-year forecast.

As shown in **Table 27**, an across-the-board staffing reduction of 25.0 percent could result in the elimination of an additional 32.50 FTEs. Eliminating these FTEs could save the District an average of approximately **\$2,412,200** in salaries and benefits annually over the forecast period.<sup>23</sup> This was calculated using salaries and benefits of the least tenured employees remaining after position reductions identified in **R.1** through **R.7**. Estimated savings could increase if the reductions occur through retirement or voluntary separation of higher salaried staff. Additionally, this option could be fully implemented in FY 2019-20. Although this option would fully address the remaining deficit, it could drastically change service levels within the District. Considering it with a combination of the options presented in this performance audit could enable the District to avoid operating deficits.

- **Eliminate an additional 15.0 FTE general education teacher positions:** General education teachers instruct students in a regular classroom environment. OAC 3301-35-05 requires the District-wide ratio of general education teacher to students to be at least 1.0 FTE classroom teacher for every 25 regular students.<sup>24</sup> **R.2** compares FLSD's general

<sup>23</sup> The value of the savings from this recommendation was projected to increase by an average of 6.1 percent annually over the forecasted period to account for projected increases in salaries and benefits. Benefits include medical, prescription drug, dental, vision, life insurance, Medicare, workers' compensation, and retirement.

<sup>24</sup> This category excludes teaching staff in other areas such as gifted, special education, and educational service personnel (ESP).

education teacher staffing level to the primary peer average per 1,000 students. **Table 28** shows FLSD's general education teacher staffing level required to eliminate the remaining deficit based on FY 2018-19 students to teacher ratio following implementation of **R.2**. It is important to project the impact eliminating the remaining deficit will have on staffing levels.

**Table 28: General Education Teacher Comparison**

FY 2018-19 General Education FTEs			90.50
Recommended General Education FTE Reductions from <b>R.2</b>			7.00
General Education FTEs Remaining			83.50
Regular Student Population			1710.47
Staffing Ratio (Student : Teachers)			20.48
	Staffing Ratio (Students : Teachers)	Proposed FTE Staffing	Proposed FTE Reduction
<b>Address Remaining Deficit</b>	<b>32.58:1</b>	<b>52.50</b>	<b>31.00</b>
State Minimum	25.00:1	68.42	15.08
<b>Proposed Action</b>	<b>24.97:1</b>	<b>68.50</b>	<b>15.00</b>

Source: FLSD and OAC

As shown in **Table 28**, FLSD would need to reduce 31.00 FTE general education teacher positions in order to fully address its remaining deficit. However, doing so would result in a staffing level significantly below the State minimum requirement. Therefore, the District could reduce a maximum of 15.00 FTE general education teacher positions in an effort to partially address the remaining deficit. A decision to reduce staffing to a level near the State minimum is ultimately District management's responsibility based on the needs and desires of the stakeholders in the community, and any staffing decisions must be balanced with the fiduciary responsibility to adapt to financial realities and maintain a solvent operation. This option could be implemented in FY 2019-20.

Eliminating 15.0 FTE general education teacher positions, in addition to those in **R.2**, could save the District an average of **\$1,023,600** annually over the forecast period,<sup>25</sup> and would partially address the remaining deficit. The financial implication is calculated using the actual salaries and benefits of the 15.00 FTE least tenured general education teaching positions remaining after those recommended for elimination in **R.2**. Estimated savings could increase if the reduction occurs through retirement or voluntary separation of more-tenured staff.

- **Implement a base and step freeze on all salaries for four years:** The District's certificated and classified CBAs expired on June 30, 2018 and were extended to June 30, 2019. Due to its financial condition, FLSD may need to consider implementing a base and step salary freeze for each year of the forecast period. The District's October 2018 five-year forecast assumes a 2.0 percent base increase and steps for all eligible staff for

<sup>25</sup> The value of the savings from this recommendation was projected to increase by an average of 6.5 percent annually over the forecasted period to account for projected increases in salaries and benefits. Benefits include medical, prescription drug, dental, vision, life insurance, Medicare, workers' compensation, and retirement.

FY 2019-20 through FY 2022-23. **Table 29** shows the impact of implementing a base and step increase freeze for FY 2019-20 through FY 2022-23, after taking into account staff reductions previously identified. This analysis provides an indication of the impact of a wage freeze relative to the number of years it is in effect.

**Table 29: Impact of a Base and Step Salary Freeze**

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Salaries and Benefits with Base Increase and Steps	\$11,152,846	\$11,519,825	\$11,889,217	\$12,267,083
Salaries and Benefits with Base and Step Freeze	\$10,775,430	\$10,775,430	\$10,775,430	\$10,775,430
Difference	\$377,417	\$744,396	\$1,113,788	\$1,491,653
<b>Cumulative Savings</b>				<b>\$3,727,253</b>
<b>Average Annual Savings</b>				<b>\$931,813</b>

Source: FLSD

As shown in **Table 29**, implementing a salary freeze for FY 2019-20 through FY 2022-23 could save the District an average of approximately **\$931,800** annually over the forecast period. This option could be implemented in FY 2019-20, if negotiated by the District and would partially address the remaining deficit.

- Eliminate the entire General Fund subsidy of extracurricular activities:** The District incurred direct costs to the General Fund for student extracurricular activities in FY 2017-18 of approximately \$457,200 (see **Table B-1**). Steps to fully eliminate the General Fund subsidy of extracurricular activities include increasing pay to participate fees, increasing admissions and sales, increasing booster club spending, reducing the supplemental salary schedule, and/or eliminating programs. This action could save the District **\$457,200** annually over the forecast period and would partially address the remaining deficit.

## Appendix A: Scope and Objectives

Generally accepted government auditing standards require that a performance audit be planned and performed so as to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives. Objectives are what the audit is intended to accomplish and can be thought of as questions about the program that the auditors seek to answer based on evidence obtained and assessed against criteria.

In consultation with ODE and the District, OPT identified the following scope areas for detailed review: Financial Management, Human Resources, Facilities, and Transportation. Based on the agreed upon scope, OPT developed objectives designed to identify improvements to economy, efficiency, and / or effectiveness. **Table A-1** illustrates the objectives assessed in this performance audit and references the corresponding recommendation when applicable. Four of the 15 objectives did not yield a recommendation (see **Appendix B** for additional information including comparisons and analyses that did not result in recommendations).

**Table A-1: Audit Objectives and Recommendations**

Objective	Recommendation
<b>Financial Management</b>	
Are the District's budgeting and forecasting practices consistent with leading practices and is the five-year forecast reasonable and supported?	<b>R.8</b>
Are the District's strategic and capital planning practices consistent with leading practices?	<b>R.8</b>
Are the District's open enrollment practices financially beneficial and are policies consistent with leading practices?	<b>N/A</b>
Is the District's General Fund subsidy of extracurricular activities appropriate in comparison to local peers and the District's financial condition?	<b>R.16</b>
Are the District's purchasing practices consistent with leading practices and appropriate based on the District's financial condition?	<b>N/A</b>
<b>Human Resources</b>	
Are the District's staffing levels appropriate in comparison to primary peers, state minimum standards, demand for services, and the District's financial condition?	<b>R.1, R.2, R.3, R.4, R.5, R.6, R.7, and R.16</b>
Are the District's salaries and wages appropriate in comparison to local peers and the District's financial condition?	<b>R.16</b>
Are the District's collective bargaining agreement provisions appropriate in comparison to local peers, minimums requirements, and the District's financial condition?	<b>R.9</b>
Are the District's insurance costs appropriate in comparison to other governmental entities within the local market and the District's financial condition?	<b>R.10</b>
<b>Facilities</b>	
Is the District's building utilization appropriate in comparison to leading practices, industry standards, and the District's financial condition?	<b>R.11</b>
Are the District's facilities staffing levels appropriate in comparison to leading practices, industry standards, and the District's financial condition?	<b>N/A</b>
Are the District's facilities expenditures appropriate in comparison to primary peers, leading practices, industry standards, and the District's financial condition?	<b>N/A</b>

<b>Transportation</b>	
Is the District's fleet sized appropriately and routed efficiently in comparison to leading practices, industry standards, and the District's financial condition?	<b>R.12</b>
Is the District's fleet maintained efficiently and appropriately in comparison to transportation peers, leading practices, industry standards, and the District's financial condition?	<b>R.15</b>
Are the District's fuel procurement practices cost effective in comparison to DAS benchmarks and consistent with leading practices and industry standards?	<b>R.14</b>

Note: Although assessment of internal controls was not specifically an objective of this performance audit, internal controls were considered and evaluated when applicable to scope areas and objectives.



## Appendix B: Additional Comparisons

### Extracurricular Activities

**Table B-1** shows the District's FY 2017-18 net cost for student extracurricular activities compared to the local peer average. This analysis illustrates the net revenue or loss generated by student extracurricular activities.

**Table B-1: Student Extracurricular Activity Net Cost Comparison**

	FLSD			Local Peer Avg.
<b>Students</b>			<b>1,903</b>	<b>2,444</b>
<b>Activity Type</b>	<b>Rev.</b>	<b>Exp.</b>	<b>Net Cost</b>	
Academic Oriented	\$4,682	\$37,024	(\$32,342)	(\$196,021)
Occupation Oriented	\$0	\$0	\$0	(\$10,290)
Sport Oriented	\$67,240	\$472,239	(\$404,999)	(\$572,050)
School & Public Service Co-Curricular	\$13,280	\$56,213	(\$42,933)	(\$78,558)
Bookstore Sales	\$0	N/A	\$0	\$45
Other Extracurricular	\$7,207	N/A	\$7,207	\$148,594
Non-specified 1	\$16,670	N/A	\$16,670	\$147,155
<b>Total</b>	<b>\$109,079</b>	<b>\$565,476</b>	<b>(\$456,397)</b>	<b>(\$561,125)</b>
<b>Total General Fund Direct Revenue</b>				
			\$0.00	\$41,160.00
<b>Total General Fund Direct Expenditures</b>				
			\$424,331.09	\$636,206.52
<b>Total General Fund Transfers</b>				
			\$32,949.64	\$23,654.11
<b>Total General Fund Subsidy of Extracurricular Activities</b>			<b>\$457,280.73</b>	<b>\$618,700.63</b>
<b>Total General Fund Subsidy of Extracurricular Activities per Pupil</b>				
			<b>\$240.29</b>	<b>\$253.15</b>
<b>Total Difference in General Fund Subsidy to Local Peer Average</b>			<b>(\$24,472.58)</b>	
<b>Remaining General Fund Subsidy</b>			<b>\$457,280.73</b>	

Source: FLSD, local peers, and ODE

<sup>1</sup> Non-specified represents revenue that was not coded to a specific activity type, but does reduce the net cost.

As shown in **Table B-1**, FLSD's net cost for student extracurricular activities of (\$456,397) was lower than the local peer average of (\$561,125) in FY 2017-18. The District's extracurricular net cost was also lower than the local peer average when normalized on a per pupil basis.

## Staffing

FLSD's FY 2018-19 FTE staffing levels by category are shown in **Chart 1** and **Chart 2**.<sup>26</sup> Analyses of staffing levels that resulted in recommendations include: eliminate 1.0 FTE building administrator position (**R.1**); eliminate 7.0 FTE general education teacher positions (**R.2**); eliminate 1.0 FTE psychologist position (**R.3**); eliminate 2.5 FTE central office support positions (**R.4**); eliminate 2.5 FTE building office support positions (**R.5**); eliminate 1.0 FTE library staff position (**R.6**); and eliminate 6.0 FTE monitor positions (**R.7**). Staffing comparisons where the analysis did not result in a recommendation based on comparison to the primary peer average are presented for informational purposes below. Staffing comparisons show total FTEs only when the evaluation of the category as a whole is relevant.

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<sup>26</sup> The individual positions within each staffing category in **Chart 2** are explained in detail within section 3.9 of the *EMIS Reporting Manual* (ODE, 2018).

### Central Office Administrators

In addition to the Superintendent and Treasurer, FLSD employed 2.0 FTE central office administrators in FY 2108-19. **Table B-2** shows the District's FY 2018-19 central office administrator per 1,000 students compared to the primary peer average for FY 2017-18. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

**Table B-2: Central Office Administrator Staff Comparison**

Students	FLSD		Primary Peer Avg.	Difference	
Students Educated <sup>1</sup>	1,895		1,844	51	
Students Educated (Thousands)	1.895		1.844	0.051	
Position	FLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) <sup>2</sup>
Assistant, Deputy/Associate Superintendent	0.00	0.00	0.05	(0.05)	(0.09)
Supervisor/Manager	2.00	1.06	1.15	(0.09)	(0.17)
Coordinator	0.00	0.00	0.12	(0.12)	(0.23)
Director	0.00	0.00	0.03	(0.03)	(0.06)
Other Official/Administrative	0.00	0.00	0.05	(0.05)	(0.09)
<b>Total</b>	<b>2.00</b>	<b>1.06</b>	<b>1.40</b>	<b>(0.34)</b>	<b>(0.64)</b>

Source: FLSD and primary peers

<sup>1</sup> Reflects students receiving educational services from the District and excludes the percent of time students are receiving educational services outside of the District.

<sup>2</sup> Represents the number of FTEs that, when added or subtracted, would bring the District's number of FTEs per 1,000 students in line with the primary peer average.

As shown in **Table B-2**, FLSD employs 0.64 fewer FTE central office administrator than the primary peer average. The supervisor/manager FTEs at FLSD consist of the Director of Operations and the Athletic Director.

**Teaching Staff**

**Tables B-3 and B-4** shows FLSD’s FY 2018-19 teaching staff per 1,000 students compared to the primary peer average for FY 2017-18. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

**Table B-3: Teaching Staff Comparison**

Students	FLSD	Primary Peer Avg.	Difference		
Students Educated <sup>1</sup>	1,895	1,844	51		
Students Educated (Thousands)	1.895	1.844	0.051		
Position	FLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) <sup>2</sup>
General Education	90.50	47.76	43.85	3.91	7.41
Gifted and Talented	1.00	0.53	0.27	0.26	0.49
Career-Technical Programs/Career Pathways	0.00	0.00	0.05	(0.05)	(0.09)

Source: FLSD and primary peers

<sup>1</sup> Reflects students receiving educational services from the District and excludes the percent of time students are receiving educational services outside of the District.

<sup>2</sup> Represents the number of FTEs that, when added or subtracted, would bring the District’s number of FTEs per 1,000 students in line with the primary peer average.

As shown in **Table B-3**, FLSD employs fewer FTE teaching staff than the primary peer average for career-technical programs/career pathways. Higher teaching staff was identified in the general education category and the gifted and talented category. Analysis of the teaching staff that resulted in a recommendation includes the elimination of 7.0 FTE general education teaching positions (see **R.2**). However, the gifted and talented category analysis did not warrant a recommendation as the variance is less than 0.5 FTE.

**Table B-4** shows FLSD’s FY 2018-19 K-8 art, music, and physical education teaching staff per 1,000 students compared to the primary peer average for FY 2017-18. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

**Table B-4: K-8 Teaching Staff Comparison**

Students	FLSD		Primary Peer Avg.	Difference	
Students Educated <sup>1</sup>	1,416		1,270	146	
Students Educated (Thousands)	1.416		1.270	0.146	
Position	FLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) <sup>2</sup>
K-8 Art Education	2.00	1.41	1.83	(0.42)	(0.59)
K-8 Music Education	2.88	2.03	2.51	(0.48)	(0.67)
K-8 Physical Education	2.00	1.41	2.24	(0.83)	(1.17)

Source: FLSD and primary peers

<sup>1</sup> Reflects K-8 students receiving educational services from the District and excludes the percent of time students are receiving educational services outside of the District.

<sup>2</sup> Represents the number of FTEs that, when added or subtracted, would bring the District’s number of FTEs per 1,000 students in line with the primary peer average.

As shown in **B-4**, FLSD employs fewer FTE teaching staff than the primary peer average for K-8 art education, K-8 music education, and K-8 physical education categories.

*During the course of the performance audit, the Board approved a reduction-in-force of 13.62 FTE general education teacher positions, 1.0FTE gifted and talented teacher position, 2.0 FTE K-8 art education teacher position, 2.88 FTE K-8 music education teacher positions, 2.0FTE K-8 physical education teacher positions, and 1.0 FTE special education teacher position if the May 2019 levy ballot initiative fails.*

**Non-Teaching Educational Staff**

**Table B-5** shows FLSD’s FY 2018-19 non-teaching educational staff per 1,000 students compared to the primary peer average for FY 2017-18. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

**Table B-5: Non-Teaching Educational Staff Comparison**

Students	FLSD		Primary Peer Avg.	Difference	
Students Educated <sup>1</sup>	1,895		1,844	51	
Students Educated (Thousands)	1.895		1.844	0.051	
Position	FLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) <sup>2</sup>
Curriculum Specialist	1.00	0.53	0.38	0.15	0.28
Counseling	2.00	1.06	1.91	(0.85)	(1.61)
Remedial Specialist	0.00	0.00	0.15	(0.15)	(0.28)
Tutor/Small Group Instructor	0.00	0.00	0.83	(0.83)	(1.57)
Full-time (Permanent) Substitute Teacher	0.00	0.00	0.11	(0.11)	(0.21)
Teacher Mentor/Evaluator	0.00	0.00	0.05	(0.05)	(0.09)
Other Educational	0.00	0.00	0.34	(0.34)	(0.64)

Source: FLSD and primary peers

<sup>1</sup> Reflects students receiving educational services from the District and excludes the percent of time students that are receiving educational services outside of the District.

<sup>2</sup> Represents the number of FTEs that, when added or subtracted, would bring the District’s number of FTEs per 1,000 students in line with the primary peer average.

As shown in **Table B-5**, FLSD employs fewer non-teaching educational staff than the primary peer average in all categories except the curriculum specialist. However, the curriculum specialist category analysis did not warrant a recommendation as the variance is less than 0.5 FTE.

## Professional Staff

**Table B-6** shows FLSD's FY 2018-19 professional staff per 1,000 students compared to the primary peer average for FY 2017-18. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

**Table B-6: Professional Staff Comparison**

Students	FLSD		Primary Peer Avg.	Difference	
Students Educated <sup>1</sup>	1,895		1,844	51	
Students Educated (Thousands)	1.895		1.844	0.051	
Position	FLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) <sup>2</sup>
Psychologist	2.00	1.06	0.36	0.70	1.33
Social Work	0.00	0.00	0.22	(0.22)	(0.42)
Other Professional	0.00	0.00	0.11	(0.11)	(0.21)

Source: FLSD and primary peers

<sup>1</sup> Reflects students receiving educational services from the District and excludes the percent of time students that are receiving educational services outside of the District.

<sup>2</sup> Represents the number of FTEs that, when added or subtracted, would bring the District's number of FTEs per 1,000 students in line with the primary peer average.

As shown in **Table B-6**, FLSD is higher than the primary peer average in the psychologist category. FLSD does not employ staff in the public relations, social work, or other professional categories.

Analysis of the professional staff that resulted in a recommendation includes the elimination of 0.5 FTE psychologist positions (see **R.3**).<sup>27</sup>

<sup>27</sup> While the analysis suggests that 1.0 FTE could be eliminated, it does not account for primary peers that contract out for psychological services. See **R.3** for additional information.

**Technical Staff**

**Table B-7** shows FLSD’s FY 2018-19 technical staff per 1,000 students compared to the primary peer average for FY 2017-18. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

**Table B-7: Technical Staff Comparison**

Students	FLSD		Primary Peer Avg.	Difference	
Students Educated <sup>1</sup>	1,895		1,844	51	
Students Educated (Thousands)	1.895		1.844	0.051	
Position	FLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) <sup>2</sup>
Computer Operating	0.00	0.00	0.38	(0.38)	(0.72)
Computer Programming	1.00	0.53	0.38	0.15	0.28
Other Technical	0.00	0.00	0.46	(0.46)	(0.87)

Source: FLSD and primary peers

<sup>1</sup> Reflects students receiving educational services from the District and excludes the percent of time students that are receiving educational services outside of the District.

<sup>2</sup> Represents the number of FTEs that, when added or subtracted, would bring the District’s number of FTEs per 1,000 students in line with the primary peer average.

As shown in **Table B-7**, FLSD is slightly higher than the primary peer average in the computer programming category. FLSD’s 1.0 FTE computer programming position is the Technology Director. However, the computer programming category did not warrant a recommendation as the variance is less than 0.5 FTE.



**Nursing Staff**

**Table B-8** shows FLSD’s FY 2018-19 nursing staff per 1,000 students compared to the primary peer average for FY 2017-18. Comparing nursing staff in relation to student population normalizes the effect of district sizes on raw staffing numbers.

**Table B-8: Nursing Staff Comparison**

Students	FLSD		Primary Peer Avg.	Difference	
Students Educated <sup>1</sup>	1,895		1,844	51	
Students Educated (Thousands)	1.895		1.844	0.051	
Position	FLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) <sup>2</sup>
Registered Nursing	0.00	0.00	0.71	(0.71)	(1.35)
Practical Nursing	0.00	0.00	0.28	(0.28)	(0.53)
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>0.99</b>	<b>(0.99)</b>	<b>(1.88)</b>

Source: FLSD and primary peers

<sup>1</sup> Reflects students receiving educational services from the District and excludes the percent of time students that are receiving educational services outside of the District.

<sup>2</sup> Represents the number of FTEs that, when added or subtracted, would bring the District’s number of FTEs per 1,000 students in line with the primary peer average.

As shown in **Table B-8**, FLSD does not employ nursing staff. Instead, the District contracts for nursing services through Akron Children’s Hospital. The District previously employed nurses in-house but switched to purchasing this service in FY 2014-15.

**Classroom Support Staff**

**Table B-9** shows FLSD's FY 2018-19 classroom support staff per 1,000 students compared to the primary peer average for FY 2017-18 classroom support staff in relation to student population normalizes the effect of district sizes on raw staffing numbers.

**Table B-9: Classroom Support Staff Comparison**

<b>Students</b>	<b>FLSD</b>		<b>Primary Peer Avg.</b>	<b>Difference</b>	
Students Educated <sup>1</sup>	1,895		1,844	51	
Students Educated (Thousands)	1.895		1.844	0.051	
<b>Position</b>	<b>FLSD</b>		<b>Primary Peer Avg.</b>	<b>Difference</b>	
	<b>FTEs</b>	<b>FTEs per 1,000 Students</b>	<b>FTEs per 1,000 Students</b>	<b>FTEs per 1,000 Students</b>	<b>Total Above/ (Below) <sup>2</sup></b>
Instructional Paraprofessional	0.00	0.00	0.20	(0.20)	(0.38)
Teaching Aide	0.00	0.00	4.15	(4.15)	(7.86)
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>4.35</b>	<b>(4.35)</b>	<b>(8.24)</b>

Source: FLSD and primary peers

<sup>1</sup> Reflects students receiving educational services from the District and excludes the percent of time students that are receiving educational services outside of the District.

<sup>2</sup> Represents the number of FTEs that, when added or subtracted, would bring the District's number of FTEs per 1,000 students in line with the primary peer average.

As shown in **Table B-9**, FLSD does not employ regular education classroom support.

## Salaries and Compensation

**Table B-10** shows the District's FY 2018-19 certificated and support staff salary schedules compared to the local peer average over the course of a 30-year career.<sup>28</sup> Comparing career compensation to the local peer average takes into account regional variations in the labor market.

**Table B-10: Career Compensation Comparison**

Certificated				
	FLSD	Local Peer Avg.	Difference	% Difference
Bachelor's	\$1,492,908	\$1,740,889	(\$247,981)	(14.2%)
Bachelor's +150	\$1,543,307	\$1,825,006	(\$281,699)	(15.4%)
Bachelor's +15	\$1,604,092	\$1,702,898	(\$98,806)	(5.8%)
Bachelor's +30	\$1,680,008	\$1,980,584	(\$300,576)	(15.2%)
Master's	\$1,755,912	\$1,997,230	(\$241,318)	(12.1%)
Master's +15	\$1,816,377	\$2,150,470	(\$334,093)	(15.5%)
Master's +30	\$1,891,444	\$2,187,415	(\$295,971)	(13.5%)
Master's +45	\$1,961,167	N/A	N/A	N/A
Support Staff				
	FLSD	Local Peer Avg.	Difference	% Difference
Bus Aides	\$419,607	\$454,352	(\$34,745)	(7.6%)
Bus Driver	\$507,220	\$578,795	(\$71,573)	(12.4%)
Cafeteria Manager	\$587,906	\$668,121	(\$80,215)	(12.0%)
Cook/Cashier	\$579,231	\$607,305	(\$28,074)	(4.6%)
Assistant Custodian With License	\$1,074,370	\$1,224,531	(\$150,161)	(12.3%)
Assistant Custodian Without License	\$1,055,283	\$1,187,380	(\$132,097)	(11.1%)
Head Custodian With License	\$1,142,505	\$1,327,924	(\$185,419)	(14.0%)
Head Custodian Without License	\$1,123,418	\$1,325,438	(\$202,020)	(15.2%)
Maintenance	\$1,192,286	\$1,378,709	(\$186,423)	(13.5%)
Head Mechanic	\$1,243,432	\$1,442,796	(\$199,364)	(13.8%)
Mechanic	\$1,192,286	\$1,363,417	(\$171,131)	(12.6%)
Secretary - Guidance/Athletic	\$622,392	\$646,665	(\$24,273)	(3.8%)
Secretary - Library	\$781,865	\$808,243	(\$26,378)	(3.3%)
Secretary - Transportation/Principal	\$894,657	\$947,778	(\$53,121)	(5.6%)

Source: FLSD and local peers

Certificated Notes: Bachelor's +150 includes Lake LSD, Mogadore LSD, Springfield LSD, and Waterloo LSD. Bachelor's +15 includes Ravenna CSD, Tallmadge CSD, and Waterloo LSD. Bachelor's +30 includes Ravenna CSD, Stow-Munroe Falls CSD, and Tallmadge LSD. Master's +15 includes Kent CSD, Lake LSD, Stow-Munroe Falls CSD, and Tallmadge LSD. Master's +30 includes Kent CSD, Lake LSD, Ravenna CSD, and Springfield LSD. No peer contracts include a Master's +45 salary schedule.

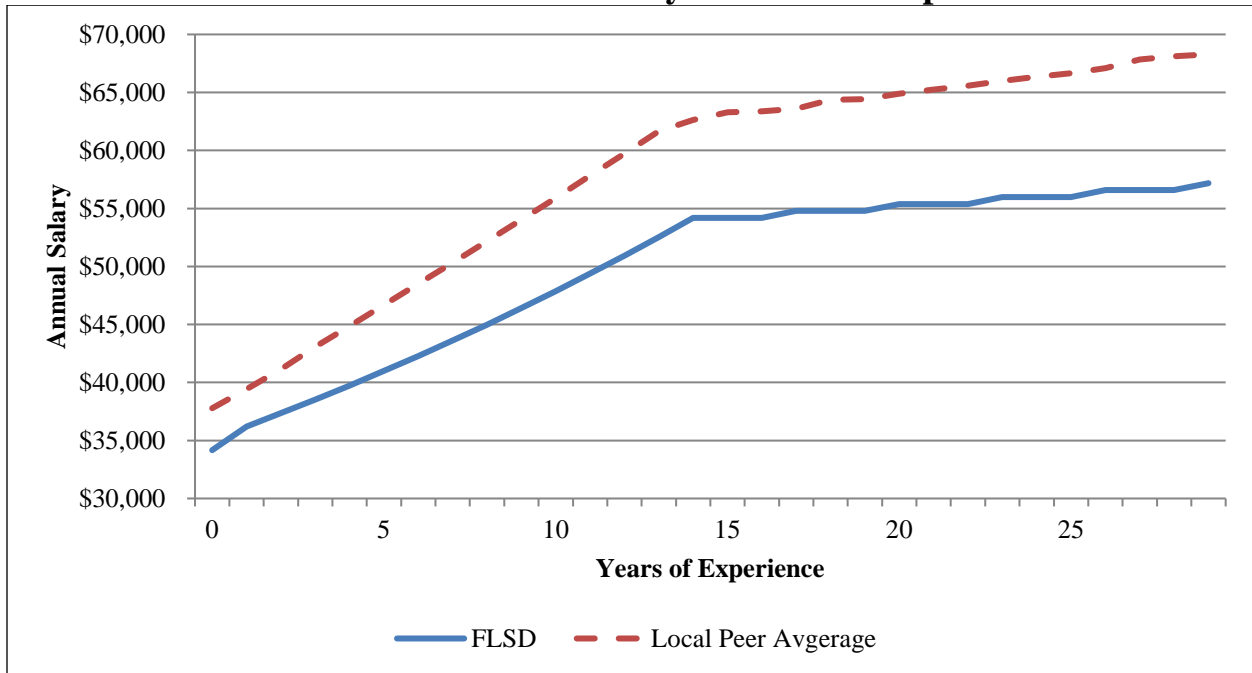
Support Staff Notes: Annual support staff compensation is calculated using the maximum annual hours worked for each job classification at FLSD. Bus aide excludes Tallmadge CSD and Waterloo LSD. Bus driver excludes Tallmadge CSD. Cafeteria manager excludes Kent CSD. Cook/cashier excludes Kent CSD. Head custodian excludes: Kent CSD, Mogadore LSD, Ravenna CSD, and Stow-Munroe Falls CSD. Maintenance excludes Waterloo LSD. Head mechanic excludes Kent CSD, Lake LSD, Mogadore LSD, and Tallmadge CSD. Mechanic excludes Tallmadge CSD.

<sup>28</sup> Total compensation includes salary and longevity payments for FLSD and local peers; FLSD classified staff compensation also includes a one percent retirement pickup CBA provision.

As shown in **Table B-10**, the District’s career compensation for certificated staff is lower than the local peer average. Similarly, career compensation for classified staff is lower than the peer average.

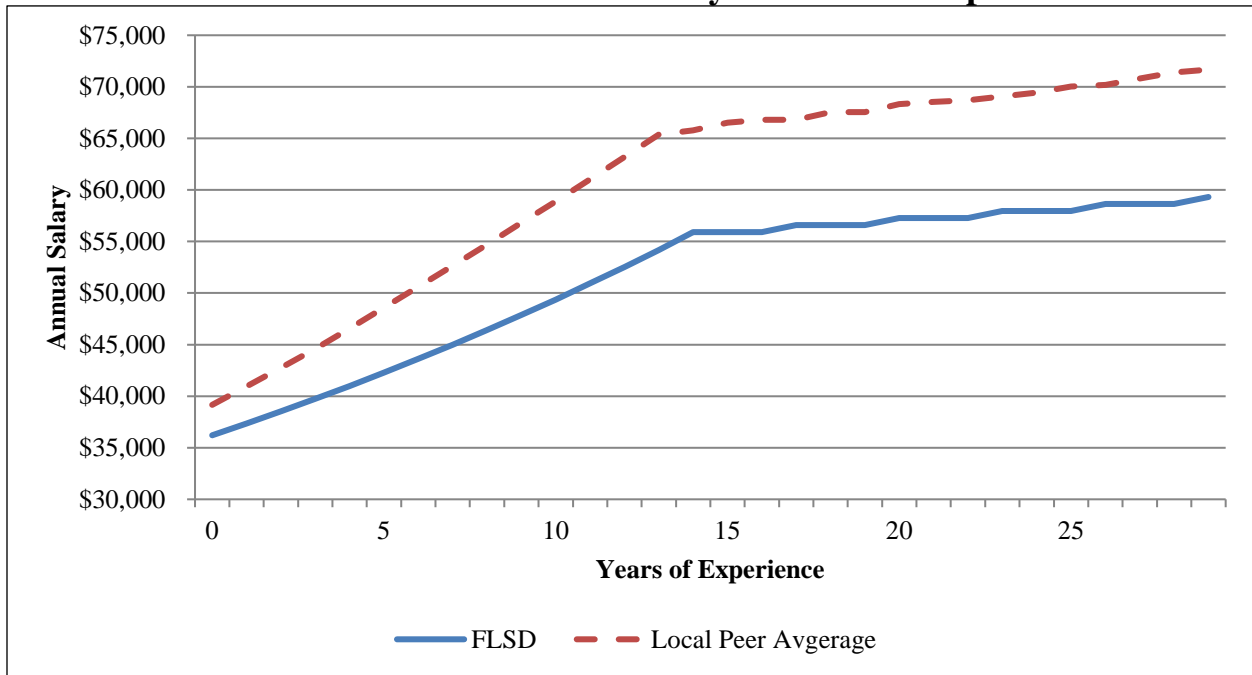
**Chart B-1** through **Chart B-22** show comparisons of FLSD’s certificated and support staff salary schedules to the local peer averages for FY 2018-19. It is important to examine the beginning salaries and steps in the pay schedule to identify the cause of any variation relative to the local peer districts.

**Chart B-1: Bachelor’s Salary Schedule Comparison**



Source: FLSD and local peers

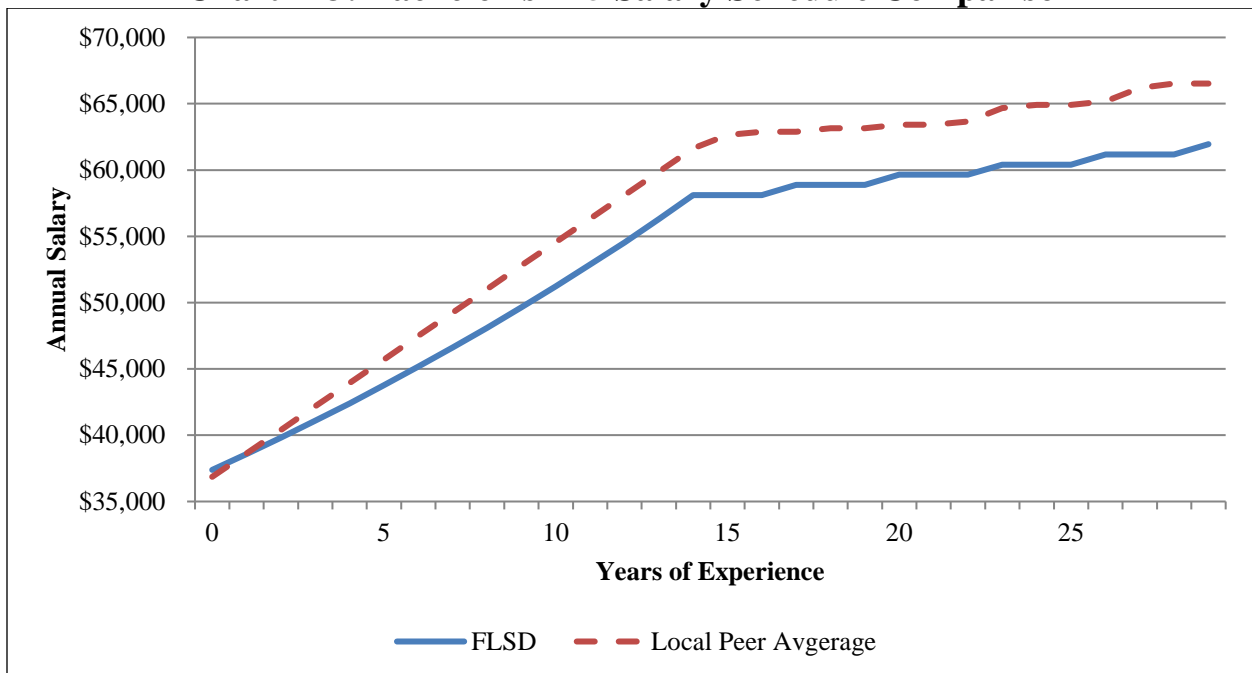
**Chart B-2: Bachelor's +150 Salary Schedule Comparison**



Source: FLSD and local peers

Note: Includes Lake LSD, Mogadore LSD, Springfield LSD, and Waterloo LSD.

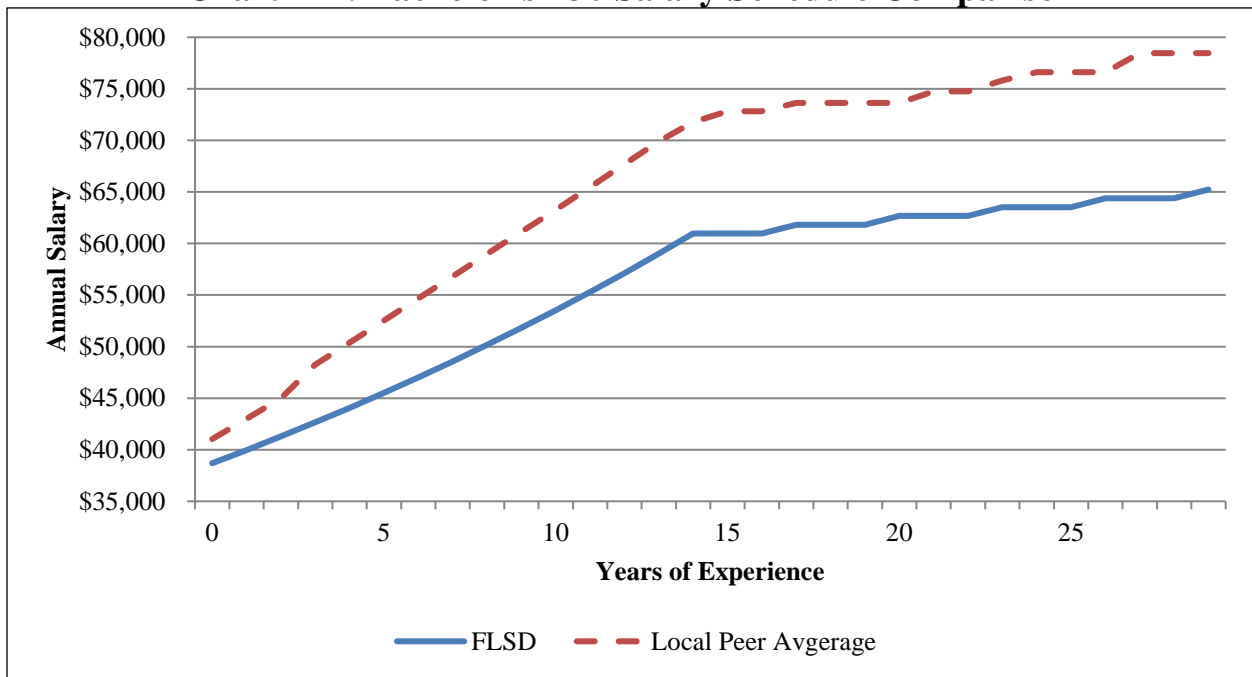
**Chart B-3: Bachelor's +15 Salary Schedule Comparison**



Source: FLSD and local peers

Note: Includes Ravenna CSD, Tallmadge CSD, and Waterloo LSD.

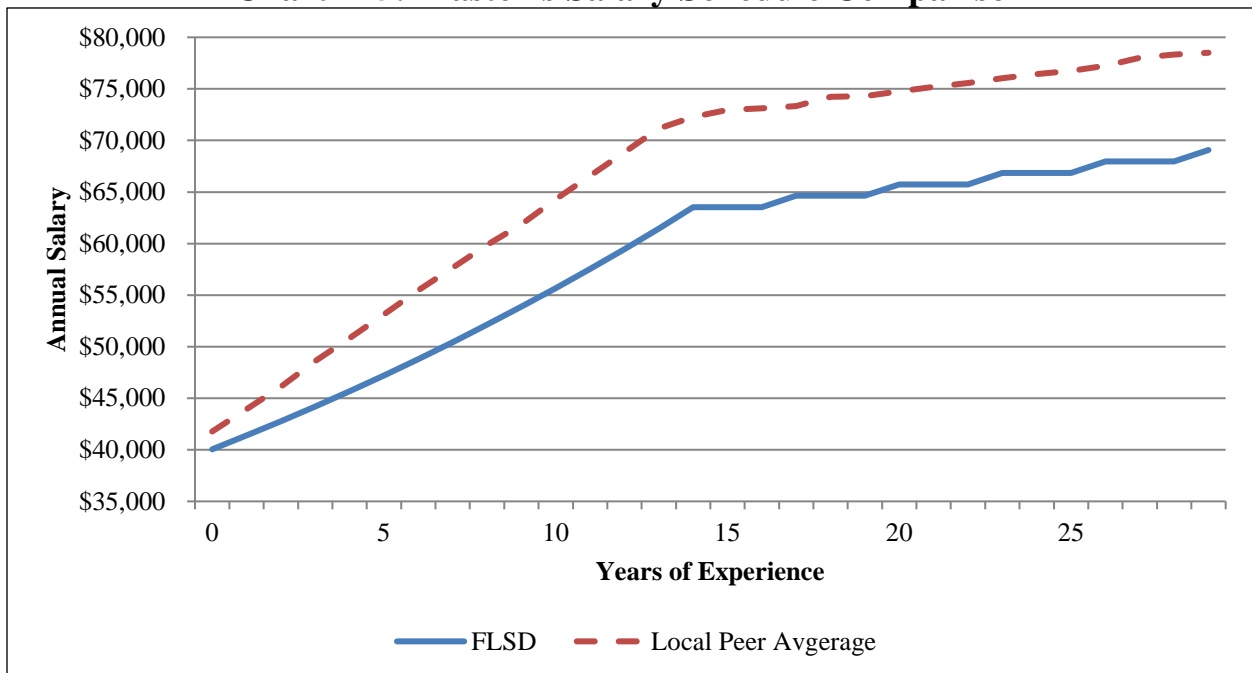
**Chart B-4: Bachelor's +30 Salary Schedule Comparison**



Source: FLSD and local peers

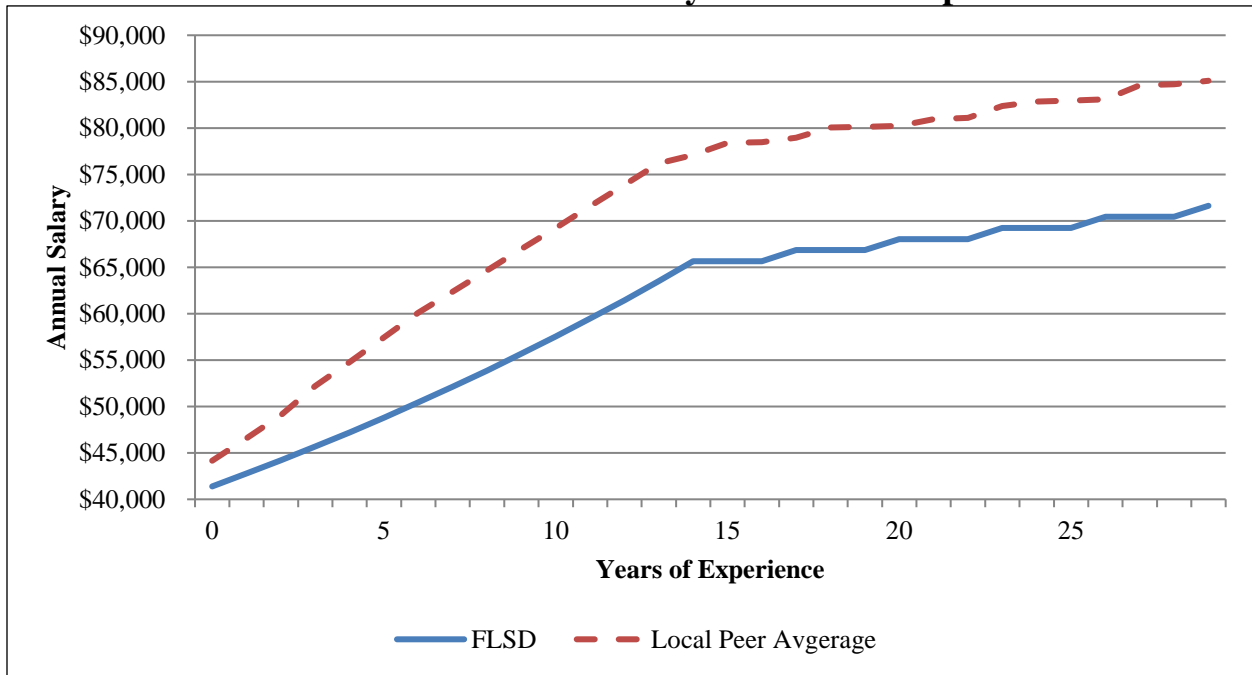
Note: Includes Ravenna CSD, Stow-Munroe Falls CSD, and Tallmadge LSD.

**Chart B-5: Master's Salary Schedule Comparison**



Source: FLSD and local peers

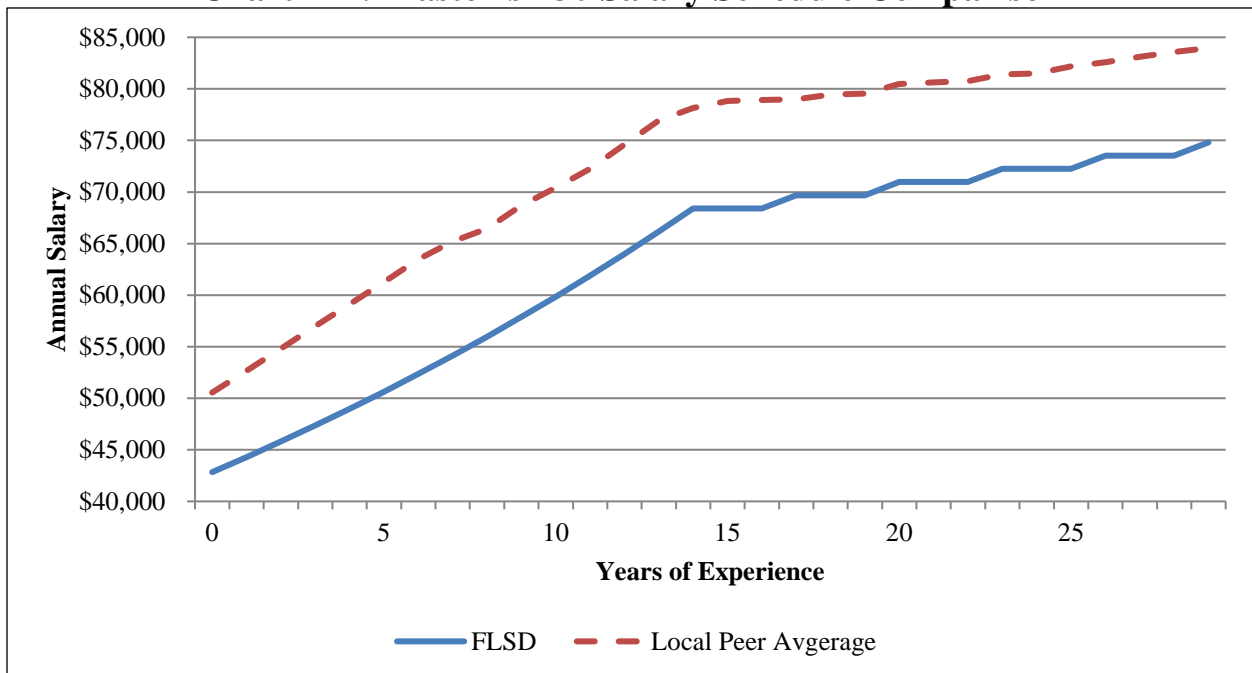
**Chart B-6: Master's +15 Salary Schedule Comparison**



Source: FLSD and local peers

Note: Includes Kent CSD, Lake LSD, Stow-Munroe Falls CSD, and Tallmadge LSD.

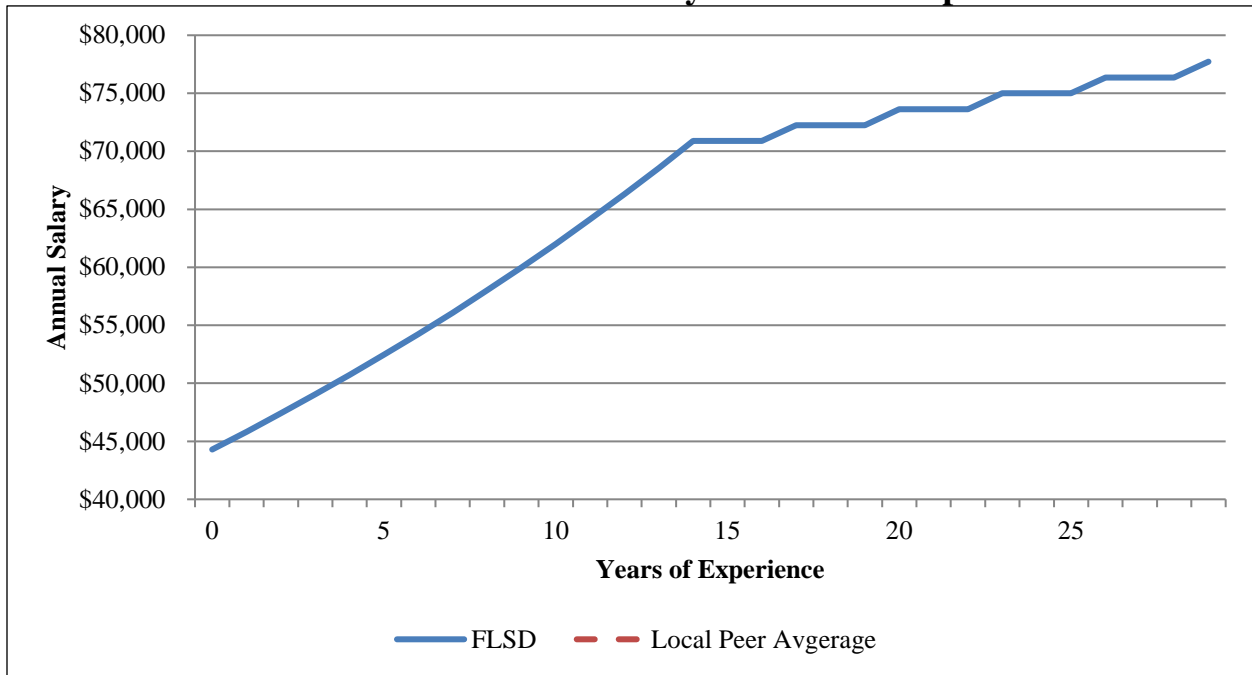
**Chart B-7: Master's +30 Salary Schedule Comparison**



Source: FLSD and local peers

Note: Includes Kent CSD, Lake LSD, Ravenna CSD, and Springfield LSD.

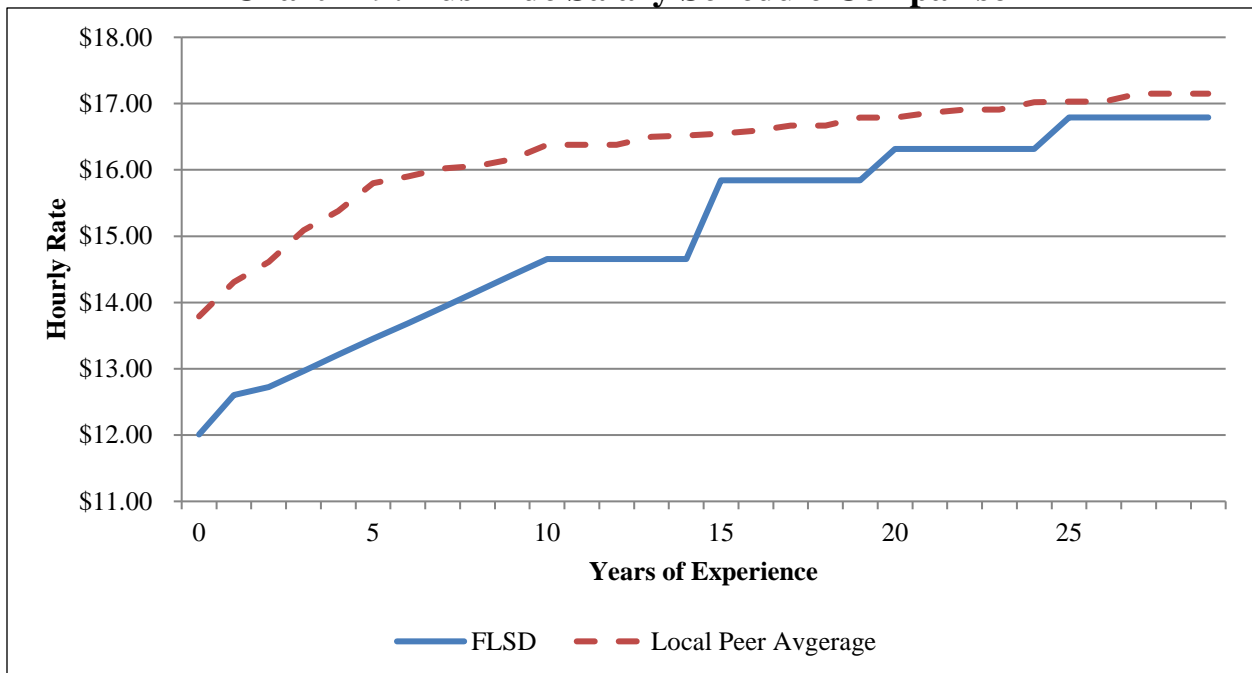
**Chart B-8: Master's +45 Salary Schedule Comparison**



Source: FLSD and local peers

Note: No local peer contracts include a Master's +45 salary schedule.

**Chart B-9: Bus Aide Salary Schedule Comparison**

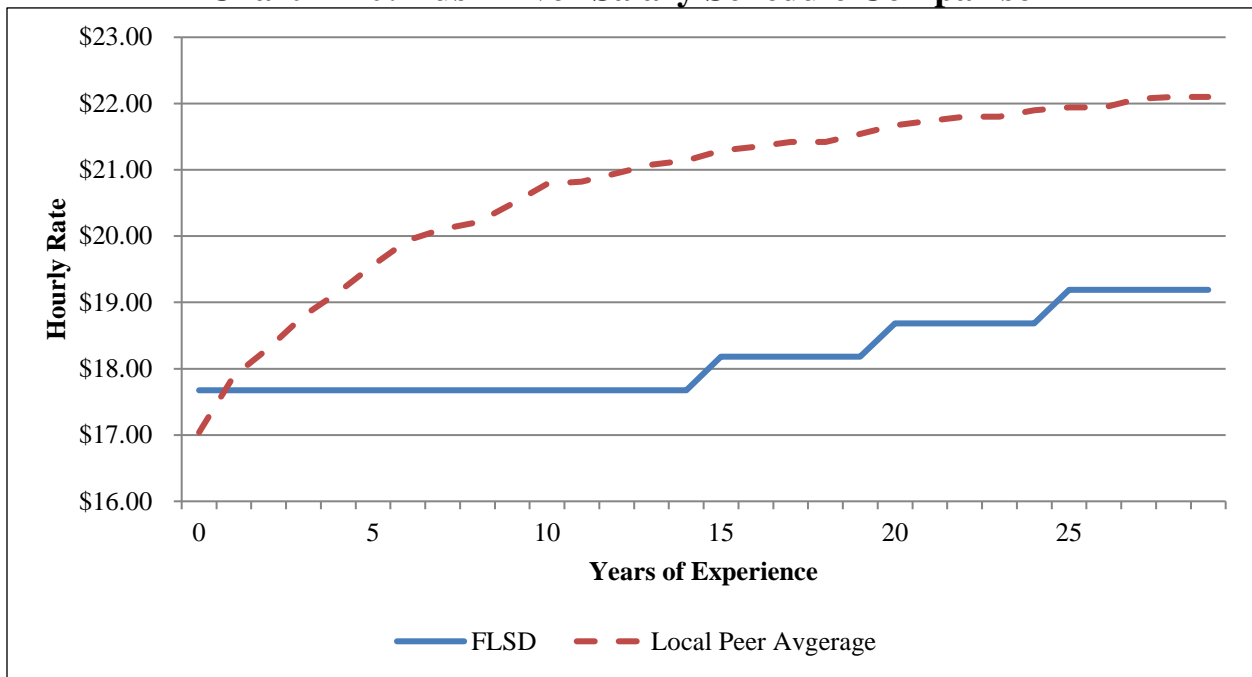


Source: FLSD and local peers

Note: Excludes Tallmadge CSD and Waterloo LSD.

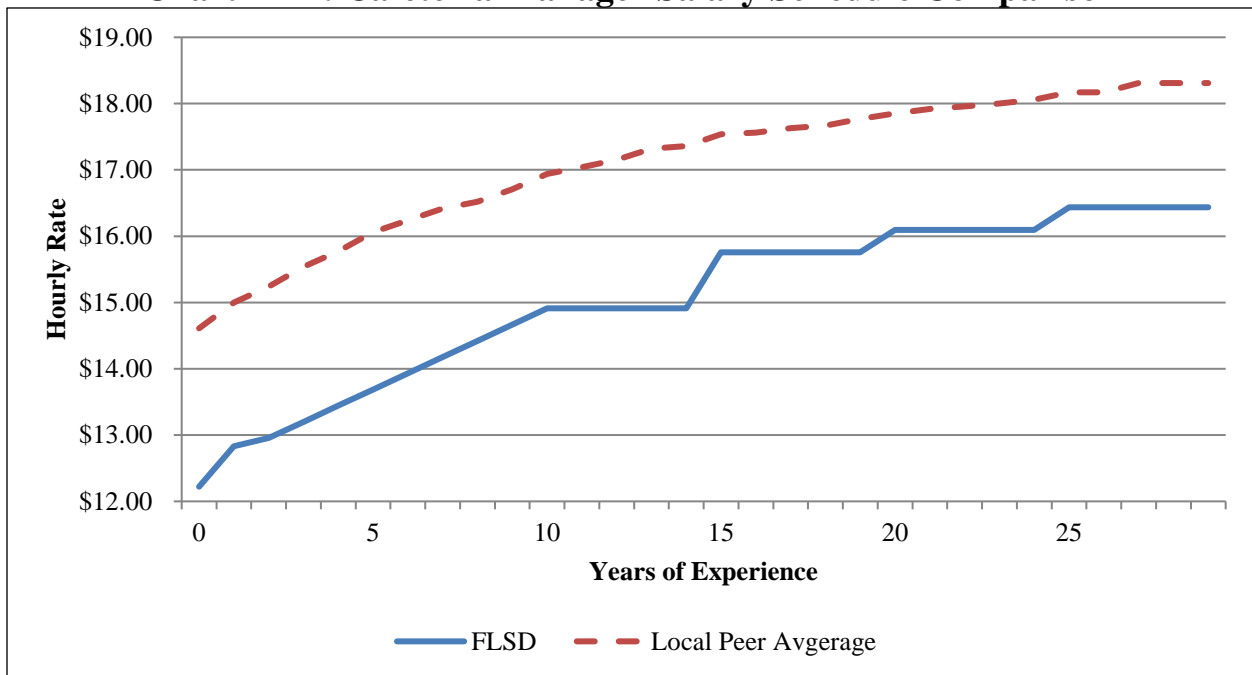


**Chart B-10: Bus Driver Salary Schedule Comparison**



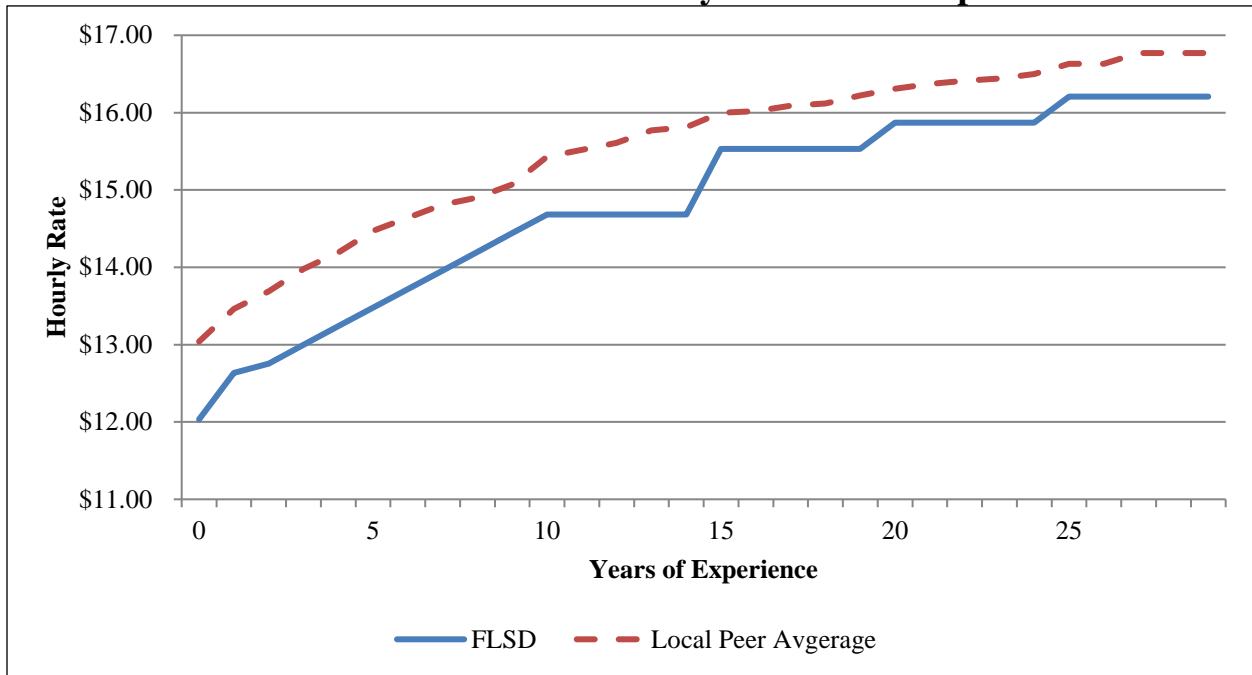
Source: FLSD and local peers  
 Note: Excludes Tallmadge CSD.

**Chart B-11: Cafeteria Manager Salary Schedule Comparison**



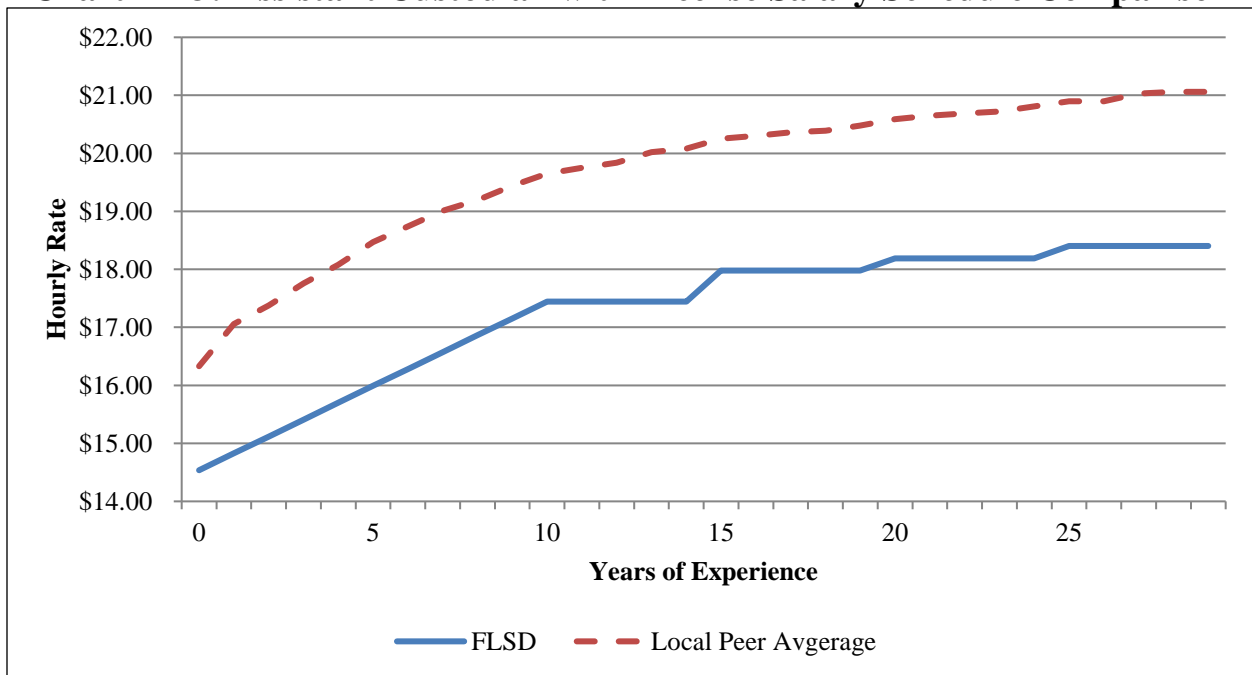
Source: FLSD and local peers  
 Note: Excludes Kent CSD.

**Chart B-12: Cook/Cashier Salary Schedule Comparison**



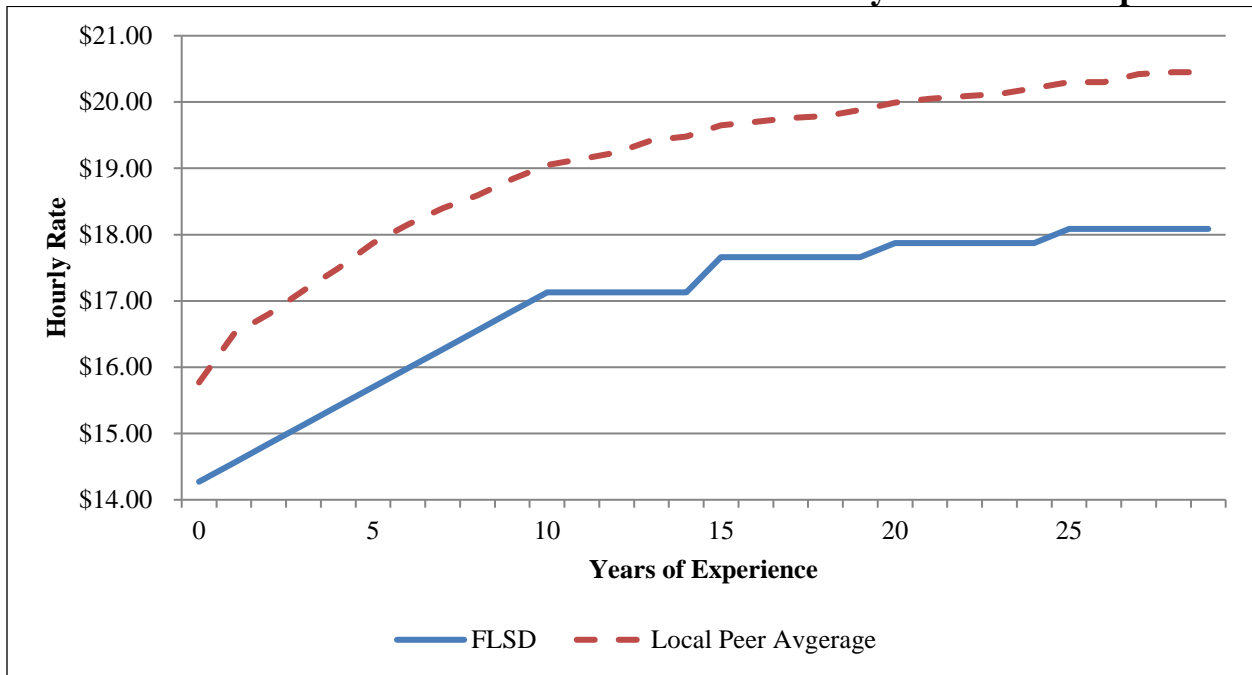
Source: FLSD and local peers  
 Note: Excludes Kent CSD.

**Chart B-13: Assistant Custodian with License Salary Schedule Comparison**



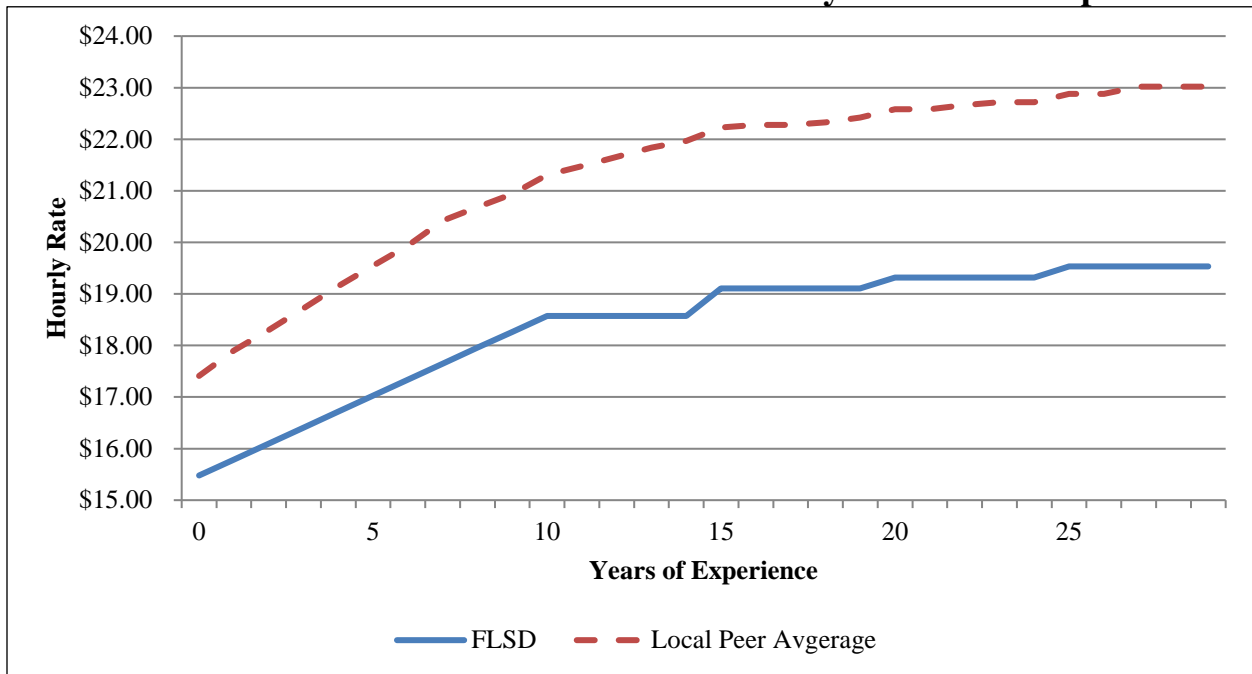
Source: FLSD and local peers

**Chart B-14: Assistant Custodian without License Salary Schedule Comparison**



Source: FLSD and local peers

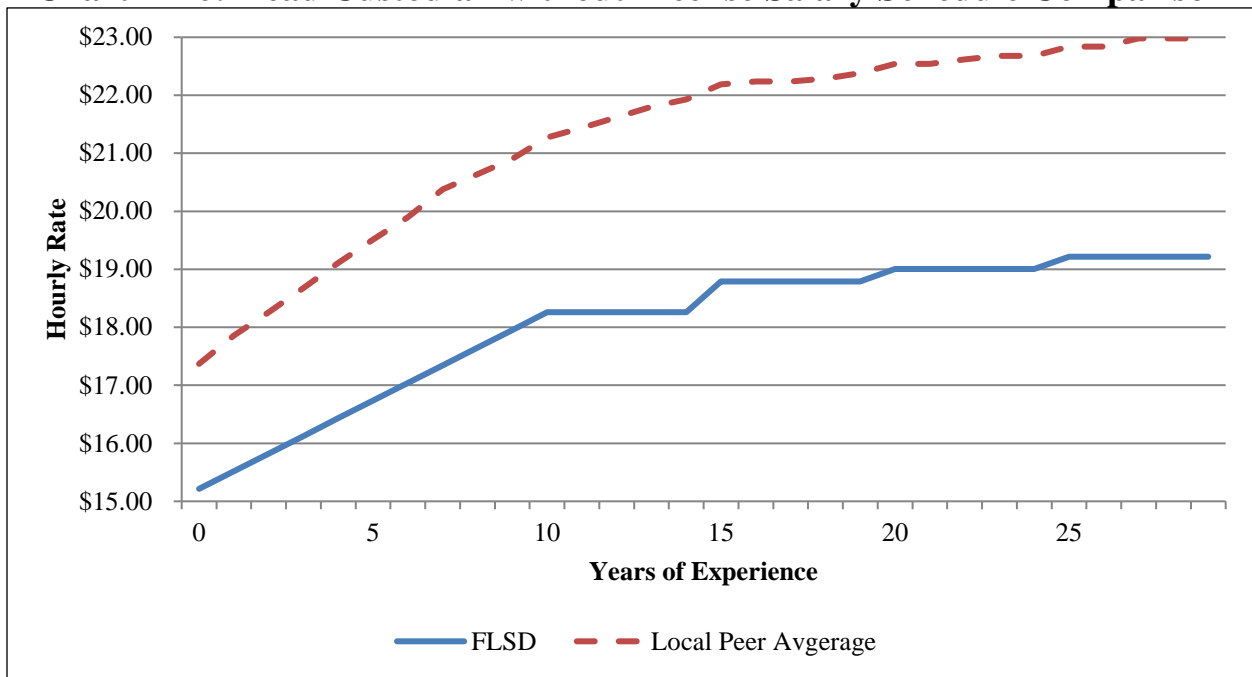
**Chart B-15: Head Custodian with License Salary Schedule Comparison**



Source: FLSD and local peers

Note: Excludes: Kent CSD, Mogadore LSD, Ravenna CSD, and Stow-Munroe Falls CSD.

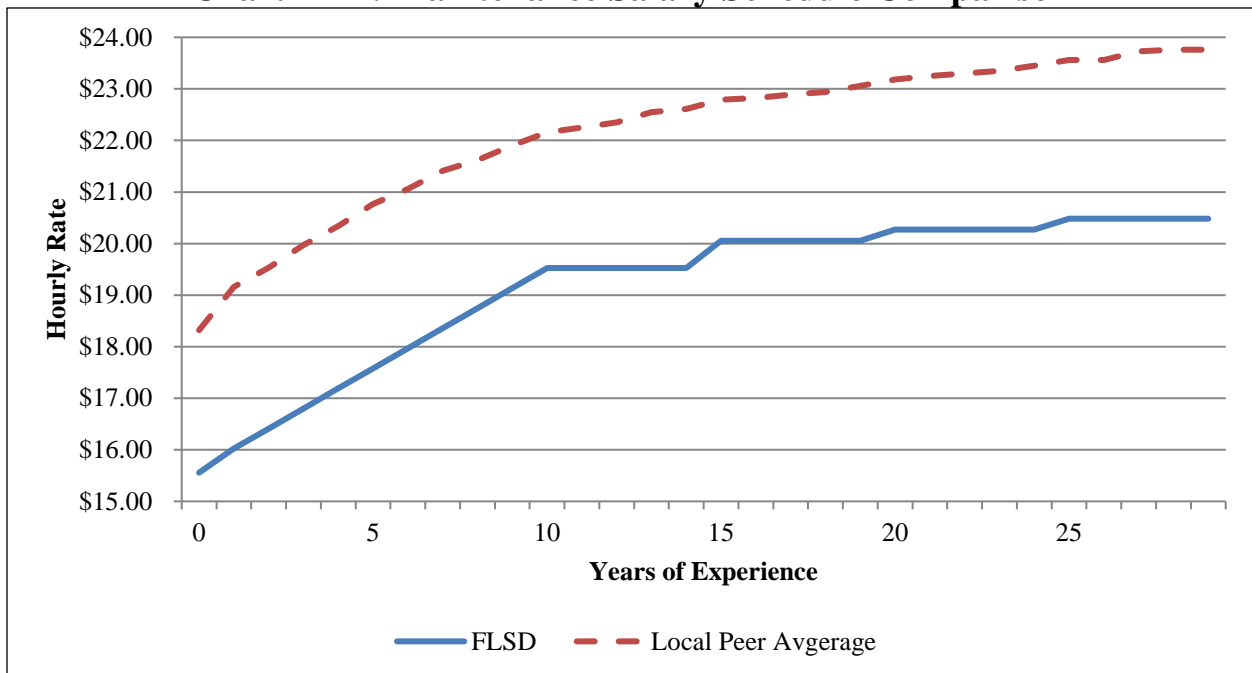
**Chart B-16: Head Custodian without License Salary Schedule Comparison**



Source: FLSD and local peers

Note: Excludes: Kent CSD, Mogadore LSD, Ravenna CSD, and Stow-Munroe Falls CSD.

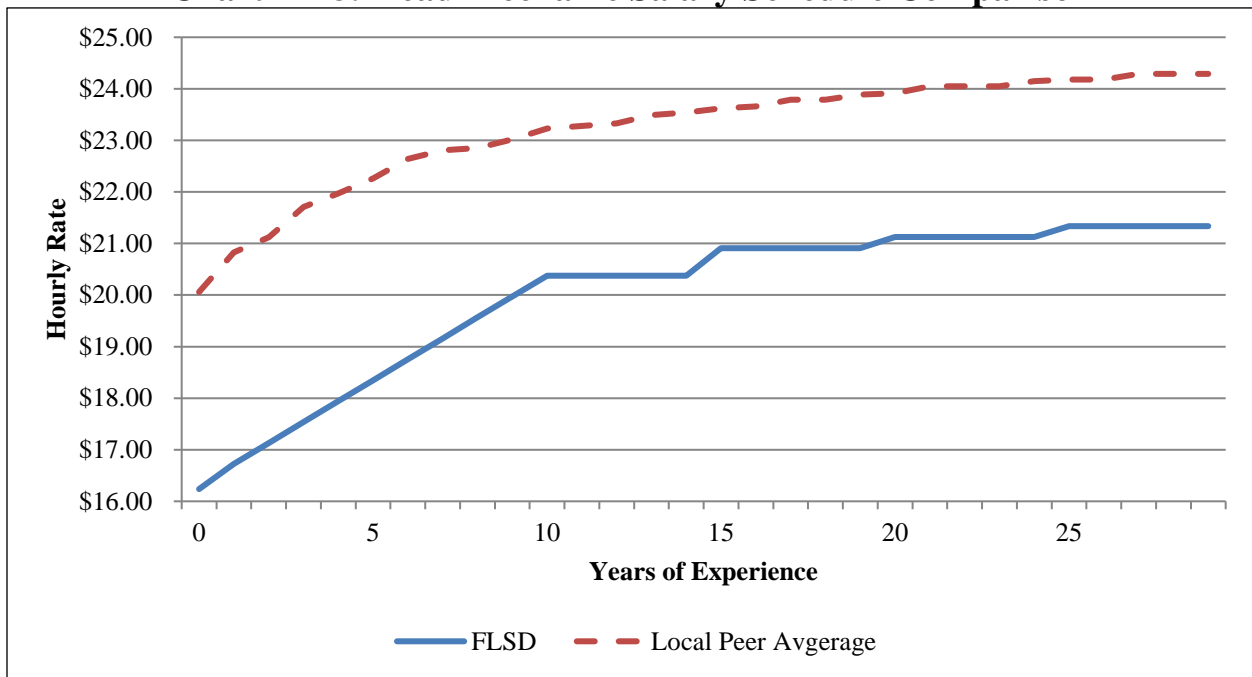
**Chart B-17: Maintenance Salary Schedule Comparison**



Source: FLSD and local peers

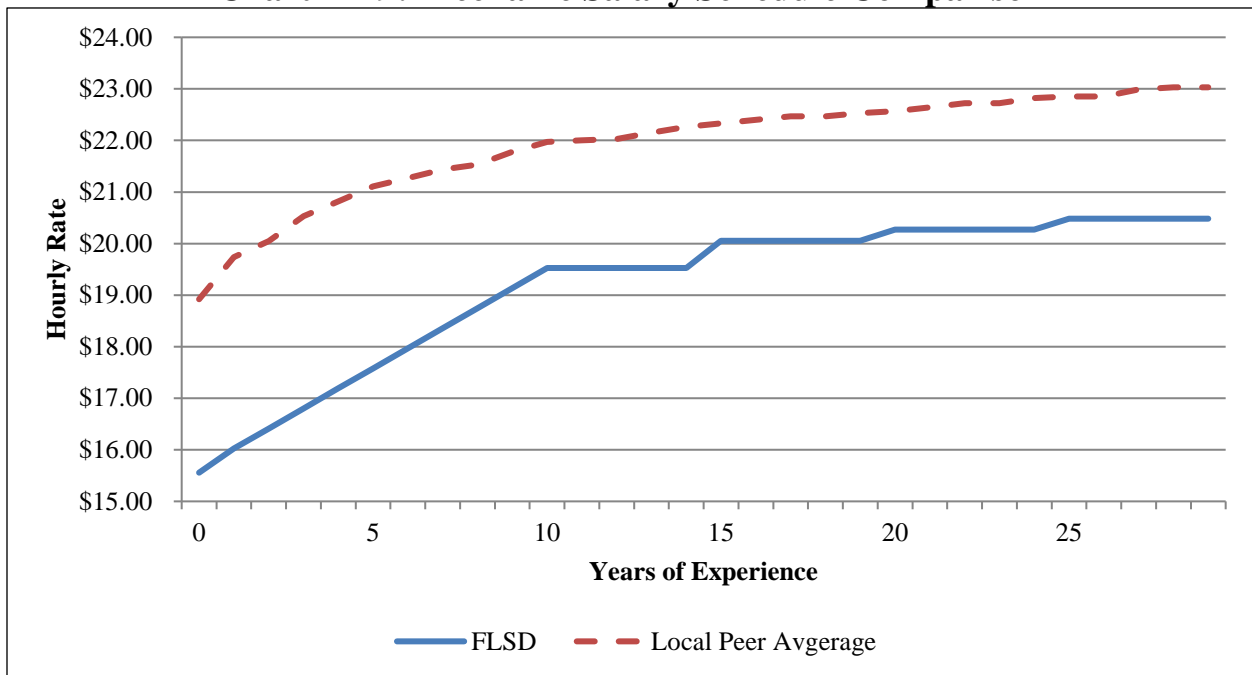
Note: Excludes Waterloo LSD.

**Chart B-18: Head Mechanic Salary Schedule Comparison**



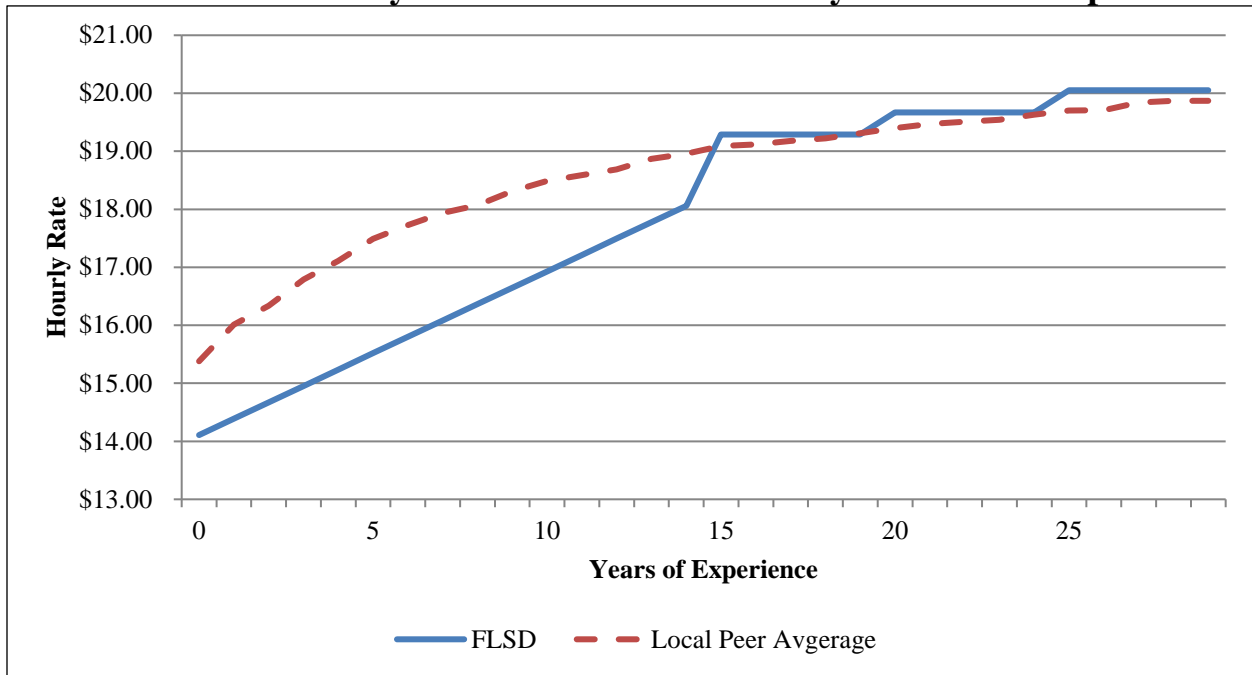
Source: FLSD and local peers  
 Note: Excludes Kent CSD, Lake LSD, Mogadore LSD, and Tallmadge CSD.

**Chart B-19: Mechanic Salary Schedule Comparison**



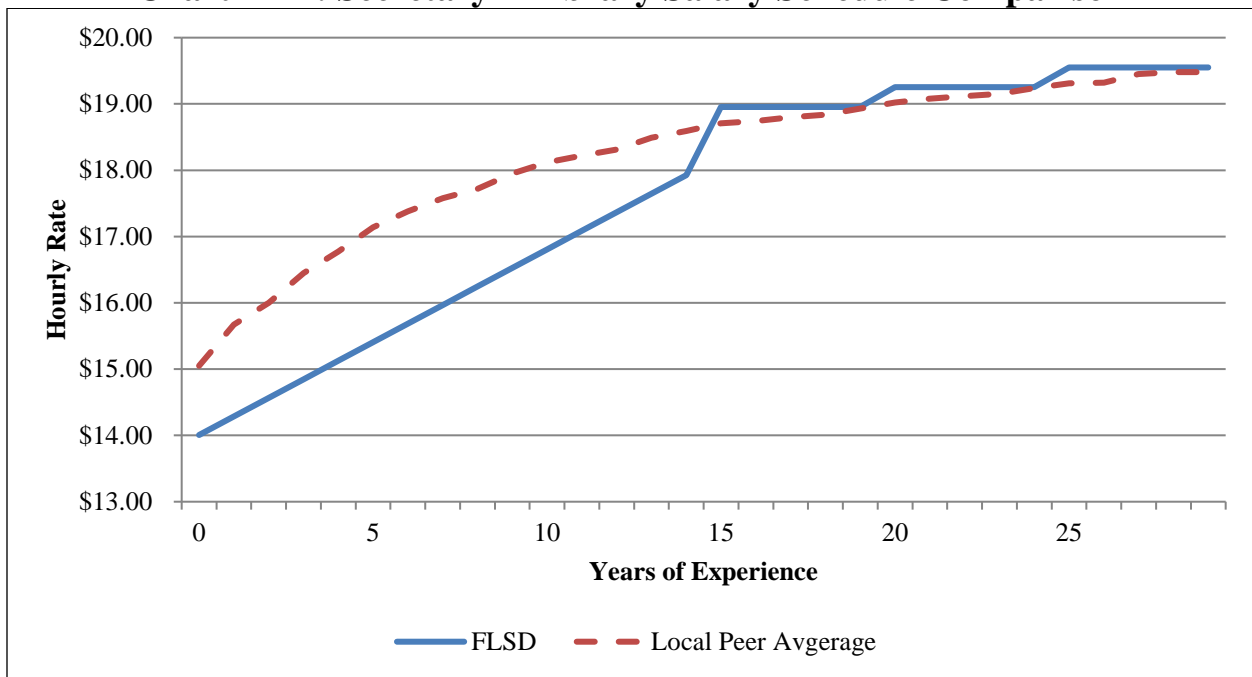
Source: FLSD and local peers  
 Note: Exclude Tallmadge CSD.

**Chart B-20: Secretary – Guidance/Athletic Salary Schedule Comparison**



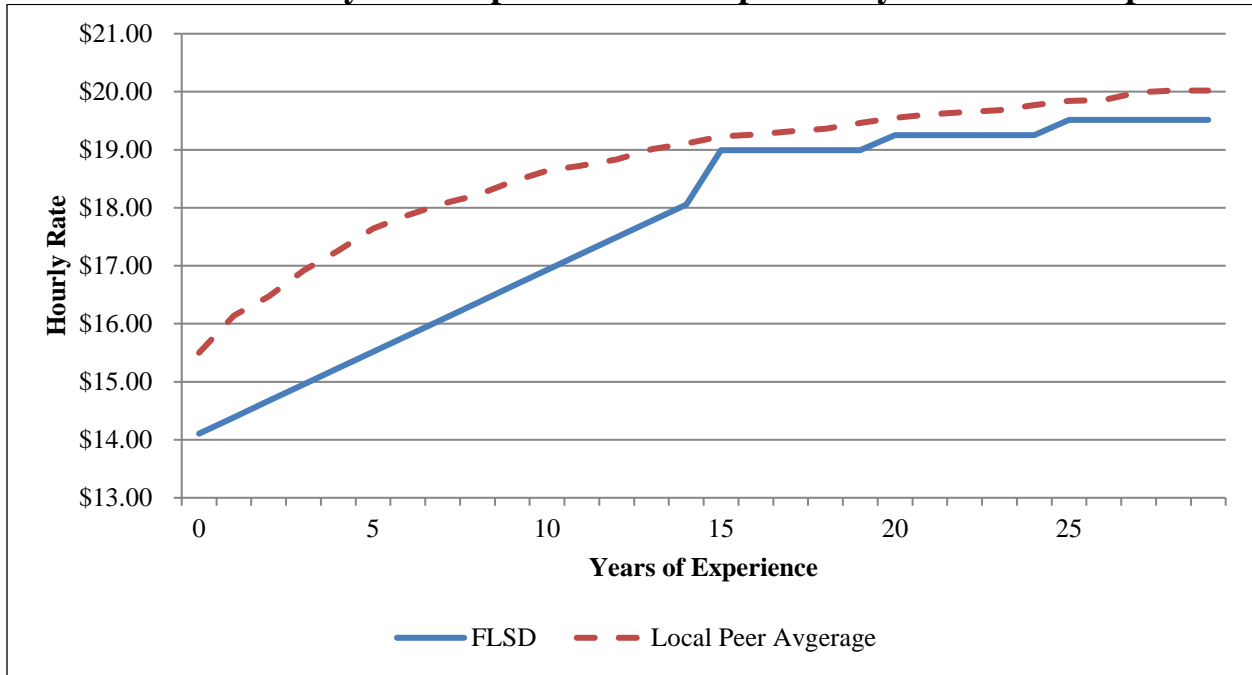
Source: FLSD and local peers

**Chart B-21: Secretary – Library Salary Schedule Comparison**



Source: FLSD and local peers

**Chart B-22: Secretary – Transportation/Principal Salary Schedule Comparison**



Source: FLSD and local peers

## Sick Leave Severance

**Table B-11** shows the District's maximum financial liability for sick leave severance by position, in comparison to its projected liability resulting from bringing its CBA provisions for sick leave payouts in line with ORC minimums (see **R.9**). This analysis provides an indication of the District's maximum sick leave severance exposure compared to the minimum levels required.

**Table B-11: Difference between ORC and FLSD for Severance Liability**

Certificated Employees						
	Final Daily Rate of Pay	CBA Maximum	Maximum Payout	ORC Minimum	Payout at ORC	Difference
BA	\$312.44	96.83	\$30,253.82	30	\$9,373.28	\$20,880.54
BA with 150 hours <sup>1</sup>	\$324.13	96.83	\$31,385.62	30	\$9,723.93	\$21,661.68
BA plus 15 hours	\$338.52	96.83	\$32,779.35	30	\$10,155.74	\$22,623.60
BA plus 30 hours	\$356.46	96.83	\$34,516.46	30	\$10,693.93	\$23,822.52
MA	\$377.45	96.83	\$36,548.30	30	\$11,323.44	\$25,224.86
MA plus 15 hours	\$391.40	96.83	\$37,899.16	30	\$11,741.97	\$26,157.19
MA plus 30 hours	\$408.81	96.83	\$39,585.48	30	\$12,264.43	\$27,321.05
MA plus 40 hours	\$424.72	96.83	\$41,125.76	30	\$12,741.64	\$28,384.13
<b>Average Certificated Staff Difference</b>						<b>\$24,509.45</b>
Classified Staff Employees						
Bus Driver	\$95.00	74	\$7,030.00	30	\$2,850.00	\$4,180.00
Cook / Cashier	\$112.35	74	\$8,313.90	30	\$3,370.50	\$4,943.40
Cafeteria Manager	\$113.89	74	\$8,427.86	30	\$3,416.70	\$5,011.16
Grounds – Part time	\$113.85	74	\$8,424.90	30	\$3,415.50	\$5,009.40
Grounds – Full time	\$162.24	74	\$12,005.76	30	\$4,867.20	\$7,138.56
Mechanic	\$162.24	74	\$12,005.76	30	\$4,867.20	\$7,138.56
Head Mechanic	\$170.48	74	\$12,615.52	30	\$5,114.40	\$7,501.12
Bus Aides	\$72.55	74	\$5,368.70	30	\$2,176.50	\$3,192.20
Asst. Custodian <sup>2</sup>	\$143.28	74	\$10,602.72	30	\$4,298.40	\$6,304.32
Asst. Custodian	\$145.76	74	\$10,786.24	30	\$4,372.80	\$6,413.44
Head Custodian <sup>2</sup>	\$152.24	74	\$11,265.76	30	\$4,567.20	\$6,698.56
Head Custodian	\$154.72	74	\$11,449.28	30	\$4,641.60	\$6,807.68
Asst. Custodian – PT	\$96.75	74	\$7,159.13	30	\$2,902.35	\$4,256.78
Secretary – Guidance	\$109.18	74	\$8,078.95	30	\$3,275.25	\$4,803.70
Secretary – Library	\$154.88	74	\$11,461.12	30	\$4,646.40	\$6,814.72
Secretary - Trans	\$154.56	74	\$11,437.44	30	\$4,636.80	\$6,800.64
<b>Average Classified Staff Difference</b>						<b>\$5,813.39</b>

Source: FLSD

<sup>1</sup> BA includes 150 semester hours.

<sup>2</sup> Without license.

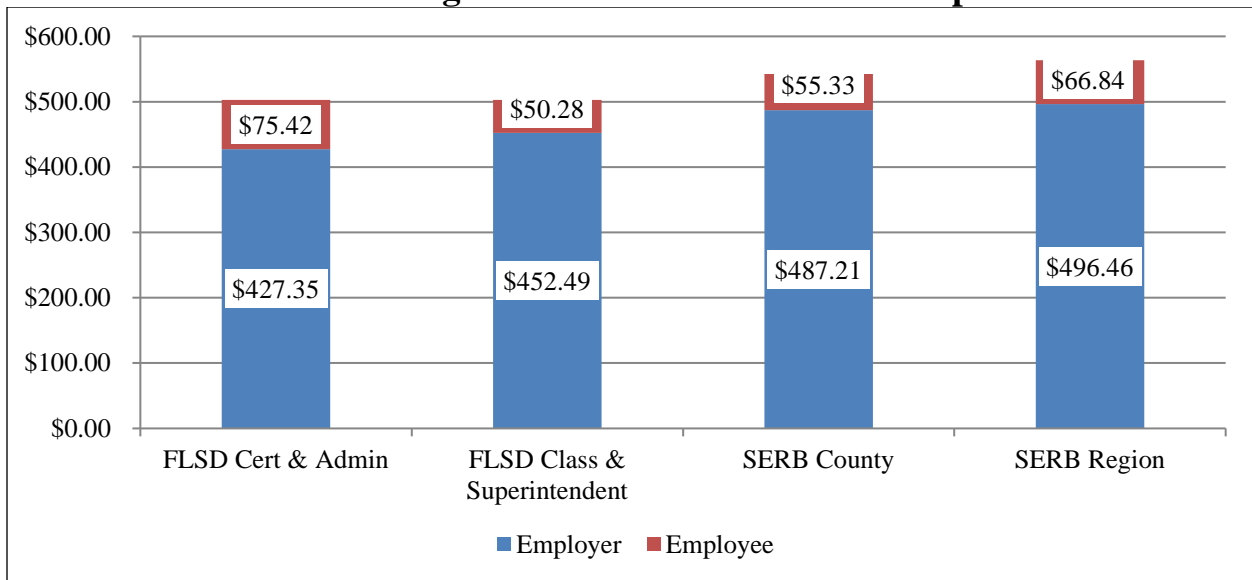
As shown in **Table B-11**, FLSD employees are entitled to receive severance payouts for more days at retirement than the ORC minimum. Adjusting payouts to the ORC minimum could decrease the District's future severance liability.



Insurance

**Chart B-23** through **Chart B-26** show FLSD’s certificated and classified staff single, and family plan monthly medical and prescription drug insurance premiums and contributions for FY 2018-19 compared to the SERB Portage County average and the SERB Akron/Canton region average.

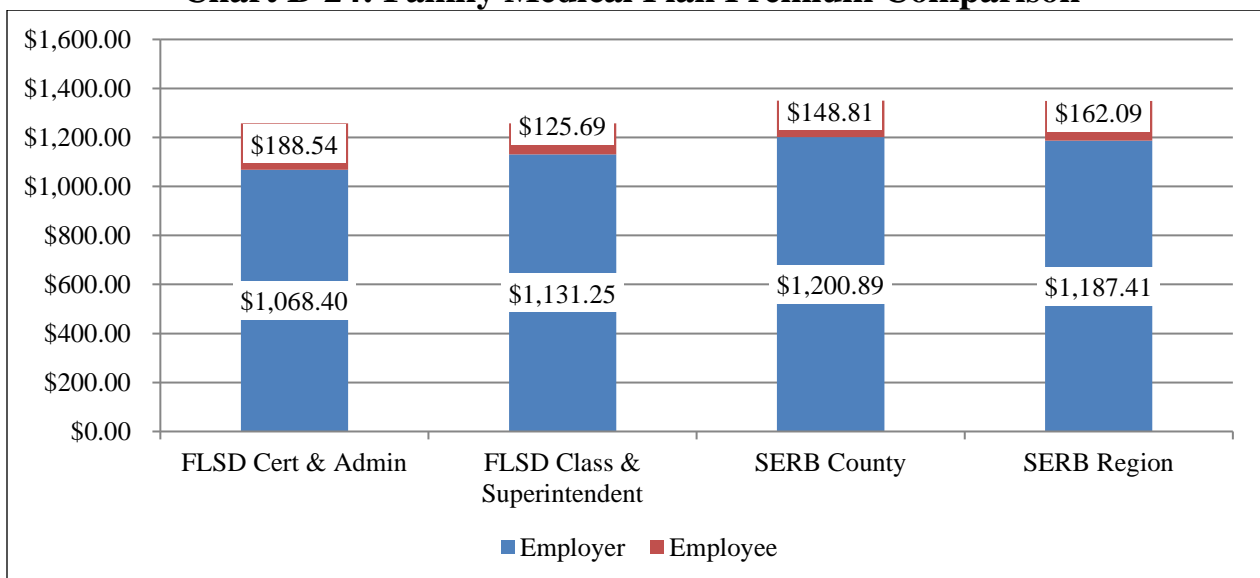
**Chart B-23: Single Medical Plan Premium Comparison**



Source: FLSD and SERB

Note: SERB region is Akron/Canton

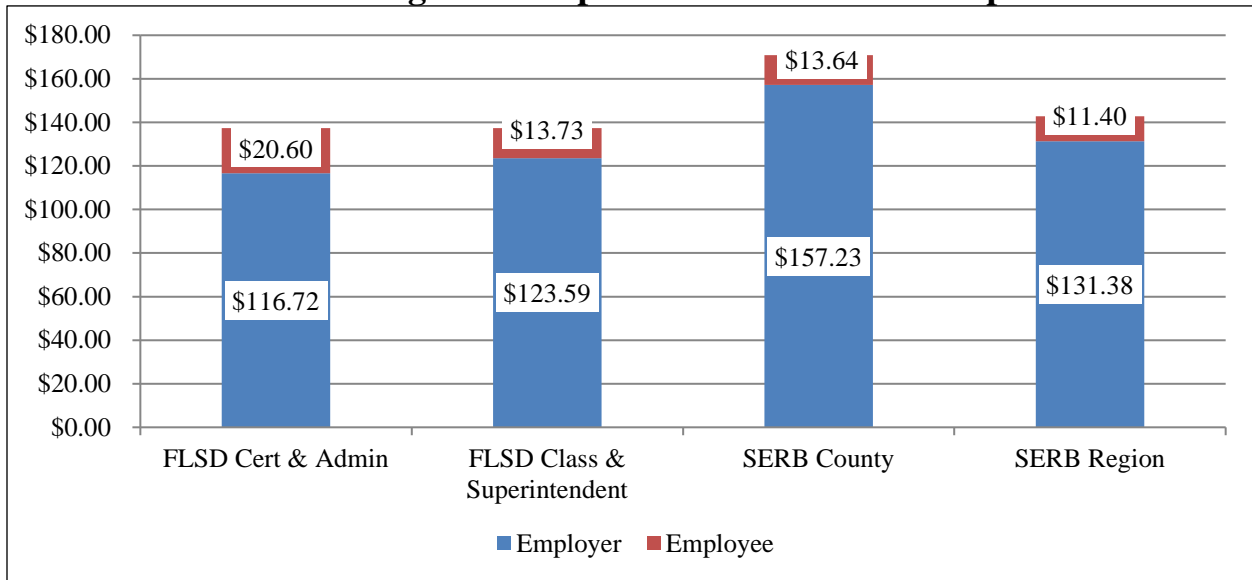
**Chart B-24: Family Medical Plan Premium Comparison**



Source: FLSD and SERB

Note: SERB region is Akron/Canton

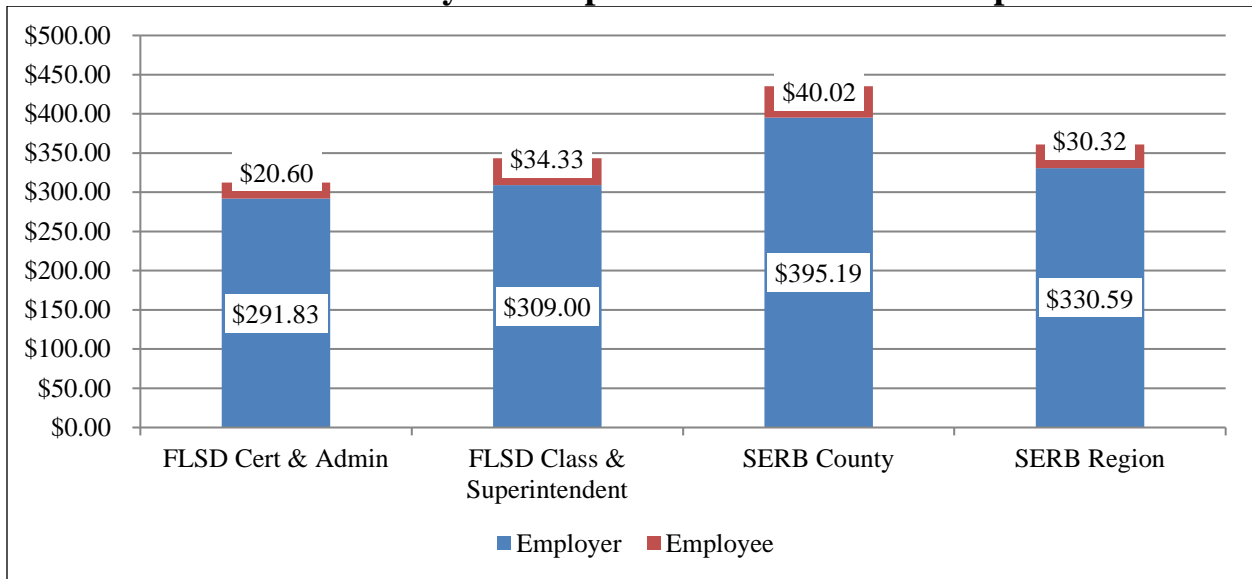
**Chart B-25: Single Prescription Plan Premium Comparison**



Source: FLSD and SERB

Note: SERB region is Akron/Canton

**Chart B-26: Family Prescription Plan Premium Comparison**



Source: FLSD and SERB

Note: SERB region is Akron/Canton

As shown in **Chart B-23** through **Chart B-26**, FLSD’s employer cost for medical and prescription drug insurance was lower than the Portage County average and the SERB region average for both single and family plan types.

**Table B-12** shows FLSD’s key health insurance plan design elements as compared to the Portage County average.

**Table B-12: Medical Insurance Plan Design Comparison**

	FLSD	SERB Portage County	Difference	% Difference
<b>Deductible</b>				
<b>In-Network</b>				
Single	\$250	\$221	\$29	13.2%
Family	\$500	\$446	\$54	12.1%
<b>Out-of-Network</b>				
Single	\$500	\$438	\$63	14.3%
Family	\$1,000	\$875	\$125	14.3%
<b>Out-of-Pocket Maximum</b>				
<b>In-Network</b>				
Single	\$1,000	\$896	\$104	11.6%
Family	\$2,000	\$1,717	\$283	16.5%
<b>Out-of-Network</b>				
Single	\$2,000	\$1,767	\$233	13.2%
Family	\$4,000	\$3,533	\$467	13.2%
<b>Co-Payments</b>				
Primary Care	\$10	\$8	\$3	33.3%
Emergency Room	\$75	\$52	\$23	44.0%
<b>Prescription Drug</b>				
<b>Generic</b>				
Tier 1 (30 days)	\$10	\$6	\$4	69.5%
Home Delivery (90 days)	\$20	\$11	\$9	88.7%
<b>Formulary</b>				
Tier 2 (30 days)	\$15	\$11	\$4	36.4%
Home Delivery (90 days)	\$30	\$19	\$11	57.9%
<b>Non-Formulary</b>				
Tier 3 (30 days)	\$30	\$24	\$6	25.0%
Home Delivery (90 days)	\$60	\$42	\$18	42.9%

Source: FLSD and SERB

As shown in **Table B-12**, FLSD's single and family plan design elements are all higher than the Portage County average.

### *Facilities*

**Table B-13** shows the District's school building utilization based on the number of students and classrooms for each building in FY 2018-19.

**Table B-13: District School Building Utilization**

Building Level	Buildings	Classrooms	Head Count	Capacity	Utilization
Elementary	2	42	940	1,050	89.5%
Middle	1	27	477	574	83.1%
High	1	37	567	786	72.1%
<b>Total</b>	<b>4</b>	<b>106</b>	<b>1,984</b>	<b>2,410</b>	<b>82.3%</b>

Source: FLSD and ODE

As shown in **Table B-13**, FLSD had a district-wide utilization rate of 82.3 percent in FY 2018-19. *Defining Capacity* (DeJong and Associates, Inc., 1999) recommends an 85 percent utilization factor to determine the functional building capacity. FLSD's FY 2018-19 district-wide utilization rate is in line with this recommended level. Although the District cannot close an instructional school building, the District does have the ability to close Central Elementary (see **R.11**).

**Table B-14** shows the District's FY 2018-19 buildings and grounds staffing compared to industry benchmarks established by the National Center for Education Statistics (NCES)<sup>29</sup> and American School and University (AS&U).<sup>30</sup> It is important to compare and monitor staffing using workload measures in order to determine proper staffing levels and maintain efficiency.

**Table B-14: Buildings and Grounds Staffing Comparison**

<b>Grounds Staffing</b>	
Grounds FTEs	1.0
Acreage Maintained	52.1
AS&U Benchmark - Acres per FTE	40.2
Benchmarked Staffing Need	1.3
<b>Grounds FTEs Above/(Below) Benchmark</b>	<b>(0.3)</b>
<b>Custodial Staffing</b>	
Custodial FTEs	8.7
Square Footage Cleaned <sup>1</sup>	290,392
NCES Level 3 Cleaning Benchmark - Median Square Footage per FTE	29,500
Benchmarked Staffing Need	9.8
<b>Custodial FTEs Above/(Below) Benchmark</b>	<b>(1.1)</b>
<b>Maintenance Staffing</b>	
Maintenance FTEs	1.4
Square Footage Maintained	295,337
AS&U Benchmark - Square Footage per FTE	94,872
Benchmarked Staffing Need	3.1
<b>Maintenance FTEs Above/(Below) Benchmark</b>	<b>(1.7)</b>
<b>Total Buildings &amp; Grounds Staffing</b>	
Total FTEs Employed	11.1
Total Benchmarked Staffing Need	14.3
<b>Total FTEs Above/(Below) Benchmark</b>	<b>(3.2)</b>

Source: FLSD, AS&U, and NCES

<sup>1</sup> Custodial staff does not clean the bus garage portion of the District Service Center building. Therefore, total square footage was reduced by 1,200 square feet.

As shown in **Table B-14**, the District's grounds, custodial, and maintenance staffing levels are below established staffing benchmarks and lower in total by 3.2 FTEs.

**Table B-15** shows the District's FY 2017-18 facilities operating costs per square foot compared to the primary peer average. Comparing expenditures per square foot gives an indication of the

<sup>29</sup> The NCES is the primary federal entity for collecting, analyzing, and reporting data related to education in the US and other nations and publishes a planning guide for maintaining school facilities.

<sup>30</sup> AS&U is a trade organization focused on school facility management which published school facility management related survey data collected during the period 2005-2009.

cost effectiveness of the District's facility operations as it normalizes size variances between districts.

**Table B-15: Facilities Expenditures per Square Foot Comparison**

	<b>FLSD</b>	<b>Peer Average</b>	<b>Difference</b>	<b>% Difference</b>
Salaries and Wages	\$1.64	\$1.88	(\$0.24)	(12.8%)
Employee Benefits	\$0.86	\$0.91	(\$0.05)	(5.5%)
Purchased Services (Excluding Utilities)	\$1.43	\$0.86	\$0.57	66.3 %
Utilities	\$0.92	\$1.38	(\$0.46)	(33.3%)
Water & Sewage	\$0.10	\$0.14	(\$0.04)	(28.6%)
Sub-Total Energy	\$0.83	\$1.24	(\$0.41)	(33.1%)
Electric	\$0.71	\$1.07	(\$0.36)	(33.6%)
Gas	\$0.11	\$0.17	(\$0.06)	(35.3%)
Other Energy Sources	\$0.00	\$0.00	\$0.00	0.0%
Supplies & Materials	\$0.60	\$0.41	\$0.19	46.3%
Capital Outlay	\$0.00	\$0.16	(\$0.16)	(100.0%)
Other Objects	\$0.00	\$0.03	(\$0.03)	(100.0%)
<b>Total Expenditures per Square Foot</b>	<b>\$5.45</b>	<b>\$5.63</b>	<b>(\$0.18)</b>	<b>(3.0%)</b>

Source: FLSD, ODE, and primary peers

As shown in **Table B-15**, FLSD spent \$0.18 per square foot, or 3.0 percent, less than the primary peer average for the operations of its facilities. Also, all classifications were less than the primary peer average except for purchased services (excluding utilities) and supplies and materials. Further analysis showed that the District's purchased services and supplies and materials were higher due to one-time repairs.

# Appendix C: Five-Year Forecasts

Chart C-1 shows FLSD’s October 2018 five-year forecast.

**Chart C-1: FLSD October 2018 Five-Year Forecast**

Line	Actual			Forecasted				
	2016	2017	2018	2019	2020	2021	2022	2023
1.010 General Property (Real Estate)	8,650,345	8,833,174	9,778,239	9,586,383	8,332,913	6,934,590	6,934,590	6,934,590
1.020 Tangible Personal Property Tax	(1,987)	1,147						
1.035 Unrestricted Grants-in-Aid	7,075,329	6,986,003	7,135,312	7,071,939	7,071,939	7,071,939	7,071,939	7,071,939
1.040 Restricted Grants-in-Aid	148,383	203,556	114,186	129,319	129,319	129,319	129,319	129,319
1.050 Property Tax Allocation	1,743,756	1,508,927	1,247,460	1,222,970	1,241,450	1,241,450	1,241,450	1,241,450
1.060 All Other Operating Revenue	2,110,899	2,129,920	2,037,114	1,952,524	1,932,524	1,912,524	1,912,524	1,912,524
1.070 Total Revenue	19,726,725	19,662,727	20,312,311	19,963,135	18,708,145	17,289,822	17,289,822	17,289,822
2.050 Advances-In	202,145	65,735	141,553	144,521	140,000	140,000	140,000	140,000
2.060 All Other Financial Sources	72,775	19,076	117,664	7,767	7,767	7,767	7,767	7,767
2.070 Total Other Financing Sources	274,920	84,811	259,217	152,288	147,767	147,767	147,767	147,767
2.080 Total Revenues and Other Financing Sources	20,001,645	19,747,538	20,571,528	20,115,423	18,855,912	17,437,589	17,437,589	17,437,589
3.010 Personnel Services	10,128,213	10,389,619	10,558,475	10,457,676	10,849,382	11,203,892	11,548,041	11,911,349
3.020 Employees' Retirement/Insurance Benefits	3,251,369	3,770,938	4,070,936	4,033,742	4,552,409	5,060,020	5,459,806	5,900,387
3.030 Purchased Services	4,234,363	4,711,768	5,102,243	5,331,844	5,571,777	5,822,507	6,084,520	6,358,323
3.040 Supplies and Materials	594,880	506,182	582,221	626,610	651,674	677,741	704,851	733,045
3.050 Capital Outlay	425,731	290,479	236,387	350,000	250,000	200,000	200,000	200,000
4.300 Other Objects	338,809	348,839	431,487	433,728	442,402	451,250	460,275	469,481
4.500 Total Expenditures	18,973,365	20,017,825	20,981,749	21,233,600	22,317,644	23,415,410	24,457,493	25,572,585
5.010 Operational Transfers - Out	63,437	32,545	46,561	46,561	46,561	46,561	46,561	46,561
5.020 Advances - Out	65,735	141,553	144,521	140,000	140,000	140,000	140,000	140,000
5.030 All Other Financing Uses		90	439,122					
5.040 Total Other Financing Uses	129,172	174,188	630,204	186,561	186,561	186,561	186,561	186,561
5.050 Total Expenditure and Other Financing Uses	19,102,537	20,192,013	21,611,953	21,420,161	22,504,205	23,601,971	24,644,054	25,759,146
6.010 Excess Rev & Oth Financing Sources over(under) Exp & Oth Financing	899,108	(444,475)	(1,040,425)	(1,304,738)	(3,648,293)	(6,164,382)	(7,206,465)	(8,321,557)
7.010 Beginning Cash Balance	3,218,286	4,117,394	3,672,919	2,632,494	1,327,756	(2,320,537)	(8,484,919)	(15,691,384)
7.020 Ending Cash Balance	4,117,394	3,672,919	2,632,494	1,327,756	(2,320,537)	(8,484,919)	(15,691,384)	(24,012,941)
8.010 Outstanding Encumbrances	252,619	169,699	533,267	318,528	318,528	318,528	318,528	318,528
10.010 Fund Balance June 30 for Certification of Appropriations	3,864,775	3,503,220	2,099,227	1,009,228	(2,639,065)	(8,803,447)	(16,009,912)	(24,331,469)
11.020 Property Tax - Renewal or Replacement					1,398,323	2,796,646	2,796,646	2,796,646
11.300 Cumulative Balance of Replacement/Renewal Levies					1,398,323	4,194,969	6,991,615	9,788,261
12.010 Fund Bal June 30 for Cert of Contracts, Salary Sched, Oth Obligations	3,864,775	3,503,220	2,099,227	1,009,228	(1,240,742)	(4,608,478)	(9,018,297)	(14,543,208)
13.020 Property Tax - New				1,996,069	3,992,138	3,992,138	3,992,138	3,992,138
13.030 Cumulative Balance of New Levies				1,996,069	5,988,207	9,980,345	13,972,483	17,964,621
15.010 Unreserved Fund Balance June 30	3,864,775	3,503,220	2,099,227	3,005,297	4,747,465	5,371,867	4,954,186	3,421,413

Source: FLSD and ODE

## **Client Response**

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Audit standards and AOS policy allow clients to provide a written response to an audit. The letter that follows is the Field Local School District's official statement in regards to the performance audit. Below is a statement from the AOS regarding the District's response:

- FLSD was selected for a performance audit based on its projected financial condition, in consultation with ODE, and was paid for with state funds. The purpose of the performance audit is to provide options for the District to consider which would improve the District's financial condition, and all recommendations contained within the report are reflective of that purpose. The report contains all completed analysis; however, recommendations which necessarily focus on areas of potential savings are presented at the beginning of the report.
- The analysis is an objective assessment of economy, efficiency, and/or effectiveness of its operations and management. The report provides the District with a data-driven analysis of operations to assist with decision-making. The District's current financial condition necessitates a focus on areas where savings can be realized. Implementing the recommendations contained in the report would allow the District to avoid forecasted deficits in each year of the forecast period.
- The performance audit uses the most up to date information available from ODE for the client and peer districts as the basis of the analysis. FLSD's information was updated to reflect current operations to ensure that the analysis reflects any recent changes the District has put in place.
- Primary peers are selected from a pool of demographically similar districts with similar per pupil spending and higher academic performance. The District was consulted regarding peer selection and did not provide feedback. Additionally, the District chose not to participate in an exit conference to discuss the results of the performance audit.

The Auditor of State provided this performance audit to FLSD to provide data-driven analysis to inform decision-making while offering transparency, credibility, and communication to all of the District's stakeholders. The analysis provided is intended to provide District management with options to consider in light of their current financial condition.



# FIELD LOCAL SCHOOL DISTRICT

David O. Heflinger  
Superintendent

Todd B. Carpenter  
Treasurer

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**Brimfield Elementary**  
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**Suffield Elementary**  
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**Special Services**  
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330-673-2659

March 21, 2019

Keith Faber, Auditor of State  
Office of Auditor of State  
88 East Broad Street, 5<sup>th</sup> Floor  
Columbus, Ohio 43215

Dear Auditor Faber,

The Field Local School District wishes to thank the Auditor of State's office for the effort to research and prepare the performance audit. There is a lot of information to digest. Upon review, it does seem the purpose of the audit is to emphasize comparisons that reflect poorly on the district, while glossing over the things that compare favorably.

There are recommendations about the dental and vision plans. Field's plans have a higher cost when compared to the peer groups. If you read the entire report, you will find that our medical and prescription costs are lower when compared to the peer group. The medical and prescription savings far outweigh the dental and vision extra costs. Medical and prescription are far and away more costly than dental and vision.

The report spends much time comparing the number of employees the district has in several categories. The report spends little time discussing the salaries paid to these employees. A full reading of the report finds Field has lower salaries in nearly every category. This point is not emphasized anywhere. I am confident if our salaries were higher, it would have warranted more of your time. In addition, when you discuss staffing you use Field's counts from this year while the comparison district's counts are from last year. The utilization of Full Time Equivalent (FTE) does not accurately capture all the active students our district serves.

In 2003 the district attempted to pass a bond issue for a centralized campus. The bond issue failed. Based on community feedback the district passed a bond issue in 2004 to build two neighborhood elementary buildings and upgrade the buildings on the main campus. The community chose, through their votes, to build, operate and maintain two neighborhood facilities. This requires higher staffing levels at nearly every position. Most of the comparison districts utilize a single campus.





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The recommendation on bus ridership is based on the manufacturer's rated capacity. The bus company may think that three students per seat at the elementary level is appropriate, but we do not. We also are aware that there is no law that caps the time students may be on a bus, but we do not consider that a reason to have students ride even longer routes than they already do. Therefore, the recommendations to add students to seats and cut bus routes are not in the best interest of the students and families of our district.

These are just a few examples that show the mission of the performance audit is to find fault. It is not designed to show items the district does well.

The biggest fault I find is the premise of the report itself. This audit uses "comparable", peer districts as a basis for comparison. There are fewer than 50 districts in Ohio that spend less per pupil than Field does. Comparing us to a group of peers who also spend very little per pupil is not helpful in any way. It might be more helpful if we were compared to the state average or if we were compared to districts that score as well or better on the report card. The goal of the Field Local School District is not to be a poor, basic school district. The goal is to be a top tier district that gets great academic results while continuing to be fiscally responsible. This report does not further that goal.

Respectfully submitted,

David O. Heflinger  
Superintendent  
Field Local Schools

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# OHIO AUDITOR OF STATE KEITH FABER



FIELD LOCAL SCHOOL DISTRICT

PORTAGE COUNTY

### CLERK'S CERTIFICATION

This is a true and correct copy of the report which is required to be filed in the Office of the Auditor of State pursuant to Section 117.26, Revised Code, and which is filed in Columbus, Ohio.

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
APRIL 4, 2019