



Auditor of State
Betty Montgomery

WESTERVILLE CITY SCHOOL DISTRICT PERFORMANCE AUDIT

OCTOBER 4, 2004



Auditor of State Betty Montgomery

To the Residents and Board of Education of the Westerville City School District:

In January of 2004, the Westerville City School District (Westerville CSD) contacted the Auditor of State's Office to initiate a performance audit. The District and Board of Education selected five functional areas to be assessed in the performance audit: financial systems, human resources, facilities, transportation and technology. These areas were selected because they are important components of District operations which support its mission of educating children, and because improvements in these areas can assist Westerville CSD in balancing its financial condition over the next five years. Also, the Board of Education requested the examination of several selected operational issues which are encompassed in the Programs and Management Issues section of the report. .

The performance audit contains recommendations that provide opportunities for enhancing District operations and generating cost savings. Generally, Westerville CSD performs at a high level of operational efficiency in several areas. Financial management is sound and provides the administration, Board, and citizens of the school district with reliable, up-to-date information. Human resources, to a large extent, are effectively managed and few contractual issues were identified within the District. Its facilities, transportation and technology operations offer high levels of service to the District and, while some cost savings were identified, most recommendations focus on operational enhancements. Lastly, the selected program areas yielded recommendations on Magnet schools, middle school teaming practices and Limited English Proficiency Programs, but identified the use of best practices in risk management and the operations of Westerville CSD's Able and Talented program. While the recommendations contained within the performance audit are resources intended to assist Westerville CSD in refining operations, District officials are encouraged to continue their ongoing evaluations of overall operations and to develop other recommendations independent of the performance audit.

An executive summary has been prepared which includes the project history, a district overview, the scope, objectives and methodology of the performance audit, and a summary of noteworthy accomplishments, recommendations, and financial implications. This report has been provided to Westerville CSD and its contents discussed with the appropriate officials and District management.

Additional copies of this report can be requested by calling the Clerk of the Bureau's office at (614) 466-2310 or toll free at (800) 282-0370. In addition, this performance audit can be accessed online through the Auditor of State of Ohio website at <http://www.auditor.state.oh.us/> by choosing the "Audit Search" option.

Sincerely,

A handwritten signature in black ink that reads "Betty Montgomery".

BETTY MONTGOMERY
Auditor of State

October 4, 2004

Executive Summary

Project History

In January of 2004, the Westerville City School District (Westerville CSD or the District) contacted the Auditor of State's Office (AOS) to request a performance audit. Consistent with the District's commitment to the Westerville City School District and the residents of the Westerville CSD, the administration requested an independent assessment of District operations to identify efficient and effective practices and determine areas for improvement. As the District has made significant cost reductions over the prior two fiscal years, Westerville CSD contracted for this independent assessment in an effort to further reduce costs and emphasize accountability within its community.

Pursuant to discussions with the District's administration, the following assessment areas were identified for inclusion in the performance audit:

- Financial Systems;
- Human Resources;
- Facilities;
- Transportation;
- Technology; and
- Program and Management Issues.

The performance audit is designed to develop recommendations that provide cost savings, revenue enhancements, and efficiency improvements and to identify noteworthy accomplishments that recognize efficient and effective practices currently in place at Westerville CSD. The District is encouraged to continue to monitor and assess its operations to identify recommendations for future improvements.

District Overview

Westerville CSD encompasses 52 square miles and is located primarily in Franklin County with its northern border extending into Delaware County. According to the Ohio Department of Education (ODE), the District's average daily membership (ADM) was approximately 14,000 students in FY 2003-04. Westerville CSD is the ninth largest district in the State of Ohio in terms of enrollment and the third largest in Franklin County. Currently, the District operates 16 elementary schools, 4 middle schools, and 3 high schools. According to the 2000 census, the District population of 84,658 includes a significant percentage (19.8 percent) of school aged

(under 18 years old) residents. Westerville CSD is located in a predominantly urban area, with significant commercial and industrial activity.

During FY 2003-04, the District employed approximately 1,400 full-time equivalent (FTE) employees, including approximately 587 regular instruction teachers. The overall student to teacher ratio for regular instruction staff is approximately 23. According to ODE's FY 2002-03 Local Report Card, Westerville CSD met 18 of 22 indicators, which merits an effective rating. The District earned the same rating in FY 2001-02.

Like many districts in the State, Westerville CSD is projecting future financial difficulties without the infusion of new local funding. Recently, Westerville CSD has faced stiff opposition to levy campaigns. Also, its May 2004 five-year forecast shows negative ending fund balances beginning in FY 2006-07, despite recent cuts, although the District's updated October forecast may show a favorable ending fund balance in the later years of the forecast. The District passed its last levy (5.0 mills) in March 2004. Westerville CSD currently draws approximately 63.2 voted mills (35.45 effective mills) in local revenue. Because the District's total assessed property valuation is \$1,879,113,060, its proportion of State Foundation revenue is only 39 percent of total General Fund revenues. Notwithstanding high incomes in some areas, between 12 and 14 percent of its students are eligible for the federal Free and Reduced Lunch program. Westerville CSD strives to maintain a socioeconomic balance within its schools and dedicates a significant sum to transporting students within the District to achieve this balance.

The District reduced staffing levels by 97 employees (94.0 FTEs) for FY 2004-05. These reductions were in addition to approximately 34.6 FTE reductions in FY 2003-04. Reductions in staff have generated a total of about \$8 million in savings which has been applied to reducing the District's projected deficits. Westerville has been innovative in several areas of human resources management, including using nine-month classified staff to reduce annual costs and requiring employee shares for health insurance costs in line with state averages. Modifications to its middle-school teaming practices, implemented for FY 2004-05, will further reduce costs.

Over the past decade, the District's enrollment has grown by about 1.0 percent each year. Continued increases in student population have necessitated several additions to existing buildings and the construction of a new high school. Enrollment projections indicate that the District will continue to experience similar growth in the foreseeable future and will likely require additional space to house new students.

Prior to the commencement of this audit, Westerville CSD administrators and members of the Board requested the inclusion of several programmatic issues and management concerns in the areas to be evaluated. These issues included opportunities the District wanted to explore for future implementation, including cost/benefit analyses of potential options to current service delivery structures. Other areas were highlighted as areas of concern about current District

practices (e.g. risk management, Able and Talented Program, and Magnet School Program). Some of these issues had also been raised by members of the community as potential areas for cost reductions. In most areas, the practices were identified to be within the bounds of industry or educational standards and would have had negligible impact on the District's finances. Those areas that might yield cost savings are highlighted in the **program and management issues** section.

Westerville CSD's efforts in cost containment have resulted in a relatively lean management style and funding arrangement for District operations. Administrators, some of whom were brought in from private industry, have implemented private sector practices in many support areas to streamline District support services. Although some areas for cost reductions or operational improvements were identified in this audit, the District has been proactive in seeking ways to minimize costs while maintaining high service levels.

Objectives, Scope, and Methodology

A performance audit is defined as a systematic and objective assessment of the performance of an organization, program, function, or activity to develop findings, conclusions, and recommendations. Performance audits are usually classified as either economy and efficiency audits or program audits. Economy and efficiency audits consider whether an entity is using its resources efficiently and effectively. Program audits normally are designed to determine if the entity's activities or programs are effective, if they are reaching their goals, and if the goals are proper, suitable, or relevant. This audit contains elements of both an economy and efficiency and program audit.

This performance audit was conducted in accordance with Generally Accepted Government Auditing Standards. Audit work was conducted between February and June, 2004. To complete this report, auditors gathered and assessed data from various areas, conducted interviews with Westerville CSD personnel, and evaluated requested information from the selected peer districts. Lakota Local School District (Butler County), Pickerington Local School District (Fairfield County), and Willoughby-Eastlake City School District (Lake County) were selected as peers based upon comparability as identified by ODE, reviews of demographic information, reported levels of efficiency and effectiveness, and input from District personnel¹⁻¹. Best practice information from ODE, the State Employee Relations Board (SERB), American Schools and Universities (AS&U), the National Middle School Association (NMSA), and other school districts was used for additional comparisons.

¹⁻¹ Criteria included in ODE's comparable district listings include geographic size, average daily membership (ADM), Ohio Proficiency Test ratings, per pupil expenditures, socioeconomic demographics, population density, and real property valuation

The goal of this performance audit is to provide an independent assessment of current District operations to improve service delivery and optimize operational efficiency and effectiveness. The assessments and subsequent recommendations will help Westerville CSD increase efficiency and maintain its fiscal solvency in the forecasted future. By implementing recommendations contained in this audit, Westerville CSD could further bolster its financial standing, increase efficiency in service delivery, enhance planning processes, and strengthen internal controls. Improving the overall operational condition of the district will have a positive impact on the instructional atmosphere to the benefit of both students and employees.

The performance audit process involved significant information sharing with Board of Education (the Board) members and administrative personnel, including the superintendent and the treasurer. Periodic status meetings were held throughout the engagement to inform the District of preliminary findings, recommendations, and key issues impacting selected audit areas. In addition, the District provided written comments in response to various recommendations which were taken into consideration in the reporting process.

The Auditor of State and staff express appreciation to Westerville CSD and the peer school districts for their cooperation and assistance throughout this audit.

Noteworthy Accomplishments

During the course of the performance audit, several noteworthy accomplishments or best practices were noted. These are outlined below.

Financial Systems

- Westerville CSD's web site provides a comprehensive amount of financial and planning data available to District residents, demonstrating a high level of accountability.

Human Resources

- In April 2004 Westerville CSD switched from Medical Mutual to United Healthcare as its health benefit plan carrier. The switch allowed the District to obtain the same benefit levels at a more economical rate.
- Westerville CSD has been proactive in reducing personnel expenditures to help balance its financial position. Between FY 2003-04 and 2004-05, the District reduced personnel by 97 employees.
- As part of the District's strategy to improve its financial outlook, the Westerville CSD Board authorized an early retirement incentive (ERI) to eligible certificated staff.

According to the District, 46 teachers took advantage of the retirement incentive and retired at the end the FY 2003-04. Over the next two years, the retirement of these teachers will produce a net savings of about \$4.6 million in salaries and benefits as these positions will not be filled.

Facilities

- The District has a custodial handbook and employs custodial newsletters to keep custodians in the District informed of various types of information. The custodial handbook includes the mission statement for custodial operations, job descriptions for each position, work rules, expectations and effective characteristics, responsibilities, custodial standards, maintenance duties, safety procedures, cleaning guidelines, and an outline of the custodial training program.
- The District has developed and conducts new employee and substitute training for custodians. The District has identified various cleaning techniques for different portions of buildings and, through the training process, ensures that all custodial employees receive the same training on the basic requirements of the job.
- The District has implemented proactive energy management initiatives. These include a computerized energy management system to centrally control, zone, and manage temperatures in all buildings. The temperatures are controlled by the facility project manager.
- Westerville CSD has a preventive maintenance schedule. The schedule is used to ensure that required preventive maintenance tasks are completed on all critical systems.
- The District's has a work order process that is effective and includes performance measurers. The District uses the measures to review the performance of the maintenance department.

Transportation

- Westerville CSD's transportation department received the highest possible rating during the State Highway Patrol's annual inspection of the District's fleet.
- Westerville CSD's transportation department is proactive in identifying areas for cost reduction and was already working on several projects to identify areas for savings prior to the initiation of this audit. Westerville CSD has exceptional records of expenditures and has prepared significant cost benefit analyses of various service reduction scenarios, such as the elimination of high school bus service.

Technology

- Westerville CSD replaces technical equipment on a 4-5 year replacement plan, ensuring that students have access to appropriate hardware and software. Replacement plans also help to minimize support costs as newer, low-maintenance computers replace older computers that are prone to more problems.
- Westerville CSD is currently developing a data warehouse that would provide teachers and staff access to a significant amount of historical and comparative data, including grades, demographics, and program information.

Program and Management Issues

- Westerville CSD's risk management practices are in line with best practice criteria identified by the Ohio Department of Administrative Services (ODAS) Office of Risk Management, and the American Public Works Association (APWA). Specifically, the District follows a formal risk assessment plan, conducts risk assessment surveys to identify hazards and minimize the risk of legal liability, and regularly solicits competitive bids from insurance providers to minimize premium costs.
- Westerville CSD receives the maximum level of ODE reimbursement for providing gifted education services. Additionally, students enrolled in the District's Able & Talented (A&T) program significantly outperform State requirements on all proficiency tests.

Key Recommendations

The performance audit contains several recommendations pertaining to Westerville CSD. The following are the key recommendations from the report:

Financial Systems

- Although fiscal management practices at the District are sound and yield reliable management information, the Board should review, and, when appropriate, revise its policies concerning fiscal management. Where appropriate, the Board should include additional detail in order to ensure that the new treasurer is clearly aware of the District's operations and Board expectations. In the future, policies should be reviewed and evaluated periodically and formally updated whenever changes are made to existing policies or procedures. During the course of this audit, the Board approved the treasurer's updates to the District's financial policies.

- The Board should create specific policies and procedures to ensure continued reliability and consistency in the development and review of the five-year forecast. These policies and procedures should address key forecast factors, including parties responsible for information, periods covered, the development process, assumption development and evaluation, support for assumptions, presentation, and outside consultation. Forecasts should be reviewed for errors and omissions by a source independent of the treasurer's office but knowledgeable in the areas of financial forecasting and school finance.
- Westerville CSD should develop a policy requiring the District's General Fund to maintain a balance of unreserved funds. This unencumbered balance should be between 5 percent and 15 percent of regular General Fund operating revenues, or no less than 2 months of regular General Fund operating expenditures based on best practices. The District should also set policies to guide the maintenance and use of these surplus resources to ensure that these funds are only used to avoid decreasing service levels during times of economic decline and considerable cash flow fluctuations. Finally, the Board should set parameters to reduce the level of unencumbered funds remaining at year's end in periods of extreme fiscal constraint.

Human Resources

- Westerville CSD should consider realigning its organizational structure to reduce administrative staffing levels. Although the District has reclassified some positions in administrative categories and made reductions in this area, the job functions indicate that a reduction of administrative personnel may be possible through condensing and revising job tasks. Reductions in staffing levels could help streamline operations and redirect resources toward educational programs that directly benefit students. Annual cost savings through reductions in other professional and administrative personnel and realignment of job functions could amount to \$427,000.
- Westerville CSD should closely examine its organizational structure and administrative components to identify additional opportunities for savings in accordance with best-practice recommendations. Likewise, it should update its organizational design depicting the hierarchy of authority to reflect recent changes to its management reporting structure. The current organizational chart does not accurately reflect job titles and duties, nor does it reflect the recent reclassifications of several personnel. Similarly, the current organizational structure leads to a limited span of control, creating a tumefied supervisory and administrative pool. An effective organizational design accurately depicts reporting relationships and provides a structural basis for achieving operational efficiency.
- In certain classifications, Westerville CSD should slow the rate of salary increases in order to bring salary levels in line with peer districts. The District is significantly higher

than the peers in the areas of supervisor, curriculum specialists and clerical personnel. By tempering the rate of compensation increases, the District could generate a cost avoidance and improve its future financial condition. The cost avoidance would allow funds to be directed toward providing educational instruction that would directly benefit students.

- Westerville CSD should continue to closely monitor insurance benefit expenditures and negotiate adjustments to employee contribution requirements and/or key benefits to levels that are commensurate with peers and to market standards. Currently, employees electing single medical plan coverage contribute approximately 5.0 percent to monthly premium amount of \$325.05. Employees enrolled in both single and family dental insurance plans do not contribute to the monthly dental insurance premium amount of \$59.87 per plan. By increasing the required contribution for single medical plan coverage to 10.0 percent, the District could save approximately \$58,500 in annual premium costs. In addition, by requiring a minimal contribution of \$8 per month to the monthly premiums for dental coverage, the District could save approximately \$137,280. If implemented, the total annual savings to the District would be approximately \$195,800
- Westerville CSD should consult with its legal counsel on negotiating a cost-of-living increase of not more than 1.0 percent for FY 2005-06 to improve its overall financial condition and enable the District to achieve a positive fund balance at the end of the fourth year of the five-year forecast. While the District may agree to re-open wage negotiations annually and make decisions regarding COLA increases according to fiscal stability, attempting to negotiate a wage freeze or a cost-of-living increases of not more than 1.0 percent for at least one additional year would increase the potential for retaining instructional positions and educational programs which directly benefit students. Implementation of this recommendation would extend additional savings of approximately \$817,000 to the FY 2005-06 forecast period.

Facilities

- Westerville CSD should consider its options regarding overall custodial staffing to ensure cleanliness and ongoing upkeep of its buildings. Currently, it appears that additional staff is needed at Central High School. The District should consider reallocating existing personnel from Blendon, Heritage and Walnut Springs Middle Schools to fill this need. Furthermore, the District could reallocate custodial staff from two elementary schools to Central High School by considering options for reconfiguration of school buildings.
- Westerville CSD should develop and formally adopt a building capacity calculation methodology which takes into consideration its academic needs and educational philosophy. In addition, Westerville CSD should consider employing different

configurations and uses for some of the elementary and middle school buildings. The District and community should recognize that, at some point in the near future, the addition of classroom space to house all District students will be necessary. Potential annual cost savings amounts to \$283,000.

Transportation

- Westerville City School District should seek to consolidate additional routes by moving cluster stops to the ½ mile limit when feasible, combining magnet school runs with regular runs, and offering payment in lieu for some non-public transportation. These efforts could save the district approximately \$200,000 annually¹⁻², including labor costs, depending on the number of routes eliminated.

For FY 2004-05, Westerville CSD implemented the 30-minute rule described in this recommendation.

- Westerville CSD should reduce the use of the taxi service for the transportation of Special Education students and, whenever possible, move these students to regular buses or additional special education routes. Reduction of taxi service could generate approximately \$1,200 per student in savings or approximately \$200,000 annually.
- Westerville CSD should review the use of shuttles, especially at the high school level, and determine if programming changes could reduce the need. To reduce the use of shuttles, the District should consider increasing the use of distance learning, revising its open enrollment practices, better coordinating schedules for electives and special programs, and increasing teacher commuting instead of student commuting from school to school. By implementing one or more of these alternatives, the district could reduce or eliminate high school shuttles and thereby save as much as \$60,000 each year.
- Westerville CSD should extend the use of its current fleet of buses from 10 years to 12-15 years or 200,000 miles. If the District chooses to extend the use of the fleet vehicles to 200,000 miles, it could reduce the number of bus purchases over the next five years from 26 to 10. Since bus purchases are made primarily with Capital Improvement Levy money, the amount that would be allocated to purchase buses can be redirected to the General Fund for respective capital improvement expenditures.

¹⁻² Route consolidation at the ½ mile limit would yeild \$50,000 in potential savings.

Technology

- The District should consider hiring 2.0 FTEs to provide technical support for the District's computer and network systems. Technical support duties would include repairing and troubleshooting equipment, and maintaining software and hardware. The District should also review Information Management Services (IMS) staffing levels for support when planning for future technology implementation and determine if they are sufficient to support and maintain new technology. Hiring two technical support employees would cost the District approximately \$101,000 annually.
- Westerville CSD should develop help desk practices that include standard procedures to prioritize work-orders, a knowledge database, and Service Level Agreements (SLAs) for its technicians. Enhancing the IMS department's ability to prioritize technical support data would allow IMS staff to identify critical support needs. Establishing help desk procedures and developing SLAs would clarify responsibilities and expectations for IMS support staff.
- Westerville CSD should consider restructuring the IMS department so that the director of IMS reports directly to the superintendent. This structure would better integrate technology into the District's overall strategic vision for instruction and technology. Providing the IMS director with a direct link to the superintendent would also assure the IMS department a greater role in the decision-making process where technology is concerned.
- Westerville CSD should reconvene the Technology Advisory Group (TAG), which initially developed the District's technology plan, to monitor the implementation of the plan. Likewise, TAG should assist in updating the plan annually to ensure that all goals and objectives reflect the current situation at Westerville CSD. The group should meet on a regular basis to evaluate technology in the District and establish ongoing priorities and updates to the technology plan.
- Westerville CSD should finalize its disaster recovery procedures and incorporate them into a formal disaster recovery plan. Developing a disaster recovery plan prepares an organization to recover operations as quickly and efficiently as possible after a disruption due to natural (fire, flood, or other *force majeure*) or other causes, such as a breach in security.
- The District should reorganize IMS to incorporate instructional technology functions and decision making authority in the IMS department. Having the IMS department involved in all matters pertaining to technology would improve integration between technology and instruction, and support staff would become better informed of teacher and student

needs. Management of instructional software purchasing would also be more centralized, resulting in improved standardization of instruction and technology.

Program and Management Issues

- Westerville CSD should consider offering one planning period to middle school team teachers, rather than two. In addition to bringing the District in line with peers in terms of the use of planning periods and permitting teachers to spend more instructional time with students, this will help to reduce administrative and staff support costs, which are attributable to current teaming practices, through staff reductions.

By negotiating to eliminate one planning period, Westerville CSD can increase instructional time for team teachers and reduce staffing levels by 7.9 FTEs. This will result in annual cost savings of approximately \$556,200 in salaries and benefit costs. Westerville CSD indicated that it has implemented this recommendation for FY 2004-05 and that the cost savings have been included in the District's five-year forecast.

During the course of the audit, Westerville CSD implemented this recommendation.

- Westerville CSD should obtain certification through the Community Alternative Funding System (CAFS). Regardless of how the function is performed, CAFS-certification will enable the District to increase annual special education reimbursements by billing Medicaid directly for the provision of these services.

Once Westerville CSD is certified through CAFS, it may become eligible to receive approximately \$50,000 in annual revenue from Medicaid-service reimbursements. This figure does not account for contracted service fees, nor does it include costs associated with performing the billing function in-house which could amount to approximately 8 percent of reimbursements or \$4,000. Accounting for the potential cost of in-house billing, the net annual benefit would be approximately \$46,000.

During the course of this audit, the District initiated steps to become CAFS certified.

Additional Findings and Recommendations

Financial Systems

- Westerville CSD should closely examine spending patterns in several areas and consider allocating monies toward those programs and priorities which have the greatest impact on learning outcomes and proficiency test results. In addition, Westerville CSD should analyze cost reductions recommended in the human resources, facilities and transportation sections of this report to further increase operational and financial efficiencies.
- Westerville CSD should consider implementing the recommendations in this performance audit to improve its current and future financial situation. In addition, the District should update its forecast on an ongoing basis as critical financial issues are addressed. Furthermore, Westerville CSD should use the proposed financial forecast to gauge its progress in the optimization of future financial resources relative to operational and educational needs of staff and students.

Human Resources

- Westerville CSD should review its policies and procedures to ensure that accurate reports are prepared and reconciled before submission to ODE and EMIS. To help ensure consistency and accuracy in EMIS reporting, the FTE calculation for employees working more than one job should be listed in each classification code based on the number of hours worked.
- In addition to employee performance reviews conducted for certified staff, Westerville CSD should consider implementing annual employee performance reviews for classified and non-bargaining unit employees. Performance reviews should be used primarily for the purpose of developing employees to successfully fulfill the requirements of the job, remain current with developments in their professions, and prepare for meeting individual career objectives.

Facilities

- Westerville CSD should standardize the schedules for building custodians. These schedules should all include the same type of information and use a similar format. The District should refer to Association of School Business Officials International (ASBO) recommended information for the schedules and adapt them to the needs of the District.

- Westerville CSD should consolidate its current facility plan information into one working document. The plan should be linked to the District's educational programs and academic achievement in the form of a facility master plan. The facility master plan should also be linked to the capital improvement plan.
- Westerville CSD should work with key facility personnel in the District, including building principals, maintenance and custodial personnel, and District administration to consolidate current capital improvement plans into a single document and finalize them as a multi-year capital improvement plan. This will help ensure the most critical repair work is completed once the permanent improvement levy is renewed/replaced in the upcoming fiscal year, and that all the capital outlay expenditures coincide with its continuous improvement plan for its facilities. A formal capital improvement plan will help demonstrate fiscal responsibility to the citizens of the District.

Transportation

- Westerville CSD should ensure that the transportation supervisor is involved in the development of the transportation provisions of student individualized education programs (IEPs) to verify that students receiving special needs transportation are in actual need of those services.

Technology

- The Director of IMS and District staff involved in TAG should use the results of the SchoolNet Biennial Educational Technology Assessment (BETA) survey for planning. Results of the survey should be compiled and analyzed every two years, and used as supplemental information to the technology plan. The BETA survey can support planning because it contains useful information on technology support, access, and other areas. Using this data for planning allows a district to better identify technology needs and areas for improvement without the expense of additional survey work.
- Westerville CSD should maximize grant funding from additional sources, including the federal and State governments and private sources to specifically support technology within the District. Any additional funding and attempts to secure funding should be accounted for in the technology plan. Use of any funds acquired through grants should also align with goals and objectives established in the technology plan.
- Westerville CSD should develop and implement a formal policy for donated equipment. The policy should include clear descriptions of basic standards and should be tied to overall District hardware standards defined by IMS staff. The policy should be communicated to all involved staff and potential donors to ensure consistent

implementation. In addition, because all Westerville CSD staff should be encouraged to look for donation opportunities, policies regarding what is acceptable should be communicated to all District personnel.

- IMS should enforce its existing purchasing policies to ensure technical review of all software, hardware and related technologies used for instructional and administrative purposes. IMS should have the responsibility for a technical review to ensure compatibility with IMS software and hardware standards. Enforcing purchasing policies could also facilitate improved communication between IMS, purchasing staff, administrators, and other departments.
- Westerville CSD should implement a formal professional development program for technology users. The District should publish a training schedule for staff that includes requirements aligned with best practices. To save on training costs, options should include free Web-based training, and in-house training and workshops organized by IMS and curriculum staff. Developing a formal professional development program will keep staff and teachers up-to-date on how to use the most current hardware and software available for instructional programs and completion of administrative tasks. Becoming experts in current technologies would assist teachers in instructing students on new technology, which may improve student performance.

Program and Management Issues

- Westerville CSD should consider consolidating its Magnet School program within non-magnet school buildings, similar to Willoughby-Eastlake CSD. This will enable the District to minimize administrative and operational support expenditures, while maximizing expenditures related to direct pupil support and instruction.
- Westerville CSD should review its methods for providing ESL services to determine if alternatives exist that would help the District improve Limited English Proficient (LEP) student proficiency test scores. Specifically, the District should consider working with Willoughby-Eastlake CSD and Lakota LSD – high performing peers – to review how improvements can be made in the elementary, middle, and high school grade levels.

Summary of Financial Implications

The following table summarizes the performance audit recommendations that contain financial implications. These recommendations provide a series of ideas or suggestions that Westerville CSD should consider. Several of the recommendations are dependent on labor negotiations or labor agreements. Detailed information concerning the financial implications, including assumptions, is contained within the individual sections of the performance audit.

Summary of Financial Implications

Recommendations from Sections	Estimated Annual Revenue Enhancements	Estimated Annual Cost Savings	Estimated Annual Implementation Cost
Human Resources			
Reducing staffing levels within other professional administrative classifications.		\$427,000	
Employee sharing of monthly health and dental insurance premiums.		\$195,800	
Maintain Cost of Living Increase of 1.0 percent in FY 2005-06 ¹ .		\$817,000	
Facilities			
Revise current facility use and building configuration.		\$283,000	
Transportation			
Consolidate bus routes.		\$200,000	
Reduce or eliminate the use of Tri-Star student taxis.		\$200,000	
Review the use of shuttles.		\$60,000	
Technology			
Consider hiring additional technical support and network administration staff.			\$101,000
Program and Management Issues			
Obtain CAFS certification	\$50,000		\$4,000
Total	\$50,000	\$2,182,800	\$105,000

Note: Figures are representative of amounts that would be realized in FY 2003-04.

The financial implications summarized above are presented on an individual basis for each recommendation. The magnitude of cost savings associated with some recommendations could be affected or offset by the implementation of other interrelated recommendations. Therefore, the actual cost savings, when compared to estimated cost savings, could vary depending on the implementation of the various recommendations.

Issues Requiring Further Study

Auditing Standards require the disclosure of significant issues identified during an audit that were not reviewed in depth. These issues may not be directly related to the audit objectives or may be issues that the auditors do not have the time or the resources to pursue. AOS has identified the following such issues.

Facilities

- **Facilities maintenance staffing:** Westerville CSD should examine the staffing levels in its maintenance function. Based on national benchmarks, the maintenance function may be understaffed. However, indications of service delivery problems in this area were not raised or noted during the audit. Also, the District has constructed additional space and has not increased its maintenance staffing levels. Lastly, retirements in this functional area may reduce its capacity to address HVAC repair and preventive maintenance requirements.
- **Grounds keeping staffing:** Westerville CSD should examine the staffing levels in its grounds keeping function. Based on national benchmarks, the grounds keeping function may be understaffed. However, indications of service delivery problems in this area were not raised or noted during the audit. As in building maintenance, additional acreage has been added to the District's holdings but staffing levels in the grounds keeping function has not increased. The District should examine its property upkeep records and discuss with building principals and ground crews the current work levels and the adequacy of services.

Transportation

- **Garage and bus parking and updates:** The District's bus fleet fills the available space in the parking area off Walnut Street in Westerville. The District cannot add buses to its fleet beyond the 131 that are currently parked there. Many of the buses are double parked or parked in front of the maintenance garage. Also, the garage is not equipped to handle the maintenance needs of the fleet, and more work could be performed in-house if the proper equipment was available. The District had a proposal prepared to address the needs of bus parking and the bus garage. However, due to financial constraints, Westerville CSD has been unable to implement the improvements.

Financial Systems

Background

This section focuses on the financial systems within Westerville City School District (Westerville CSD or District). The objective is to analyze the current and future financial condition of Westerville CSD, develop recommendations for improvements in the financial processes, and identify opportunities to increase cost efficiency. Westerville CSD's five-year forecast is analyzed to ensure that the projections accurately represent future operational and financial conditions.

Westerville CSD's Treasurer's Office consists of 10 employees, including the treasurer/CFO, assistant treasurer, secretary to the treasurer, senior payroll coordinator, three payroll associates and three accounting associates. The treasurer is primarily responsible for managing and tracking district revenues and expenditures, developing the annual tax budget, preparing financial statements, and maintaining the district's five year forecast. The District's previous treasurer resigned from the position in May 2004 after having served with the District for approximately five. Under the direction of the previous treasurer, the District was frequently recognized for excellence in financial reporting. The District has recently received awards from the Auditor of State, Government Finance Officers Association (GFOA) and the Association of School Business Officials. Unless otherwise noted, the information presented in this section of the performance audit is based on data provided by the previous treasurer.

Financial Condition

The financial forecast presented in **Table 2-1** represents the treasurer's projections of Westerville CSD's present and future financial condition as of May 25, 2004. The forecast and accompanying assumptions are the representations of Westerville CSD and are presented without verification. The projections reflect only the General Fund and are accompanied by three years of comparative historical results, general assumptions and explanatory comments. Assumptions that have a significant impact on Westerville CSD's financial status, such as property tax revenue, salaries and wages, and capital outlays, have been tested for reasonableness.

Table 2-1: Five Year Financial Forecast (in 000's)

	Actual 2000-01	Actual 2001-02	Actual 2002-03	Forecast 2003-04	Forecast 2004-05	Forecast 2005-06	Forecast 2006-07	Forecast 2007-08
Real Estate Property Tax	\$47,708	\$47,658	\$49,613	\$51,691	\$57,704	\$64,054	\$61,357	\$58,580
Tangible Personal Property Tax	\$6,750	\$6,771	\$6,394	\$4,427	\$4,373	\$4,420	\$3,763	\$3,145
Unrestricted Grants-in-Aid	\$28,473	\$32,809	\$32,239	\$33,332	\$34,121	\$33,044	\$34,129	\$32,774
Restricted Grants-in-Aid	\$145	\$505	\$1,096	\$917	\$912	\$887	\$493	\$468
Property Tax Allocation	\$5,614	\$5,991	\$6,327	\$6,616	\$7,478	\$8,421	\$8,193	\$7,955
Other Revenues	\$3,828	\$2,691	\$2,171	\$2,522	\$3,427	\$3,427	\$3,427	\$3,427
Total Operating Revenues	\$92,518	\$96,425	\$97,840	\$99,505	\$108,015	\$114,253	\$111,362	\$106,349
Total Other Financing Sources	\$301	\$157	\$403	\$2,233	\$265	\$802	\$265	\$265
Total Revenues and Other Financing Sources	\$92,819	\$96,582	\$98,243	\$101,738	\$108,280	\$115,055	\$111,627	\$106,614
Salaries & Wages	\$60,873	\$64,711	\$69,521	\$71,278	\$69,799	\$72,499	\$75,340	\$77,074
Fringe Benefits	\$15,210	\$17,494	\$18,725	\$19,991	\$19,170	\$21,252	\$23,702	\$26,446
Purchased Services	\$8,317	\$8,976	\$11,115	\$12,590	\$13,325	\$13,725	\$14,136	\$14,561
Supplies, Materials & Textbooks	\$3,251	\$2,764	\$2,519	\$3,053	\$2,560	\$3,604	\$3,170	\$3,621
Capital Outlay	\$1,161	\$445	\$445	\$431	\$396	\$396	\$396	\$396
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Expenditures	\$2,255	\$2,066	\$2,148	\$2,307	\$2,372	\$2,470	\$2,569	\$2,670
Total Operating Expenditures	\$91,067	\$96,456	\$104,473	\$109,650	\$107,622	\$113,946	\$119,313	\$124,768
Total Other Financing Uses	\$26	\$45	\$40	\$2,058	\$90	\$627	\$90	\$90
Total Expenditures and Other Financing Uses	\$91,093	\$96,501	\$104,513	\$111,708	\$107,712	\$114,573	\$119,403	\$124,858
Result of Operations (Net)	\$1,726	\$81	(\$6,270)	(\$9,970)	\$568	\$482	(\$7,776)	(\$18,244)
Beginning Cash Balance	\$24,068	\$25,794	\$25,875	\$19,605	\$9,635	\$10,203	\$10,685	\$2,909
Ending Cash Balance	\$25,794	\$25,875	\$19,605	\$9,635	\$10,203	\$10,685	\$2,909	(\$15,335)
Outstanding Encumbrances	\$2,208	\$2,835	\$1,447	\$0	\$0	\$0	\$0	\$0
Total Reservations	\$8,963	\$8,576	\$7,244	\$4,937	\$4,937	\$4,400	\$4,400	\$4,400
Ending Fund Balance	\$14,623	\$14,464	\$10,914	\$4,698	\$5,266	\$6,285	(\$1,491)	(\$19,735)
Renewal/Replacement Levies	\$0	\$0	\$0	\$0	\$0	\$0	\$6,163	\$18,858
Ending Fund Balance w/Renewal or Replacement	\$14,623	\$14,464	\$10,914	\$4,698	\$5,266	\$6,285	\$4,672	(\$877)

Source: Westerville CSD Treasurer's Office.

Note: Forecast as submitted to ODE on May 25, 2004.

Westerville CSD's financial forecast in **Table 2-1** presents projected revenues, expenditures and ending fund balances for the General Fund for each of the fiscal years including June 30, 2004 through June 30, 2008, with historical (un-audited) information presented for the fiscal years ended June 30, 2001, 2002, and 2003. Before considering new, renewal, or replacement levies, the District's treasurer has forecasted an ending fund deficit in excess of \$19.7 million at the end of FY 2007-08 in addition to operating deficits in FY's 2003-04, 2006-07, and 2007-08. This deficit could be reduced if the District were to renew a two-year, 5.0 mill operating levy which was passed on March 2, 2004. As shown in **Table 2-1**, if the District renews this levy an ending fund deficit of approximately \$877,000 is forecasted for FY 2007-08.

The assumptions disclosed herein were developed by the treasurer and are used for **Table 2-1**. They are based on information obtained from Westerville CSD. Because circumstances and conditions assumed in projections frequently do not occur as expected and are based on information existing at the time projections are prepared, there will usually be differences between projected and actual results. Major assumptions used to develop the five-year forecast were as follows:

Revenues

- Property tax revenue estimates are based on historical valuation growth patterns, including the effects of scheduled updates and reappraisals. For FY 2003-04, revenues are based on the County Auditor's estimate of collections for the second half of Calendar Year 2003 and the first half of Calendar Year 2004. In addition, property tax estimates are based on historical collection levels. A new two-year 5.0 mill operating levy was passed in March 2004. This levy is included in the forecast but the forecast does not anticipate the automatic renewal of this levy, which results in declining revenues when the levy is scheduled to expire. New, replacement, and renewal levies are included in a separate line of the 5-year forecast.
- In 1999, the Ohio Legislature reduced the assessed valuation of the inventory component of personal property tax from 25 percent to 0 percent by 2031. However, the most recent biennial budget (H.B. 95), the legislature amended ORC § 5711.22 and accelerates the phase-out of this tax from 1 percent to 2 percent per year until the tax is completely eliminated. The loss of revenue in FYs 2004-05, through 2007-08 cannot be estimated with a high degree of accuracy as business tangible personal property tax returns are confidential and subject to annual changes in economic conditions. Historical data which would improve the accuracy of the forecast for this line item is not available; however, the District has created its forecast based on historical valuation growth patterns and the 2.0 percent reduction in all forecasted years. Effective January 1, 2001 non-municipal owned utilities and rural co-ops were deregulated by the state legislature, lowering their assessment percentages for tax purposes. Effective May 1, 2001, a kilowatt-hour (kWh) tax was implemented to replace lost revenues from the deregulation. A portion of these funds will be deposited in a Property Tax Replacement Fund (PTRF) to reimburse districts for lost revenue as determined by the Ohio Department of Taxation through 2006.
- During FY 2002-03, the School District received \$32,238,961 in school foundation support for its General Fund. The District is currently unable to determine what effect, if any, legislative changes will have on its future State funding and its financial operations for FY 2003-04 through 2007-08. With the current uncertainty in the level of State funding, the District has established its estimates based on factors of enrollment growth and historical trends.

- Property tax allocations (Homestead and Rollback taxes) include a 10 percent property tax rollback for all real property owners and a 2.5 percent rollback for owner-occupied homes. Also included in this category is an exemption for businesses with less than \$10,000 in personal property taxes. With the recent passage the biennial budget, the business exemption (which is reimbursed by the State) is scheduled to be phased-out over the next ten years at 10 percent per year. See ORC § 321.24(G). The revenue projections for this category are estimated based on historical trends and adjusted to reflect this 10 percent annual reduction.
- Revenues from all other sources are based on current collection patterns, and have been projected at the same level for all forecasted years. These include primarily interest on investments, tuition, and rental fees for the use of district facilities.

Expenditures

- The amounts for salaries and benefits are based on the expected results of negotiations which are currently in progress. Each of the Districts negotiated agreements were up for negotiation at the end of FY 2003-04. For the periods beyond the current agreements, a conservative estimate of 2.0 percent for cost of living increases and approximately 2.0 percent for salary step increases and related benefits has been used.

In December 2003, the Board of Education approved \$8.8 million in expenditure reductions for the 2004-05 school year. The proposed cuts included a reduction of 106.3 FTE from the FY 2004-05 school year budget equating to approximately \$4,237,000 for salary and wages. The majority of these reductions were approved by the Board of Education periodically throughout FY 2003-04. However, as a result of negotiations with the certificated bargaining unit the District will be retaining 12.3 FTE of the planned reductions. In exchange, the bargaining unit has agreed to accept a 1.0 percent cost-of-living increase and drop all legal suits filed against the district on behalf of the 62 certified employees who were released by the District. The treasurer has incorporated the effects of these negotiations into the five-year forecast.

In addition to the previously mentioned changes in current staffing levels, additional FTEs have been included for District enrollment growth in special needs and ESL as follows: 7.7 FTE in FY 2004-05, 4.5 FTE in FY 2005-06, and 3.2 FTE in FY 2007-08. These additions will be necessary to meet state minimum standards for special needs programs.

- The fringe benefits category consists of mandatory retirement contributions, health, dental, vision and life insurance premiums, workers compensation premiums, and mandatory contributions to Medicare and unemployment. Employers are required to contribute 14 percent of payroll to the State Teachers Retirement System (STRS) and the

School Employees Retirement System (SERS). The District has taken an aggressive stance with respect to the management of increasing fringe benefits costs. In the spring of 2001 (FY 2001-02), the District reduced a potential 51.0 percent increase to 22.0 percent by changing from a self-funded to fully-insured program. This program was renewed at an 8.0 percent increase in FY 2002-03. Negotiations with the District's insurance carrier resulted in FY 2003-04 health insurance premiums being increased by only 8.0 percent for an 18-month period of time (through December 2004). However, due to a recent change in insurance carriers and aggressive negotiations, the District has secured an 18-month rate guarantee at 1.6 percent below current rates (through September 2005). For the remainder of FY 2005-06 through FY 2007-08, health insurance premiums are projected to increase 20 percent per year, and dental, vision and life insurance premiums are projected to increase 5.0 percent per year.

In addition, the district plans to continue its participation in the Ohio School Boards Association (OSBA) worker's compensation program to reduce worker's compensation premiums. A district-wide focus on risk management and safety in the workplace will also help to improve workers compensation rates. Also included in the forecast are the additional costs of benefits for staff added as a result of the special needs and ESL enrollment growth and the budget reductions of \$1,469,463 for the proposed cuts of 106.3 FTE through FY 2004-05.

- *As previously mentioned, some of the approved staffing reductions will not be made as a result of bargaining unit negotiations. The financial impact of keeping these positions has been incorporated in the forecast as has the change in base salary increases resulting from the retention of these positions.*
- The purchased services category accounts for fixed-cost items such as utilities (electricity, gas, water, and telephone) and property insurance. Other budgeted items in this area include tuition, leases, repairs and maintenance, postage, legal fees, and staff development. These items represent 10.5 percent of district operating expenditures. Increases in this category have exceeded the cost of inflation over the past three years, primarily due to increased tuition payments to community schools. These payments have more than doubled each year since 2000.

The forecast for FY 2003-04 was determined through the District's annual appropriation process. A 3.0 percent increase for inflation has been applied in FY 2004-05 through FY 2007-08.

- The supplies and materials category includes instructional materials, office supplies, library books, software, fuel, custodial supplies, etc. The FY 2003-04 amount was determined through the District's annual appropriation process. A 2.5 percent increase has been applied in FY 2004-05 through FY 2007-08 to account for inflation. The forecast

also includes costs associated with new curriculum adoptions and implementations beginning in FY 2005-06.

- Capital outlay expenditures are for purchase of new or replacement equipment for the District. This category is re-evaluated every year during the annual appropriations process and has no growth projected from FY 2004-05 through FY 2007-08. The majority of equipment purchases for the District are funded by the Permanent Improvement Fund. Equipment purchases made from that fund are not required to be reflected in the five-year forecast.
- The District is currently not forecasting any debt service payments from the General Fund during the forecast period.
- Other expenditures include items such as fleet and liability insurance premiums, taxes and assessments, county auditor/treasurer fees, memberships, audit fees and payments for the Districts win-win initiative²⁻¹. An annual inflation factor of 2.0 percent is included in FY 2004-05 through FY 2007-08.

Net Financing

- Advances-in are non-operating revenues for the repayment of short term loans to other funds over the previous fiscal year. All advances are to be returned to the General Fund in the succeeding fiscal year.
- Other financing sources are non-operating revenues which are reimbursements for expenses received for a previous fiscal year in the current fiscal year.
- Other financing uses, advances out and transfers out are based on historical patterns.
- Encumbrances are obligations not paid in the year appropriated and carried to the subsequent fiscal year for payment. The district assumes all appropriations are paid in the year appropriated until such time as encumbrances can be identified. Therefore, encumbrances are temporarily estimated at zero.
- The revenue from replacement/renewal levies line item shows the impact of the District renewing the new 5.0 mill two-year operating levy which was passed in March 2004 and begins collection in 2005. A replacement of this levy has been projected for FY 2006-07.

²⁻¹ The win-win agreement is an annexation agreement between Columbus City School District and the surrounding Franklin County school districts.

Financial Operations

In an effort to reduce its forecasted operating deficits, the District identified several areas for cost reductions prior to this performance audit. In making reductions, the District focused primarily on personnel costs, approving a 106.3 FTE reduction in staffing levels (see the **human resources** section for more information). The treasurer estimated these staffing reductions would save the District approximately \$8,800,000 in FY 2004-05. However, as a condition of the District's recent labor negotiations, approximately 12.3 of the previously mentioned staffing reductions will not be made at this time.

The following tables represent Westerville CSD's operations in FY 2002-03 and could suggest areas for further reductions. **Table 2-2** compares Westerville CSD's FY 2002-03 operating revenues and expenditures per pupil to peer districts.

Table 2-2: FY 2002-03 Revenues by Source and Expenditures by Object

Number of Students (ADM)	Westerville CSD		Lakota LSD		Pickerington LSD		Willoughby-Eastlake CSD		Peer Average	
	13,625		14,842		8,054		8,387		10,428	
	\$ Per Pupil	% of Exp	\$ Per Pupil	% of Exp	\$ Per Pupil	% of Exp	\$ Per Pupil	% of Exp	\$ Per Pupil	% of Exp
Property and Income Tax	\$4,111	57%	\$4,000	53%	\$3,055	43%	\$4,964	66%	\$4,006	54%
Intergovernmental Revenues	\$2,911	41%	\$3,356	45%	\$3,938	56%	\$2,442	32%	\$3,245	44%
Other Revenues	\$159	2%	\$179	2%	\$79	1%	\$140	2%	\$133	2%
Total Revenue Per Pupil	\$7,181		\$7,535		\$7,071		\$7,546		\$7,384	
Wages	\$5,103	67%	\$4,871	68%	\$4,522	64%	\$5,247	68%	\$4,880	66%
Fringe benefits	\$1,374	18%	\$1,426	20%	\$1,295	18%	\$1,523	20%	\$1,415	19%
Purchased Services	\$816	11%	\$463	6%	\$880	12%	\$678	9%	\$674	9%
Supplies & Textbooks	\$185	2%	\$220	3%	\$175	2%	\$179	2%	\$191	3%
Capital Outlay	\$33	0%	\$74	1%	\$54	1%	\$2	0%	\$43	1%
Miscellaneous	\$159	2%	\$125	2%	\$185	3%	\$87	1%	\$132	2%
Total Expenditures Per Pupil	\$7,669		\$7,180		\$7,111		\$7,715		\$7,336	
Per Pupil Revenues over (under) Expenditures	(\$488)		\$355		(\$40)		(\$169)		\$49	

Source: FY 2002-03 Annual Financial Reports (4502's)

As shown in **Table 2-2**, the District is receiving a slightly higher percentage of its revenues from property and income taxes (local funding) than the peer average. This indicates that the District is less reliant on the State operating funds than the peers. Items included in the other revenues line include tuition from other districts, earnings on investments, classroom materials and fees,

and all miscellaneous revenues which cannot be classified into one of the previously mentioned classifications. These revenues historically exhibit a great deal of variability and therefore it is not certain that revenue levels per student will be higher than the peers from one year to the next.

Westerville CSD's financial condition is primarily explained by a higher level of expenditures per pupil compared to the peer school districts. As shown in **Table 2-2**, Westerville CSD's total expenditures per pupil were 4.5 percent greater than the peer average and were higher than the peer average in the following categories based on cost per pupil.

- Wages;
- Purchased Services; and
- Miscellaneous uses.

In FY 2002-03, wages were higher than the peer average. The District has since reduced these expenditures by reducing staffing levels by 94 FTEs, effective for FY 2004-05. Purchased services expenditures were higher than the peer average primarily due to a substantial increase in the amount of tuition paid by Westerville CSD to other districts (see **Table 2-4**). Similar to the District's other revenue sources, miscellaneous expenditures exceeded the peer average. Due to the nature of these expenditures, a high degree of variability exists from year to year and therefore it is not certain that operations will consistently result in expenditures higher than the peers.

Table 2-3 shows selected FY 2002-03 discretionary expenditures, by account, as a percentage of total FY 2002-03 General Fund expenditures for Westerville CSD and the peer districts.

Table 2-3: FY 2002-03 Discretionary Expenditures

	Westerville CSD	Lakota LSD	Pickerington LSD	Willoughby- Eastlake CSD	Peer Average
Prof. and Technical Services	2.0%	1.3%	1.0%	0.6%	1.0%
Property Services	1.6%	1.6%	1.3%	0.7%	1.2%
Mileage/Meeting Expense	0.1%	0.2%	0.1%	0.1%	0.1%
Communications	0.3%	0.3%	0.2%	0.4%	0.3%
Contract. Craft or Trade Service	0.0%	0.0%	0.0%	0.1%	0.1%
Pupil Transportation Services	0.6%	0.1%	6.5%	1.0%	2.5%
General Supplies	1.2%	1.3%	0.9%	0.9%	1.0%
Textbooks/ Reference Materials	0.3%	0.5%	0.7%	0.3%	0.5%
Plant Maintenance and Repair	0.4%	0.5%	0.5%	0.3%	0.4%
Fleet Maintenance and Repair	0.4%	0.7%	0.4%	0.8%	0.6%
Equipment	0.3%	1.0%	0.8%	0.0%	0.6%
Buses/Vehicles	0.1%	0.0%	0.0%	0.0%	0.0%
Dues and Fees	0.9%	1.4%	2.3%	1.0%	1.6%
Insurance	0.2%	0.2%	0.3%	0.0%	0.2%
Discretionary Expenditures % of Total Expenditures	8.6%	9.2%	15.0%	6.3%	9.8%

Source: 4502 reports

As shown in **Table 2-3**, Westerville CSD's discretionary spending as a percentage of all General Fund expenses (8.6 percent) was below the peer average (9.8 percent). The largest portion of discretionary spending, professional and technical services, accounted for 2.0 percent of the District's total expenditures. The District was also above or equal to the peer average in property services, general supplies, and buses/vehicles. Buses/vehicles were higher than the peer average because Westerville CSD applied a portion of its new bus purchases to the General Fund while peer districts did not.

For the remaining categories, variances from the peer average may indicate operational inefficiency. To determine if this is the case, **Table 2-4** compares the Districts total FY 2002-03 expenditures in the categories of purchased services and supplies and materials to the total FY 2001-02 expenditures in the same categories in order to illustrate the District's effectiveness in monitoring and controlling expenditures.

Table 2-4: District Purchases FY 2001-02 and FY 2002-03

	FY 2001-02	FY 2002-03	% Increase (Decrease)
PURCHASED SERVICES:			
Professional and Technical Services	\$2,451,562	\$2,098,607	(14.4%)
Property Services	\$1,608,661	\$1,688,123	4.9%
Mileage/Meeting Expense	\$135,674	\$130,504	(3.8%)
Communications	\$338,467	\$276,855	(18.2%)
Utilities	\$1,665,384	\$2,180,747	30.9%
Tuition	\$2,083,020	\$4,117,727	97.7%
Contracted Craft or Trade Service	\$2,696	\$4,882	81.1%
Pupil Transportation Services	\$690,201	\$617,280	(10.6%)
Total Purchased Services	\$8,975,665	\$11,114,725	23.8%
MATERIALS AND SUPPLIES			
General Supplies	\$1,371,639	\$1,291,433	(5.8%)
Textbooks	\$215,097	\$175,824	(18.3%)
Library Books	\$146,448	\$124,119	(15.2%)
Periodicals and Films	\$59,965	\$62,825	4.8%
Maintenance and Repairs to Plant	\$517,691	\$409,613	(20.9%)
Maintenance and Repairs to Fleet	\$452,795	\$455,124	0.5%
Total Materials and Supplies	\$2,763,635	\$2,518,938	(8.9%)

Source: Annual Financial Reports (4502's)

Only in the categories of property services and contracted craft and trade services did the District have expenditures which increased from FY 2001-02 and were higher than the peer average shown in **Table 2-3**. In the category of property services, the high level of expenditures and significant increase can be attributed to substantial increases in the District's expenditures for property insurance. The District added 2 new elementary schools and expanded the square footage in 10 other buildings in FY 2002-03, resulting in an increase in property insurance from approximately \$63,000 in FY 2001-02 to \$155,000 in FY 2002-03. Due to the District's rapid expansion, the District expects continued increases in property insurance, and has appropriated \$268,000 for FY 2003-04. Issues concerning facility usage are examined in the **facilities** section of this report.

Contracted craft and trade services increased by 81.0 percent in FY 2002-03. However, the amount of this increase was only \$2,186 bringing total expenditures in this line item to \$4,882. Based on this information, this increase appears to be more a function of low prior year expenditures rather than significant operational inefficiency.

In addition to the categories detailed above, **Table 2-4** also shows the District increased expenditures in the categories of utilities, tuition, periodicals and films, and maintenance and repairs to fleet. Each of these categories is examined individually below.

- **Utilities:** The increasing cost of utilities can be attributed to several factors. Consistent with nation-wide trends, the rates charged by utility service providers were higher in FY 2002-03 than in FY 2001-02. Also, the District believes that consumption of utility services may have been higher in FY 2002-03 as the District was in the process of constructing a new high school, two new elementary schools, and additions and renovations to several existing buildings.
- **Tuition:** The treasurer attributes increases in the tuition category to significant increases in payments to community schools during FY 2002-03. While in some cases tuition paid to other Districts is discretionary, payments to community schools are not. Parents are ultimately responsible for deciding if their children will leave their home district to attend a community school. When this happens, the District is required by ORC §3314.08 to transfer funds received from the State on behalf of that student to the community school.
- **Periodicals and films:** Increased expenditures in this category are related to the District's preparations to open a new high school in the fall of 2003. The District incurred many one-time purchases of these materials in order to provide resources which are commensurate with those at the District's other high school buildings.
- **Maintenance and repairs to fleet:** No specific event could be tied to this increase. Due to the small amount of the increase from FY 2001-02 (<1 percent), it appears as though the higher expenditures can be attributed to inflation or minor differences in operations from the prior year.

These tables (and corresponding explanations) illustrate that Westerville CSD has successfully contained those expenditures that are under its immediate control. This is evidenced by a level of discretionary funding comparable to the peers and decreases in most discretionary line-items from FY 2001-02 to FY 2002-03. While the District did have higher levels of expenditures per student, the District has already approved and begun to enact a plan for reducing these expenditures significantly beginning in FY 2004-05. Despite the District's efforts, operating deficits are still forecasted, primarily because the District's service levels exceed the amount of available financial resources. This factor is compounded by challenging economic conditions resulting from changes in the State funding program and local conditions which are subject to dramatic changes (e.g., enrollment, tangible property tax receipts).

Assessments Not Yielding Recommendations

In addition to the analyses presented in this report, assessments were conducted on several areas which did not warrant changes and did not yield any recommendations. These areas include the following:

- **Five Year Forecast Assumptions:** The assumptions provided as support for the five year forecast were determined to be thorough, reasonable, and based on the best information available at the time the forecast was prepared
- **Debt Service:** The District is not using funds which could be used for operations to pay for debt from the General Fund. The District is not currently allocating any debt to the General Fund nor does the District plan to do so at any time during the forecasted period.
- **Transfers/Advances:** At no time during the past three years has the District transferred funds from the General Fund to any enterprise funds. In addition, all of the District's advances out to other funds appear to have been returned to the General Fund in the following year.
- **Financial Reporting:** The District's financial reporting system operates effectively and efficiently.
- **Payroll System:** The District is currently in the process of fully automating its time keeping function. This update will be complete and ready for use by the start of FY 2004-05. In addition, the District already uses direct deposit, automated folding and stuffing machines, and pressure sealing mailers to ensure the efficiency of its payroll function.
- **Inventory and Operating System:** The District uses an electronic system to track fixed assets. This fixed asset system has a high degree of functionality and easily facilitates the performance of annual inventory audits.

Noteworthy Accomplishments

During the course of this performance audit, the following noteworthy accomplishments or best practices were noted within Westerville CSD:

- **Westerville CSD makes a significant effort to inform and educate the public on the financial issues within the District. The District provides access to its financial policies, financial reports, and significant proposed actions via its website.**

The District has recognized that not all of its residents have internet access and has attempted to make the information available on the website available at the public library as well. Information provided to the public via these sources is also presented in a user friendly manner so the public can gauge the impact of proposed actions such as budget reductions or levy requests.

Recommendations

R2.1 Although fiscal management practices at the District are sound and yield reliable management information, the Board should review, and when appropriate, revise its policies concerning fiscal management. Where appropriate, the Board should include additional detail in order to ensure that the new treasurer is clearly aware of the District's operations and Board expectations. In the future, policies should be reviewed and evaluated periodically and formally updated whenever changes are made to existing policies or procedures.

During the course of this audit, the treasurer updated the District's financial policies. The Board formally approved the policies on September 13, 2004.

Westerville CSD's fiscal management policies currently address the following sub-categories:

- Fiscal management goals;
- Federal funds;
- Annual tax budget and appropriations measure, including the tax budget hearing, review and adoption processes;
- Annual operating budget planning, deadlines, and schedules;
- Investments;
- Taxing and borrowing authority/limitations, including the use of tax advances;
- Funding proposals and applications, as well as appropriations modification authority;
- Revenue from tax sources including local revenues;
- Depository of funds and insufficient funds procedures;
- Cash handling in school buildings;
- School property disposal;
- Bonded employees and officers;
- Fiscal accounting and reporting, as well as audit procedures and inventory management;
- Purchasing procedures, including bidding requirements, vendor relations, sales calls and demonstrations and payment procedures; and
- Payroll procedures, including payroll schedules and expense reimbursement.

While the District's policies appear to address each of the significant finance-based operations, none of the policies have been updated since October 1996. The majority of the policies were last updated in November 1995.

According to the Government Finance Officers Association (GFOA) *Best Practices in Public Budgeting*, fiscal policies, plans, programs, and strategies should be adjusted as needed. Changing conditions or programs and services that are not producing the desired results or efficiently utilizing resources may require adjustment in order to continue to meet the needs of stakeholders and to meet the District's goals. While many of the District's fiscal management policies are still relevant and effective, over the course of the ten-year period since the District last updated its financial policies, many conditions and programs have changed. Therefore updating fiscal management policies appears to be a necessary task at this time.

The previous treasurer indicated that he has been aware of a need to update the District's fiscal management policies. However, this update has been postponed on several occasions, primarily due to other issues holding greater priority or having greater immediate financial impact. Revising fiscal management policies and procedures at this time may help to reduce some of the difficulties which are inherent in changes in the treasurer position. Updating policies and procedures will help to familiarize the new treasurer with the Board's standards and expectations, and will improve continuity in the transition.

R2.2 The Board should create specific policies and procedures to ensure continued reliability and consistency in the development and review of the five-year forecast. These policies and procedures should address key forecast factors, including parties responsible for information, periods covered, the development process, assumption development and evaluation, support for assumptions, presentation, and outside consultation. Forecasts should be reviewed for errors and omissions by a source independent of the treasurer's office but knowledgeable in the areas of financial forecasting and school finance.

The District does not have formal policies or procedures pertaining to the development and review of the five-year forecast. The treasurer is responsible for preparing the five-year forecast and submitting it to ODE.

The American Institute of Certified Public Accountants (AICPA) *Guide for Prospective Financial Information* identifies best practices for reviewing financial forecast information. These practices are listed and explained below.

- ***Responsible party's experience:*** An analysis of prior forecasts developed by the preparer compared to actual results may indicate the effectiveness of the process used by the preparer. The responsible party's experience is not necessarily indicative of the reliability of the forecast, but it may help to identify areas where the preparer can improve. Gaining an understanding of significant variances will help in the development of future forecasts.

- ***Prospective period covered:*** The extent to which historical results are used to develop the forecast should be considered in relation to the length of the forecast period. When historical trends are used to forecast line-items, it must be determined if an adequate amount of historical data was used.
- ***Development process:*** Inquiry, observation, review of manuals, memoranda, instructions, examination of analysis models or statistical techniques, and review of documentation should be assessed to obtain a complete and comprehensive understanding of how the forecast was developed.
- ***Procedures to evaluate assumptions:*** Those procedures deemed necessary to determine whether the assumptions provide a reasonable basis for the forecast should be performed. These procedures can be as simple or complex as deemed necessary.
- ***Development of Assumptions:*** Using knowledge of operations and the economic environment, it should be determined whether assumptions have been developed for all key factors on which the District's financial results appear to depend.
- ***Support for Assumptions:*** Once all key factors have been identified and assumptions have been developed for each key factor, support for the assumptions should be formally documented. Documentation should be submitted to reviewers with the forecast so both can be properly evaluated.
- ***Presentation:*** In evaluating preparation and presentation of the financial forecast, procedures should be performed which will provide reasonable assurance that the presentation reflects the identified assumptions, computations are mathematically accurate, assumptions are internally consistent, and accounting principles are consistent with those used for historical data.
- ***Using the work of a specialist/consultant:*** Areas in which the forecast may be enhanced by input from outside sources should be identified and consultants or specialists used when necessary.

The prior treasurer had demonstrated a great deal of skill in financial forecasting and established a record of exceptional financial reporting. In addition, the forecast prepared by the previous treasurer was evaluated during the course of the performance audit, and it was determined that the forecast was reasonable and based on a sound methodology. As a result, it appears that the Board has placed a great deal of confidence in the prior treasurer and therefore did not feel it necessary to require a review of the forecast.

By establishing formal policies and procedures for reviewing the five-year forecast, the District can ensure that future forecasts are prepared at the same high level which was demonstrated by the prior treasurer. By using individuals who have an adequate knowledge of school finance and financial forecasting to thoroughly review the forecast, the District will be able to reduce the time required by the new treasurer to develop an understanding of the financial circumstances surrounding Westerville CSD and reduce the risk of errors in the financial forecast.

R2.3 Westerville CSD should develop a policy requiring the District's General Fund to maintain a balance of unreserved funds. This unencumbered balance should be between 5 percent and 15 percent of regular General Fund operating revenues, or no less than 2 months of regular General Fund operating expenditures based on best practices. The District should also set policies to guide the maintenance and use of these surplus resources to ensure that these funds are only used to avoid decreasing service levels during times of economic decline and considerable cash flow fluctuations. Finally, the Board should set parameters to reduce the level of unencumbered funds remaining at year's end in periods of extreme fiscal constraint.

The Westerville Board of Education does not have a fiscal management policy guiding the maintenance, and use of surplus resources. The District has historically maintained year-end fund balances large enough to ensure financial stability (see **Table 2-5**). However, based on the five year forecast the District may not be able to do so in the future without significant reductions in service levels.

The Government Finance Officers Association (GFOA) recommends that entities develop policies to guide the creation, maintenance, and use of resources for financial stabilization purposes. The GFOA recommends that governments maintain an unreserved balance in the General Fund of no less than 5 to 15 percent of regular General Fund operating revenues, or of up to two months of General Fund operating expenditures. However, the adequacy of an established unreserved fund balance in the General Fund should be assessed based upon a government's specific financial situation. The policy should also consider the following factors:

- Applicable legal and regulatory restraints;
- The predictability of revenue and volatility of its expenditures;
- The availability of resources in other funds as well as the potential drain upon General Fund resources from other funds;
- Liquidity of resources versus liabilities; and
- Pending designations of any portion of the unreserved fund balance for a specific purpose.

Table 2-5 shows the District's recent history of ending fund balances as a percent of total operating revenue. Also shown in **Table 2-5** is the District's forecast for the same items to show the expected change.

Table 2-5: Ending Fund Balance as a % of Total Operating Revenue

Year	Ending Unreserved Fund Balance	Total Operating Revenue	Unreserved Fund Balance as a % of Total Operating Revenue
Actual 2000-01	\$14,622	\$92,518	15.8%
Actual 2001-02	\$14,463	\$96,425	15.0%
Actual 2002-03	\$10,913	\$97,840	11.2%
Forecasted 2003-04	\$4,697	\$99,505	4.7%
Forecasted 2004-05	\$5,266	\$108,015	4.9%
Forecasted 2005-06	\$6,285	\$114,253	5.5%
Forecasted 2006-07	\$4,672	\$111,362	4.2%
Forecasted 2007-08	(\$877)	\$106,349	(0.8%)

Source: Five-Year Forecast

As shown in **Table 2-5**, beginning in FY 2003-04 ending fund balances are expected to drop below the 5.0 percent threshold recommended by the GFOA. It should also be noted that this threshold is not met even with the significant number of expenditure reductions which were implemented by the board throughout the course of FY 2003-04. In addition, the District will not be able to meet the levels shown for FY 2004-05 without a significant number of additional reductions.

By establishing a policy on maintaining unencumbered funds, the District can potentially avoid making operational reductions similar to those implemented for FY 2004-05. While changes in the District's financial position may warrant future budget reductions, maintaining an unreserved General Fund balance in accordance best practices will ensure that service levels are reduced over longer periods of time, hopefully minimizing any impact budget reductions may have on educational outcomes.

R2.4 Westerville CSD should closely examine spending patterns in several areas (see Table 2-6 and Table 2-7) and consider allocating monies toward those programs and priorities which have the greatest impact on learning outcomes and proficiency test results. In addition, Westerville CSD should analyze cost reductions recommended in the human resources, facilities, and transportation sections of this report to further increase operational and financial efficiency.

Table 2-6 shows the expenditure amounts posted to the Uniform School Accounting System (USAS) function codes for Westerville CSD and the peer districts. Function codes are designed to report USAS expenditures by nature or purpose. **Table 2-6** shows the operational expenditures per pupil and percentage of total operational expenditures by function for all governmental funds.

**Table 2-6: Governmental Funds
Operational Expenditures by Function and Cost per Pupil for FY 2002-03**

Number of Students (ADM) ¹	Westerville CSD		Lakota LSD		Pickerington LSD		Willoughby- Eastlake CSD		Peer Average	
	13,625		14,842		8,054		8,387		10,428	
USAS Function Classification	\$ Per Pupil	% of Exp	\$ Per Pupil	% of Exp	\$ Per Pupil	\$ Per Pupil	% of Exp	\$ Per Pupil	% of Exp	\$ Per Pupil
Instruction Expenditures										
Regular Instruction	\$3,857	48%	\$3,674	40%	\$3,664	51%	\$3,798	44%	\$3,705	43%
Special Instruction	\$714	9%	\$570	6%	\$532	7%	\$857	10%	\$637	7%
Vocational Instruction	\$174	2%	\$17	<1%	\$101	1%	\$236	3%	\$98	1%
Adult/Continuing Inst.	\$0	0%	\$0	0%	\$0	0%	\$32	<1%	\$9	0%
Other Instruction	\$127	2%	\$14	<1%	\$0	0%	\$273	3%	\$80	1%
Support Services Exp.										
Pupil Support	\$461	6%	\$505	5%	\$359	5%	\$552	6%	\$480	6%
Instructional Support	\$352	4%	\$428	5%	\$354	5%	\$323	4%	\$381	4%
Board of Education	\$101	1%	\$2	<1%	\$40	1%	\$18	<1%	\$16	<1%
Administration	\$637	8%	\$630	7%	\$678	9%	\$538	6%	\$617	7%
Fiscal Services	\$130	2%	\$116	1%	\$152	2%	\$139	2%	\$132	2%
Business Services	\$78	<1%	\$23	<1%	\$21	<1%	\$46	<1%	\$29	<1%
Plant Operation/ Maint.	\$757	9%	\$665	7%	\$623	9%	\$885	10%	\$713	8%
Pupil Transportation	\$367	5%	\$602	7%	\$491	7%	\$597	7%	\$572	7%
Central Support Services	\$127	2%	\$1,595	17%	\$22	<1%	\$102	1%	\$790	9%
Non-Instructional Services Expenditures	\$47	<1%	\$271	3%	\$5	<1%	\$112	1%	\$160	2%
Extracurricular Activities Expenditures	\$145	2%	\$196	2%	\$206	3%	\$207	2%	\$202	2%
Total Governmental Fund Operational Expenditures	\$8,072	100%	\$9,309	100%	\$7,247	100%	\$8,715	100%	\$8,619	100%

Source: FY 2002-03 Annual Financial Reports (4502's)

Note: Variance in totals attributable to rounding.

¹ADM based on State Foundation formula rather than attendance as presented in the **human resources** section.

According to **Table 2-6**, Westerville CSD allocates the highest percentage of its expenditures to instruction when compared to the peers. Also, Westerville CSD's total operating expenditures per pupil (\$8,072) were lower than two of the three peer districts. Excluding adult/continuing instruction, Westerville CSD's instructional expenditures in each area are greater than the peers.

Table 2-6 shows that Westerville CSD spent significantly more than the peer average in the following support function categories:

- **Board of Education:** Westerville CSD was approximately \$85 per student over the peer average. Approximately 76 percent of the District's board of education expenditures can be attributed to miscellaneous object codes. According to the assistant treasurer, \$900,000 of these expenses were for payments to Columbus Public Schools under the terms of the 1986 and 1992 annexation (win-win) agreements.
- **Administration:** Westerville CSD was approximately \$20 per student above the peer average in the administration services function. As shown in **Table 2-7**, the District is above the peer average because one peer is substantially lower than the other two. Willoughby-Eastlake's expenditures per student were \$538, over \$100 per student less than the closest peer. Taking that into consideration, Westerville CSD's expenditures per student were comparable to the other two peers and do not appear to indicate operational inefficiency.
- **Business Services:** Westerville CSD was approximately \$49 per student higher than the peer average. Approximately 88 percent of the District's business services expenditures can be linked to personnel costs (personal services, retirement & benefits). By definition, these expenditures are those related to the District's purchasing, receiving, transporting, exchanging, and maintaining goods and services for the school district.

Expenditures were higher than the peers due to the District performing print shop operations in-house. According to the purchasing manager, the District is currently in the middle of a three-year plan to transition printing operations from a contracted agreement to a self-performed operation. The business manager indicated that in FY 2002-03, these operations generated enough revenue from inter-department billing to fund 35 percent of their operations.

- **Plant Operation and Maintenance:** Westerville CSD was approximately \$44 per student higher than the peer average. The majority of the District's expenditures in this category are attributed to personnel costs (55 percent) and purchased services (39 percent) expenditures. The District could potentially

reduce purchased service expenditures within this function by pursuing the recommendation in the **facilities** section that the District invest in additional training to increase staff expertise in areas such as plumbing, HVAC, roofing, etc.

- Central Support Services:** While the District is below the peer average in this category, the peer average was substantially skewed by one peer with significantly higher expenditures. In comparison to the average of the other two districts, Westerville CSD was approximately \$65 per student higher. The District's higher level of expenditures in FY 2002-03 appears to be related to a substantial increase in purchased services expenditures. In FY 2001-02, purchased services expenditures in this category totaled \$82,491. In comparison, the District's total expenditures in this category totaled \$326,017 in FY 2002-03. This increase can largely be attributed to costs associated with construction of the District's third high school which opened in the fall of 2003. These were one-time expenditures that are expected to decrease to historical levels in FY 2003-04.

Table 2-7 shows the total expenditures for governmental funds, including facilities acquisition and construction expenditures, and debt services expenditures.

Table 2-7: Total Governmental Fund Expenditures by Function and Cost per Pupil for FY 2002-03

Number of Students (ADM)	Westerville CSD		Lakota LSD		Pickerington LSD		Willoughby-Eastlake CSD		Peer Average	
	13,625		14,842		8,054		8,387		10,428	
USAS Function Classification	\$ Per Pupil	% of Exp	\$ Per Pupil	% of Exp	\$ Per Pupil	\$ Per Pupil	% of Exp	\$ Per Pupil	% of Exp	\$ Per Pupil
Total Governmental Funds Operational Expenditures	\$8,072	61%	\$9,309	78%	\$7,247	55%	\$8,715	99%	\$8,619	76%
Facilities Acquisition & Construction Expense	\$4,123	32%	\$1,725	15%	\$4,753	36%	\$3	0%	\$2,043	18%
Debt Service Expenditures	\$947	7%	\$833	7%	\$1,194	9%	\$42	1%	\$714	6%
Total Governmental Funds Expenditures	\$13,143	100%	\$11,867	100%	\$13,194	100%	\$8,760	100%	\$11,376	100%

Source: FY 2002-03 Annual Financial Reports (4502's)

As shown in **Table 2-7**, Westerville CSD's total governmental fund expenditures of \$13,143 per pupil are higher than the peer average by \$1,767 per pupil. Facilities acquisition and construction expenses accounted for approximately 32 percent of the District's total expenditures. These expenditures are primarily attributed the District's new building and should decline substantially in coming years. However, operational

expenditures were a major factor in the District's higher per pupil costs. **Table 2-10** summarizes the District's options for reducing these expenditures.

The allocation of resources between the various functions of a school district is one of the most important aspects of the budgeting process. Given the limited resources available, functions must be evaluated and prioritized. Analyzing the spending patterns between the various functions should indicate where the priorities of the school board and management are placed. Currently, each school district receives a performance accountability rating from ODE based on 22 performance standards. These 22 standards are minimum performance goals for public education in Ohio, and analyzing the number of ODE performance standards a school district meets should correlate to the school district's spending patterns. **Table 2-8** presents the number of performance standards Westerville CSD and the peers met in FY 2002-03.

Table 2-8: ODE Performance Standards Met (of 22 Possible)

	Westerville CSD	Lakota LSD	Pickerington LSD	Willoughby- Eastlake CSD
Number of Indicators Met (of 22)	18	21	20	19
Performance Index Score (2002-03)	91.1	95.4	96.7	94.0
Performance Index Score (2001-02)	90.2	93.9	97.3	90.7
Performance Index Improvement	0.9	1.5	(0.6)	3.3
District Rating	Effective	Excellent	Effective	Effective

Source: ODE School Year 2002-03 District Report Cards

As shown in **Table 2-8**, Westerville CSD met fewer performance standards than any of the peers in FY 2002-03, although it did improve from FY 2001-02 to FY 2002-03.

As discussed in the **human resources**, **facilities**, and **transportation** sections of this report, operational efficiencies could be realized through the implementation of recommendations. These recommendations, if implemented, could potentially increase revenues and reduce expenditures and are further supported by the analysis in **Table 2-6**. Reductions in operational expenditures can then be redirected toward programs oriented to increasing student achievement.

R2.5 Westerville CSD should consider implementing the recommendations in this performance audit to improve its current and future financial situation. In addition, the District should update its five-year forecast on an ongoing basis as critical financial issues are addressed. Furthermore, Westerville CSD should use the proposed financial forecast outlined in Table 2-9 to gauge its progress in the optimization of future financial resources relative to the operational and educational needs of staff and students.

Table 2-9 demonstrates the effect of the recommendations in this report and includes both the beginning fund balance for each year and the adjusted fund balance reflecting the effect of the recommendations.

Table 2-9: Revised Financial Forecast with Adjustments (in 000's)

	Actual 2000-01	Actual 2001-02	Actual 2002-03	Forecast 2003-04	Forecast 2004-05	Forecast 2005-06	Forecast 2006-07	Forecast 2007-08
Real Estate Property Tax	\$47,708	\$47,658	\$49,613	\$51,691	\$57,704	\$64,054	\$61,357	\$58,580
Tangible Personal Property Tax	\$6,750	\$6,771	\$6,394	\$4,427	\$4,373	\$4,420	\$3,763	\$3,145
Unrestricted Grants-in-Aid	\$28,473	\$32,809	\$32,239	\$33,332	\$34,121	\$33,044	\$34,129	\$32,774
Restricted Grants-in-Aid	\$145	\$505	\$1,096	\$917	\$912	\$887	\$493	\$468
Property Tax Allocation	\$5,614	\$5,991	\$6,327	\$6,616	\$7,478	\$8,421	\$8,193	\$7,955
Other Revenues	\$3,828	\$2,691	\$2,171	\$2,522	\$3,427	\$3,427	\$3,427	\$3,427
Total Operating Revenues	\$92,518	\$96,425	\$97,840	\$99,505	\$108,015	\$114,253	\$111,362	\$106,349
Total Other Financing Sources	\$301	\$157	\$403	\$2,233	\$265	\$802	\$265	\$265
Total Revenues and Other Financing Sources	\$92,819	\$96,582	\$98,243	\$101,738	\$108,280	\$115,055	\$111,627	\$106,614
Salaries & Wages	\$60,873	\$64,711	\$69,521	\$71,278	\$69,799	\$72,499	\$75,340	\$77,074
Fringe Benefits	\$15,210	\$17,494	\$18,725	\$19,991	\$19,170	\$21,252	\$23,702	\$26,446
Purchased Services	\$8,317	\$8,976	\$11,115	\$12,590	\$13,325	\$13,725	\$14,136	\$14,561
Supplies, Materials & Textbooks	\$3,251	\$2,764	\$2,519	\$3,053	\$2,560	\$3,604	\$3,170	\$3,621
Capital Outlay	\$1,161	\$445	\$445	\$431	\$396	\$396	\$396	\$396
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Expenditures	\$2,255	\$2,066	\$2,148	\$2,307	\$2,372	\$2,470	\$2,569	\$2,670
Performance Recommendations					(\$900)	(\$2,306)	(\$2,381)	(\$2,458)
Implementation Costs					\$104	\$112	\$117	\$121
Total Operating Expenditures	\$91,067	\$96,456	\$104,473	\$109,650	\$106,826	\$111,752	\$117,049	\$122,431
Total Other Financing Uses	\$26	\$45	\$40	\$2,058	\$90	\$627	\$90	\$90
Total Expenditures and Other Financing Uses	\$91,093	\$96,501	\$104,513	\$111,708	\$106,916	\$112,379	\$117,139	\$122,521
Result of Operations (Net)	\$1,726	\$81	(\$6,270)	(\$9,970)	\$1,364	\$2,676	-\$5,512	(\$15,907)
Beginning Cash Balance	\$24,068	\$25,794	\$25,875	\$19,605	\$9,635	\$10,999	\$13,675	\$8,163
Ending Cash Balance	\$25,794	\$25,875	\$19,605	\$9,635	\$10,999	\$13,675	\$8,163	(\$7,744)
Outstanding Encumbrances	\$2,208	\$2,835	\$1,447	\$0	\$0	\$0	\$0	\$0
Total Reservations	\$8,963	\$8,576	\$7,244	\$4,937	\$4,937	\$4,400	\$4,400	\$4,400
Ending Fund Balance	\$14,623	\$14,464	\$10,914	\$4,698	\$6,062	\$9,275	\$3,763	(\$12,144)
Cumulative Balance of Renewal/Replacement	\$0	\$0	\$0	\$0	\$0	\$0	\$6,163	\$18,858
Unreserved Fund Balance	\$14,623	\$14,464	\$10,914	\$4,698	\$6,062	\$9,275	\$9,926	\$6,714

Source: Treasurer's Office and AOS Recommendations

Note: Totals may vary slightly due to rounding

Table 2-10 details those performance audit recommendations reflected in the forecast in **Table 2-9**. Furthermore, the recommendations are divided into categories indicating those which are subject to negotiation and those which are not.

Table 2-10: Summary of Performance Audit Recommendations¹

Recommendation	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
R3.2 Reduce Staffing levels within the central administrative classifications	\$439,686	\$457,274	\$475,565	\$494,587
R4.5 Revise Current Facility Use and Building Configuration		\$290,667	\$298,974	\$307,613
R5.1 Consolidate bus routes	\$200,000	\$200,000	\$200,000	\$200,000
R5.2 Reduce or Eliminate use of Tri-Star Student Taxis	\$200,000	\$200,000	\$200,000	\$200,000
R5.3 Review the use of shuttles	\$60,000	\$60,000	\$60,000	\$60,000
R7.4 Obtain CAFS certification		\$50,000	\$50,000	\$50,000
Total Recommendations Not Subject to Negotiation	\$899,686	\$1,257,941	\$1,284,539	\$1,312,200
R3.5 Employee Sharing of Monthly Insurance Premiums		\$231,492	\$245,341	\$260,064
R3.6 Limit COLA increase to 1% in FY 05-06		\$817,000	\$851,000	\$886,000
Total Recommendations Subject to Negotiation	\$0	\$1,048,492	\$1,096,341	\$1,146,064
Total Recommendations Included in Forecast	\$899,686	\$2,306,433	\$2,380,880	\$2,458,264

Source: AOS Recommendations

Note: Where applicable financial implications have been adjusted for compounding factors over time.

¹ Does not include recommendations with implementation costs (see Table 2-11).

Table 2-11 summarizes the implementation costs associated with various recommendations contained within the performance audit. Each cost is dependent on Westerville CSD's decision to implement the associated recommendation and the timing of that implementation.

Table 2-11: Implementation Costs

Recommendation and Implementation Cost	FY 2004-05	FY 2005-06	FY 2006-07	FY 2007-08
R6.1 Hire additional tech support/ network admin. Staff	\$104,154	\$108,320	\$112,653	\$117,159
R7.4 Obtain CAFS certification		\$4,000	\$4,000	\$4,000
Total Implementation Cost	\$104,154	\$112,320	\$116,653	\$121,159

Human Resources

Background

This section of the report focuses on various human resources operations within the Westerville City School District (Westerville CSD). Best practice data from the Ohio Department of Education (ODE), the State Employee Relations Board (SERB), as well as peer school districts and other best practice organizations was used for additional comparisons throughout this section of the report.

Organizational Structure and Function

Under the direction of the superintendent, human resources (HR) operations for certificated personnel are the responsibility of the assistant superintendent. The executive director of personnel services and labor relations is responsible for HR operations for classified employees with primary emphasis on bargaining unit negotiations. The administration and management of certificated and classified human resources includes the following:

- Coordinating activities and programs for the recruitment and selection of employees;
- Monitoring compliance with employment standards (criminal background checks and teaching certifications);
- Facilitating employee performance evaluations;
- Administering and monitoring grievance policies and procedures;
- Negotiating and administering collective bargaining agreements;
- Conducting disciplinary hearings;
- Maintaining personnel files;
- Placing selected substitutes; and
- Participating in new employee orientations.

Additional day-to-day HR activities are handled through the treasurer's office, including monitoring of leave usage, payroll operations, and administration of health insurance plans for all employees within Westerville CSD. The human resources system database and Educational Management Information System (EMIS) are also maintained by treasurer's office staff.

Staffing

Table 3-1 illustrates the actual FTE staffing levels at Westerville CSD and the peer districts during FY 2003-04 as reported to ODE in the Educational Management Information System (EMIS). Adjustments were made to the corresponding EMIS reports based upon interviews with the appropriate district personnel to ensure consistent classification of positions among the peers. Also, during the course of the audit, Westerville CSD recoded several employees to better reflect their job duties and to improve their comparability with like-sized districts. Major adjustments attributed to recoding are shown in brackets to the right of Westerville CSD's FY 2003-04 staffing levels.

Table 3-1: FTE Staffing Levels for FY 2003-04

Category	Westerville CSD	Lakota LSD	Pickerington LSD	Willoughby-Eastlake CSD	Peer Average
Administrators: Subtotal	73.30 [57.00]	64.00	35.50	31.00	43.90
Central Based Administrators	40.30 [20.00]	22.00	20.50	13.00	18.60
Site Based Administrators	33.00 [37.00]	42.00	16.00	18.00	25.30
Professional Education: Subtotal ¹	843.86 [844.86]	1,012.40	488.3	553.40	684.70
Counseling	28.00	30.90	19.00	12.90	20.90
Librarian / Media	16.00	18.00	7.50	5.00	10.20
Regular Education Teachers	586.87	670.90	367.50	379.50	472.50
Special Education Teachers	101.79	118.00	36.00	74.00	76.00
Vocational Education Teachers	22.40	3.00	8.20	19.00	10.10
Educational Service Personnel	70.50	100.70	13.60	32.80	49.00
Professional – Other	58.50 [59.80]	70.40	18.60	26.70	38.60
Audiologist	0.00	0.00	0.00	1.00	0.40
Dietician/Nutritionist	1.00	0.00	0.00	0.00	0.00
Psychologist	10.70	11.00	4.00	8.00	7.70
Publicity Relations	1.00	1.00	0.00	0.00	0.30
Registered Nursing	6.40	14.50	6.20	5.40	8.70
Social Worker	2.80	5.00	0.00	3.70	2.90
Physical Therapist	2.60	1.00	0.00	0.00	0.30
Speech Therapist	14.40	27.40	6.60	8.60	14.20
Occupational Therapist	3.60	6.40	0.00	0.00	2.20
Educational Interpreter	2.00	0.00	0.00	0.00	0.00
Adapted Physical Ed. Therapist	3.00	4.00	0.80	0.00	1.60
Other Professional - Other ³	11.00 [12.30]	0.00	1.00	0.00	0.30
Technical: Subtotal	10.00	27.80	15.90	10.10	17.60
Computer Operating	1.00	0.00	0.00	0.00	0.00
Computer Programming	6.00	17.00	3.00	4.70	8.20
Library Technician	0.00	0.00	5.40	0.00	1.80
Printer	2.00	0.00	0.00	1.90	0.60
Library Aide	0.00	10.77	7.50	3.50	7.30
Other Technical	1.00	0.00	0.00	0.00	0.00
Office / Clerical: Subtotal	118.49	219.30	79.70	107.20	135.40
Bookkeeping	1.00	4.00	7.00	5.60	5.50
Clerical	100.49	89.70	32.90	60.60	61.10
Messenger	1.00	0.00	0.00	0.00	0.00
Records Managing	10.00	0.00	0.00	0.00	0.00
Teaching Aide	6.00	125.20	39.80	39.10	68.00
Telephone Operator	0.00	0.00	0.00	1.90	0.60
Crafts / Trades	27.00	24.00	10.00	16.00	16.70
Carpentering	0.00	0.00	0.00	2.00	0.70
Electrician/Plumbing	0.00	0.00	0.00	3.00	1.00
General Maintenance	16.00	18.00	7.00	5.00	10.00
Mechanic	7.00	10.00	0.00	6.00	5.30
Foreman	2.00	0.00	0.00	0.00	0.00
Other Crafts and Trades	2.00	0.00	0.00	0.00	0.00
Transportation	79.99	175.10	0.00	55.20	76.80
Service Worker/Laborer	189.92	209.00	100.70	143.60	151.10
Attendance Officer	0.00	0.00	0.50	0.00	0.20
Custodian ²	85.75	91.00	55.50	47.50	64.70
Food Service	81.08	60.2	29.20	49.00	46.10
Guard/Watchman	11.00	0.00	0.00	0.00	0.00
Monitoring	12.09	13.60	0.00	40.60	18.10
Groundskeeping	0.00	5.00	4.00	3.00	4.00
Attendant	0.00	36.80	11.50	3.50	17.30
Other Service Worker/Laborer	0.00	2.50	0.00	0.00	0.80
Total FTEs	1,401.06	1,802.10	749.70	943.20	1,165.00

Source: FY 2003-04 EMIS Staff Summary Reports from Westerville CSD and the peer districts; client interviews

¹ Columns do not sum since not all positions within each category are shown; subtotals may not include all reductions made for FY 2004-05.

² Adjustments made based on interviews with Westerville and peer district facilities maintenance staff. ³ Coding adjustments include 10.80 Other Professional and 1.0 Research and Development. Five FTE Curriculum Specialist are shown under the professional education subtotal.

Numerous staffing changes have been made by the Board and administration in an effort to improve the District's financial stability and achieve the expenditure reduction of \$8.8 million as approved by the Board for FY 2004-05 school year. Therefore, the staffing figures presented in **Table 3-1** may not be inclusive of all staffing reductions that have occurred as of the end of FY 2003-04.

While the majority of proposed staffing reductions (totaling 106.3 FTEs and \$4.2 million in salaries and wages), were approved by the Board, recent bargaining unit negotiations have resulted in the retention of 8.7 FTEs (12.3 positions). In exchange, certificated employees have accepted a 1.0 percent cost-of-living increase for the coming year as opposed to the 3.0 percent increase each year of the previous contract period. Over the summer months, the District anticipates completion of staffing adjustments and assignments for FY 2004-05. See the **financial systems** section for further information.

As part of the District's strategy to improve its financial outlook, the Westerville CSD Board recently authorized an early retirement incentive (ERI) to eligible certificated staff. The payout will equal \$40,000 to be paid over two years. Since one-third of the instructional staff had reached the top of the step salary scale, the ERI would help Westerville CSD successfully lower overall personnel costs by reducing the total number of highest paid certificated staff who are currently eligible for retirement. According to administrators, 46 teachers took advantage of the retirement incentive and retired at the end the FY 2003-04. Over the next two years, the retirement of these teachers will produce a net savings of about \$4.6 million in salaries and benefits as these positions will not be filled.

In addition to comparing actual FTE figures, staffing levels are analyzed based on average daily membership (ADM) since staffing levels vary depending upon the number of students enrolled in a district. **Table 3-2** illustrates the 2003-04 staffing levels per 1,000 ADM at Westerville CSD and the peer districts. Major adjustments attributed to recoding and made by the District during the course of this audit are shown in brackets to the right of Westerville CSD's FY 2003-04 staffing levels per 1,000 students.

Table 3-2: FTE Staffing Levels for FY 2003-04 per 1,000 ADM

Category	Westerville CSD		Lakota LSD	Pickerington LSD	Willoughby-Eastlake CSD	Peer Average
Average Daily Membership (ADM)	13,489		15,581	8,583	8,520	10,895
Administrators: Subtotal	5.4	[4.2]	4.3	4.2	3.5	4.0
Central Based Administrators ¹	3.0	[1.5]	1.6	2.3	1.4	1.8
Site Based Administrators	2.4	[2.7]	2.7	1.9	2.1	2.2
Professional Education: Subtotal²	62.6	[62.6]	65.2	57.0	64.9	62.4
Counseling	2.1		2.0	2.2	1.5	1.9
Librarian / Media	1.2		1.2	0.9	1.6	0.9
Regular Education Teachers	43.5		43.1	42.8	44.5	43.5
Special Education Teachers	7.5		7.6	4.2	8.7	6.8
Vocational Education Teachers	1.7		0.2	1.0	2.2	1.1
Educational Service Personnel	5.2		6.5	1.6	3.8	4.0
Professional – Other	4.3	[4.4]	4.5	2.2	3.1	3.3
Dietician/Nutritionist	0.1		0.0	0.0	0.0	0.0
Psychologist	0.8		0.7	0.5	0.9	0.7
Publicity Relations	0.1		0.1	0.0	0.0	0.0
Registered Nursing	0.5		0.9	0.7	0.6	0.8
Social Worker	0.2		0.3	0.0	0.4	0.3
Physical Therapist	0.2		0.1	0.0	0.0	0.0
Speech Therapist	1.1		1.8	0.8	1.0	1.3
Occupational Therapist	0.3		0.4	0.0	0.0	0.2
Educational Interpreter	0.1		0.0	0.0	0.0	0.0
Adapted Physical Ed. Therapist	0.2		0.3	0.1	0.0	0.1
Other Professional - Other	0.8	[0.9]	0.0	0.1	0.0	0.0
Technical: Subtotal	0.7		1.8	1.8	1.2	1.6
Computer Operator	0.1		0.0	0.0	0.0	0.0
Computer Programming	0.4		1.1	0.3	0.6	0.7
Library Technician	0.0		0.0	0.6	0.0	0.2
Printer	0.1		0.0	0.0	0.2	0.1
Library Aide	0.0		0.7	0.9	0.4	0.7
Other Technical	0.1		0.0	0.0	0.0	0.0
Office / Clerical: Subtotal	8.8		14.1	9.2	12.6	12.0
Bookkeeping	0.1		0.3	0.8	0.7	0.6
Clerical	7.4		5.8	3.8	7.1	5.6
Records Managing	0.7		0.0	0.0	0.0	0.0
Teaching Aide	0.4		8.0	4.6	4.6	5.7
Telephone Operator	0.0		0.0	0.0	0.2	0.1
Crafts / Trades	2.0		1.5	1.2	1.9	1.5
Transportation	5.9		11.2	0.0	6.5	5.9
Service Work/Laborer	14.1		13.5	11.8	17.0	14.1
Attendance Officer	0.0		0.0	0.1	0.0	0.0
Custodian	6.4		5.8	6.5	5.6	6.0
Food Service	6.0		3.9	3.4	5.8	4.4
Guard/Watchman	0.8		0.0	0.0	0.0	0.0
Monitoring	0.9		0.9	0.0	4.8	1.9
Groundskeeping	0.0		0.3	0.5	0.4	0.4
Attendant	0.0		2.4	1.3	0.4	1.4
Other Service Worker/Laborer	0.0		0.2	0.0	0.0	0.1
Total FTEs per 1,000 ADM	103.9		116.1	87.4	110.7	104.8

Source: FY 2003-04 EMIS Staff Summary Report and 1st Full Week of October Enrollment Report from Westerville CSD and the peer districts

Note: Columns do not sum since not all positions within each category are shown; subtotals may not sum due to rounding to the nearest tenth.

¹ Includes all administrative position codes except (104) Assistant Principal and (108) Principal.

² Lists only selected positions in which Westerville CSD has higher staffing levels than the peer average.

As illustrated in **Table 3-2**, Westerville CSD has 0.9 FTEs per 1,000 ADM less than the peer average of 104.8 FTEs per 1,000 ADM. However, Westerville CSD has higher FTE staffing allocations compared to the peer average within the following classifications:

- **Administrators:** Westerville CSD has 4.2 FTEs per 1,000 ADM in the administrator classification codes compared to the peer average of 4.0 FTEs per 1,000 ADM. For details regarding suggested changes in administrator classifications, see **R3.2**.
- **Professional – Other:** The professional-other classification at Westerville CSD is higher than the peer average. This variance may be due to the larger population of special needs students (see SF-3 reports) and/or limited English proficient students in the Westerville district, as well as mid-year recoding of employees. Furthermore, variances between districts in EMIS position code assignments may cause the appearance of inflated staffing levels.
- **Office/Clerical staff:** Westerville CSD has a higher staffing allocation than the peer average in clerical and records managing positions. Specifically, Westerville has 100.49 FTE clerical staff compared to the peer average of 61.1 FTEs (or 7.4 FTEs per 1,000 ADM compared to the peer average of 5.6 per 1,000 students). However, Westerville CSD is below the peer average in bookkeeping and telephone operator positions. While this analysis highlights specific positions within this category that are higher or lower compared to the peers, the staffing level of the overall office/clerical category is below the peer average by 17.21 actual FTEs or 3.2 FTEs per 1,000 ADM.
- **Crafts/Trades:** Westerville CSD has 2.0 FTEs per 1,000 students compared to the peer average of 1.5 FTEs per 1,000 ADM within the crafts/trades classification. While overall staffing within this category is above the peer average, FTE allocations in specialized positions including electrician and plumbing are below peer averages. For more detailed discussion and recommendations regarding staffing and operations for crafts and trades personnel, see the **facilities** section.
- **Custodial Staff:** Westerville CSD has 85.75 FTE custodial staffs compared to the peer average of 64.70 FTEs (or 6.4 and 6.0 FTEs per 1,000 ADM respectively). Due to variances in the square footage cleaned per custodian compared to national standards, the appropriateness of custodial staffing is discussed in detail in the **facilities** section of the report.
- **Service Worker/Laborer:** Westerville CSD is equal to the peer average in service worker/laborer staffing levels with 14.1 FTEs per 1,000 ADM. This is due to the higher staffing levels in food service workers compared to the peer average. Food service at Westerville CSD is a self-funded program (see the **financial systems** section). Westerville CSD has 1.6 more food service FTEs per 1,000 ADM than the peer average. However, this difference is offset by the monitor position which is 1.0 FTE less than the peer average, indicating a slight variance in the manner in which districts assign position codes. Discussion of other positions within the service worker category including grounds-keeping can be found in the **facilities** section.

Westerville CSD has proactively decreased staffing levels in an effort to achieve fiscal stability. In addition to the release of teaching staff (as a result of programmatic reductions), and the reduction of 47 teachers through the ERI, another 20 teachers have requested a leave of absence and 18 have resigned effective the end of FY 2003-04.

Collective Bargaining Agreements

Certificated personnel within Westerville CSD are governed by a negotiated agreement between the Board of Education and the Westerville City Education Association/OEA/NEA. Classified employees are organized under three separate collective bargaining agreements. Approximately 130 support staff, including a portion of the secretarial staff, clerks, monitors and aides, are governed under the Westerville Educational Support Staff Association (WESSA) bargaining unit. Custodians and food service workers are represented by the Ohio Association of Public School Employees (OAPSE)/AFSCME local #138. The bargaining unit for bus drivers and mechanics is OAPSE/AFSCME local #719. Administrators and administrative secretaries (approximately 53 employees) are not part of a bargaining unit, but are governed by the District's Wage and Benefit Guidelines effective August 1, 2001 through July 31, 2004. Because contractual and employment issues directly affect the operating budget, many have been assessed to show their financial implications to the District. The implementation of some of the associated recommendations would require bargaining unit negotiations.

Table 3-3 and **Table 3-4** illustrate key contractual issues in the certificated and classified employee negotiated agreements.

Table 3-3: Westerville CSD & Peer Certificated Contractual Comparisons

	Westerville CSD	Lakota LSD	Pickerington LSD	Willoughby-Eastlake CSD
Length of work day	7 hours, 40 minutes (30 minute lunch)	7 hours, 30 minutes (30 minute lunch)	7 hours, 30 minutes (30 minute lunch)	Elementary: 6 hours, 45 minutes (405 minutes per day) Middle & High School: 7 hours, 10 minutes (430 minutes per day) (40 minute lunch)
Teaching Time/ Planning Time	6 hours teaching time High School: 5 of 7 periods teaching (1 planning period per day)	Elementary: 170 minutes planning / week Middle School: 6 of 8 periods teaching (1 period planning per day) High School: 5 of 6 periods teaching (1 planning period per day)	k-4: 210 minutes planning per week 5-6: 200 minutes planning per week 7-12: 40 minutes planning per day	Elementary: 1,475 minutes max. pupil contact time per week (4.9 hrs. per day) / 150 minutes per week unassigned conference time Middle & HS: 1,460 minutes max. pupil contact time per week (4.9 hrs. per day) / 225 minutes unassigned conference time per week
Maximum class size	K: 26 1-2: 27 3-12: 30 ¹	27	K-4: 26 5-8: 28 9-12: 30 (and no more than 170 students per day)	K-3: 25 4-5: 30 6-12: 32
Number of Contract Days	185 days	184 days	K-8: 186 days 9-12: 186 days	182 days
Instructional Days	180 ²	178 ²	179 180	178
In-Service Days	5	4	2 2	2
Professional Development	0	2	0 0	0
Parent/Teacher Conference	0	0	3 2	2
Preschool Days	0	0	2 2	0
Maximum number of sick days accrued	255 days	220 days	260 days	260 days
Sick Leave Accrual Rate	1 ¼ days per month	1 ¼ days per month	1 ¼ days per month (prorated for part-time employees)	1 ¼ days per month
Maximum sick leave pay out at retirement	Lesser of accumulated sick leave or 65 days; at highest per diem rate	25% of sick leave up to a maximum of 51 days; at per diem rate at time of retirement	25% of sick leave up to a maximum of 61 days; at the per diem rate at time of retirement	30% of accumulated sick leave at a per diem rate at time of retirement
Number of personal days	3	4	3	3
Board Pick-up of Pick-up	None	None	None	None
Retirement Incentive	1 st year of eligibility: annual salary 2 nd and 3 rd years: \$20,000 each ³	None	None	1 st year of eligibility: \$30,000 2 nd year of eligibility: \$20,000
Cost of living increases each year of the contract	FY 2002-03: 3.0% FY 2003-04: 3.5%	N/A	FY 2002-03: 4.25% FY 2003-04: 4.25%	FY 2002-03: 4.0% FY 2003-04: 4.0%

Source: Certificated negotiated agreements from Westerville CSD and the peer districts

¹ Limits required under contract.

² Includes scheduled early release dates for in-service activities as scheduled in FY 2003-04

³ Implementation effective as of FY 2004; dollar amount increases incrementally as the number of retirees increases.

Table 3-4: Westerville CSD & Peer Classified Contractual Comparison

	Westerville CSD	Lakota LSD	Pickerington LSD¹	Willoughby-Eastlake CSD
Performance Evaluations	No	Yes (annually)	Yes (annually)	Yes (annually)
Minimum Call-in Hours	2 hours	2 hours	None stated	2 hours
Vacation Accumulation Schedule	0 to 11 months: 10 days, at 1 day per month 1 to 8 years: 11 days 9 to 13 years: 15 days 14 to 19 years: 20 days >20 years: 1 new day annually up to 25 days ²	0 to 11 months: none 1 to 9 years: 10 days 9 to 17 years: 15 days >17 years: 20 days	<1 yr: 1 day/month 1 to 9 yrs: 12 days 10 to 14 yrs: 15 days >15 years: 20 days	For 12 month employees: 1 to 5 yrs: 10 days 6 to 14 years: 1 new day annually > 15 years: 20 days ²
Sick/Personal Leave Incentives	None stated	Each unused personal leave day shall be converted to 1 day of sick leave	None stated	Each unused personal leave day shall be converted to 1 day of sick leave
Maximum # of Sick Days Accrued <ul style="list-style-type: none"> • Maintenance, Custodial, Warehouse, Food Service, and Support Staff Employees • Transportation Employees 	245 days 255 days	220 days 240 days	260 days (Applies to all)	2001-02 - 250 days 2002-03 – 255 days 2003-04 – 260 days (Applies to all)
Maximum # of Sick Days Paid upon Retirement	Up to 60 days accrued, unused sick leave, plus 1 additional day of severance pay for every 14 days (15 days for bus drivers and mechanics) over the maximum days accrued.	25% of accumulated but unused sick leave. Payment based on daily rate of pay at time of retirement.	25% of accrued but unused sick leave, maximum of 61 days will be paid.	30% of accrued but unused sick leave, plus carryover of accumulated sick leave, unused leave for current year and all unused personal leave that has been converted to sick leave
Personal Leave Days	3 days	3 days	3 days	3 days
Paid Employee Holidays 12 month employees: Less than 12 months:	11 days 9 days ³	10 days 8 days	7 days 6 days	14 days 9 days
Association Business Leave Days Permitted	Three elected delegates are granted 3 days leave per delegate. Each bargaining unit employee is permitted to attend OAPSE workshops if held on COTA day without loss of pay.	N/A	N/A	Unit president: 4 days. Local delegates: 13 aggregate days, with no more than 3 members on the same day.
Cost of Living Increase(s)	FY 2001-02: 3.0% FY 2002-03: 3.5% FY 2003-04: 0.0% ⁴	FY 2000-01: 5.0% FY 2001-02: 4.0% FY 2002-03: 4.0%	FY 2001-02: 4.25% FY 2002-03: 4.25% FY 2003-04: 4.25%	FY 2001-02: 4.0% FY 2002-03: 4.0% FY 2003-04: 4.0%
Retirement Incentive	Incentive after 20 years service (one year eligibility only), \$2,500 for full-time and \$1,500 for part-time employees	None noted	None noted	\$5,000 if retire first year of eligibility. \$2,500 if retire in second year of eligibility.
Number of Days to File a Grievance	12 days	25 days	Contract is silent	10 days

Source: Certified negotiated agreements from Westerville CSD and the peer districts

¹ Pickerington LSD classified staff are not unionized, but follow the same policies and procedures as those negotiated for certified staff.

² Vacation days maybe accumulated to a maximum of the total number of days earned in the previous two years.

³ Clerical staff have 10 paid holidays for employees working less than 12 months.

⁴ Support staff negotiated a 0.0% COLA increases for FY 2003-04. Negotiations are in progress for FY 2004-05.

Assessments Not Yielding Recommendations

In addition to the analyses presented in this report, assessments were conducted on several areas within the human resources section which did not warrant changes and did not yield any recommendations. These areas include the following:

- **Site-based administrators:** Principal and assistant principal staffing levels at Westerville CSD were assessed in comparison to the peer districts. Staffing allocations were determined to be in line with the peers, therefore no recommendations are warranted at this time.
- **Professional education staffing:** Position codes within the professional education classification were assessed and determined to be commensurate with the peers. Furthermore, Westerville CSD continues to proactively manage professional education staffing levels including regular and special education teachers, counselors and library/media personnel and make appropriate reductions. Considering the District's current staffing reductions and those proposed for FY 2004-05, staffing in this area appears to be appropriate. Other operational changes, including increasing the number of teaching periods per day, will further help to manage professional education staffing levels without compromising students' access to classes.
- **Food service workers:** Westerville CSD's food service function is self-funded. The staffing levels were reviewed and no recommendations were warranted.
- **Supplemental salaries:** Westerville CSD supplemental salary schedules were reviewed and appeared to be in line with the peers. In general, supplemental contract salaries are paid based on a percentage of the base salary step depending on years of experience. The payment percentage ranges for key supplemental positions were analyzed in comparison to the peers. The sample results indicate that supplemental contract salaries at Westerville CSD were similar to or less than the peer districts, and no recommendations are warranted.
- **Leave Usage:** Teacher attendance rates were reviewed and compared to the peers based on ODE's 2003 District Report Card data. Westerville CSD's teacher attendance rate for FY 2002-03 was 95.0 percent compared to the peer average of 96.8 percent. A study of efficiency in Ohio's public schools identified teacher attendance as one of nine factors affecting overall efficiency including achievement of academic yearly progress goals. By promoting wellness education and awareness and through enforcement of current leave usage policies, Westerville CSD may be able to increase employee attendance rates to a level commensurate with the peers. Sick leave usage for classified employees was determined to be similar to the average leave use for State of Ohio employees covered

under collective bargaining agreements. No formal recommendations are warranted in this area.

- **Premium-sharing for family health insurance plan participants:** Westerville CSD requires participants of family health care insurance plans to share in the cost of monthly premium expenses at a rate of 20 percent which is commensurate with or greater than the peers. While rising health care costs may require future increases in employee premium contributions, no recommendations were made at this time for employees electing family coverage.
- **Transportation:** Westerville CSD has 5.9 FTEs per 1,000 students compared to the peer average of 11.3 FTEs per 1,000 ADM. In terms of actual staffing levels, Westerville CSD has 42.58 fewer FTEs than the peer average (calculated using only two peers since Pickerington LSD outsources busing service). Therefore, no staffing changes are necessary at this time.
- **Technology:** The manner in which Westerville CSD uses software to manage its human resources operations was assessed and determined to be appropriate. Therefore, no recommendations regarding technology or its uses were made.
- **Workers Compensation:** Westerville CSD participated in an Ohio School Boards Association (OSBA) pool as a means of controlling premium costs. However, high claim volumes forced the District out of the pool which drove premiums up correspondingly. In an effort to control costs, the District enlisted the services of Integrated Disability Services which has helped them design return to work programs to cut costs. The District is also submitting a Comprehensive Business Plan that will qualify it for a 20 percent discount rate.

Noteworthy Accomplishments

- In April 2004 Westerville CSD switched from Medical Mutual to United Healthcare as its health benefit plan carrier. The switch allowed the District to obtain the same benefit levels at a more economical rate.
- Westerville CSD has been proactive in reducing personnel expenditures to help balance its financial position. Between FY 2003-04 and 2004-05, the District reduced personnel by 107 employees.
- As part of the District's strategy to improve its financial outlook, the Westerville CSD Board authorized an early retirement incentive (ERI) to eligible certificated staff. According to the District, 46 teachers took advantage of the retirement incentive and retired at the end the FY 2003-04. Over the next two years, the retirement of these teachers will produce a net savings of about \$4.6 million in salaries and benefits as these positions will not be filled.

Recommendations

Policies and Procedures

- R3.1** Westerville CSD should review its policies and procedures to ensure that accurate reports are prepared and reconciled before submission of EMIS data to ODE. To help ensure consistency and accuracy in EMIS reporting, the FTE calculation for employees working more than one job should be listed in each classification code based on the number of hours worked. This standard of reporting will help ensure that no employee is calculated as more than 1.0 FTE for EMIS reporting purposes and will be useful for consistently calculating other pro-rata benefits to part-time employees.

During the course of the performance audit, the human resources director indicated that some classifications or FTE calculations reported in EMIS were not accurate according to EMIS definitions. In addition, some FTE staffing levels reported in EMIS for FY 2003-04 were inconsistently calculated in terms of number of hours worked per day. This resulted in incorrect information being reported to EMIS and caused the staffing levels to be improperly recorded. All tables in this report, including **Table 3-1**, illustrate the revised and corrected staffing levels.

The Ohio Department of Education developed and implemented EMIS to assist school districts in effectively and efficiently managing student and personnel demographics. All schools are required to provide specific student, staff, and financial data to ODE twice each year. This information is processed and used to make determinations regarding reimbursements and other funding decisions. Therefore, reporting accuracy and completeness, in accordance with EMIS definitions and guidelines, is critical to ensure that districts receive the appropriate aid and funding consideration.

In addition to developing policies and procedures to ensure that accurate reports are prepared and reconciled, Westerville CSD should ensure that someone independent of the data gathering process reviews the information to ensure accuracy of the figures. The individual responsible for gathering and compiling EMIS information should use the *EMIS Definitions, Procedures and Guidelines* report which is produced annually by ODE to assist school districts in entering information into EMIS. Since EMIS codes can change on an annual basis, Westerville CSD should take advantage of training updates and seek assistance from ODE as needed to meet these important objectives.

Staffing and Structure

R3.2 Westerville CSD should consider realigning its organizational structure to reduce other professional and administrative staffing levels. Although the District has reclassified some positions in administrative categories and made reductions in this area, the job functions indicate that a reduction of administrative personnel may be possible through condensing and revising job tasks. Reductions in staffing levels could help streamline operations and redirect resources toward educational programs that directly benefit students. At the commencement of this audit, Westerville had 5.4 administrative FTEs per 1,000 students, 1.4 FTEs higher than the peer average. Through reclassification, these positions have been moved to other categories more commensurate with the codes used by other large districts and administrative classifications are now 4.2 FTEs per 1,000 students, slightly above the peer average of 4.0 FTEs per 1,000 students. However, Westerville CSD could potentially make additional reductions within other professional and administrative positions.

During the performance audit of Westerville CSD's human resources, opportunities for cost savings were identified and shared with the District. These findings were based on the EMIS data submitted by the District for analysis. As shown in **Table 3-5**, Westerville CSD reduced the number of personnel categorized as administrative personnel (shown in brackets) from 5.4 FTEs to 4.2 FTEs per 1,000 students. However, this figure remains high in comparison to the peer average of 4.0 FTEs per 1,000 students. Also, several of the personnel initially identified in this category have been moved to other codes and, while not reflected in the table, remain on the District payroll.

Table 3-5: FY 2003-04 Administrative Staffing Level Comparison

	Westerville CSD		Lakota LSD	Pickerington LSD	Willoughby-Eastlake CSD	Peer Average
Total FTE Administrative Personnel ¹	73.30	[57.00]	64.00	35.50	31.00	43.90
Total District Personnel	1,401.06		1,802.1	749.7	943.2	1,165.0
Ratio of District Personnel per Administrative Staff Member	19.2	24.6	28.2	21.1	30.4	26.5
Total ADM	13,489		15,581	8,583	8,520	10,895
Administrative Personnel per 1,000 ADM ²	5.4	[4.2]	4.3	4.2	3.5	4.0

Source: Westerville CSD and peer districts

¹ Includes all individuals classified as administrators except principals and assistant principals.

² See **Table 3-2**.

Administrative positions are designed to manage operations by providing oversight and support to other district personnel in order to achieve the overall goals of the district. Recently, Westerville CSD reclassified the following administrative positions in EMIS:

- 3 Coordinators (code 113) were re-classified as Dispatchers (code 702)
- 1 Coordinator was re-classified as Other Crafts/Trades (code 699)
- 1 Coordinator was re-classified as a Food Service Worker (code 904)
- 6 Supervisors (code 110) were re-classified as Curriculum Specialists (code 201)
- 1 Supervisor was re-classified as a Researcher (code 322)
- 3 Supervisors were re-classified as Assistant Principals (code 104)

While ODE EMIS coding guidelines allow districts to use a measure of discretion in coding practices, Westerville CSD should ensure that these coding changes appropriately follow reassessment of job duties and that job descriptions are updated to accurately reflect the work requirements.

Variances in position coding practices may exist between districts causing certain positions to appear high or low (also see **Table 3-2**). While coding differences among the peers for administrative, professional, and other professional classifications might offset the apparent higher staffing levels were found, these were not significant and do not change the overall analysis. While the District has included in its FY 2004-05 expenditure estimates a proposed reduction of 5.0 administrative/supervisory personnel, these positions have not been formally eliminated from the District's organizational structure. Formal elimination of these positions through Board action would disallow reinstatement of these positions at a later date and would result in a permanent annual cost savings. For FY 2004-05, this savings is estimated at approximately \$478,000 in salaries and benefits. However, at the time of reporting, the District has not confirmed that the elimination of these positions has been formally approved.

Also, additional analysis suggests that the peers do not use special duty teachers to perform administrative duties. Rather, it appears that peer districts concentrate responsibilities for many operational areas within a few positions whereas Westerville CSD uses individual employees to oversee fewer operations. For example, the position of Executive Director of Business Services originally provided oversight of operational areas including facilities and maintenance, grounds-keeping, food service and transportation, with a salary of approximately \$94,000. As of the start of FY 2003-04, duties of the Executive Director of Business Services were divided through the addition of the Director of Purchasing, Foodservice, and Warehouse position (see also **R3.3**). Both the Executive Director and Director of Purchasing, Foodservice, and Warehouse are coded in EMIS as coordinators indicating an assignment to oversee one or more programs or projects although the Director reports to the Assistant Superintendent rather than to the Executive Director of Business Services. This change in reporting structure

was created to improve coordination of District-wide business services not related to facilities and transportation. Transferring oversight of duties by layering the management structure can be costly and does not appear to exist in the peer districts. Therefore, if Westerville CSD chooses to retain the current organizational design for its management structure, it should carefully review salaries for administrative positions as well as for those positions increased through the reclassification, to ensure that compensation is commensurate with the responsibilities performed and with public market rates for similar jobs.

Financial Implication: Westerville CSD could potentially realign the management structure to support a reduction of up to 5.0 FTE other professional and administrative positions. Assuming an average annual salary of approximately \$66,700 and benefits equal to 28 percent of annual salaries, or approximately \$18,700 per employee, Westerville CSD could potentially generate annual cost savings of \$427,000 as a result of the additional 5.0 FTE reductions. This savings, added to the \$478,000 already included in the five-year forecast for the planned 5.0 FTE reductions, would result in a grand total savings of approximately \$905,000.

R3.3 Westerville CSD should closely examine its organizational structure and administrative components to identify additional opportunities for savings in accordance with best-practice recommendations. Likewise, it should update its organizational design depicting the hierarchy of authority to reflect recent changes to its management reporting structure. The current organizational chart does not accurately reflect job titles and duties, nor does it reflect the recent reclassifications of several personnel. Similarly, the current organizational structure leads to a limited span of control, creating a top-heavy supervisory and administrative pool. An effective organizational design accurately depicts reporting relationships and provides a structural basis for achieving operational efficiency.

Westerville CSD's organizational structure has undergone recent changes through reclassification of personnel, attrition and reductions in force. The District has not adequately updated its organizational chart and some reporting relationships do not appear logical. For example, principals appear to report to the executive director of (either) primary or secondary curriculum and instruction. If this is the District's intention, the organizational chart should be revised to show the principals holding more responsibility than the curriculum coordinators who also report to the executive director and currently appear on the same organizational level.

Based on a comparative analysis of Westerville CSD's and four peer organizational structures (the three used throughout the report, plus Dublin CSD), it appears that Westerville could increase efficiency and successfully support central administrative staffing reductions through specific changes to its reporting structures. Some

administrative responsibilities have been reduced through the addition of director level staff without a reduction of salary of other administrators (see **R3.2**)

Florida's Office of Program Policy Analysis and Government Accountability (OPPAGA) recommends school districts regularly review their management structures to ensure optimal efficiency. Recommended practices in school district administration are outlined as follows:

- **The district's organizational structure has clearly defined units and lines of authority that minimize administrative costs.**
 - The district has organizational charts that clearly and accurately depict its organizational structure.
 - The district has clearly defined the responsibilities of each organizational unit and communicated these responsibilities to staff and the public.
 - The district's organizational structure eliminates unnecessary overlapping functions and excessive administrative layers
 - The district's top administrators (directors and above) have reasonable spans of control.
 - The district regularly (at least once every four years) reviews its business practices and organizational structure and presents the results in a written report to the board.
 - The district makes changes to its organizational structure to streamline operations and improve operating efficiency.

- **The district periodically reviews its administrative staffing and makes changes to eliminate unnecessary positions and improve operating efficiency.**
 - The district comprehensively reviews its administrative staffing levels to improve operating efficiency and presents the results in a written report to the board.
 - In conducting its review, the district obtains broad stakeholder input.
 - As part of its review, at a minimum, the district assesses the reasonableness of its administrative staffing levels to those of comparable districts using appropriate measures that may include classroom teachers per administrator, instructional personnel per administrator, total staff per administrator, and total administrators per 1,000 students.
 - The district implements changes to its administrative staffing levels when necessary to improve its operating efficiency.
 - Administrative staffing is reasonable given the number of students served and services provided by the district.

Managing a Non-profit Organization in the 21st Century (Wolf, 1999) stresses the importance of an organizational chart for large organizations. An accurate organizational chart with appropriate spans of control is essential because direct supervision of each and every employee is impossible. An organizational chart that accurately depicts reporting relationships and levels of responsibility communicates who within the organization carries certain levels of responsibility and who to approach if operations go awry. Reporting and authority lines must be set up carefully to ensure that they are respected and followed. Employees should not be required to report to two supervisors and supervisory personnel should be competent and capable, inspiring confidence in their employees.

Westerville CSD should use these best-practice recommendations to examine its current administrative structure and seek additional opportunities for economization. As recommended by OPPAGA, the process should include members of the community and should be transparent to taxpayers. Once modifications have been made, the District should revise its organizational chart (and any associated job descriptions) to accurately reflect changes in reporting relationships and responsibilities. The internal assessment and corresponding changes to the organizational chart could be accomplished within current resources.

Compensation

R3.4 In certain classifications, Westerville CSD should slow the rate of salary increases to bring salary levels in line with peer districts. The District is significantly higher than the peers in the areas of supervisor, curriculum specialists and clerical personnel. By tempering the rate of compensation increases, the District could generate a cost avoidance and improve its future financial condition. The cost avoidance would allow funds to be directed toward providing educational instruction that would directly benefit students. (See also R3.2 and 3.3)

A comparison of salaries at certain classifications between Westerville CSD and the peers indicates that compensation levels are above the peer averages in a number of categories. These categories include supervisor, curriculum specialists and clerical. Recent reclassifications in the supervisor and curriculum coordinator positions may have increased the disparity in salary levels between Westerville CSD and the peers in these areas as there was not a corresponding revision of compensation.

Although its overall salary exposure is similar to the peers, Westerville CSD may be able to generate cost savings by slowing the rate of increase in certain salary classifications. Likewise, revisions in salary levels may be appropriate to recently reclassified positions to bring the salaries in line with the duties and responsibilities of the job. **Table 3-7**

illustrates the salary levels for certain classifications within Westerville CSD and the peers.

Table 3-7: FY 2003-04 Salary Levels by Classification

EMIS Classification	Westerville CSD	Lakota CSD	Pickerington LSD	Willoughby-Eastlake CSD	Peer Average	% Difference
Central Administrative						
Executive Administrators ¹	\$107,359	\$97,466	\$101,236	\$102,260	\$100,320	6.56%
Supervising/Managing/Directing	\$74,222	\$64,260	\$72,220	\$63,907	\$66,796	11.12%
Coordinators	\$53,025	\$52,070	\$64,986	\$62,112	\$59,723	-11.21%
Other Official/Administrator	\$58,785	\$55,660	\$0	\$0	N/A	N/A
Site-based Administrative						
Principal	\$76,374	\$82,421	\$82,215	\$84,086	\$82,908	-7.88%
Assistant Principal	\$70,254	\$64,934	\$67,372	\$77,384	\$69,897	0.51%
Professional Educational						
Curriculum Specialist	\$68,538	\$63,167	\$49,869	\$64,625	\$59,220	15.73%
Counselor	\$64,894	\$54,943	\$64,870	\$61,408	\$60,407	7.43%
Regular Teaching	\$55,051	\$46,836	\$51,979	\$54,538	\$51,118	7.70%
Professional - Other						
Office/Clerical	\$27,778	\$20,698	\$21,863	\$27,209	\$23,257	19.44%
Crafts & Trades	\$33,791	\$36,634	\$32,106	\$43,428	\$37,389	-9.62%
Operative (Transportation)	\$22,372	\$18,127	N/A	\$40,181	\$29,154	-23.26%
Service Work/Laborer	\$22,150	\$13,221	\$23,109	\$25,311	\$20,547	7.80%

Source: Westerville CSD and peer EMIS Staff Demographic Reports.

Note: Salaries have been adjusted based on local cost of doing business factor for the District and each peer.

¹ Executive Administrators includes the superintendent, assistant superintendent and treasurer positions.

Table 3-7 shows Westerville CSD's salaries are higher than the peer averages and the majority of the peers in several classifications. In some cases, these disparities are in excess of 10 percent. In some cases, the disparities can be attributed to experience levels. Also, Westerville CSD may offer more generous salaries in some areas to attract talent; however, the salary levels appear above the market standard when compared to other large suburban districts in Ohio's major metropolitan areas. Also, although Westerville CSD's Cost of Living (COLA) increases are the lowest of the peers, the impact of COLAs on these particular categories will continue to magnify the disparity between Westerville CSD and the peers.

During future negotiations and salary discussions (for non-union personnel), the District should seek to slow the rate of increase in these positions by seeking a lower COLA increase. Also, concurrent with the recent reclassification, the District should give consideration to salaries and ensure that salaries are commensurate with the duties and responsibilities. Modifications to compensation levels in the above highlighted areas could provide the District with additional cost savings in key areas of functionality and support.

Health Care Benefits

R3.5 Westerville CSD should continue to closely monitor insurance benefit expenditures and negotiate adjustments to employee contribution requirements and/or key benefits to levels that are commensurate with peers and market standards. In addition, the District's insurance trust committee, which comprises representation from each bargaining unit, non-bargaining unit employees, labor relations and personnel administrators, and is facilitated by the treasurer, should seek agreement from all parties granting the committee authority to make limited benefit plan changes without the requirement of full negotiations.

In light of variations in plan efficiency and regional costs, Westerville CSD should carefully examine the performance of its health plans to ensure they are the most cost-effective options in the market. In April 2004 Westerville CSD switched from Medical Mutual to United Healthcare as its health benefit plan carrier. Although the switch allowed the District to obtain the same benefit levels at a more economical rate, healthcare insurance costs are expected to rise by approximately 14.1 percent annually according to Franchise Insurance Agency, Inc., a group brokerage firm in Columbus, Ohio. The agency further reports the top three elements impacting insurance costs are: premium contributions by employees (the market rate ranges from 10.0 percent up to 30.0 percent); plan funding (self-insured versus fully insured); and commissions paid to carriers (a potential area for cost savings). This poses a challenge to school districts to manage benefit plans effectively and should compel Westerville CSD to consider the following suggested changes to future benefit plan designs:

- Increase employee contributions for single plans from 5.0 percent to at least 10.0 percent;
- Negotiate a minimal employee contribution for dental insurance coverage;
- Establish a lifetime maximum benefit level similar to peer districts;
- Increase doctor visit co-payments from \$5 to \$10; and
- Monitor fees and commissions paid to consultants and carriers.

The first two cost-saving measures listed are directly linked to the number of plan participants and generate savings by increasing premium sharing. However, the last three items are potential drivers of higher costs and should be carefully considered when designing cost-efficient health care plans. According to the *12th Annual Report on the Cost of Health Insurance in Ohio's Public Sector*, a report on the 2003 survey results by the State Employment Relations Board (SERB) research and training section, premium contributions average 11.2 percent of the cost of a single plan and 12.6 percent of the monthly family premium. As noted in **Table 3-8a**, Westerville CSD participates in United Healthcare's Options PPO plan for single coverage and requires employees to

contribute only 5.0 percent to monthly premium costs, whereas employees enrolled in the family plan contribute approximately 20.0 percent to the monthly premiums.

Table 3-8a: Health Insurance Premiums in FY 2003-04

District	Provider	Single Plan Monthly Premium	Single FTE Share	Employer Share	Family Plan Monthly Premium	Family FTE Share	Employer Share
Westerville CSD	United Healthcare	\$325.05	\$16.25 (5.0%)	\$308.80	\$849.68	\$169.94 (20.0%)	\$679.74
Lakota LSD	Butler County	\$341.20	\$34.00 (10.0%)	\$307.20	\$875.20	\$87.40 (10.0%)	\$787.80
Pickerington LSD	United Healthcare	\$334.25 ¹	\$35.86 ² (10.0%)	\$380.03 ²	\$765.44 ¹	\$95.86 ² (12.5%)	\$669.58 ²
Willoughby-Eastlake CSD	Medical Mutual		\$0.00 (0.0%)			\$40.00 (6.0%)	
	• Traditional	\$261.02	\$0.00 (0.0%)	\$261.02	\$652.58	\$0.00 (0.0%)	\$612.58
	• PPO	\$216.28	\$0.00 (0.0%)	\$216.28	\$540.71	\$0.00 (0.0%)	\$540.71
	Anthem	\$271.61	\$10.79 (4.0%)	\$260.82	\$683.81	\$31.74 (4.6%)	\$652.07
Peer Average ³	N/A	\$308.36	\$26.88 (8.7%)	\$281.48	\$755.45	\$73.04 (9.6%)	\$682.40
SERB School District Average (For Districts >10,000 Students)		\$253.71	\$36.90 (12.5%)⁴	\$216.81	\$719.96	\$162.80 (20.7%)⁴	\$557.16

Source: School districts and negotiated agreements; 2003 SERB Report.

¹ Pickerington total premium amounts only include medical and pharmaceutical.

² Pickerington employee and employer shares include dental coverage.

³ Based on all plans shown.

⁴ Based on **Table 5: Employee Premium Contributions Required by Employer** (pg. 20) of the 2003 SERB Report

As illustrated in **Table 3-8a**, Westerville CSD's health insurance premiums are higher than the peer averages for both single and family plans. Employees enrolled in single plan coverage contribute about 5.0 percent to the monthly premium compared to the peer average of 8.7 percent and the SERB average of 12.5 percent. Family plan participants contribute 20.0 percent to monthly medical plan premiums. This is over 10.0 percent more than the peer average contribution but is commensurate with the SERB average for school districts.

As shown in **Table 3-8b**, the monthly premium cost for dental coverage appears to be in line with the peers and the SERB average. However, Westerville CSD employees do not make a monthly contribution for single or family plan coverage. The SERB average contribution for single and family coverage is \$7.66 and \$8.86 respectively.

Table 3-8b: Dental Insurance Premium Comparisons

Benefit	Westerville CSD	Lakota LSD	Pickerington LSD	Willoughby-Eastlake CSD	SERB
Premium cost – single/family	\$59.87/\$59.87	\$59.00/\$59.00	\$75.86/\$75.86	\$30.23/ \$75.6	\$34.42/\$65.31
Minimum number of work hours per week to meet benefit eligibility requirements	Set by bargaining unit contract	17.5	Set by bargaining unit contract	20.0	N/A
Certificated employee premium share – single/family	\$0/\$0	\$0/\$0	\$8.58 ¹	none/ \$46.00	\$7.66/\$8.86
Classified employee premium share – single/family	\$0/\$0	\$0/\$0 ²	\$8.58 ¹	none/ \$46.00	\$7.66/\$8.86
Deductible – single/family	\$25/\$50	\$25/\$50	\$25/\$50	\$25/person	N/A
Maximum benefit	\$1,500 (\$1,000 lifetime maximum for Type IV services)	\$2,500 (\$1,800 lifetime maximum for Type IV services)	\$2,500 (\$850 lifetime maximum for Type IV services)	\$1,000 (\$1,000 lifetime maximum for Type IV services)	N/A

Source: School districts and negotiated agreements; 2003 SERB Report

¹ Pickerington charges employees a single amount per month that covers medical, dental, and life insurance. The premium amount shown here is based on a prorated percentage of total benefit costs.

² Part-time employees pay a pro-rated share of \$29.50 per month for single and family plans.

According to District administrators, Westerville CSD has 300 single plan participants and 1,130 family plan participants. Based on the monthly premium amount of \$59.87, the total annual cost to the District is approximately \$85,600 to provide employee dental insurance benefits.

Table 3-9 compares key medical insurance benefits received by employees of Westerville CSD to those received by employees of the peer districts.

Table 3-9: Health Insurance Benefits in FY 2003-04

Description	Westerville CSD	Lakota LSD	Pickerington LSD	Willoughby-Eastlake CSD	
	PPO	Self Insured	PPO	Traditional	PPO
Office Visit Copayment	\$5 in network; 20% eligible expenses non-network	\$25	\$5 in network; 20% non-network	\$10 in network; \$10 + 10% after deductible non-network	\$10 in network; 20% non-network
Employee annual deductible	None in network; \$100 (S) / \$200 (F) non-network	\$1,500 (S) / \$3,000 (Employee +1) / \$4,500 (F)	None in network; \$300 (S) / \$600 (F) non-network	None in network; \$200 (S) / \$400 (F) non-network	None in network; \$200 (S) / \$400 (F) non-network
Annual Out-of-Pocket maximum	None in network; \$400 (S) / \$800 (F) non-network	\$1,500 (S) / \$3,000 (Employee +1) / \$4,500 (F)	\$500 (S) / \$1,000 (F) in network; \$1,000 (S) / \$2,000 (F) non-network	None in network; \$1,000 (S) / 2,000 (F) non-network	\$500 (S) / \$1,000 (F) in network; \$1,000 (S) / \$2,000 (F) non-network
Prescription plan included	Yes, \$5 generic, \$10 brand	Yes, 20% generic and formulary, 40% non-formulary, 100% of brand cost difference	Yes, \$5 "preferred" list, \$20 not on "preferred" list	No	No
Need to choose primary physician	No	No	No	No	No
Maternity	No copay in network; 20% eligible expenses non-network	20% in network; 20% of usual and customary non-network	No copay after initial visit in network; 20% non-network	No copay in network; 10% after deductible non-network	No copay in network; 20% non-network
Well-child care	\$5 copay with \$500 maximum to age 1 and \$150 annual maximum for 1 to 9 years	20% copay, no maximum from birth to 2 years and \$150 annual maximum after 2 years	\$5 copay no limit in network; 20% with \$500 maximum to age 1 and \$150 annual maximum for 1 to 9 years	No copay with \$500 annual maximum to age 9 in network; 10% after deductible non-network	No copay, no limit in network; 20% non-network
Inpatient hospital care	No copay in network; 20% eligible expenses non-network	20% in network; 20% of usual and customary non-network	No copay in network; 20% non-network	No copay in network; 10% after deductible non-network	No copay in network; 20% non-network
Maximum Lifetime Benefit Amount	No maximum	\$2 million	None in network; \$2 million non-network	No maximum	\$5 million

Source: Contractual Agreements; Interviews; Medical insurance benefit books from Westerville CSD and the peer school districts

Note: Benefits are for in-network services only.

As **Table 3-9** illustrates, the potentially costly key benefit areas include office visit copayments, employee deductibles, out-of-pocket maximums, and maximum lifetime benefit amounts. Westerville CSD plan participants have higher benefit levels than the peers for each of the aforementioned areas.

In order to better manage rising costs, 75 percent of employers nation-wide have had to make adjustments to health plan designs at least once since 2002, according to results of a survey by the Society for Human Resource Management (SHRM). These changes generally involve transferring a larger share of the cost to employees. By making similar adjustments, the District could reduce the impact of rising insurance costs on its General Fund.

Financial Implication: Currently, employees electing single medical plan coverage contribute approximately 5.0 percent of the monthly premium amount of \$325.05. Employees enrolled in both single and family dental insurance plans do not contribute to the monthly dental insurance premium amount of \$59.87 per plan. Westerville CSD has 300 employees enrolled in medical and dental coverage plans for singles and 1,130 enrolled in the family plan. By increasing the required contribution for single medical plan coverage to 10.0 percent, the District could save approximately \$58,500 in annual premium costs. In addition, by requiring a minimal contribution of \$8 per month to the monthly premiums for dental coverage, the District could save approximately \$137,280 per year to help offset rising costs of providing healthcare and ancillary benefits. If implemented, the total annual savings to the District would be approximately \$195,800

Collective Bargaining Agreements

R3.6 Westerville CSD should consult with its legal counsel on negotiating a cost-of-living increase of not more than 1.0 percent for FY 2005-06 to improve its overall financial condition and enable the District to achieve a positive fund balance at the end of the fourth year of the five-year forecast. While the District may agree to re-open wage negotiations annually and make decisions regarding COLA increases according to fiscal stability, attempting to negotiate a wage freeze or a cost-of-living increases of not more than 1.0 percent for at least one additional year would increase the potential for retaining instructional positions and educational programs which directly benefit students.

During the last contract year, certificated staff, WESSA unit members and non-union personnel were granted a 3.5 percent cost-of-living increase while wages for members of local units #138 and #719 (custodians and food service workers; bus drivers and mechanics) as well as administrators were frozen. However, in light of the District's fiscal instability and the possibility of a cumulative reduction of over 100 FTEs, teachers recently agreed to the reduced COLA of 1.0 percent for FY 2004-05 on the premise that 14.5 FTE teaching positions would be retained and wage negotiations would be revisited next year. This represents a noteworthy accomplishment and an organizational culture that values retention of its instructional personnel and educational opportunities for students.

In order to reach a positive fund balance at the end of the forecast period, Westerville CSD needs to pass a renewal levy in the spring of 2006 which will allow it to start collecting revenue in the spring of 2007 (see **Table 2-1** in the **financial systems** section.) However, Westerville CSD should take steps to reduce the risk associated with a failed levy in the event that the proposal does not pass. An agreement of all parties (prior to the levy of spring 2006) to a COLA increase that is less than or equal to 1.0 percent for FY 2005-06 would enable the District to achieve a positive fund balance by the end of year

four of the forecast period and would also help guard against the need to make large-scale personnel reductions similar to those made in FY 2003-04 and FY 2004-05.

Financial Implication: By continuing to offer a reduced cost-of-living increase to all staff in FY 2005-06 Westerville CSD will improve its forecasted financial condition and realize a cost avoidance of approximately \$817,000.

R3.7 In addition to performance reviews conducted for certified staff, Westerville CSD should consider implementing a performance appraisal program for classified and non-bargaining unit employees. Performance reviews should be conducted on an annual basis and used primarily for the purpose of developing employees to successfully fulfill the requirements of the job, remain current with developments in their professions, and prepare for meeting individual career objectives.

As illustrated in **Table 3-4**, Westerville CSD does not require performance evaluations for classified staff. However, each of the peer districts conduct employee reviews on an annual basis. According to a 1999 report by the American Management Association, an important step in effectively managing human resources operations includes the regular evaluation of employee performance to help ensure that employees understand and successfully meet job requirements and ensure that individual career goals are achieved. The performance appraisal program should be designed to meet legal guidelines on the basis of the Uniform Selection Guidelines established under the authority of Title VII of the Civil Rights Act of 1964 as amended. The District should be aware that decisions based on performance appraisals can affect employment conditions for protected employee groups. Therefore, according to the Society for Human Resource Management (SHRM) a carefully designed and legally defensible performance appraisal program would ensure the following:

- Supervisors are given written instruction and training on how to complete the appraisals;
- Job content is used in developing the basis of the appraisal instrument;
- Appraisals are behavior-oriented rather than personality trait oriented; and
- Results are reviewed individually and the employee is given the opportunity to comment and submit written comments if appropriate.

Furthermore, managers should be required to discuss the rating results with each employee to ensure appraisal sessions are productive and contribute to employee effectiveness. A copy of the review should be maintained in the employee's personnel file which is accessible to the employee to ensure due process rights. Implementation of employee reviews would be subject to negotiation. Talks surrounding performance evaluation should remain focused on employee development, therefore, kept separate from compensation and wage negotiations in order to avoid compensation from becoming a dominant factor.

Financial Implications Summary

The following table is a summary of estimated annual and cumulative cost savings. The financial implications are divided into two groups: those that are, and those that are not subject to negotiations. Implementation of those recommendations subject to negotiations would require agreement from the affected bargaining units.

Summary of Financial Implications for Human Resources Not Subject to Negotiations

Recommendations	Estimated Annual Cost Savings
R3.2 Reduce an additional 5.0 other professional and administrative positions	\$427,000
Total	\$427,000

Summary of Financial Implications for Human Resources Subject to Negotiations

Recommendations	Estimated Annual Cost Savings
R3.5 Implement an increase in employee premium sharing	\$195,800
R3.6 Limit cost-of-living increases to 1.0% for FY 2005-06	\$817,000
Total	\$1,012,800

This page intentionally left blank.

Facilities

Background

The facilities section focuses on custodial and maintenance operations, and building capacity within Westerville City School District (Westerville CSD). The objective is to analyze the building operations of Westerville CSD and develop recommendations for improvements in efficiency, as well as possible reductions in expenditures.

Organizational Structure and Function

Westerville CSD consists of 23 schools: 16 elementary school (grades Pre-K-5), 4 middle schools (grades 6-8), and 3 high schools (grades 9-12). Central High School opened to students in FY 2003-04. The District chose to phase in enrollment to the high school, and for the first year, it housed only ninth and tenth grade students. Another grade will be added in FY 2004-05, and all grades (9-12) will be enrolled in FY 2005-06. During FY 2001-02 and FY 2002-03, the District undertook a \$100 million construction/renovation project. The project included constructing Central High School, two elementary schools (Alcott and Fouse) and renovating and adding onto various other elementary schools and middle school buildings. Although the District has added square footage and additional acreage to its inventory of buildings and grounds, it has not increased staffing in its custodial and maintenance divisions.

The custodial department is responsible for the operation and upkeep of District facilities. The mission of the custodial staff is to provide a clean and safe environment for students, staff, and visitors. In addition to the general cleaning and upkeep of the facilities, custodians are responsible for some minor maintenance duties.

The maintenance department is responsible for all of the building maintenance for 23 school buildings and several office buildings throughout the District. In addition, the maintenance department is responsible for all of the grounds maintenance including playgrounds, mowing, trimming, snow removal, athletic field preparation and maintenance, and vehicle/equipment maintenance on grounds equipment.

Staffing

The custodial staff consists of 85.75 full-time equivalents (FTEs). The number of custodians assigned to individual buildings ranges from 1 to 10 FTEs, depending on the size of the building. Three of the smaller elementary buildings have only one assigned custodian. The elementary and middle schools that have more than one custodial FTE also assign custodians to more than

one shift. The high schools have three different shifts and have staff in the building 24 hours a day during the school week when school is in session.

The District has 19.4 maintenance FTEs. Thirteen FTEs are assigned to building maintenance, 5 FTEs are assigned to grounds maintenance, and 1 FTE is assigned to grounds vehicle/equipment maintenance and repairs. The maintenance department is split into three teams and each has a team coach that is selected by team members each year.

In addition to the custodial and maintenance staff, the District employs a custodial supervisor, a maintenance supervisor, secretary, customer service administrator, and executive director of business services. Custodial staff has multiple reporting lines. The custodians within a building report to that building's head custodian for schedules and work assignments. All building custodians also report to the principal of their assigned school and the custodial supervisor. The head custodians work closely with the custodial supervisor on general personnel and operational issues, while the principals oversee the day-to-day operations within their respective buildings. The maintenance supervisor is responsible for all of the maintenance employees and meets at least weekly with the team coaches to review progress of maintenance repairs. The customer service administrator receives, tracks, and processes all maintenance work orders for the District. The custodial supervisor, maintenance supervisor, and project manager report to the executive director of business services who is also responsible for oversight of transportation and technology within the District. The District had a project manager but the person who held that position has retired and the District is not planning to fill the vacancy. The executive director of business services is now responsible for the duties once held by the project manager, which included monitoring and overseeing all of the District's renovation projects and energy management initiatives.

Table 4-1 illustrates the custodial and maintenance staffing levels and the number of FTEs responsible for maintaining Westerville CSD's facilities.

Table 4-1: Number of Positions and Full-Time Equivalents for FY 2003-04

Classification	Total Number of Positions	Number of Full-Time Equivalents
Executive Director of Business Services	1	0.80
Custodial Supervisor	1	1.00
Maintenance Supervisor	1	0.60 ¹
Project Coordinator	1	1.00
Customer Service Administrator	1	1.00
Secretary	1	1.00
Total Administration	6	5.40
Maintenance	13	13.40 ¹
Grounds Worker	6	6.00 ²
Total Maintenance	19	19.40
Head Elementary School Custodian	17	17.00
Head High School Custodian	3	3.00
Head Middle School Custodian	4	4.00
Assistant High School Custodian	3	3.00
Assistant Middle School Custodian	4	4.00
Custodian	55	54.75 ³
Total Custodial	86	85.75
Total	111	110.55

Source: Westerville CSD Maintenance Supervisor, Custodial Supervisor and Executive Director of Business Services

¹ The maintenance supervisor spends approximately 60 percent of his time managing maintenance operations and the remaining 40 percent completing some limited maintenance.

² One of the grounds FTEs is dedicated to vehicle/equipment maintenance.

³ One position is only six hours per day (0.75 FTE).

Key Statistics

Key statistics related to the maintenance and operations (M&O) of Westerville CSD are presented in **Table 4-2**. In addition, results from the 33rd Annual American School & University (AS&U) Maintenance & Operations Cost Study, which was released in April 2004, are included in **Table 4-2** and throughout the facilities section of the report. The AS&U conducted a detailed survey of chief business officials at public school districts across the nation to gather information regarding staffing levels, expenditures and salaries for maintenance and custodial workers. This year's report provides the median number for each category on a national level and by district enrollment.

According to the 33rd Annual AS&U study, school district expenditures on maintenance and operations continue to hover around historic lows. "While indoor environmental quality and cleanliness of schools have received more attention, adequate funding to provide effective M&O services remains elusive." The low allocation of resources to M&O is a "stark reminder of how difficult it continues to be to upkeep and operate America's aging education infrastructure on a shoestring budget." The data provided by AS&U is a comparison based on national data. Since the study reports the median rather than the average, and utilities expenditures across the nation

vary based on cost and consumption, the AS&U median cost per square foot may be lower than those expenditures in Ohio.

Table 4-2: Key Statistics and Indicators

Number of School Buildings	23
- Elementary Schools	16
- Middle School	4
- High School	3
Total Square Feet Maintained¹	2,100,265
- Administrative Building	43,797
- Elementary Schools	752,735
- Middle School	459,610
- High School	844,123
Square Feet Per FTE Custodial Staff Member (2,091,553 Square Feet¹)	24,380
- Administrative Building (1.75 FTE)	23,097
- Elementary School (33 FTE)	22,810
- Middle School (21 FTE)	21,829
- Senior High School (30 FTE)	27,966
AS&U 33rd Annual Cost Survey > 3,500 Students Median	21,520
AS&U 33rd Annual Cost Survey National Median ²	23,787
Peer District Average	24,390
Square Feet Per FTE Maintenance Employee (13.4 FTEs)	156,736
AS&U 33rd Annual Cost Survey > 3,500 Students Median	90,757
AS&U 33rd Annual Cost Survey National Median	80,887
Peer District Average	213,704
Acres Per FTE Grounds Employee (5 FTEs)	56
AS&U 33rd Annual Cost Survey > 3,500 Students Median	102
AS&U 33rd Annual Cost Survey National Median ³	47
Peer District Average	83
FY 2002-03 Maintenance and Operations Expenditures Per Square Foot	\$4.94
- Custodial and Maintenance	\$3.74
- Utilities	\$1.20
AS&U 33rd Annual Cost Survey > 3,500 Students Median	\$4.09
AS&U 33rd Annual Cost Survey National Median	\$3.89
Peer District Average	\$4.94

Source: Westerville CSD and peer districts; AS&U 33rd Annual Maintenance & Operations Cost Survey

¹ There are some areas in the District that are cleaned only 25 percent of the time. The custodial square footage has been adjusted to reflect this cleaning frequency.

² Federal guidelines from the Department of Education (*Planning Guide for Maintaining School Facilities*, 2003) recommends total area cleaning square footages of 18,000 square feet for level 2 (optimal) cleaning and 28,000 to 31,000 square feet for level 3 (reduced expectations based on funding reductions) cleaning per custodian for an 8-hour shift.

³ Maintaining School Facilities and Grounds (National Center for Education Statistics) indicates that grounds keeping ratios of 1-20 acres is acceptable, 1-18 acres is standard and 1-15 acres is high.

Financial Data

Table 4-3 illustrates the General Fund expenditures incurred to maintain and operate Westerville CSD's facilities for FYs 2001-02, 2002-03, and budgeted amounts for 2003-04. Westerville CSD codes several functions, such as security and technology, to the maintenance and operations function. Expenditures for security and technology have been removed from the calculations, and **Table 4-3** shows only those expenditures directly related to the maintenance and custodial operations and the upkeep of the District's facilities.

Table 4-3: Maintenance and Operations Expenditures

Accounts	FY 2001-02 Total	FY 2002-2003 Total	FY 2002 to FY 2003 Percentage Change	FY 2003-04 Budget	FY 2003 to FY 2004 Budget Percentage Change
Salaries	\$3,735,648	\$4,160,343	11.37%	\$4,106,568	(1.29%)
Benefits	1,166,956	1,263,464	8.27%	1,314,494	4.04%
Purchased Services	2,357,603	2,913,652	23.59%	3,335,903	14.49%
Supplies/ Materials	488,971	383,659	(21.54%)	427,850	11.52%
Capital Outlay	0	0	0	0	0
Other	32,116	8,235	(74.36%)	14,200	72.43%
Total	\$7,781,293	\$8,729,352	12.18%	\$9,199,015	5.38%

Source: Westerville CSD Treasurer's Office

Explanations for some of the more significant variances in **Table 4-3** are as follows:

- *An 11.37 percent increase in salary costs from FY 2001-02 to FY 2002-03:* during FY 2002-03 the District was undergoing several different construction projects, and overtime increased because of these projects. The District does not expect these overtime charges to continue in the future.
- *A 23.59 percent increase in purchased services costs from FY 2001-02 to FY 2002-03 and an additional 14.49 percent in FY 2003-04 budget:* Westerville CSD increased its air-conditioned space during the construction of its three new schools leading to higher utilities expenditures. In addition, the new schools contributed to additional space which generally increases utility expenditures through lighting, heat and water requirements.
- *A 21.54 percent decrease in supplies/materials costs from FY 2001-02 to FY 2002-03 and an 11.52 percent increase in the FY 2003-04 budget:* The District implemented its preventive maintenance program in FY 2001-02 and found that many items on the preventive maintenance list were no longer working. As a result, it had to complete repairs and replacement on these items. During FY 2002-03, the new additions and new construction were under a one year construction warranty and, therefore, the District was

not responsible for repairs. In FY 2003-04 the costs are expected to increase as the District is now responsible for the maintenance and repairs to these building additions.

- *A 74.36 percent decrease in other costs from FY 2001-02 to FY 2002-03 and then a 72.43 percent increase in the FY 2003-04 budget:* In FY 2001-02 the District paid property tax on land purchased in advance of building several new schools. In FY 2002-03, the county tax department inadvertently sent a bill for some of the tax owed on non-exempt property owned by the District to the City of Westerville. The increase in FY 2003-04 is attributable to the District having to make up the tax owed to the county on non-exempt property.

Revenue from the General Fund is used to support the maintenance and operation of Westerville CSD's facilities. **Table 4-4** illustrates Westerville CSD's and the peer districts' FY 2002-03 General Fund custodial and maintenance-related expenditures in terms of cost per square foot, using the FY 2002-03 square footage for Westerville CSD.

Table 4-4: FY 2002-03 General Fund Expenditures per Square Foot

Expenditure	Westerville CSD	Lakota LSD	Pickerington LSD	Willoughby-Eastlake SD	Peer Average	AS&U National Median	AS&U Median for 3,500 plus Students
Custodial and Maintenance							
Salaries and Benefits	\$3.07	\$2.67	\$2.95	\$2.68	\$2.77	\$1.84	\$2.06
Purchased Services	\$0.45	\$0.78	\$0.86	\$0.19	\$0.55	\$0.18	\$0.17
Utilities	\$1.20	\$1.31	\$1.33	\$1.15	\$1.32	\$1.16	\$1.18
Supplies/ Materials	\$0.22	\$0.30	\$0.32	\$0.20	\$0.27	\$0.32	\$0.30
Capital Outlay	\$0.00	\$0.06	\$0.02	\$0.00	\$0.02	N/A	N/A
Other	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.34	\$0.38
Total General Fund Expenditures	\$4.94	\$5.12	\$5.48	\$4.22	\$4.94	\$3.84	\$4.83

Source: Westerville CSD Treasurer's Office; peer districts; AS&U Magazine, April 2004

Note: Willoughby-Eastlake SD uses a permanent improvement fund to supplement general fund M&O expenditures. When all funds are included Willoughby-Eastlake SD cost per square foot increases to \$5.62 per square foot. This increases the peer average to \$5.30 per square foot.

Westerville CSD is slightly above the peer average for total General Fund expenditures; however, when individual expenditure categories are examined, Westerville is above the peer average only in salaries and benefits and utilities. While Westerville's salary and benefit costs are the highest of the peers, the District contracts out very few maintenance projects and therefore, the purchased service costs per square foot are lower than two of the three peer districts. However, most of Willoughby-Eastlake CSD's purchased service expenditures are paid out of their permanent improvement fund and therefore, when that is considered, Westerville CSD is the lowest in purchased services.

For the last two fiscal years, Westerville CSD has increased its total square footage maintained. Westerville CSD increased building square footage by 12 percent from FY 2002 to FY 2003 and an additional 19 percent from FY 2003 to FY 2004. In addition, **Table 4-4** details expenditures for FY 2002-03 when the District was undergoing 10 building additions and 11 renovation projects. During the time of renovation and construction, these buildings were maintained at an occupied status during times when they would have generally been unoccupied (e.g. during holidays and the summer months); therefore, expenditures may be higher during this year than in years of normal use. Since the District has experienced over 33 percent growth in total square footage maintained, and the majority of the growth occurred in the fiscal year presented in **Table 4-4**, it is necessary to consider what the expected expenditures would be with the new square footage. While Westerville increased overall building square footage, the District did not increase staffing levels. Overall expenditures are expected to increase with additional square footage, but the cost per square foot should remain fairly stable. **Table 4-5** outlines the FY 2002-03 costs per square foot as shown in **Table 4-4**, the cost per square foot for the FY 2003-04 Budget amount as shown in **Table 4-3** and a projected year-end expense for FY 2003-04 based on expenditures as of April 2004.

Table 4-5: Expenditures per Square Foot Adjusted Comparison

Expenditures	FY 2002-03 Cost per Square Foot	FY 2003-04 Budget Cost per Square Foot	FY 2003-04 Calculated Expense Cost per Square Foot
Salaries and Benefits	\$3.07	\$2.58	\$2.59
Purchased Services	\$0.45	\$0.35	\$0.22
Utilities	\$1.20	\$1.23	\$1.21
Supplies & Materials	\$0.22	\$0.20	\$0.19
Capital Outlay	\$0.00	\$0.00	\$0.00
Other	\$0.00	\$0.01	\$0.01
Total	\$4.94	\$4.38	\$4.34

Source: Westerville CSD Treasurer's Office

The comparison of cost per square foot with the new expenditures and additional square footage shows that while the District has increased its overall square footage 19 percent from FY 2003 to FY 2004, it has been able to reduce its cost per square foot expenditures by 12 percent. Based on this additional review, the District's maintenance and operation expenditures operate in a more cost effective manner than the peer districts.

In addition to the analyses presented in this report, assessments were conducted in the following areas that did not warrant changes and did not yield any recommendations:

- *Preventive maintenance plan:* the District has a preventive maintenance schedule that it follows for all major systems that require preventive maintenance.

- *Work order process:* the District has a process in place to receive, track and complete all maintenance requests. Westerville CSD uses a computerized work order system to track all work order requests from receipt to completion.
- *Building Use Policy:* the District has a building use policy that outlines all of the charges for various types of groups. These charges are sufficient to recoup the cost of these services. For example, the District collected approximately \$224,000 in FY 2002-03 and approximately \$334,000 in FY 2003-04 in building rental fees.

Issues for Further Study

- Westerville CSD should examine its staffing levels in its maintenance function. Based on national benchmarks, the maintenance function may be understaffed. However, indications of service delivery problems in this area were not raised or noted during the audit. Also, the District has constructed additional space and has not increased its maintenance staffing levels. Lastly, retirements in this functional area may reduce its capacity to address HVAC repair and preventive maintenance requirements. The District should, through its work order system, track the time needed to respond to repair requests and preventive maintenance tasks to ensure that its staffing is sufficient to adequately maintain its current building square footage.

Alternatives to increasing staffing levels may be needed given the District's current financial circumstances. Additionally, the District may consider assigning maintenance staff to specific buildings if the need arises. Supplemental training or the use of shifts may be necessary to ensure the completion of all relevant maintenance tasks.

- Westerville CSD should examine its staffing levels in its grounds keeping function. Based on national benchmarks, the grounds keeping function may be understaffed. However, indications of service delivery problems in this area were not raised or noted during the audit. As in building maintenance, additional acreage has been added to the District's holdings but staffing levels in the grounds keeping functions have not increased. The District should examine its property upkeep records and discuss with building principals and ground crews the current work levels and the adequacy of services. If an additional FTE is needed, the District should consider hiring a seasonal worker. If the District chooses to hire a full-year employee, then this position could be used to supplement building maintenance staff during the off season.

Noteworthy Accomplishments

- **The District has a custodial handbook and employs custodial newsletters to keep custodians in the District informed of various types of information.**

The custodial handbook includes the mission statement for custodial operations, job descriptions for each position, work rules, expectations and effective characteristics, responsibilities, custodial standards, maintenance duties, safety procedures, cleaning guidelines, and an outline of the custodial training program. The custodial handbook conveys critical information to custodians and helps the District to ensure that all custodial staff members are aware of the District-approved procedures for cleaning and maintaining different areas.

In addition, given the size of Westerville CSD, internal communication between 23 buildings and 86 custodial personnel can be very difficult. The custodial newsletter helps maintain a link of communication between the buildings and its various custodial staff members. Included in the newsletter are current events, cleaning tips, and an overview of a building in the District. The financial cost of the handbook and newsletter is minimal, and it provides the benefit of maintaining communication and providing operational standards to custodians.

- **The District has developed and conducts new employee and substitute training for custodians. The District has identified various cleaning techniques for different portions of buildings and, through the training process, ensures that all custodial employees receive the same training on the basic requirements of the job. In addition to the new employee and substitute training, the District conducts evaluations of the trainees at the end of the training to ensure that the material has been retained.**

Westerville CSD's custodial department conducts a three-day internal training for all new custodial employees and substitutes. The purpose of the new employee training program is to provide guidance on the methods for using products and machines to clean and maintain building surroundings and surface areas. This training enables trainees to enter any building/area with the required knowledge and skills to perform their duties in a responsible, timely, effective, and safe manner.

The three-day training provides instruction and hands-on application. The District tracks all training that employees receive and has sufficient steps in place to ensure the effectiveness of the training.

- **The District has implemented proactive energy management initiatives. These include a computerized energy management system to centrally control, zone, and manage temperatures in all buildings. The temperatures are controlled by the facility project manager. The District used a portion of its \$100 million construction bond to improve HVAC systems and install energy efficient lighting in many of its buildings.**

The District has taken a proactive approach to energy management. It has a computerized system that enables a staff person to set-back temperatures in all of the buildings for a snow day with one click of a button. It also allows the facility project coordinator to establish temperature set-backs based on school building schedules and, therefore, reduce the amount of energy needed to heat and cool the buildings. The District had an employee dedicated to managing the HVAC computer system; however, this person retired at the end of FY 2004. The District does not intend to fill the vacancy but is researching the possibility of outsourcing HVAC management functions to a vendor.

The District is currently working with an energy conservation consultant to see if there are additional areas where energy costs can be reduced. The estimate from the company, Energy Education, is that the District would be able to reduce projected utility expenditures by \$450,000 annually by following their plan. Energy Education provides a software system with more tracking capabilities than the District's current system, and an energy manager who works for the District, is trained by Energy Education, training. The District also receives educational materials from the consultant. The focus of the project is not only to reduce utility expenditures but also to reduce consumption through the education of students and staff.

- **Westerville CSD has a preventive maintenance schedule. The schedule is used to ensure that required preventive maintenance tasks are completed on all critical systems.**

The preventive maintenance schedule outlines the frequency of preventive maintenance tasks, the person responsible for the maintenance, and whether preventive maintenance is required or elective for all tasks in each building. The schedule tracks the last date the task was completed. The schedule is up-to-date and provides the District with the knowledge it needs to ensure that preventive maintenance is completed. The Planning Guide for Maintaining School Facilities published by the National Center for Education Statistics, 2003 Edition, states that "a comprehensive facility maintenance program is a school district's foremost tool for protecting its investment in school facilities. Moreover, preventive maintenance is the cornerstone of any effective maintenance initiative." When school districts practice reactive maintenance in responding only to malfunctioning equipment, repair costs are only deferred and the practice allows the

damage to compound, sometimes costing the district more in repairs and lost use of the equipment. Regularly scheduled equipment maintenance prevents sudden equipment failures and reduces the overall life-cycle costs of a building. An effective preventive maintenance program can extend equipment life, decrease energy consumption, reduce maintenance and capital expenditures, reduce the number of work orders, and improve work productivity by proactively maintaining equipment rather than responding to breakdowns and emergencies.

- **The District's has a work order process that is effective and includes performance measures. The District uses the measures to review the performance of the maintenance department.**

All work orders are tracked in a computerized work order system. A copy of the work order is given to the team coach, and each team prioritizes its work load. If a work order is open for more than 30 days, the maintenance supervisor works with the teams to determine the cause of the delay and identify a solution to finish the work order. Consequently, very few work orders are completed outside of 30 days. Also, the District has taken the appropriate steps to monitor performance, has set performance measures, and works with each of the maintenance teams to improve the process where possible.

Recommendations

Custodial Staffing

R4.1 Westerville CSD should consider its options regarding overall custodial staffing to ensure cleanliness and ongoing upkeep of its buildings. Currently, it appears that additional staff is needed at Central High School. The District should consider reallocating existing personnel from Blendon, Heritage and Walnut Springs Middle Schools to fill this need. (See Table 4-6 for details.) Also, by implementing R4.5, the District could reassign staff from two elementary buildings to Central High School as well. The District should also develop a methodology for determining staffing levels that takes into consideration the age of the building, amount of carpet within the classrooms and common areas, after hour usage of the facility, student population and any other factors the District determines impact custodial operations.

The District has 85.75 custodial FTEs dedicated to 23 school buildings and several different office spaces throughout the District. The District's average square footage cleaned per custodial FTE is 24,380. The national median is slightly lower than the District average and the peer average is slightly higher (see **Table 4-2**). While the overall District average is satisfactory, the square footage per FTE at the building level varies from 13,698 square feet per FTE to 33,272 square feet per FTE. Central High School has that highest square footage per FTE at 33,272 square feet. Currently, Central High School has 2.0 additional FTEs from Hanby Elementary on loan while Hanby is undergoing renovation. Furthermore, during building walk-throughs, several principals and teachers noted that they are emptying trash and cleaning chalkboards because of the current staffing levels within their building. These functions are normally performed by custodians but the redistribution of the work to certificated employees is indicative of the low staffing levels within some buildings,

Reallocation of some staff from the middle schools is an option to equally distribute the workload in the District especially in regards to Central High School. As currently staffed, the per FTE workload at Central High School is approximately 36 percent greater than the average for the entire District. **Table 4-6** details the current staffing levels for each building in the District, the current square footage per FTE, the proposed adjustment in FTEs, and the adjusted square footage per FTE ratio.

Table 4-6: Proposed Custodial Staffing Adjustments

School Building	Square Footage	Current FTE	Current Square Feet per FTE	Proposed FTE Adjustment	Adjusted FTE	Adjusted Square Feet per FTE
Alcott Elementary	69,600	3.00	23,200	0	3.00	23,200
Annehurst Elementary	44,743	2.00	22,372	0	2.00	22,372
Central College Elementary (Magnet)	14,820	1.00	14,820	0	1.00	14,820
Cherrington Elementary	41,857	2.00	20,929	0	2.00	20,929
Emerson Elementary (Magnet) ¹	28,080	1.00	28,080	0	1.00	28,080
Fouse Elementary	69,600	3.00	23,200	0	3.00	23,200
Hanby Elementary (Magnet)	44,167	2.00	22,084	0	2.00	22,084
Hawthorne Elementary	60,576	2.50	24,230	0	2.50	24,230
Huber Ridge Elementary	53,658	2.50	21,463	0	2.50	21,463
Longfellow Elementary (Magnet)	13,698	1.00	13,698	0	1.00	13,698
Mark Twain Elementary	46,609	2.00	23,305	0	2.00	23,305
McVay Elementary	65,877	2.50	26,351	0	2.50	26,351
Pointview Elementary	37,745	2.00	18,873	0	2.00	18,873
Robert Frost Elementary	46,609	2.00	23,305	0	2.00	23,305
Whittier Elementary	47,683	2.00	23,842	0	2.00	23,842
Wilder Elementary ²	67,413	2.50	26,965	0	2.50	26,965
Elementary School	752,735	33.00	22,810	0	33.00	22,810
Blendon Middle School	85,095	4.50	18,910	(1.0)	3.50	24,313
Genoa Middle School	143,982	6.00	24,030	0	6.00	24,030
<i>Genoa MS Concession³</i>	200	N/A	N/A	N/A	N/A	N/A
Heritage Middle School	120,260	5.50	21,865	(0.5)	5.00	24,052
Walnut Springs Middle School	108,673	5.00	21,775	(0.5)	4.50	24,194
<i>Walnut Springs MS Concession³</i>	200					
Middle School	458,410	21.00	21,829	(2.0)	19.00	24,127
Central High School	332,720	10.00	33,272	4.0 ⁴	14.00	23,766
North High School ²	256,086	10.00	25,734	0.5	10.50	24,509
<i>North HS land lab³</i>	800	N/A	N/A	N/A	N/A	N/A
<i>North HS concession³</i>	456	N/A	N/A	N/A	N/A	N/A
South High School (incl greenhouse, old greenhouse, fieldhouse)	248,469	10.00	24,893	0	10.00	24,893
<i>South HS concession³</i>	456	N/A	N/A	N/A	N/A	N/A
High School	838,987	30.00	27,966	3.5	33.50	25,044
Administration	40,421	1.75	23,098	0	1.75	23,098
TOTALS	2,090,553	85.75	24,380	3.0	88.75	23,556

Source: Westerville CSD Custodial Staffing List and Building Inventory

¹ This addition should only occur if the District chooses not to implement the repurposing of Emerson Elementary as detailed in **R4.4**.

² The square footage includes the modular units.

³ The square footage has been reduced by 75 percent to reflect the frequency of the cleaning.

⁴ Includes 2.0 FTEs resulting from the implementation of **R4.5**.

Reallocation of 2.0 FTEs from the middle schools to Central High School would decrease the difference in the amount of square footage per custodial FTE as compared to the District average by 22 percent. Instead of having to clean approximately 33,300 square feet, each FTE would be responsible for approximately 27,700 square feet, which is still 14 percent more than the District average.

As discussed in **R4.5**, it appears that the District could repurpose one of its elementary schools and potential close one of the more maintenance prone elementary buildings. If the District decided to implement **R4.5** then custodial staff currently working in those buildings could be reassigned to Central High School. This would result in another 2.0 FTEs being reassigned to Central High School. Therefore, the total number of custodial staff that could be reassigned to Central High School, should the District decide to implement **R4.1** and **R4.5**, is 4.0 FTEs. This would bring total custodial staffing at Central High School to 14.0 FTEs. The end effect would be an equalization of workload whereby custodial staff at Central High School would clean approximately 23,400 square feet, which is nearly commensurate with the District average and the national benchmark of 23,787 square feet shown in **Table 4-2**. Reducing the amount of space each custodial employee at Central High School cleans will also allow greater attention to be given to routing cleaning tasks and deep cleaning assignments.

Another option the District may consider is hiring 190 to 200 day employees during the school year rather than year-round employees. This would provide a full staff during peak usage periods. If the District chose this as an option, it would have to consider the core staff needed to complete deep cleaning performed during the summer. Rather than reducing current staff, the District should consider designating some newly hired employees as 190 to 200 day employees. This option may be subject to contract negotiations.

Reassigning staff would allow the District to maintain custodial service levels without incurring additional personnel costs. However, should the district choose to hire temporary employs to assist in cleaning facilities during the school year, it will realize an increase in expenditures. The exact amount would depend on the number of people it would hire on a temporary basis.

Custodial and Maintenance Operations

R4.2 Westerville CSD should standardize its staff schedules for building custodians. These schedules should all include the same type of information and use a similar format. The District should refer to Association of School Business Officials International (ASBO) recommended information for the schedules and adapt them to the needs of the District.

All of the buildings in Westerville CSD have custodial work schedules for each of the shifts; however, each building's schedule has different types of information and is formatted differently. The District has been proactive in developing these schedules but should take the next step and ensure that information available at all of the buildings is consistent. Some of the schedules include specific tasks and the time the tasks should be completed, and others do not.

As outlined in the *International Custodial Methods and Procedures Manual* (ASBO, 2000), custodial schedules should include a brief description of scheduled activities, time allocated to complete activities, area, and number of square feet. Job schedules help to minimize routine tasks and ensure that all areas are consistently cleaned in the most efficient and effective way.

Standardizing the format of schedules between the buildings will help the District to ensure that the same level of detailed information is available to all custodians and substitutes. This standardization can be done with current resources and may improve the efficiency of custodial operations among all buildings.

Long Range Planning and Facilities Use

R4.3 Westerville CSD should consolidate its current facility plan information into one working document. The plan should be linked to the District's educational programs and academic achievement in the form of a facility master plan. The facility master plan should also be linked to the capital improvement plan (R4.4).

The facility master plan should clearly state the building plans, including which buildings are to be renovated, closed and constructed. The master plan should include a 10-year enrollment history; enrollment projections and building capacity data (and the methodology used for their calculation); a list of the cost estimates for planned capital improvements; and a description of the District's educational plan. Finally, the District should include information as to the potential sources of funding for capital improvements.

The District has developed historical enrollment records, enrollment projections, and a methodology for completing enrollment projections. Likewise, it has conducted several different studies on the costs for roofing, HVAC, and flooring repairs, and Americans with Disabilities Act (ADA) upgrades. While the District has the information and the data needed to complete a facility master plan, it has not compiled all of the information in one document. Combining all of the facility improvement information into a single document, and working with the District administration and the community to use the data compiled to link the facility plans with the educational plan for the District will enable the District to better communicate its capital needs to the community.

DeJong & Associates, Inc., one of the nation's leading experts in educational facility planning, in "Creating a Successful Facility Master Plan" (*School Planning and Management*, July 2001), identifies several essential components for a facility master plan. The information includes:

- Historical and projected student enrollment figures;
- Demographic profile of the community/school district;
- Facility inventory;
- Facility assessment (condition and educational adequacy of buildings);
- Capacity analysis;
- Educational programs;
- Academic achievement; and,
- Financial and tax information.

Westerville CSD has all of the information needed to develop a master plan, except a capacity analysis (see **R4.5**). Using this information, Westerville CSD should work with a cross-section of school personnel, parents, students, and community members to develop a plan that clearly states the future plans for each facility in the District. A facility master plan could serve as a roadmap for addressing Westerville CSD's facility needs. The document should specify planned projects, including timing and sequencing, and estimated costs along with information regarding sources of funding to pay for capital improvements. The plan should also include the condition of existing facilities, the District's planned educational programs, the demography of the district, and a description of the District's vision of its future facility needs.

Because the District does not have a consolidated facility master plan, it is unable to effectively link educational programs with facility usage. Once the master plan is compiled, however, the District can begin to use its facilities according to approved educational programming, thereby providing students with appropriate facility space tailored to academic programs.

R4.4 Westerville CSD should work with key facility personnel in the District, including building principals, maintenance and custodial personnel, and District administration to compile its current capital improvement plans into a single document and finalize it as a multi-year capital improvement plan. This will help ensure the most critical repair work is completed once the permanent improvement levy is renewed/replaced in the upcoming fiscal year, and that all the capital outlay expenditures coincide with its continuous improvement plan for its facilities (R4.3). A formal capital improvement plan will help demonstrate fiscal responsibility to the citizens of the District.

Westerville CSD has a permanent improvement levy that expires in 2005. The District is planning to seek a renewal or a replacement of the permanent improvement levy. While money derived from the permanent improvement levy can be used to pay for various allowable purchases, capital projects comprise a significant portion of levy fund expenditures.

In order for entities to plan effectively, the American Public Works Association's (APWA) *Public Works Management Manual*, 2001 Edition, suggests that capital improvement planning be a detailed process that assesses and plans for the infrastructure needs of the organization to achieve its long-term goals. Infrastructure needs refer to all facilities and equipment needed by the organization. The capital improvement planning process should include an analysis of potential funding source availability, as well as priorities and measurement guidelines for choosing between project proposals. Long-term objectives and goals should be implemented through short-term operational plans.

In addition, according to HCI Systems Asset Management LLC (HCI), a capital improvement plan is more effective when the following critical information about each facility is identified and tracked:

- Detailed specifications of individual building components;
- Date placed in service (the length of time a building has been operational);
- Effective life cycle (the life span of a building); and
- Estimated replacement cost and project budgets.

Once the capital improvement plan is developed, it will lay the foundation for keeping Westerville CSD's facilities in good repair as to be consistent with the intent of the District's facility master plan (see **R4.3**). Without a capital improvement plan, potential capital needs could go unrecognized and could, upon becoming a safety hazard, potentially cost more than if planned and completed according to a schedule. Westerville CSD's executive director of business services has started outlining the District's next capital improvement plan. Data from many of the studies the District has completed serves as the base for developing the plan. While the funds needed to complete all of the

projects are probably not attainable at this point in time, the District will need to work with key personnel to develop priorities to fund those projects needed the most.

Continuing to create a formal plan for capital outlay will benefit Westerville CSD by helping the District complete projects in a timely and more economical manner. This type of planning will demonstrate the District's responsibility to the community and keep stakeholders involved in the planning process. When properly developed, a capital improvement plan also provides the district with an important communication tool should it be necessary to ask the community for additional financial support. The plan also provides a timeline for future projects, the cost of each project, and the type of work (e.g. construction, renovation, or building an addition). The executive director of business services should share with other key District personnel and the community the methodology used and the projects identified in the capital improvement plan. Finally, the capital improvement plan should be included in the facility master plan. (See **R4.3**)

R4.5 Westerville CSD should develop and formally adopt a building capacity calculation methodology which takes into consideration its academic needs and educational philosophy. The building capacities should be reviewed periodically in conjunction with enrollment projections to determine the appropriate number of school buildings and classrooms needed to house the current and projected student populations. The capacity calculations, historical enrollment, and enrollment projections should be included in the facility master plan. (See R4.3)

In addition, Westerville CSD should consider one of the following options for its current facility use and building configurations. These options include considering different configurations and uses for some of the elementary and middle school buildings. In considering future facility use in Westerville CSD, there are several options the District could pursue to achieve optimal utilization rates and provide space for anticipated growth. When deciding which option to pursue, Westerville CSD should consider enrollment projections, building capacity, grade structure, and educational program needs.

If the District chooses one of these options, redistricting will be necessary. When drawing school building boundaries, the District should consider those areas that will continue to experience growth and allow for room in those buildings for new students. This will help to reduce the number of students overflowing to buildings other than their home school. Furthermore, Westerville CSD should continue to include community input in any decision making process regarding future District facility use and ensure all changes are made in accordance with the spirit of its facility master plan (R4.3) and capital improvement plant (R4.4).

Lastly, the District and community should recognize that each of the options listed will require, at some point in the near future, the addition of classroom space to house all District students. Before selecting an option, Westerville CSD and its community should determine which grade levels may be most impacted by overcrowding and select an option based on the most immediate and grade levels of overcrowding in relation to the educational needs of each grade level.

Westerville CSD has been experiencing steady growth over the past seven years. **Table 4-7** provides a 7-year enrollment history for Westerville CSD.

Table 4-7: Westerville CSD Historical Enrollment¹

School Year	Head Count	Percentage Change from Previous Year
1997-1998	13,228	N/A
1998-1999	13,389	1.22%
1999-2000	13,608	1.64%
2000-2001	13,687	0.58%
2001-2002	13,841	1.13%
2002-2003	14,018	1.28%
2003-2004	14,039	0.15%

Source: Westerville CSD Historical Enrollment Report

¹ Enrollment figures include preschool students.

Student enrollment has increased by 811 students over the last seven years. The District updates enrollment projections at least annually. The projections have been prepared using the cohort survival rate method. This method assumes that historical data is a good predictor of future trends. As shown in **Table 4-8**, the District is projecting continued growth. The Director of Assessment and Planning expressed concerns that given the potential growth in the northern part of the District, the enrollment projections presented may be understated since data is not available for the new housing developments being planned in the next five years. **Table 4-8** presents the seven-year enrollment projections prepared by the District.

Table 4-8: Westerville CSD Enrollment Projections¹

School Year	Projected Enrollment	% Change from Previous Year
2003-2004	14,195	N/A
2004-2005	14,321	0.89%
2005-2006	14,484	1.14%
2006-2007	14,664	1.24%
2007-2008	14,850	1.27%
2008-2009	15,041	1.29%
2009-2010	15,266	1.50%
2010-2011	15,442	1.15%

Source: Westerville CSD, Director Planning and Assessment

¹ Enrollment figures include preschool students.

As shown in **Table 4-8**, the District is projecting continued growth through the next five years. Enrollment is projected to increase by 1,511 students at the end of year seven. However, a new preschool study of the northern part of the District indicates that the growth may be larger than that shown in **Table 4-8**. The new projections were still in development at the time of the audit. New projections notwithstanding, the District should continue to closely monitor the growth of the District and take steps to further refine its enrollment projections on an on-going basis. For example the District could incorporate a more aggressive review of its enrollment projects so as to check projected figures on a monthly basis, especially during the summer, as each school year approaches. Although the District takes steps to review the figures annually, the District's forecast enrollment for FY 2003-04 was approximately 150 students' greater than actual enrollment.

The District has not developed a formal student capacity for buildings. Therefore, the Auditor of State (AOS) calculated Westerville CSD's building capacities using a standard methodology employed by educational planners⁴⁻¹. The building capacity is an approximate number and may fluctuate depending on the District's program and educational needs. **Table 4-9** compares the current school buildings' student capacity to the February 2004 head count to determine the building utilization rate.

⁴⁻¹ The capacity for the elementary school buildings is calculated by multiplying the number of regular education classrooms by 25 students and the number of self-contained special education classrooms by 9 students, adding the products to arrive at the total capacity for the building. Classrooms used for gym, music, art, library and computer labs are set-aside and excluded from the number of rooms used in the calculation. Some special education rooms are also set-aside when used for resource or tutoring rooms. The capacity for the middle schools is a combination of the elementary and high school methodologies. In the middle school, the gym, music, art, library, computer rooms, and some special education rooms are set-aside. Classrooms that are used the majority of the time for sixth and seventh grade students were counted and multiplied by 25 since these students are in team settings. Classrooms that were used for eighth grade students the majority of the time were multiplied by 25 students and then a utilization factor of 85 percent. Special education classrooms were multiplied by nine students. These products were summed for the capacity of the middle schools. The capacity in the senior high is calculated by multiplying the total number of teaching stations by 25 students and then multiplying the product by an 85 percent utilization factor.

Table 4-9: 2004 Building Capacity and Utilization Rate

Building	Building Capacity	2004 Head Count	Over/(Under) Capacity	Building Utilization Rate
Alcott Elementary	693	613	(80)	88%
Annehurst Elementary	475	332	(143)	70%
Central College Elementary ¹	125	119	(6)	95%
Cherrington Elementary	450	354	(96)	79%
Emerson Elementary ¹	225	181	(44)	80%
Fouse Elementary	668	576	(92)	86%
Hanby Elementary ¹	475	253	(222)	53%
Hawthorne Elementary	825	677	(148)	82%
Huber Ridge Elementary	627	509	(118)	81%
Longfellow Elementary ¹	125	119	(6)	95%
Mark Twain Elementary	484	454	(30)	94%
McVay Elementary	684	532	(152)	78%
Pointview Elementary	500	362	(138)	72%
Robert Frost Elementary	509	400	(109)	79%
Whittier Elementary	500	374	(126)	75%
Wilder Elementary	675	524	(151)	78%
Elementary TOTAL	8,040	6,379	(1,661)	79%
Blendon Middle School	625	644	19	103%
Genoa Middle School	815	919	105	113%
Heritage Middle School	1,108	902	(206)	81%
Walnut Springs Middle School	934	879	(55)	94%
Middle School Total	3,482²	3,344	(138)	96%
Central High School	1,891	726 ³	(1,165)	38%
North High School	1,806	1,878	72	104%
South High School	1,912	1,721	(191)	90%
High School Total	5,609	4,325	(1,284)	77%
District Total	17,131	14,048	(3,083)	82%

Source: Westerville CSD building floor plans, 2004 student enrollment figures as of February 2004

¹ Indicates a magnet school where the student population is selected from a lottery. (See **Program and Management Issues** section for additional details.)

² The capacity for the middle school using the same elementary methodology for the entire building would be 3,654, and the utilization rate would be 92 percent.

³ Central High School housed only ninth and tenth grad students in FY 2004. One additional grade will be added for the next two years.

The District recently went through the process of drawing new school boundaries since several new buildings have been added to the District. There are certain areas in the District that are experiencing more growth than others. The elementary school buildings in the northern part of the District, Fouse and Alcott, are experiencing the most rapid growth of new students and yet these buildings have one of the highest utilization rates (excluding the magnet schools) and the least amount of room for growth. The current

elementary school boundaries are causing overflow into buildings other than the students' home school, which could cause some students to move from building to building in different grades.

Overall the District's utilization rates are acceptable. The large variance in the high schools is because of the phasing in of grades at Central High School. For FY 2003-04, only ninth and tenth grade students are assigned to Central. For the next two years, one additional grade will be added so that by FY 2005-06, the building will house ninth through twelfth grade students. This will even out the utilization rates in the high schools.

The middle schools are currently slightly above an optimal functional capacity at a building utilization rate of approximately 85 percent. This is due in part to the large number of rooms that are set-aside for music, art, industrial technology, and life skills. For each of these programs, each building has two rooms set aside. The options presented below will provide ideas for better managing the facility needs of the middle school population.

The overall elementary school utilization rate is below the optimal functional capacity which provides the District with the flexibility needed to manage the anticipated growth in enrollment in the elementary grade levels. Two of the four magnet schools are above the optimal functional capacity; however, because of the design of the program, this does not appear to be a hindrance. One of the magnet schools, Hanby Elementary, is significantly under-utilized at a rate of only 53 percent. The other elementary buildings' utilization rates range between 70 percent and 94 percent. However, based on the District's enrollment projections presented in **Table 4-8**, the District will need additional space in the next five to ten years in the elementary and middle schools. Likewise, it will need to continuously monitor the growth, building capacity and utilization for future building plan. If the District is unable to outpace anticipated growth, then modular units may be needed to house building overflow.

The following outlines several options that the District may consider when planning for the future building needs in the District. These options are not all inclusive but provide a starting point for discussing alternative uses for current facilities and providing space for existing programs. Currently Westerville CSD has the same grade configuration throughout the District; however, it may consider different grade structures in different geographical areas based on the needs of the student population. In each case, the need for additional space to house students would require new classroom space within the District in the near future. New school buildings or additions to current buildings could alleviate overcrowding in the elementary and/or middle schools. However, the options outlined below allow the District to reduce on-going costs in maintaining leased space and small aging buildings. While the cost offset for the construction of new space would

not be immediate, over time the reduced operating costs would likely support the addition of new space within the District.

Option 1

The District should consider closing certain schools. Westerville CSD should consider repurposing Emerson Elementary for office space and selling Central College. In addition, the District should consider consolidating its preschool program into Longfellow Elementary. The magnet school program could be consolidated into two of the remaining elementary buildings in the District, if the District chooses to continue dedicating buildings to the program. Two schools that would be most appropriate to dedicate to the magnet program are Hanby and Annehurst elementary. In addition, the District should consider selling the Administration Annex that is currently used for storage.

The District currently leases approximately 7,200 square feet of office and storage space at Eastwind at a cost of about \$60,000 in FY 2003-04. The District is also responsible for utility and maintenance costs of the leased building. The repurposing of Emerson would allow the District the opportunity to forego renewal of the lease agreement with Eastwind that expires in July, 2005. Central College Elementary is a very small building that has been used as a magnet school; however, given the size, condition, and function, the District may want to consider closing it to students and selling the property. Three of the magnet schools, Central College, Emerson, and Longfellow do not have gymnasiums, and students are shuttled to other elementary buildings in the District for gym.

Table 4-10 shows the impact on the utilization rates given the proposed closure of Central College, and repurposing of Emerson and Longfellow.

Table 4-10: Building Utilization Rate Comparison Proposed Building Use

	Current Capacity	Current Head Count ¹	Projected FY 2009 Enrollment	Proposed Building Use Capacity ²	Current Utilization Rate	Proposed Building Capacity Utilization Rate Current Head Count	Projected Utilization Rate Current Building Use	Projected Utilization Rate Proposed Building Use
Elementary	8,040	6,239	6,891	7,370	78%	85%	86%	94%
Middle	3,482	3,344	3,386	3,482	96%	96%	97%	97%
High	5,609	4,325	4,636	5,609	77%	77%	83%	83%
Total	17,131	13,908	14,913	16,461	81%	81%	87%	91%

Source: Westerville CSD head counts, enrollment projections, and building floor plans.

¹ Excludes preschool student head count.

² Excludes Longfellow capacity assuming configured to a preschool.

While this option increases the overall elementary school utilization, it provides much needed office space and the special use portions of facilities needed at each building where students are located. This option also helps to reduce transportation costs by consolidating the magnet school population (see the **transportation** section). In addition, it helps to reduce the overall administrative costs of the magnet school program. (See the **program and management issues** section for additional discussion on the administrative cost of the magnet schools.) When the District considers consolidating the magnet schools into two buildings, it should also consider limiting which magnet a student could attend based on the student's home school. Certain home schools should feed into a magnet school, thereby reducing the overall cost of transporting students to the magnet schools.

This option provides relief for offices and reduces overall administrative costs, while increasing the efficiency of the magnet school program and transportation; however, it does not ease the overcrowding at the middle schools. With this option the District will need to work with the community to gain support for additional capital revenue to pursue building an additional middle school and at least one elementary in the next five to ten years. Based on the recent building construction, Westerville CSD's building cost per square foot for new facilities is comparable to the national average. Based on the average square footage of the middle schools, at \$121 per square foot, the approximate cost of a new middle school would be \$13.9 million. The approximate cost based on the newest elementary square footage at \$118 per square foot would be approximately \$8.2 million, for a total capital outlay of \$22.1 million which does not include additional staff and operation costs to maintain the additional facilities.

Financial Implication:

The savings generated by terminating use of the leased Eastwind space (including maintenance and operation costs but excluding a custodian who can be shifted to another duty) would be \$83,000 based on FY 2003-04 expenditures.

The reconfiguration would also permit the reallocation of custodial staff from Emerson and Central College to Central High School as a means of addressing the need for custodial staff in that building (see **R4.1**).

Reductions in the costs for maintenance and operation, and principals and non-teaching staff would also result from the reconfiguration, creating a savings of approximately \$200,000.

Option 2

Following the same building closure and repurposing of buildings as outlined in Option 1, this option focuses on a different placement of the magnet school population. In this option the magnet school program could be housed within existing elementary buildings, and therefore, elementary buildings would not be dedicated exclusively to magnet schools. The magnet program would not necessarily be offered at every building but in four to six of the elementary buildings and students would be limited to enrollment in those magnet programs that are closest in proximity to the student's home, thereby minimizing transportation costs. The impact on the building utilization rates are the same as presented in Table 4-10.

Financial Implication: The savings are the same as those identified in Option 1, with some additional, unquantifiable transportation cost savings.

Option 3

The District should consider reconfiguring its existing elementary buildings to grades K-6 and middle schools to grades 7-8. In addition, the District should also consider choosing option 1 or 2 outlined above. This configuration provides the much needed relief in the middle schools and requires that the District secure capital funds for elementary buildings in the next five to ten years similar to option 1 and 2. Table 4-11 shows the impact of the reconfiguration on the building utilization rates for the current building usage and the proposed building usage (option 1 or 2).

Table 4-11: Building Utilization Rate Comparison for K-6, 7-8 Configuration

	Current Capacity	Current Head Count ¹	Projected FY 2009 Enrollment	Proposed Building Use Capacity ²	Current Utilization Rate	Proposed Building Use Utilization Rate Current Head Count	Projected Utilization Rate Current Building Use	Projected Utilization Rate Proposed Building Use
Elementary	8,040	6,239	7,975	7,370	92%	100%	102%	111%
Middle	3,482	3,344	2,302	3,482	64%	64%	65%	65%
High	5,609	4,316	4,636	5,609	77%	77%	84%	84%
Total	17,131	13,899	14,913	16,461	81%	84%	88%	92%

Source: Westerville CSD head counts, enrollment projections, and building floor plans.

¹ Excludes preschool student head count.

² Excludes Longfellow capacity assuming configured to a preschool.

Lakota LSD uses a K-6, 7-8 configuration and, as indicated in the **program and management issues** section, the district has higher test scores and lower costs. This configuration is not a new concept in school districts and is close to the District's current configuration. It provides the same benefits as listed in options 1 and 2, provides optimal facilities utilization rates in the middle school, and allows for growth and space for

various teaching methodologies including teaming or a junior high school philosophy in the existing middle schools.

This option requires the District to build additional elementary schools. However, the cost for two elementary buildings is less than the cost for an elementary and junior high school outlined in Option 1 because elementary buildings are generally less expensive to construct. In addition, this option requires only elementary buildings be constructed as the existing middle school space is sufficient for the growth expected in the next five to ten years.

Financial Implication: The financial impact is the same as option 1 or 2; however, the estimated construction cost is less even if the District were to build two new elementary buildings.

The options presented here are highlights of potential scenarios that may fit into the District's future facility planning. The District must consider the projected growth, the areas in which it will occur, the optimum use of current facilities, and community involvement. While it may be difficult for the District to please all parties in the decision-making process, it is important to get community feedback, especially in areas such as facility planning. The District should continue to use its current facilities as long as its academic needs are being met. However, in three of the four magnet schools, students and personnel lose valuable instructional time as students are shuttled to other buildings for physical education classes. In addition, it is sometimes inefficient to keep buildings open simply to use all current space. If the building's use is questionable, the District should examine all of the alternatives to current use and consider options for future use before selecting the option that is the most economical and practical for the District.

Additionally, as the District considers adding facilities, it may want to consider alternatives to additional buildings, such as renovating vacant commercial space within the District. An example of this may include purchasing the vacant K-Mart building in the southern part of the District and remodeling into an elementary school, perhaps even an early childhood center (K-2). As the District continues to grow, it will need to work with the community to explore all of the options available to identify those that will best meet the educational needs of the District while minimizing the capital and general fund costs.

Financial Implications Summary

The following table represents a summary of estimated one-time cost and annual cost savings. For the purpose of this table, only recommendations with quantifiable impacts are listed.

Summary of Financial Implications for Facilities

Recommendation	Annual Cost Savings
R4.5 Building closure and reconfiguration	\$283,000
Total	\$283,000

This page intentionally left blank.

Transportation

Background

Westerville City School District (Westerville CSD) transports approximately 7,900 students to 23 public school sites and 27 non-public sites. Most buses make three runs; elementary, middle and high school. Many buses also have additional shuttle runs taking children from one school to another for special education classes, English as a second language (ESL), or, in the elementary schools, overflow (transporting students to another school because there is no room in the home school.) At the high school level, shuttles run most of the day to transport students to the other two high schools for particular classes and then back to their home school. **Table 5-1** shows the numbers and types of riders for Westerville CSD and the three peer districts: Lakota Local School District (Lakota LSD), Pickerington City School District (Pickerington CSD), and Willoughby-Eastlake City School District (Willoughby-Eastlake CSD).

Table 5-1: Total Regular Needs and Special Needs Riders ¹

	Westerville CSD	Lakota LSD	Pickerington LSD	Willoughby-Eastlake CSD	Peer Average
Public	6,785	14,690	5,190	5,176	8,352
Non-Public	956	1,699	380	1,193	1,090
Total Regular Needs Riders	7,741	16,389	5,570	6,369	9,442
Total Special Need Riders	166	102	107	297	169
Total All Riders	7,907	16,491	5,677	6,666	9,611

Source: Westerville CSD and Peer District T-forms

¹Includes Type II, contractor-owned school buses, Type IV, payment-in-lieu of transportation, Type VI, privately owned vehicles other than school buses. These riders are included within each category as appropriate.

In FY 2001-02, Westerville CSD contracted with Plante Moran, a transportation consulting company, for a review of the transportation operations. Plante Moran provided recommendations in several areas.

- Technology – The consultant’s report recommended that the District purchase upgraded routing software and fleet maintenance software. Westerville CSD purchased both software packages in 2003.
- Staffing – The consultant’s report recommended a restructuring of the department and hiring a director. The District hired a new Supervisor of Transportation in 2002 and is still in the process of reorganizing and redefining job responsibilities.

- Garage Operations – The consultant recommended increased communications, such as regular meetings and a more aggressive bus replacement schedule. Communications improved with more defined responsibilities and the District planned to adopt a 10 year fleet replacement schedule.
- Customer Service (complaints and student discipline) – The consultant recommended increased training in resolving student discipline problems on buses and parental complaints. The District began tracking incidents and complaints and, as a result, has been able to devise measures to reduce the number of incidents occurring on buses. The positive effect of reducing disruptive behavior has also lead to a reduction in the number of parent complaints.
- Office, Garage and Parking Space – The consultant recommended the district seek additional space or look at relocation of the current bus garage. Westerville CSD has a completed design for a new garage and additional parking; however, the District has not been able to fund the project.

Westerville CSD has implemented most of the recommendations from the Plante Moran Study. In response to the failed operating levies last year, the District also reviewed and implemented many cost saving measures in the area of transportation, leading Westerville CSD to consolidate bus stops and reduce service levels to decrease the number of routes from 112 to 108.

Table 5-2 shows basic operating statistics for Westerville CSD and the peer districts for FY 2002-03.

Table 5-2: Transportation Operating Statistics

	Westerville CSD	Lakota LSD	Pickerington LSD	Willoughby- Eastlake CSD	Peer Average
Students Transported					
Regular Students	7,741	16,389	5,570	6,369	9,443
Special Needs	166	102	107	297	169
Total	7,907	16,491	5,677	6,666	9,611
Miles Traveled					
District Square Miles	52	67	37	36	47
Routine	1,428,300	2,564,460	974,520	945,000	1,494,660
Non-Routine	63,757	89,997	48,300	113,046	83,774
School Sites and Bus Type					
Public	23	20	12	13	15
Non-Public	27	35	7	33	25
Active Buses (Regular Needs)	106	169	62	53	102
Active Buses (Special Needs)	6	9	7	7	7.7
Spare Buses	16	35	10	15	20
Cost¹					
Regular Students	\$4,235,489	\$7,542,715	\$3,335,490	\$3,202,054	\$4,693,420
Special Needs	\$828,861	\$378,202	\$405,338	\$512,838	\$432,126
Total	\$5,064,350	\$7,920,917	\$3,740,828	\$3,714,892	\$5,125,546
State Reimbursements					
Regular Students	\$2,206,879	\$3,393,937	\$1,145,389	\$1,623,838	\$2,054,388
Special Needs	\$286,007	\$142,076	\$130,860	\$222,266	\$165,067
Total	\$2,492,886	\$3,536,013	\$1,276,249	\$1,846,104	\$2,219,455
Percentage of Total Cost	49%	45%	34%	53%	44%
Ratios					
Regular Needs					
Students per bus	73	97	90	120	93
Cost per Mile	\$2.97	\$2.94	\$3.42	\$3.95	\$3.14
Cost per student	\$547	\$460	\$599	\$503	\$497
Cost per Bus (Active Buses)	\$39,957	\$44,631	\$53,798	\$60,416	\$46,014
Special Needs Students					
Cost per student	\$4,993	\$3,708	\$3,788	\$1,727	\$2,562

Source: District and Peers T-forms

¹ Includes Type II, contractor-owned school buses, Type IV, payment-in-lieu of transportation, Type VI, privately owned vehicles other than school buses. These riders are included within each line as appropriate.

Table 5-2 shows that Westerville CSD has a lower cost per mile and lower cost per bus when compared to the peer average. However, Westerville CSD has a lower number of students per bus leading to the higher cost per student at Westerville CSD compared to the peer districts. The table also shows Westerville CSD has a significantly higher cost per special needs student.

In addition to the analyses presented in this report, the following assessments were conducted but did not warrant any changes or recommendations.

- **Use of Route Optimizing and Fleet Maintenance Software:** Westerville CSD purchased and installed new routing and fleet maintenance software in 2003. This will improve the efficiency of the department and enable the District to more accurately track maintenance costs and inventory.
- **Fuel:** Westerville CSD purchases fuel in bulk and has two fuel tanks in the bus parking area. The District has only diesel buses and there are controls in place to monitor the distribution of fuel. The District's fuel cost was similar to the peer districts and comparable to the State's fuel purchase cost.

Issues for Further Study

- **Garage and bus parking and updates:** The District's bus fleet fills the available space in the parking area off Walnut Street in Westerville. The District cannot add buses to its fleet beyond the 131 that are currently parked there. Many of the buses are double parked or parked in front of the maintenance garage. Also, the garage is not equipped to handle the maintenance needs of the fleet, and more work could be performed in-house if the proper equipment was available. The District had a proposal prepared to address the needs of bus parking and the bus garage. However, due to financial constraints, Westerville CSD has been unable to implement the improvements. Westerville CSD should review the original plan for improvements and consider less expensive alternatives to meet the needs of the garage and increased parking that could be included in District's capital improvement plan. Otherwise, the District will, at the very least, need to develop alternative sites for fleet parking.

Noteworthy Accomplishments

- Westerville CSD's transportation department received the highest possible rating during the State Highway Patrol's annual inspection of the District's fleet.
- Westerville CSD's transportation department is proactive in identifying areas for cost reduction and was already working on several projects to identify areas for savings prior to the initiation of this audit. Westerville CSD has exceptional records of expenditures and has prepared significant cost benefit analyses of various service reduction scenarios, such as the elimination of high school bus service. The department also sought advice, through consultation, with the Ohio Department of Education, Pupil Transportation Department.

Recommendations

R5.1 Westerville City School District should seek to consolidate additional routes when feasible, include magnet school students in regular routes, and review service to out of district, non-public school sites with limited riders in order to increase the number of students on a bus. Increased ridership per bus can then be translated into a reduction in the fleet and number of runs.

For FY 2004-05, Westerville CSD implemented the 30-minute rule described in this recommendation.

Table 5-3 compares the number of students per bus for Westerville CSD and the peer districts.

Table 5-3: Regular Needs Students per Bus

	Westerville CSD	Lakota LSD	Pickerington LSD	Willoughby- Eastlake CSD	Peer Average
Regular Students	7,741	16,389	5,570	6,369	9,443
Active Buses	106	169	62	53	102
Students per Bus	73	97	90	120	93

Source: T-forms from district and peers

When compared to the peer districts, Westerville CSD has the lowest number of students per bus. The State average for students per bus is 87. There are a number of factors that contribute to Westerville's lower utilization rate.

- Buses traveling to non-public sites outside the district have a low number of riders and are often unable to be combined with other runs due to incompatible bell schedules.
- Buses for the magnet schools pick up only magnet school students and must cover large areas of the district.
- The District, especially at the elementary level, has identified certain small areas or neighborhoods to be transported long distances to their home schools, making it more difficult to fill the buses that serve those areas.

Prior to the beginning of FY 2003-04, Westerville CSD was able to reduce bus stops and consolidate routes to drop from 112 routes to 108 (this includes special needs routes). Assuming a similar number of riders for FY 2003-04, that would increase students per bus to approximately 76 for the current year. The District has considered consolidating more stops and moving to the state maximum for walking distance to bus stops, which is

one-half mile. Westerville CSD has estimated an additional savings of approximately \$50,000, if this option is instituted.

An examination of current, public, regular needs bus routes and riders found 10 buses that transport less than 60 students. Six of the ten included a magnet school run. The **Facilities** section of this report examines some options Westerville CSD may consider for magnet schools which could affect student transportation. Should the District decide not to implement recommendations that affect magnet school facilities, some magnet school runs could be consolidated with regular runs in order to increase the number of riders. Magnet school students would then be shuttled from their home school to the magnet school, reducing the need for dedicated magnet school buses. The district already widely uses shuttles at the elementary level and those buses are still able to make an elementary, middle and high school run as well.

Westerville CSD provides transportation to 27 non-public sites. The district currently transports to 12 non-public schools on buses that have an average ridership of less than 20; eight of those schools have buses with an average ridership of 10 or less. ORC § 3327.01 indicates that Boards of Education are not required to provide transportation to non public sites that are more than 30 minutes of direct travel time as measured by school bus from the collection point designated by the district of residence. The Ohio Department of Education (ODE) has defined collection point as the public school the child would otherwise be assigned to attend. The 30 minute limit has been difficult for Westerville CSD to apply using collection point as the public school the child would otherwise attend. In practicality, it could mean that non-public students in the same household; attending the same non-public school, might not all be eligible to receive transportation based on their assigned collection point (public school). In 1980, the Attorney General of Ohio issued an opinion, No. 80-012, wherein the Attorney General considered the 2-mile limitation contained in ORC § 3327.01, and indicated that the collection point for a student would be from the residence of the student or a designated bus stop. The Attorney General also noted that collection points are designated by the coordinator of school transportation. Likewise, pursuant to ORC § 3327.03 and OAC § 3302-83-13, school bus stops or collection points are determined by the superintendent of schools (or designee) and approved by the board of education. However, the regional transportation coordinator can make changes to the district's plan if he/she does not find the determinations to be feasible, and any dispute can be appealed to the state board of education⁵⁻¹.

⁵⁻¹ See ORC § 3327.011; Anderson's Ohio School Law (Vol 1, 2003-04), Sections 9.25 to 9.28.

ORC §3327.02 allows districts to offer payment in lieu of transportation for students deemed impractical to transport under several conditions including the following:

- The time and distance required to provide transportation;
- The number of pupils to be transported;
- The cost of providing transportation;
- Whether similar service is provided to other pupils;
- Whether the service disrupts current transportation schedules;
- Whether other types of transportation are available.

Westerville CSD should continue to review the interpretation of the ORC and ODE's definition of collection point and, if necessary, seek advice from its legal counsel regarding these interpretations in order to develop a policy regarding transportation of non-public students.

Consolidating routes and reviewing non-public transportation requirements will allow the district to eliminate routes, which means the district will require fewer buses and fewer drivers. Reducing the number of buses has the effect of increasing the number of students on a bus and thereby increases the efficiency of the transportation department.

Financial Implication: Consolidation of additional bus stops by means including moving to the ½ mile limit, combining magnet school runs with regular runs, and offering payment in lieu for some non-public transportation, could save the district approximately \$200,000 annually, including labor costs, depending on the number of routes that could be eliminated.

R5.2 Westerville CSD should reduce the use of the taxi service for the transportation of Special Education students. These students should be moved to regular buses or the district should add additional special education routes and employ additional aides where necessary. Additionally, Westerville CSD should ensure that the transportation supervisor is involved in the development of the transportation provisions of student individualized education programs (IEP) to verify that students receiving special needs transportation are in actual need of those services.

Westerville CSD currently transports the majority of its special needs students by student taxi service. **Table 5-4** shows special needs transportation statistics for Westerville CSD and the peer districts and compares the transportation methods used by the districts.

Table 5-4: Special Needs Transportation Statistics FY 2002-03

	Westerville CSD	Lakota LSD	Pickerington LSD	Willoughby- Eastlake CSD	Peer Average
Special Needs Yellow Bus					
Total Special Needs students transported by Yellow Bus	25	94	101	211	135
Dedicated Special needs buses	6	9	7	22	13
Students per bus	4.2	10.4	14.4	9.6	11.5
Special needs Cost ¹	\$279,763	\$378,202	\$405,338	\$512,838	\$432,126
Cost per Bus	\$46,627	\$42,022	\$57,905	\$23,310	\$33,240
Special Needs Taxi Service					
Taxi riders	123	0	0	0	0
Cost of Taxi Service	\$549,099	0	0	0	0
Total Special Needs					
Total special needs riders	166	102	107	297	169
Total special needs transportation cost	\$828,861	\$378,202	\$405,338	\$512,838	\$432,126
Special needs transportation cost per student	\$4,993	\$3,708	\$3,788	\$1,727	\$3,074

Source: Westerville CSD and peers T-11 forms

¹ Westerville CSD's excludes the cost of the taxi service to determine cost of special needs yellow bus transportation

Table 5-4 shows that Westerville CSD spends more for transportation of special education students than the peer districts. Westerville CSD's transportation cost per special education student in FY 2002-03 was almost \$5,000, nearly twice the peer average. None of the peers reported using a taxi service for the transportation of special education students, which indicates that this could be the main driver of Westerville CSD's substantially higher special needs transportation costs. **Table 5-4** shows that although the cost per special needs yellow bus is similar to two of the peers, the cost of the taxi service and the lower number of students on the special needs buses leads to the District's high cost for special needs transportation.

Many of the policy decisions regarding transportation of students with special needs are made by the special education department and are outside the control of the District's transportation department. The transportation supervisor at Westerville CSD reported that he has worked with the special education department to try to improve cooperation and have a transportation representative consulted when transportation decisions for special needs students are determined. Ohio Administrative Code § 3301-51-10 (C) (2) states that "School district transportation personnel shall be consulted in the preparation of the individualized education program when transportation is required as a related service and when the child's needs are such that information to ensure the safe transportation and wellbeing of the child is necessary to provide such transportation."

The customary choice for special needs transportation at Westerville CSD is the student taxi service. The service charges by the hour and, depending on the needs of the child, may have up to three students in a taxi.

Table 5-5 below shows the cost of the taxi service contract over the past 3 years.

Table 5-5: Taxi Service Statistics

	2001-2003	2002-2003	2003-2004 ¹
Average Number or Students Transported	156	123	116
Cost per Hour	\$25	\$26	\$27
Total Costs	\$631,033	\$549,098	\$499,868
Average Cost per Student	\$4,045	\$4,464	\$4,309

Source: Westerville CSD

¹ FY 2003-04 Taxi Service costs were estimated based on YTD information through 3/9/04

Westerville CSD's transportation supervisor has reviewed the program extensively and, despite the rising hourly rate for the taxi service, has managed to reduce the total cost of the service over the last 2 years. Based on the average weekly costs to date, Westerville CSD's total cost for Tri-star taxi service should be approximately \$499,868 for FY 2003-04. The peer districts do not use taxi services and provide the majority of their special needs transportation on yellow buses. The taxis are not specially equipped for the needs of physically handicapped students, so many of these students may be able to ride on regular buses the district already owns, but could designate to a special needs route.

If Westerville CSD could transport 11 special needs students per bus, the peer average according to Table 5-4, the District would need a total of 14 buses dedicated to special needs routes to transport student currently in taxi and currently on buses. The current operating cost of a special need bus in Westerville CSD is approximately \$46,000. The operating cost of 14 special needs buses would be \$644,000, a savings of approximately \$185,000. At 13 students per bus, the District would need approximately 12 special needs buses for a cost of \$552,000, about \$277,000 less than total special needs costs in 2003. Although there are currently no aides on special needs buses in Westerville CSD, the District feels that aides would be necessary for some students to transition from taxi to school bus. If the District staffed half of the special needs buses with an aide the annual cost would be approximately \$83,000, for six aides. Some taxis may still be necessary, or more cost effective, for special needs students that are transported outside the District.

Financial Implication: If Westerville CSD could reduce the cost of special needs transportation to that of the next highest peer, it could save approximately \$1,200 per student or approximately \$200,000 annually.

R5.3 Westerville CSD should review the use of shuttles, especially at the high school level, and determine if programming changes could reduce the need.

Westerville CSD runs several different types of shuttles for many different reasons. Students are shuttled from their home school to another school at the elementary level for special education, ESL, and as a result of overflow at the student's home school. Magnet school students are shuttled to other elementary schools several times a week for physical education class. (See **Facilities** Section) At the middle school level, students are shuttled to other schools for special education and ESL. At the high school level shuttles run all day long. Students can travel from one high school to another to take a class and then return to their home school.

Westerville CSD estimates the cost of the high school shuttles alone at \$60,000. Many of the classes that high school students travel to other schools to take are elective classes that are only offered at one of the District's high schools. Since many of these elective programs have already been identified as possible areas for Westerville CSD to make service reductions, it is likely that in FY 2004-05 the use of shuttles at the high school level will decline.

There are several alternatives to high school shuttles that Westerville CSD could consider.

- Distance Learning – using teleconferencing to offer a class at 2 or more sites at the same time.
- Open Enrollment - requiring students to open enroll in the school offering the program they desire.
- Coordinate scheduling - schedule electives and special programs that require shuttles for the first and last periods of the day, eliminating the need to have bus drivers available all day.
- Have teachers commute from building to building instead of students. Westerville already has a number of teachers who serve more than one building.

The District has a recognized need for some student shuttles, especially with regards to meeting special education services requirements and, as is the case for the Magnet schools, having to transport students to a location where physical education instruction can take place. However, the District could reduce or possibly eliminate shuttling high school students by implementing one of the aforementioned alternatives. Based on its own research into the matter, the District concluded that the potential financial savings through a reduction in bus driver service requirements can easily amount to the current

estimated annual cost of \$60,000. Reducing high school shuttle requirements also has an added benefit of reducing the inherent risk of accident and/or injury while students are in transit to other buildings.

Financial Implication: By implementing one or more of the listed alternatives for providing high school students with elective course instruction, the district could reduce or eliminate high school shuttles and thereby save up to an estimated \$60,000 each year.

R5.4 Westerville CSD should extend the use of its current fleet of buses from 10 years to 12-15 years or 200,000 miles. Decisions regarding bus replacement should take into consideration the maintenance costs of the vehicles. Since bus purchases are made primarily with Capital Improvement Levy money, the amount that would be allocated to purchase buses can be used to pay for capital expenditures routinely made from the General Fund.

The June 2002 Plante-Moran Transportation Review recommended that buses be replaced at least every 10 years and perhaps even earlier. Based on this recommendation Westerville CSD developed a plan to maintain an active fleet with an age of 10 years or less. However, due to the financial condition of the district, the plan has been revised to eliminate bus purchases in FY 2005-06 and FY 2006-07.

In general, it is more costly to operate and maintain older school buses; however, many states have conducted research studies to determine the optimal replacement time for school buses. The National Association of State Directors of Pupil Transportation issued a position statement on school bus replacement considerations (January 2002) that reviewed the findings of these studies. Washington and California studies recommended a 12 year life span. A South Carolina study on bus life-cycles (January 2000) found that 15 years or 250,000 miles to be an appropriate replacement cycle for buses. The mileage of the Westerville CSD fleet is relatively low by comparison to these recommendations. **Table 5-6** examines the average mileage and age of Westerville's bus fleet.

Table 5-6: Fleet Age and Mileage

Year	Age	Total Buses	Special Needs	Average Mileage
1991	14	1		146,026
1992	13	7		123,892
1993	12	17		119,625
1994	11	9		106,291
1995	10	7		97,200
1996	9	6		84,298
1997	8	11	1	81,488
1998	7	14		81,832
1999	6	8	1	69,147
2000	5	11	1	53,415
2001	4	11	2	36,291
2002	3	11		31,179
2003	2	10	1	16,272
2004	1	8	1	8,065
Total	N/A	131	7	N/A

Source: Westerville CSD

Willoughby-Eastlake CSD has 27 buses older than 13 years and 19 buses with more than 150,000 miles. Lakota LSD has 40 school buses older than 13 years and 66 buses with more than 150,000 miles. By comparison, Westerville CSD has no buses older than 13 years and only 2 buses with more than 150,000 miles.

Westerville CSD buses have a relatively low number of miles. Diesel buses can be expected to run for 250,000 miles or more if they are well maintained. The fleet maintenance software that Westerville CSD installed in 2004 will enable the District to determine the actual maintenance costs for each vehicle and the District can use that information to adjust the replacement schedule. **Table 5-7** shows the difference between the current District replacement schedule and a replacement schedule based on 200,000 miles.

Table 5-7: Bus Replacement Schedule

	Current Schedule	Proposed
2007		1
2008	10	1
2009	9	3
2010	7	5
Total	26	10
Estimated Cost	\$1,661,000	\$639,000

Source: Westerville City School District bus inventory and mileage information.

Table 5-7 shows that the District could save approximately \$1,022,000 over the next five years by extending the length of time between replacements of school buses. Westerville CSD has a young fleet with relatively low miles compared the peer districts. The District should consider extending the replacement schedule and thereby save on making this type of purchase with Capital Improvement Levy money. Furthermore, reducing the frequency of bus purchases will, in the short term, allow the District to redirect more Capital Improvement Levy money to pay for capital expenditures routinely made from the General Fund.

Financial Implication: If the District chooses to extend the use of the fleet vehicles to 200,000 miles, it could reduce the number of bus purchases over the next five years from 26 to 10. The total estimated cost avoidance amounts to \$1,022,000 over the five years. However, the expectation is that the District would redirect what it would spend on buses to the General Fund to pay for capital improvements made from that fund.

Financial Implications Summary

The following table summarizes the estimated cost savings identified in the recommendations presented in this section of the report.

Summary of Financial Implications for Transportation

Recommendation	Estimated Annual Savings
R5.1 Consolidation and reduction of routes	\$200,000
R5.2 Reduction in use of taxi service	\$200,000
R5.3 Reduction in shuttle use	\$60,000
Total	\$460,000

This page intentionally left blank.

Technology

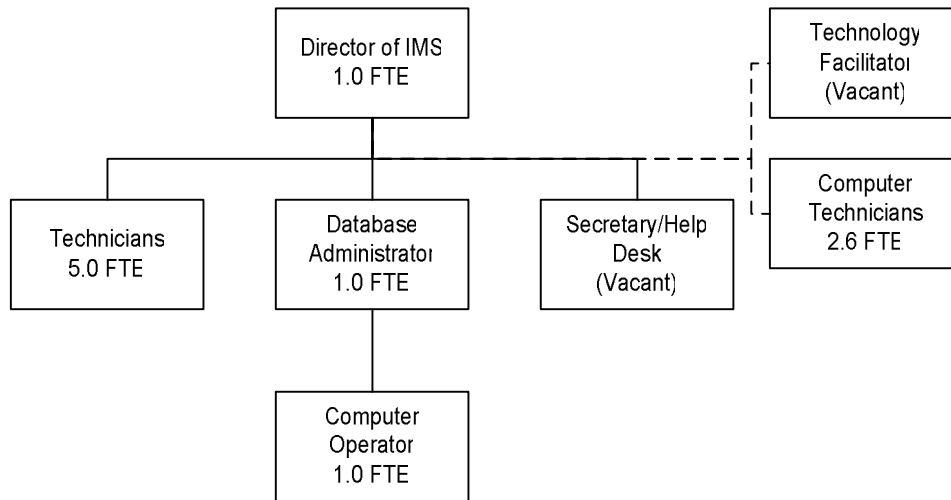
Background

The technology section focuses on technology functions within the Westerville City School District (Westerville CSD or the District). The objective is to assess staffing, planning, computer hardware and software, and other components of instructional and management information systems to development recommendations to increase the effectiveness and efficiency of technology operations.

A prior review of Westerville CSD's technology completed by a consultant was also evaluated for the audit. Applicable recommendations were retained as a supplement to AOS recommendations. The consultant was engaged by Westerville CSD in FY 2002-03 to conduct a review of technology to determine the level of effectiveness and potential areas for improvement. The principal focus of the review was to evaluate the Information Management Services (IMS) organizational structure, governance structure, and staffing. Key recommendations in the report included establishing an Executive Technology Committee, hiring additional support staff, re-organizing departmental structure, instituting enhanced purchasing policies, and developing standards for software and support. The District has not implemented the consultant's recommendations.

Organizational Chart and Staffing

Technology implementation and management at Westerville CSD is performed by the IMS department. The IMS department incorporates technical support, communications and EMIS reporting responsibilities. In FY 2003-04, the District eliminated its help desk function. The organization and staffing in full-time equivalents (FTE) is shown in **Chart 6-1**.

Chart 6-1: Westerville CSD IMS Organizational Chart

Source: Westerville CSD Organizational Chart

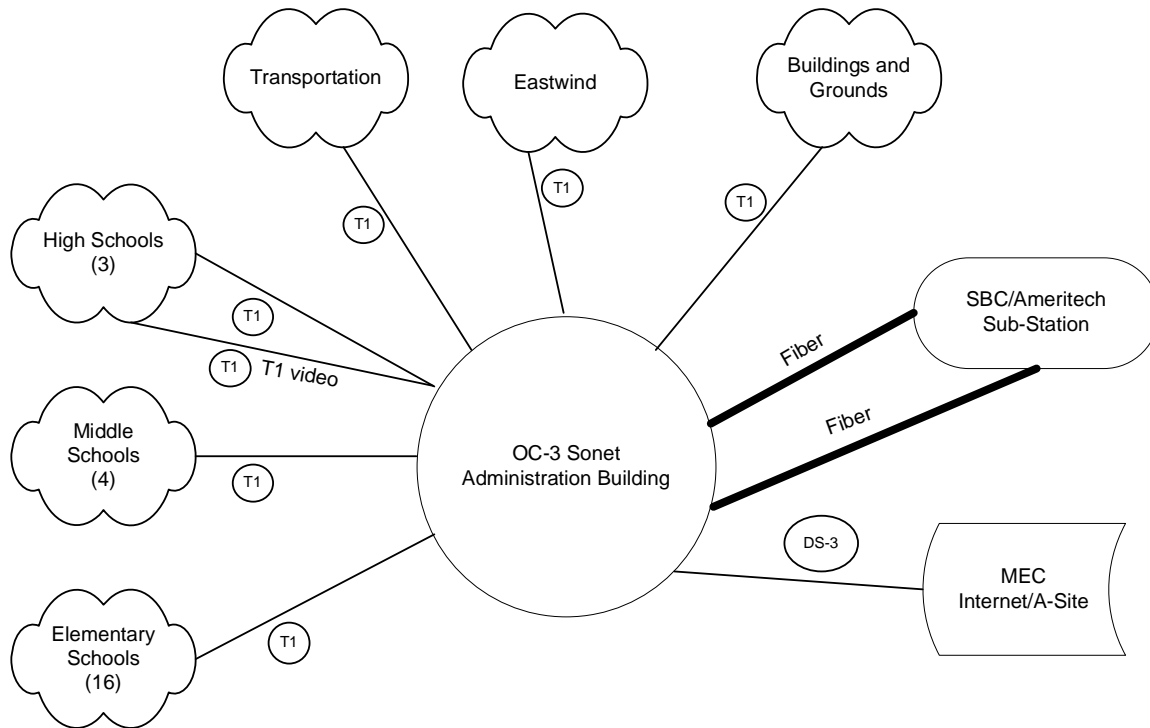
The IMS department is headed by a director who reports to the business manager. The director supervises five technicians, a database technician, and a computer operator. The District also employs building computer technicians (supplemental instructor staff) who do not report directly to the IMS department. Rather, computer technicians report to building principals. The technology facilitator and secretary/help desk positions were vacant in FY 2003-04 and the District does not plan to fill the position in the near future.

Key responsibilities of the IMS department include technology planning, budgeting and purchasing; technical support; and system security. Westerville CSD has developed a 3-year technology plan containing goals and objectives for District technology. A cross-section of groups were involved in developing the plan, including teachers, administrators, parents, community members, students, and technology consultants. The plan includes an action plan with target dates and indicators, an acceptable use policy, a budget for technology upgrades, an approved software list, and information on the District's network⁶⁻¹.

Chart 6-2 depicts Westerville CSD's Wide Area Network Diagram.

⁶⁻¹ The District's network connects users to e-mail and Internet access.

Chart 6-2: Westerville CSD Wide Area Network Diagram



Source: IMS Director – Westerville CSD

Westerville CSD connects 23 school buildings, the transportation building, the Eastwind office, and the buildings and grounds facility via T-1 lines. The three high schools use additional T-1 lines for distance learning. All T-1 connections are channeled through an OC-3 SONET Ring located at the administrative building, and then from the administration building to the Metropolitan Educational Council (MEC) Internet Service Provider. The Wide Area Network also delivers all phone calls through voice-over-IP (VIP) on existing T-1 lines at each building. Redundant fiber-path cables connect the District to the SBC/Ameritech sub-station.

Table 6-1 outlines the number of buildings connected to the District’s network as well as the total number of users at each of those buildings.

Table 6-1: Network Users

Building/Grade Level	Number of Buildings	Number of Users		
		Students	Staff/Teachers	Total
Elementary Schools	16	6,245	636	6,881
Middle Schools	4	3,335	340	3,675
High Schools	3	4,320	521	4,841
Administration	4	N/A	63	63
Total	27	13,900	1,560	15,460

Source: Westerville CSD

Westerville CSD has over 15,400 users accessing the network, including all students as well as instructional, administrative and support staff. Access to the network is controlled using identification and passwords assigned to all system users.

Assessments Not Yielding Recommendations

Hardware and Software: The Record of Computer Environment Controls (RCEC) completed by Information System Audit (ISA) found no issues with the integration of administrative software applications for payroll, fiscal and human resources.

Noteworthy Accomplishments

- **Westerville CSD replaces technical equipment on a 4-5 year replacement plan, ensuring that students have access to appropriate hardware and software.** Replacement plans also help to minimize support costs as newer, low-maintenance computers replace older computers that are prone to more problems.
- **Westerville CSD is currently developing a data warehouse that would provide teachers and staff access to a significant amount of historical and comparative data, including grades, demographics, and program information.**

Recommendations

Staffing and Organization

- R6.1** The District should consider hiring 2.0 FTEs to provide technical support for the District's computer and network systems. Technical support duties would include repairing and troubleshooting equipment, and maintaining software and hardware. The District should also review IMS staffing levels for support when planning for future technology implementation and use. Software and equipment should be standardized to reduce the time spent on technical support and alleviate some of the current workload of support staff (see R6.8). Implementing this recommendation would be contingent on available funding.

Technicians are responsible for supporting all District technology, which includes, but is not limited to, PCs, E-mail, printers, media technology, and network systems. However, the District has not actively examined technology support staffing levels when planning technology and facilities upgrades. For example, new buildings have been constructed in the District without considering the impact on IMS staffing levels. The consultant's report recommended hiring 2.0 additional FTEs to provide technical support. The report also recommended using students for support, hiring a network administrator, and moving the technology facilitator position under IMS.

Table 6-3 presents technology staffing levels for Westerville CSD's IMS department and the peers. In FY 2003-04, the District eliminated the help desk function. Lakota CSD is the only peer with a functioning help desk.

Table 6-3: Technology Staffing

Position	Westerville		Lakota		Pickerington		Willoughby-Eastlake		Peer Average	
	Staff	FTE	Staff	FTE	Staff	FTE	Staff	FTE	Staff	FTE
Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Support	5.0	5.0	6.0	6.0	3.0	3.0	2.0	2.0	3.7	3.7
Network/Database/ Computer Operator	2.0	2.0	3.0	3.0	0.0	0.0	3.0	3.0	2.0	2.0
Office Assistant	0.0	0.0	3.0	3.0	0.0	0.0	0.0	0.0	N/A	N/A
Total	8.0	8.0	13.0	13.0	4.0	4.0	6.0	6.0	7.8	7.8
District FTE per Technician FTE	276.8		322.8		246.3		464.0		327.6	
Students per Technician FTE (ADM)	2,697.8		2596.8		2,861.0		4,260.0		2,971.3	
Computers per Technician FTE	866.4		808.0		715.7		564.0		738.5	

Source: Westerville, Lakota, Pickerington, Willoughby-Eastlake school districts

Westerville CSD's computer per technician ratio is the highest among the peers. Technician staffing levels are low compared to peers as a result of reductions in overall funding for technology.

The TSI assessment is a tool to help school districts profile their technology support programs and to provide solutions based on their unique profiles. The Technology Support Index (TSI) states that computers per technical support staff ratios for school districts are 250 to 1 or greater. To enhance technical support, school districts need to standardize equipment as much as possible, and determine how many computers one technician can support. Adjustments to technical support will have to be made if there are changes in the student population, the number of users, or the amount of equipment in use.

Although the IMS director has not encountered major problems in providing support for District technology with current staffing levels, low staffing levels for technical support, and the absence of a functioning help desk (see **R6.2**), results in the IMS department operating more reactively than proactively to address technical support issues. In addition, with current reductions in staffing levels, the IMS director spends 50 percent of his time on technical support and network administration, which takes away from time that could be allocated to planning and budgeting responsibilities. Increasing technician staffing levels should reduce the time it takes for support requests to be closed, facilitate the repair of equipment, and improve customer satisfaction.

Financial Implication: The cost to hire two technical support employees would be approximately \$101,000 annually. This cost includes the average salary for 2.0 technology staff FTEs and 28 percent benefits.

R6.2 Westerville CSD should develop help desk practices that include standard procedures to prioritize work-orders, a knowledge database, and Service Level Agreements (SLAs) for its technicians. Enhancing the IMS department's ability to prioritize technical support data would allow IMS staff to identify critical support needs. Establishing help desk procedures and developing SLAs would clarify responsibilities and expectations for IMS support staff.

Westerville CSD does not have a help desk to provide technology support. The District had begun to be implement a 1998 recommendation by creating a secretary/help desk position, but the District transferred the employee to a building level position in FY 2003-04. The secretary/help desk position is currently vacant and the District does not have immediate intentions of filling the position. As a result of the reduction in the help desk function, other help desk practices, such as standard procedures to prioritize and track work-orders, an on-line knowledge base, and Service Level Agreements have not been developed. The IMS director indicated any problem involving the network is considered a priority, and a problem involving an individual PC is secondary to network issues. IMS developed a work-order system database that can track dates, contacts, and days a work-order is open. However, due to the reduction in help desk staff, IMS is not able to evaluate and update the data in the system regularly.

IMS employs a computer operator to answer calls, but the computer operator has other responsibilities, like printing checks, and can not answer support calls on a regular basis. The District also uses teachers as computer technicians in each school building to perform routine technical support functions. The IMS director indicated that with the exception of certain teachers who show more motivation to troubleshoot computers, most teacher computer technicians only enter the problem as a work-order.

According to TSI, best practices for help desk technical support include the following:

- Establish help desk procedures that include an escalation process, with identified steps of escalation, and a clear path for resolution. Lakota CSD established procedures that include logging data into a database and assigning a priority status based on the severity of the problem.
- Develop an on-line knowledge base as a first line of defense for most issues. The on-line database is used readily and automatically grows based on trend data generated in other tracking systems.
- Track and evaluate technical issues and closed tickets through an electronic trouble-ticketing system. Quality assurance and customer service are measured through the system.

The consultant report also recommended that IMS establish Service Level Agreements (SLAs) defining support responsibilities and expectations. SLAs identify technologies supported, operating procedures, hours of operation and routine maintenance.

Although IMS is able to provide technical support for District technology, the absence of a help desk function makes the approach reactive. Without a strong help desk function, Westerville CSD deploys its front-line technical support resources in a less efficient manner than could be achieved through the use of best practices. The processes in use also may increase the time required to complete repairs and troubleshoot equipment, resulting in longer periods of down-time.

R6.3 Westerville CSD should consider restructuring the IMS department so that the director of IMS reports directly to the superintendent. This structure would better integrate technology into the District's overall strategic vision for instruction and technology. Providing the IMS director with a direct link to the superintendent would also assure the IMS department a greater role in the decision-making process where technology is concerned.

The IMS department currently reports to the business manager. The reporting structure was organized in this manner because previous business managers had technology experience. The current business manager is well versed in facilities and transportation management and focuses much of his time on these areas. Therefore, planning and coordinating District technology at the senior administrator level is in competition with other large priority operations. Subsequently, administrative oversight of technological resources and planning for future needs does not necessarily receive equal consideration. Furthermore, given the high degree of understanding of technology literacy (e.g. computer networks, systems, and software) necessary to effectively communicate the intricacies surrounding daily activities, key decision-makers may not be receiving decision making information in manner that they can easily understand.

Executive-level representation of technology issues is necessary to ensure information technology is aligned with business and service needs. The Information Technology Governance Institute (ITGI) states that management should align business and IT strategy, cascading strategy and goals down into the enterprise and translating them into action for employees at each level. The report further states management should align IT and the business organization, promoting co-responsibility for the success of IT projects and the return of business value. According to ITGI, the Chief Information Officer (CIO) should have a position of authority in the organization to ensure IT strategies and projects are implemented.

With the IMS department reporting to the business manager, the current organizational structure is not conducive to strategic planning (see **R6.4**) and integrating technology into

the overall vision for instruction and technology for the District. If a direct link to the superintendent is established, the IMS department will have more high-level input concerning the implementation of technology projects. In addition, District administrators will receive better briefings on technology commensurate with the level of detail needed to plan modifications, upgrades and system service repairs.

Planning and Management

R6.4 Westerville CSD should reconvene the Technology Advisory Group (TAG), which initially developed the District’s technology plan, to monitor the implementation of the plan. Likewise, TAG should assist in updating the plan annually to ensure that all goals and objectives reflect the current situation at Westerville CSD. The group should meet on a regular basis to evaluate technology in the District and establish ongoing priorities and updates to the technology plan.

Westerville CSD developed its first written technology plan in FY 1994-95. The TAG last evaluated and updated the District’s technology plan in 2002. The committee is currently inactive, primarily due to turnover in its leadership positions, and does not meet to monitor or evaluate the plan. The TAG consisted of teachers, administrators, parents, community members, students, and technology consultants. Since the TAG no longer meets Westerville CSD is limited in the amount and type of ongoing planning for technical activities, which is especially important given the District’s current financial situation.

Westerville CSD’s technology plan defines technology goals in the following four areas:

- Develop a professional learning community whose members are proficient in the application of technology;
- Infuse the use of technology in all curriculum areas;
- Provide access to technology tools; and
- Facilitate communication and information sharing throughout the learning community.

Each goal is broken down into objectives and specific strategies to accomplish the objectives. Strategies include assigned responsible parties, target dates, and indicators for success. TAG’s current hiatus and limitations on staff time prevent the goals, objectives, and strategies from being effectively implemented and monitored.

Table 6-3 displays current Westerville CSD practices in strategic planning as compared to best practices in the area, as identified by Florida’s Office of Program Policy Analysis and Government Accountability (OPPAGA).

Table 6-3: Strategic Planning Best Practices at Westerville CSD

Best Practice/Goal	Current Westerville CSD Practice
The District has a board-adopted, three-year technology plan that supports overall district educational and operational goals, is aligned with state and federal initiatives, is supported by a budget, and provides direction for administrative and instructional technology decision-making. The plan addresses areas such as network, infrastructure, administrative support, community access, and professional development, and it is updated annually.	The District has a technology plan that includes a budget and addresses areas such as network, infrastructure, professional development, and support. However, the plan is not currently updated on an annual basis.
The District has solicited and used broad stakeholder input in the development of technology plan.	The District's technology plan used broad stakeholder input, including teachers, administrators, parents, community members, students and technology consultants.
The District has a technology committee with specific responsibilities for recommending district technology priorities.	The District had an active technology committee when the plan was developed in 2002, but the committee is currently inactive and does not meet.

Source: OPPAGA Best Practices for School District Technology

Westerville CSD meets OPPAGA best practices for using broad stakeholder input in the development of the technology plan. However, Westerville CSD does not meet best practices in the areas of updating its technology plan annually and establishing a technology committee that meets regularly.

Reconvening the technology committee and regularly updating the technology plan can ensure that staff time is focused on those priorities that will have the greatest impact on Westerville CSD's operations and student performance. An active technology committee would establish a forum for discussions on the current and future technology needs of the District. Also, a technology committee would be in a better position to align technology planning with resource allocation from a broad, District-wide perspective.

R6.5 The Director of IMS and District staff involved in TAG should use the results of the SchoolNet Biennial Educational Technology Assessment (BETA) survey for planning. Results of the survey should be compiled and analyzed every two years, and used as supplemental information to the technology plan. The BETA survey can support planning because it contains useful information on technology support, access and other areas. Using this data for planning allows a district to better identify technology needs and areas for improvement without the expense of additional survey work.

Westerville CSD reports information about technology every two years to SchoolNet as part of the BETA Teacher, Building and District Surveys. However, the District has not used the survey for internal planning purposes. The BETA survey is comprised of three parts that collect school district self-reported data regarding technology accessibility and

usage. The BETA survey is SchoolNet's primary data collection tool to generate baseline data which is then used to inform State policy makers of school district technology needs and progress. Completion of the BETA survey is a requirement for SchoolNet funding. The sections of the survey are as follows:

- **Teacher Survey** – explores teacher and student use of technology. Topics covered in this section include professional development, leadership contributions to technology, technology use in instruction, technology to manage classes, and technology support.
- **Building Survey** – reports technology resources available at the building level. Topics include building contacts, building statistics, building technology, access to technology, and computer inventory.
- **District Survey** – presents a view of technology staffing and policies at the District level. Topics covered in this section include staffing and support, Internet/WAN challenges, and computer guidelines.

The BETA survey collects a variety of information on technology that can be used to facilitate planning and identify how technology is used in school districts. According to SchoolNet, school districts can use the BETA survey data to aid in technology planning, monitor the progress of plan implementation, and communicate the state of educational technology within their district to their communities and stakeholders.

Using data from the BETA survey could help IMS staff and TAG maximize the limited available planning time (see **R6.4**). For example, if the survey reveals a type of technology and software is not used regularly, the District could discontinue purchasing that item. If Westerville CSD continues only to use the BETA survey to report to SchoolNet, and does not use it to facilitate technology planning, it will miss out on a valuable opportunity to use available data that illustrates technology needs.

R6.6 Westerville CSD should maximize grant funding from additional sources, including the federal and State governments and private sources to specifically support technology within the District. Any additional funding and attempts to secure funding should be accounted for in the technology plan. Use of any funds acquired through grants should also align with goals and objectives established in the technology plan. Obtaining additional grant funding could reduce the amount that would be spent on technology equipment replacement from the Capital Improvement Levy.

Westerville CSD does not use grants extensively to fund technology. The District has been able to pay for technology upgrades through the Capital Improvement Levy, so it has been less critical for the District to fund technology through grants. **Table 6-4** details grant appropriations in FY 2003-04 for Westerville CSD, which include SchoolNet grants for connectivity and professional development, and a federal Title II professional development grant.

Table 6-4: Technology Grant Appropriations FY 2003-04

Grant	Purpose of Grant	Appropriations
ONenet Connectivity	To maintain connectivity. Assists with the cost of switches and fibers.	\$69,000
SchoolNet Professional Development	To provide technology training for teachers and technicians. This training includes new and existing technology	\$9,450
Federal Title II	To provide professional development for teachers, administrators and other staff in core academic subjects.	\$7,000
Perkins Grant	To assist with the purchase of software for Central High School	\$39,153
Total		\$124,603

Source: Westerville CSD

Peers fund technology from a variety of sources. Lakota CSD funds the majority of technology projects with levy funds. Lakota CSD is also considering a student fee as a source of funding for a storage area network to house student files. Willoughby-Eastlake CSD's technology plan indicates the receipt of some grant funding from SchoolNet, the United States Department of Education, and the Jennings Foundation. Pickerington CSD proposed technology funding sources that include interest money from bonds sold for building projects, General Fund revenues, federal Title money, competitive grants, and community partnerships. Pickerington CSD and Willoughby-Eastlake CSD indicated that since they are relatively affluent and high-performing districts, it may be difficult to qualify for grant funds based on need. Wealth levels notwithstanding, Willoughby-Eastlake CSD indicated that the district actively seeks grants for innovative technology. Westerville CSD and peers fund technology similarly by relying on a variety of sources such as General Fund, State, Federal and private funds.

The District participates in the Universal Service Fund for Schools and Libraries, popularly known as the E-Rate Program, as a means at lowering technology expenditures. The E-Rate Program is not a source of grant funding. Rather, E-Rate provides all public and private schools and libraries with access to affordable telecommunications and advanced technologies. Schools and libraries can apply annually for discounts of from 20 percent to 90 percent on telecommunications services, Internet access and internal connections. Westerville CSD applies for E-Rate annually and stated that the discount it receives on technology related services is approximately \$100,000.

Although Westerville CSD has been successful in obtaining some technology grants, additional grant opportunities exist through federal and private resources. Federal and private grants can fund a variety of projects, such as community technology centers, capital equipment replacement, and on-line learning. Westerville CSD could potentially secure additional funding for technology needs, such as equipment replacement, if it pursues additional grants resources. Many teaching resource web sites offer access to grant opportunities. For example, E-School News (www.eschoolnews.com/erc/funding), and the United States Department of Education (www.ed.gov) provide lists of grant resources. Examples of private programs providing grants include the Target Charge of Education School Fundraising program and Best Buy Children's Foundation. Obtaining additional grant funding could reduce technology equipment replacement expenditures currently drawn from the Capital Improvement Levy or General Fund.

Technology Purchasing and Equipment Replacement

R6.7 Westerville CSD should develop and implement a formal policy for donated equipment. The policy should include clear descriptions of basic standards and should be tied to overall District hardware standards defined by IMS staff. The policy should be communicated to all involved staff and potential donors to ensure consistent implementation. In addition, because all Westerville CSD staff should be encouraged to look for donation opportunities, policies regarding what is acceptable should be communicated to all District personnel.

Currently, Westerville CSD does not have a formal policy in place for accepting donated technology equipment from outside parties. The District uses a donation approval request application form, which the superintendent and director of business services approve. The IMS director indicated that he is also involved in reviewing donations of technology equipment. According to the IMS director, the District rarely takes donations because of the age of the equipment and its memory and processor speed capacity. In FY 2003-04 the District received no donations of computers, and only 1 or 2 monitors. In most cases, equipment offered to the District is outdated.

TSI best practices state donated equipment should be accepted only if it meets specific brand, model, performance, and system requirements. Equipment accepted should be less than two years old and cash donations should be encouraged so new equipment can be purchased.

Equipment donations are an invaluable tool for acquiring needed equipment in school districts with chronically limited funding. Therefore, it is important to ensure that such equipment meets that needs of students and teachers and does not result in any additional costs to Westerville CSD in areas such as software and maintenance.

The District should develop a donation policy that outlines acceptable brands, models and specifications to ensure the technology will be beneficial to the district. Donation policies should be posted on the District Website for access by potential donors as well as to help eliminate any potential confusion about equipment donations. Without formal donation policies, Westerville CSD may inadvertently accept equipment that is outdated and of little direct benefit to the District.

R6.8 IMS should enforce its existing purchasing policies to ensure technical review of all software, hardware and related technologies used for instructional and administrative purposes. IMS should have the responsibility for a technical review to ensure compatibility with IMS software and hardware standards. Enforcing purchasing policies could also facilitate improved communication between IMS, purchasing staff, administrators, and other departments

Westerville CSD has a policy requiring technical review and approval of all purchases of hardware, software, or other technology. However, purchases are frequently made without IMS review and approval. This has resulted in incompatible technology and inefficient purchasing practices, including duplication. The consultant report noted the same issue with technology purchasing at the District. The director of business services occasionally informs the director of IMS of outstanding purchase orders for technology, as do some members of the District's curriculum and instruction staff. However, this notice is inconsistent and frequently only takes place after the purchasing process has begun.

An example of a purchase made without prior IMS review includes software purchased for transportation. As a result of the transportation department purchasing software without consulting IMS, the files for the software package came in a different format than IMS uses as a standard. IMS had to spend time converting data into the correct format.

A Texas School Performance Review article on technology indicated that school districts should have clear policies and procedures for purchasing technology⁶⁻². Before purchasing technology, school districts should ask users what they want a new system or piece of equipment to accomplish. Enforcing technology purchasing policies and procedures ensures that hardware and software acquisitions meet the needs and goals of the District.

⁶⁻² *Helping Schools Make Technology Work: Managing Information Technology from Classroom to Lunchroom.* April 2003.

Acquiring software and hardware without consulting IMS may result in incompatible software that IMS is unable to maintain and support, or which does not meet the technology needs of the District. Better up-front communication between IMS and other departments would ensure that problems with technology purchasing do not reoccur.

Security

R6.9 Westerville CSD should finalize its disaster recovery procedures and incorporate them into a formal disaster recovery plan. Developing a disaster recovery plan prepares an organization to recover operations as quickly and efficiently as possible after a disruption from natural (fire, flood, or other *force majeure*) or other causes, such as a breach in security.

Westerville CSD does not have a written disaster recovery plan. The Auditor of State's Information System Audit (ISA) division conducted an assessment of computer controls for the audit period July 2002 to June 2003, and made a recommendation to develop a disaster recovery plan. Although Westerville CSD does not have a written disaster recovery plan, backups are performed on a regular basis, and the District has a hot-site agreement with its vendor to provide recovery services. Vendor recovery services include data back-up for payroll, accounts payable, purchase orders, and student data (i.e. EMIS, report cards, and schedules).

The IMS database technician indicated that other findings in the ISA report regarding value parameters, passwords and individual accounts have been addressed, but the District still does not have a fully-developed written disaster recovery plan. Without a disaster recovery plan, the District does not have clear steps to follow in the event of a disaster, potentially resulting in additional time and resources spent on coordinating data recovery and restoring operations.

Westerville CSD should consider officially charging TAG (See **R6.4**) with developing the plan and procedures to test it on an on-going basis. The National Center for Educational Statistics developed the disaster recovery elements found in **Table 6-5**.

Table 6-5: Key Elements of a Disaster Recovery Plan

Build Disaster Recovery Team.	<ul style="list-style-type: none"> √ Identify a disaster recovery team that includes key policy makers, building management, end-users, key outside contractors and technical staff.
Obtain and or approximate key information.	<ul style="list-style-type: none"> √ Develop an exhaustive list of critical activities performed within the district. √ Develop an estimate of the minimum space and equipment necessary for restoring essential operations. √ Develop a time frame for starting initial operations after a security incident. √ Develop a key list of personnel and their responsibilities.
Perform and/or delegate duties.	<ul style="list-style-type: none"> √ Create an inventory of all assets, including data, software, hardware, documentation, and supplies. √ Set up reciprocal agreements with comparable organizations to share each other's equipment in the event of an emergency at one site. √ Make plans to procure hardware, software, and other equipment to ensure mission-critical activities are resumed with minimal delay. √ Establish contractual agreements with backup sites. √ Identify alternative meeting and start-up locations to be used in case regular facilities are damaged or destroyed. √ Prepare directions to all off-site locations. √ Establish procedures for obtaining off-site backup records. √ Gather and safeguard contact information and procedures. √ Arrange with manufacturers to provide priority delivery of emergency orders. √ Locate support resources that might be needed (i.e. trucking and cleaning companies). √ Establish emergency agreements with data recovery specialists.
Specify details within the plan.	<ul style="list-style-type: none"> √ Identify the roles and responsibilities by name and job title so everyone knows exactly what needs to be done. √ Define actions in advance of a disaster. √ Define actions to be taken at the onset of a disaster to limit damage, loss and compromised integrity. √ Identify actions to be taken to restore critical functions. √ Define actions to be taken to re-establish normal operations.
Test the plan.	<ul style="list-style-type: none"> √ Test the plan frequently and completely. √ Analyze test results to determine further needs.
Deal with the damage appropriately.	<ul style="list-style-type: none"> √ If a disaster occurs, document all costs, and videotape the damage. Be prepared to overcome downtime; insurance settlements can take time to resolve.
Give consideration to other significant issues.	<ul style="list-style-type: none"> √ Don't make the plan unnecessarily complicated. √ Make one individual responsible for maintaining the plan, but have it structured so that others are authorized and prepared to implement it if necessary. √ Update the plan regularly and whenever changes are made to the system.

Source: National Center for Education Statistics

Westerville CSD should use the elements in **Table 6-5** as a guide in the development of a disaster recovery plan. A disaster recovery plan serves as an arrangement to manage timely data recovery in an event of a disruption in critical systems. The plan provides the disaster recovery team with the resources it needs during the recovery process including a list of team member responsibilities, team contact information and procedures to ensure data recovery. After the plan is developed, it should be maintained through regularly scheduled maintenance reviews and annual testing.

Professional Development

R6.10 Westerville CSD should implement a formal professional development program for technology users. The District should publish a training schedule for staff that includes requirements aligned with best practices. To save on training costs, options should include free Web-based training, and in-house training and workshops organized by IMS and curriculum staff. Developing a formal professional development program will keep staff and teachers up-to-date on how to use the most current hardware and software available for instructional programs and completion of administrative tasks. Becoming experts in current technologies would assist teachers in instructing students on new technology, which may improve student performance.

Westerville CSD has not implemented a formal technology professional development program for technology users. Funding for professional development was reduced approximately \$100,000 in FY 2003-04, which impacts the ability of the District to implement a formal technology professional development program for users. The District has also made reductions in instructional technology staff, making it more difficult to implement the program.

The District's technology plan incorporates professional development objectives, but they have not been implemented. Professional development objectives in the technology plan include developing a published training schedule and aligning professional development to meet best practices. Without a professional development program, staff and teachers are not required to meet standards for understanding and applying current technology for instruction and administrative tasks, which could negatively affect teaching and student learning because teachers may not have the required knowledge to instruct their students on new technology.

Table 6-6 presents best practices concerning technology professional development in school districts along with the current situation at Westerville CSD.

Table 6-6: Professional Development Best Practices

Best Practice	Current Westerville CSD Practice
The District provides comprehensive and appropriate professional development in the use of technologies to educators, administrators, and support staff.	District support staff/technicians receive vouchers to attend one week of training per year. Support trainings cover such topics as Novell and Groupwise. Professional certifications such as Certified Novell Administrator (CNA) and Certified Novell Engineer (CNE) are preferred, but not required for technicians. The IMS Director indicated that the District is not in the position to afford salary requirements associated with advanced technical certifications. Support staff/technicians do not conduct workshops/training for student and teacher users, and the District does not have a comprehensive training program for instructional technology.
The District has a professional development plan that reflects the district's vision of technology integration.	Professional development is incorporated into the technology plan, but there currently is not a process to keep the plan up-to-date.
Provides professional development for the instructional technologies.	The District does not have a formal professional development program for instructional technology.

Source: OPPAGA Best Practices for School District Technology

The District does not meet OPPAGA best practices for instituting a professional development program for instructional technology. Although there are limited funds in the District to implement such a program, low cost professional development options are available. These could include having in-house technology workshops on in-service days or providing Web-based training. *E-School News* provides a list of on-line professional development courses on its website⁶⁻³.

If technology training is not readily available and accessible in the District, teachers and staff do not receive the necessary instruction on basic troubleshooting, software productivity tools, and technology standards. Technology training results in increased staff productivity when using hardware and software and reduces downtime on equipment. Likewise, it develops teachers' skills so they are proficient enough in current trends in technology to transfer their cutting-edge knowledge to students.

⁶⁻³ www.eschoolnews.com/erc/professionaldevelopment/

Instructional Technology

R6.11 The District should re-organize IMS to incorporate instructional technology functions and decision making authority in the IMS department. Having the IMS department involved in all matters pertaining to technology would improve integration between technology and instruction, and support staff would become better informed of teacher and student needs. Management of instructional software purchasing would also be more centralized, resulting in improved standardization of instruction and technology.

Instructional technology functions are not incorporated into IMS. Instructional technology functions include purchasing instructional software, providing professional development for teachers and staff on technology, and developing technology to enhance curriculum. Currently, technology and instruction are linked via the director of curriculum but IMS is often excluded from curriculum based technology initiatives. Professional development of teachers and staff on technology, and purchasing of instructional software is also the responsibility of curriculum and not IMS. However, the IMS director indicated he works closely with the curriculum director on technology issues.

TSI exemplary practices for organizational structure state all technology functions should report through the same unit in the organization, providing for a logical chain of command and communications structures. Westerville CSD currently comes closest to meeting the “integrated” benchmark, which states the technical support functions and instructional technology functions report differently, but each unit is cohesively organized and there is communication between the units.

According to the International Society for Technology in Education (ISTE), when technology functions report through one unit in the organization, communication is enhanced, priorities are readily established, and duplication of functions is eliminated. Furthermore, technology functions are less coordinated when instructional and support areas of technology are not combined in one area. The separation of IMS and instructional technology has resulted in the District purchasing instructional software that is not compatible with the District’s network (see **R6.8**). Planning for linking technology with curriculum and professional development is also more difficult because of the fragmented organizational structure.

The consultant report recommended reorganizing IMS to incorporate all technology related support functions within the department, including video, curriculum, instructional software and telecommunications. According to the report, a single technology support group will be better positioned to act as a single point of “customer service” for technology. In addition, the report recommends the creation of a director of

technology position with responsibility for the new department which includes curriculum integration, current technology, and staff development. Integrating all technology functions under IMS will improve coordination of planning, resources, and assistance functions.

Financial Implications Summary

The following table summarizes the estimated implementation costs identified in recommendations presented in this section of the report.

Summary of Financial Implications for Technology

Recommendation	Implementation Costs
R6.1 The District should considering hiring additional technical support and network administration staff.	\$101,000
Total	\$101,000

Program and Management Issues

Background

The mission of Westerville City School District (Westerville CSD or the District) is to “produce creative, confident, and independent citizens.” In addition, Westerville CSD’s stated vision is to work with parents and the community to become the largest Ohio school district to be rated by ODE as *Excellent*. Additionally, the District seeks to provide “a progressive educational program in a safe, inviting, and nurturing environment,” while using a variety of instructional strategies and employing current technology to acquire and expand the knowledge of, and to meet the needs of, all students. This report provides recommendations to enhance service levels and reduce costs related to the operation and management of several programmatic areas.

One objective of this section is to assess the cost of providing Magnet School, Able and Talented (A&T or gifted), English as a Second Language (ESL), Middle School Teaming, and Special Education services, compared to the peers. Furthermore, this section recommends ways Westerville CSD can reduce expenditures while achieving its mission, maintaining a sufficient level of service, and – in the case of special education – maximizing available service reimbursements and meeting needs identified within Individualized Education Programs (IEPs). Another objective is to assess Westerville CSD’s risk management practices to ensure it is minimizing the risk of loss and legal liability at the lowest cost. In addition, this section identifies those functions the District currently outsources to external vendors while recognizing areas where it may be contractually and financially feasible to outsource additional services. Finally, this section identifies the advantages and disadvantages of employing a campus-style organization for the District’s high schools. These areas were selected for study by the District administration and Board of Education (Board).

In addition to peers, this report compares Westerville CSD with best practices and models identified by such organizations as the Ohio Department of Education’s (ODE) Gifted Task Force – of which Westerville CSD’s A&T program supervisor is a member, the Lau Resource Center, and the National Middle School Association (NMSA).

Assessments Not Yielding Recommendations

In addition to the analyses presented in this report, assessments were conducted on several areas which did not warrant changes and did not yield any recommendations. These areas include the following:

- **Outsourcing District Functions:** Westerville CSD's business operations are effectively managed, reducing the possibility of cost savings through outsourcing. Business services personnel were able to demonstrate that steps that have been taken to reduce costs or improve services and were also able to enumerate specific suggestions for further improvement with accompanying financial implications. Some of these ideas are slated for implementation in the coming school year, such as reductions in high school staffing levels and classes, while others have been postponed due to cost, including a \$2.5 million renovation of the bus garage. Westerville CSD should review and consider those recommendations identified in this report specifically dealing with outsourcing as it relates to special education. For example, the **Transportation** section recommends that the District discontinues the use of contracted taxis for the transportation of special needs riders (see **R5.2**). In addition, this section of the report recommends that Westerville CSD conduct a cost/benefit analysis to determine if the Medicaid billing function would be less expensive if performed by a contracted billing agency (see **R7.4**). Regardless of how the District acts on these recommendations, it should continue its practice of controlling costs by seeking competitive bids and issuing requests for proposal (RFPs) for the provision of contracted services.
- **Campus-style High School Organization:** Westerville CSD currently enrolls students in grades 9-12 within three high school buildings: Central, North, and South. Central High School, however, opened to students in FY 2003-04 and the District decided to phase in enrollment by housing only freshman and sophomore students during the first year. Juniors are expected to be added in FY 2004-05, and all grades will be enrolled by FY 2005-06. See **R4.7** in the **Facilities** section for additional information regarding the District's building configuration.

Because each building operates independently, the District experiences some redundancy in curriculum and extra-curricular activities. For example, similar freshman-level courses are offered in each of the District's three high schools, while each building (with the exception of Central) maintains both junior varsity and varsity-level athletics. In contrast, Lakota LSD consolidates its freshman students into one building. However, according to the district, this configuration does not result in any significant financial savings or programmatic efficiencies.

Table 7-1 summarizes the current utilization rates of Westerville CSD's high school buildings.

Table 7-1: High School Utilization Rates by Building

Building	Building Capacity	FY 2003-04 Head Count	Over/(Under) Capacity	Building Utilization Rate
Central High School	1,891	726	(1,165)	38.4%
North High School	1,806	1,878	72	104.0%
South High School	1,912	1,721	(191)	90.0%
Total	5,609	4,325	(1,284)	77.1%

Source: Westerville CSD

Currently, North High School is significantly over-capacity, compared to the recommended building utilization rate of 85 percent (see **R4.7** in the **Facilities** section). Expectedly, Central High School is under-capacity, while South High School slightly exceeds the 85 percent benchmark, despite being under-capacity.

Table 7-2 presents a five-year forecast of projected high school enrollment by grade level.

Table 7-2: Projected High School Enrollment by Grade Level

	Projected FY 2004-05	Projected FY 2005-06	Projected FY 2006-07	Projected FY 2007-08	Projected FY 2008-09
Grade 9	1,256	1,243	1,319	1,239	1,273
<i>Percentage</i>	28.1%	27.5%	28.6%	26.8%	27.5%
Grade 10	1,129	1,160	1,148	1,218	1,144
<i>Percentage</i>	25.3%	25.7%	24.9%	26.4%	24.7%
Grade 11	1,098	1,099	1,130	1,118	1,187
<i>Percentage</i>	24.6%	24.3%	24.5%	24.2%	25.6%
Grade 12	985	1,013	1,015	1,043	1,032
<i>Percentage</i>	22.0%	22.4%	22.0%	22.6%	22.3%
Total	4,468	4,515	4,612	4,618	4,636
<i>Percentage</i>	100.0%	100.0%	100.0%	100.0%	100.0%

Source: Westerville CSD

Enrollment in grades 9-12 is projected to increase by about 1 percent in each year of the forecast, with grade 9 comprising the highest single grade-level percentage of students (28 percent). Enrollment in grades 10-12, however, is projected to increase at an average annual rate of 1.2 percent, while enrollment in grade 9 is projected to increase by only 0.3 percent in each year of the forecast. Based on these projections and current building capacity, Westerville CSD cannot reconfigure any of its existing high schools to house grades 9 and 10 separately from grades 11 and 12.

Should the District decide to pursue a campus-style organization for its high schools, however, it could configure one building to house freshman students, similar to Lakota LSD. Specifically, North High School has the capacity to house all freshman students projected in the five-year forecast without exceeding the recommended building

utilization rate. This would enable Westerville CSD to enroll grades 10 through 12 within the remaining buildings. Although this configuration could potentially lead to a consolidation of junior varsity and varsity-level teams resulting in some cost savings, the benefits may be negated by having to maintain certain core curriculum courses in all three buildings to ensure academic performance is not compromised.

Noteworthy Accomplishments

During the course of this performance audit, the following noteworthy accomplishments or best practices were observed:

- **Westerville CSD's risk management practices are in line with best practice criteria identified by the Ohio Department of Administrative Services (ODAS) Office of Risk Management, and the American Public Works Association (APWA).**

Specifically, the District follows a formal risk assessment plan, conducts risk assessment surveys to identify hazards and minimize the risk of legal liability, and regularly solicits competitive bids from insurance providers to minimize premium costs. In terms of District assets and liabilities, Westerville CSD has taken proactive steps to minimize risk and reduce loss. For example, the District recently acted to prevent laptop theft by enacting a policy that seeks reimbursement (\$250) from employees for loss, effectively shifting the risk of away from the District and encouraging increased employee responsibility.

Similar to Pickerington LSD and Willoughby-Eastlake CSD, the District also participates in the Ohio School Boards Association (OSBA) Worker's Compensation Group Rating Plan (GRP). This is an insurance purchasing pool that is designed to reduce premium costs. As a result of the District's risk management practices, it has reduced claims liability by a total of nearly \$1.3 million since FY 2000-01.

- **Westerville CSD receives the maximum level of ODE reimbursement for providing gifted education services. Additionally, students enrolled in the District's A&T program significantly outperform State requirements on all proficiency tests. Because gifted education reimbursements are impacted by personnel issues (e.g., tenure and salary levels), the District should continue to monitor the effect of staffing level reductions on the A&T program. This will help to maximize reimbursements while ensuring uninterrupted service delivery.**

Table 7-3 uses FY 2002-03 performance indicators to compare the District's gifted education program with those of the peers.

Table 7-3: Gifted Education Statistics FY 2002-03

	Westerville CSD	Lakota LSD	Pickerington LSD	Willoughby- Eastlake CSD	Peer Average
District ADM ¹	13,625	14,842	8,054	8,387	10,428
Gifted Students	2,895	3,988	1,721	196	1,968
Gifted Percentage of ADM	21%	27%	21%	2%	19%
Eligible Gifted Units	9.6	10.5	5.7	6.0	7.4
Actual Gifted Units	9.6	7.8	3.2	3.0	4.7
Reimbursement	\$397,852	\$270,791	\$133,526	\$130,649	\$178,322
• Gifted Supplemental	\$39,722	\$43,036	\$22,688	\$25,005	\$30,243
• Gifted Aid	\$358,130	\$227,755	\$110,838	\$105,644	\$148,079
Average Proficiency Test Results by Subject²					
Citizenship	99.6	99.2	99.4	N/A	99.3
Mathematics	99.2	99.1	99.5	N/A	99.3
Reading	99.1	99.0	99.1	N/A	99.1
Writing	98.2	99.0	99.1	N/A	99.1
Science	99.1	98.5	98.5	N/A	98.7

Source: Ohio Department of Education – FY 2002-03 Local District Report Cards and SF-3 Final Reports

Note: Dollar figures are rounded to nearest \$1.

N/A: Because of its relatively small gifted student population, peer averages exclude Willoughby-Eastlake CSD.

¹ ADM figures rounded to nearest whole number.

² Average gifted student performance on all FY 2002-03 proficiency tests.

Compared to Lakota LSD and Pickerington LSD, peers with similar percentages of gifted students, Westerville CSD performed well and at a similar level on proficiency tests. Unlike the peers, however, the District received the maximum number of gifted units (9.6) for which it was eligible in FY 2002-03. According to ODE, gifted aid (or unit funding) is provided to assist districts with paying for gifted teacher and coordinator positions. Districts are eligible for *gifted units* based upon their Average Daily Membership (ADM). Specifically, if a district enrolls 2,000 ADM it becomes eligible for 1.0 teacher unit, whereas a district that enrolls over 5,000 ADM is eligible for 1.0 coordinator unit. Partial units are awarded to those districts who do not qualify for whole units. The "value" of a unit is formula-based and depends on the person who fills the position (i.e., education level, job experience, and State teachers salary schedule). Limited by the Ohio General Assembly, ODE had 1,100 units to allocate in FY 2002-03. For FY 2003-04, the District has requested and received an additional 0.2 gifted units, for a total of 9.8 units. As a result, Westerville CSD's unit funding amount is expected to increase by nearly \$6,600. Of the peers, only Pickerington LSD is expected to receive fewer actual gifted units – from 3.2 to 3.0 – in FY 2003-04, resulting in a unit funding decrease of about \$2,400.

Gifted supplemental funding is intended to assist districts in off-setting the cost of testing and identifying gifted students, as mandated in ORC § 3324.03. The Ohio General Assembly sets aside \$5,000,000 which is then distributed to districts based on their

ADM. According to ODE, districts received approximately \$2.77/student in FY 2002-03, which can be used to purchase test materials and pay for scoring services. Westerville CSD's gifted supplemental funding is expected to increase by \$24 in FY 2003-04. Of the peers, only Willoughby-Eastlake CSD is expected to experience a decrease (about \$270) in gifted supplemental funding in FY 2003-04.

Recommendations

Magnet Schools

R7.1 Westerville CSD should consider consolidating its Magnet School program within non-magnet school buildings, similar to Willoughby-Eastlake CSD. This will enable the District to minimize administrative and operational support expenditures, while maximizing expenditures related to direct pupil support and instruction. Several options and accompanying financial benefits pertaining to the consolidation of District buildings are discussed in the Facilities section of this report, and staffing levels are addressed in the Human Resources section.

Originally, magnet schools were designed to facilitate the desegregation of the public school system and offer alternative choices to parents. According to Westerville CSD, the current Magnet School program is voluntary – designed to enroll students in grades 1-5, who have a particular interest and desire to experience education through a focused curriculum in a small school setting. Magnet school students receive instruction in all the following major subject areas: writing, reading, math, science, and social studies, as well as art, music and physical education.

Students from all elementary attendance areas are eligible to attend Magnet Schools, and selection is based on a public lottery drawing. Moreover, the District stipulates that magnet schools are not to be considered as separate from Westerville CSD, nor as a remedial program, or as an intervention program for students who are experiencing academic difficulty in their home school. Westerville CSD’s Magnet School program is currently contained within four elementary school buildings and focuses on the following educational perspectives:

- **Mathematics and Science:** Offered at both Central College and Longfellow elementary schools, this program is designed to develop computer skills and teach students how mathematics and science can be used in a practical manner. Each school has one class of each grade (1-5), with approximately 120 students enrolled at each building (see **Table 7-4**). According to the District, team-building and cooperation, modeled through the scientific process, are key aspects of the program.
- **World Languages and Cultures:** Offered exclusively at Emerson Elementary School, this program teaches Spanish and integrates worldwide cultures into the academic content of math, science, language arts, social studies, and fine arts.

⁷⁻¹ *Different by Design – The Context and Character of Three Magnet Schools*, by Mary Haywood Metz; Teachers College Press, 2003.

According to Westerville CSD, the program enhances cognitive and social growth and develops an understanding of diverse people and cultures.

- **Arts:** Located at Hanby Elementary School, this program focuses on teaching academic content integrated with the arts, including the areas of dance, drama, visual arts, and music. The District stipulates that this program is designed to enhance arts literacy by exposing students to experiences within the community (e.g., fieldtrips and workshops with local artists).

Table 7-4 compares the fourth grade proficiency test results of Westerville CSD's magnet schools with those of non-magnet schools and the peers.

Table 7-4: Building and District Statistics for FY 2002-03

	Central College	Emerson	Hanby	Longfellow	Magnet School Average	Westerville CSD ¹	Peer Average ²
Enrollment	119	159	230	121	157	N/A	N/A
Rating	Excellent	Effective	Excellent	Excellent	N/A	N/A	N/A
Fourth Grade Proficiency Test Results							
Citizenship	90.9	87.0	96.8	95.5	92.6	75.3	82.8
Mathematics	90.9	73.9	95.2	100.0	90.0	71.0	82.8
Reading	95.8	73.9	96.8	90.9	89.4	76.6	88.5
Writing	100.0	91.3	96.8	81.8	92.5	86.8	92.0
Science	90.9	69.6	96.8	90.9	87.1	66.7	74.4
Improvement Rate	6.5%	(17.2%)	22.5%	0.3%	3.0%	N/A	N/A

Source: Ohio Department of Education

Note: The State requirement for fourth grade proficiency is 75 percent in all subject areas.

¹ Westerville CSD elementary schools include grades K-5, with the exception of Mark Twain Elementary (K-8).

² Willoughby-Eastlake CSD's magnet program is contained within Willoughby and Willowick middle schools.

In FY 2002-03, the District enrolled 629 students in its magnet schools who significantly out-performed both non-magnet and peer elementary students on the fourth grade proficiency tests. For example, over 90 percent of fourth graders enrolled at Central College and Longfellow tested as proficient in both mathematics and science. This is an indication that the Magnet School program appears to have a positive impact on the achievement of the District's mission and vision.

Hanby was Westerville CSD's highest performing Magnet School, with an average of 96.5 percent of fourth graders testing as proficient. Hanby also showed the highest level of improvement – a 22.5 percent increase – from FY 2001-02 test results. According to the District, this can be attributed to a significant number of A&T program (or gifted) students who were enrolled in the building. Emerson was Westerville CSD's lowest performing magnet school with an average of 79.1 percent of students testing as

proficient in all subject areas. While exceeding State requirements and the average for District non-magnet schools, Emerson fell below the peer average in four subject areas. In fact, Emerson was the only magnet school that did not show improvement – a 17.2 percent decrease – from FY 2001-02 fourth grade proficiency test results.

Of the peers, only Willoughby-Eastlake CSD operates a magnet program. With only about 80 students enrolled in grades 4-5, Willoughby-Eastlake CSD's magnet program is consolidated within two middle school buildings. In FY 2004-05, Willoughby-Eastlake CSD plans to reduce its magnet program to 56 students and consolidate it to one building to reduce staffing levels.

ODE uses school districts' year-end financial records to generate an expenditure flow model for the purpose of calculating and reporting expenditures on a per pupil basis. Specifically, this model organizes financial data into the following cost categories:

- **Administration:** Encompasses the functions and related costs of the principal's office, including staffing levels;
- **Building Operations:** Consists primarily of facilities and operational functions, including maintenance and repairs, utilities, equipment, lunchrooms, and cleaning;
- **Staff Support:** Comprises staff development, training, and tuition reimbursement;
- **Pupil Support:** Includes expenditures related to student guidance, as well as field trips, libraries, and psychological testing; and
- **Instruction:** Includes salaries for teachers, aides, or paraprofessionals, as well as costs for classroom materials and supplies, books, and computers.

Table 7-5 compares magnet school expenditures per pupil in several cost categories with those of non-magnet schools and the peers.

Table 7-5: Expenditures per Pupil Comparison for FY 2002-03

	Central College	Emerson	Hanby	Longfellow	Magnet School Average	Westerville CSD	Peer Average ¹
Administrative	\$1,074	\$1,031	\$325	\$1,059	\$872	\$473	\$386
Building Operations	\$1,291	\$1,594	\$1,647	\$1,499	\$1,508	\$1,361	\$1,467
Staff Support	\$129	\$129	\$132	\$129	\$130	\$138	\$89
Pupil Support	\$571	\$680	\$517	\$496	\$566	\$525	\$675
Instruction	\$3,915	\$4,361	\$4,868	\$4,262	\$4,352	\$4,461	\$4,259
Total	\$6,980	\$7,795	\$7,489	\$7,445	\$7,428	\$6,958	\$6,876

Source: Ohio Department of Education

¹ Willoughby-Eastlake's average was based only on buildings with magnet programs.

With the exception of Hanby, Westerville CSD's magnet school program results in significantly higher administrative expenditures per pupil, compared to non-magnet schools and the peer average. This can be attributed to operating the magnet school program out of dedicated, smaller, and individually-staffed buildings. See the **Human Resources** section for additional information related to the District's staffing levels. In contrast, Willoughby-Eastlake CSD consolidates its magnet program within non-magnet buildings. This practice enables the district to shift resources away from administrative support and focus more on pupil support and instruction. See **R4.7** in the **Facilities** section for additional information on building consolidation. During FY 2002-03, Westerville CSD spent about \$100 and \$400 less per student on pupil support and instruction, respectively, than Willoughby-Eastlake CSD. Moreover, Willoughby-Eastlake CSD's fourth graders tested at higher proficiency levels in three subject areas: mathematics, reading, and writing.

English as a Second Language

R7.2 Westerville CSD should review its methods of providing ESL services to determine if alternatives exist that would help the District improve Limited English Proficient (LEP) student proficiency test scores. Although Westerville CSD serves a significantly larger LEP student population, the District should consider working with Willoughby-Eastlake CSD and Lakota LSD – high performing peers, to review how improvements can be made in the elementary, middle, and high school grade levels. In terms of logistics and staffing levels, additional recommendations are discussed in the Transportation and Human Resources sections of this report.

LEP refers to those students whose native or home language is not English, and whose deficit in listening, speaking, reading, or writing skills in English inhibits their effective participation in a school's educational program. Ohio's LEP students represent over 100 different native/home languages. ODE indicates that the top ten language groups include:

Spanish, Arabic, Somali, German (mostly Amish), Japanese, Serbo-Croatian, Ukrainian, Russian, Vietnamese, and Korean. Many of Westerville CSD's LEP students are children of families who have recently immigrated to the United States from other countries. According to ODE, over 23,000 LEP students were enrolled in the State's elementary and secondary public schools during FY 2002-03, representing an increase of 35 percent over the number reported three years previously and an increase of 110 percent over the number reported ten years ago. Another group of students are from families that have been in the United States for several years but speak languages other than English at home.

Westerville CSD's LEP population in FY 2002-03 comprised 2.3 percent (over 300 pupils) of the District's enrollment (see **Table 7-7**), and included students from 54 countries, speaking 52 languages. This population has increased dramatically since 10 years ago, when only 37 students were classified as LEP. As a result of this increase in demand, the District has designed an ESL program to serve students at all grade levels. Schools receiving federal financial assistance have an obligation to provide English-language instruction where a significant portion of the student body speaks no English. The U.S. Supreme Court has held that Title VI of the Civil Rights Act of 1964 requires schools to provide such instruction for pupils whose inability to speak English denies them a meaningful opportunity to participate in the public education program.⁷⁻² It is not yet clear, however, whether this obligation exists when the number of non-English pupils is very small, such as in Pickerington LSD, where the LEP population comprises less than one percent of all students (see **Table 7-7**).

Another unresolved question relating to language is whether boards of education are required to establish bilingual/bicultural programs in order to help students overcome language barriers. Some courts have held that schools have satisfied their obligations under the law when they provide remedial English-language instruction to non-English-speaking students.⁷⁻³ One case, however, required that a district with 10,000 pupils establish a bilingual/bicultural program for non-English-speaking children who comprised approximately 20 percent of the student body.⁷⁻⁴ In Ohio school districts, where the number of non-English-speaking students tends to be relatively small, the most relevant statute requires only that boards of education take "appropriate action" to overcome language barriers. However, districts should take into account the total number

⁷⁻² Lau v. Nichols, 414 US 563, 39 LEd2d 1, 94 SCt 786 (1974).

⁷⁻³ Guadalupe Organization, Inc. v. Tempe Elementary School District No. 3, 587 F2d 1022 (9th Cir. 1978); Otero v. Mesa County School District No. 51, 408 FSupp 162 (D. Colo. 1975), *affirmed* 568 F2d 1312 (10th Cir. 1977); Keyes v. School District No. 1, 521 F2d 465, 480-83 (10th Cir. 1975), *cert. denied*, 423 US 1066, 46 LEd2d 657, 96 SCt 806 (1976).

⁷⁻⁴ Cintron v. Brentwood Union Free School District, 455 FSupp 57 (E.D.N.Y. 1978).

of pupils to be served and the economic feasibility of providing remedial programs for small numbers of pupils.⁷⁻⁵

Elementary School

Elementary-level students comprise 141 (about 45 percent) of District LEP students (see **Table 7-7**). At this level, Westerville CSD provides ESL services in five elementary buildings, including Hawthorne, McVay (tutoring only), Pointview, Robert Frost, and Whittier. According to the District, another building may be added before FY 2004-05; however, the Board has not decided where. LEP students who qualify for ESL services and are not enrolled in one of these schools are transported by bus (see **R5.3** in the **Transportation** section for additional information regarding the use of shuttles). ESL teachers meet with small groups of similarly aged students for about 40 minutes per day. As English proficiency increases, students begin to meet with paraprofessionals twice per week, for about 30 minutes. Paraprofessionals are overseen by an elementary facilitator who assists with lesson planning and testing. Facilitators are also responsible for ensuring adequate space within ESL buildings and for coordinating transportation and parent meetings.

Similar to the District, Lakota LSD's elementary LEP students comprise the largest percentage of students requiring ESL services. Lakota LSD offers elementary ESL program services at three buildings: the Lakota Early Childhood Center (kindergarten), Hopewell (grades K-6), and Shawnee (grades 1-6). With the exception of the Lakota Early Childhood Center, which only has one ESL teacher, each building is staffed with two full-time ESL teachers and two aides. Lakota LSD does not have ESL facilitators (see **Table 7-7**). At Hopewell, ESL personnel conduct pull-out classes for intensive language acquisition sessions. According to ODE's Lau Resource Center, pull-out classes focus on teaching formal English grammar or on promoting natural communication activities (e.g., free conversation, games, and discussions on certain topics). At Shawnee, both the pull-out and inclusion methods are used. According to the Lau Resource Center, inclusion involves grouping LEP students together with native-English speaking peers in the same classroom, with an aide who is available for any support. For example, the aide may provide guidance to the LEP students as they are working on a group project or individual assignment.

Middle School

Students in grades 6-8 comprise the smallest percentage (20 percent) of Westerville CSD's LEP population and receive ESL services at Blendon (tutoring only) and Heritage middle schools (see **Table 7-7**). Students not enrolled at Heritage are transported from

⁷⁻⁵ Anderson's 2003-04 Handbook of Ohio School Law (LexisNexis) section 9.61, pgs. 742-743.

their home school buildings. Middle-level LEP students are tested and placed into ESL classes based on their English language ability. Non-English speaking and some intermediate ability students receive two periods of language arts instruction per day – as well as in other subject areas – by ESL teachers. Intermediate ability students receive one period of language arts instruction per day by an ESL teacher, and instruction in other subject areas by a combination of ESL and regular education teachers. High ability students receive instruction in language arts and other subject areas from regular education teachers and paraprofessional tutors, as necessary. Heritage’s ESL classes are taught daily for 80 minutes. Those students who do not require instruction at Heritage are tutored by paraprofessionals at their home school buildings for about 40 minutes every other day. According to the District, ESL teachers are also responsible for consulting with regular education teachers regarding the instructional, social, and emotional needs of LEP students.

Middle school students also comprise the smallest portion (about 20 percent) of Lakota LSD’s LEP population. All middle-level ESL services, however, are provided in one building which is staffed with one full-time ESL teacher and two full-time aides. The ESL teacher instructs two language arts classes, while aides support students in other subjects.

High School

High school-level LEP students comprise the remaining percentage (about 36 percent) of the District’s LEP population (see **Table 7-7**). At this level, qualifying students receive ESL services at both Central and South High schools. According to the District, ESL services may be added to North before FY 2004-05. Currently, however, students at North are transported according to grade level – grades 9-10 to Central and 11-12 to South. Similar to middle school pupils, students are placed into classes based on their English language ability, as determined by placement testing. Instruction is provided by ESL teachers in English, reading, and writing for 50 minutes per day per subject. Mathematics, science, and social studies are sometimes offered, depending on scheduling issues, and are taught by a combination of regular education and ESL teachers with the assistance of bilingual aids. High school LEP students can also receive supplemental tutoring by ESL paraprofessionals on an individual basis, as needed.

Similar to Westerville CSD, Lakota LSD provides ESL services in two high schools. High school students, which comprise nearly 30 percent of the LEP population, are also divided into groups. Freshmen receive ESL services at Lakota Freshman School, which is staffed by one part-time ESL teacher and one full-time aide. Services include one English class, aide-support during four class periods, and a study hall. At Lakota East High School, LEP students in grades 10-12 receive services from one full-time ESL teacher

and two full-time aides. In addition to English, students are also instructed in social studies. Furthermore, aide-support is available in all class periods.

Table 7-6 compares Westerville CSD's LEP student proficiency test performance with those of the peers. Pickerington LSD is excluded from the comparison because of its relatively low number of LEP students.

Table 7-6: LEP Student Performance FY 2002-03

	4 th Grade	6 th Grade	9 th Grade	10 th Grade	Avg. by Subject
Westerville CSD					
Citizenship	33.3	50.0	26.1	33.3	35.7
Mathematics	55.6	38.9	34.8	59.3	47.2
Reading	33.5	33.3	52.2	59.3	44.6
Writing	77.8	72.2	38.1	40.7	57.2
Science	22.2	50.0	31.8	37.0	35.3
Average by Grade Level	44.5	48.9	36.6	45.9	44.0
Lakota LSD					
Citizenship	NC	NC	54.5	75.0	64.8
Mathematics	NC	NC	58.3	58.3	58.3
Reading	NC	NC	54.5	83.3	68.9
Writing	NC	NC	60.0	100.0	80.0
Science	NC	NC	45.5	58.3	51.9
Average by Grade Level	NC	NC	54.6	75.0	64.8
Willoughby-Eastlake CSD					
	4 th Grade	6 th Grade	9 th Grade	10 th Grade	Average by Subject
Citizenship	35.3	72.7	87.5	NC	65.2
Mathematics	58.8	63.6	87.5	NC	70.0
Reading	64.7	54.5	75.0	NC	64.7
Writing	76.5	100.0	93.8	NC	90.1
Science	41.2	45.5	56.3	NC	47.7
Average by Grade Level	55.3	67.3	80.0	NC	67.5
Adequate Yearly Progress (AYP)					
Reading					
• Percent Tested ¹	89.4	NR	NR	100.0	100.0
• Percent Proficient	40.7	NR	NR	65.9	65.9
Mathematics					
• Percent Tested ¹	89.4	NR	NR	100.0	100.0
• Percent Proficient	42.4	NR	NR	70.5	70.5

Source: Ohio Department of Education FY 2002-03 Local Report Cards

Note: The State requirement for proficiency is 75 percent for grades 6-9 and 85 percent for grade 10.

NC: Not calculated – used when there are fewer than 10 members in a subgroup to protect the identity of those individuals. In FY 2002-03, Pickerington LSD reported as NC in all grade levels.

NR: Not required for AYP because LEP subgroup size falls below minimum number (30) for statistical reliability.

¹ State-established goal is 95 percent.

In FY 2002-03, Westerville CSD's LEP students performed at significantly lower levels than the peers in all grade levels and subject-areas. Furthermore, according to the District's Adequate Yearly Progress (AYP) report, Westerville CSD tested only 89.4 percent of LEP students in reading and mathematics, well below Willoughby-Eastlake CSD and slightly below State-established benchmarks. AYP, as defined in 20 USC § 6311(b)(2)(C) (i.e., No Child Left Behind Act), stipulates that school districts are accountable for the performance of student subgroups (e.g., LEP), as well as all students. The ultimate goal of AYP is to have 100 percent student proficiency in reading and mathematics by FY 2013-14. As illustrated in **Table 7-6**, Westerville CSD's average proficiency scores by subject decrease from fourth grade levels. This is in direct contrast to the peers, where proficiency scores improve in higher grade levels. According to the District, this can be attributed to a relatively high number of newly enrolled middle-level LEP students requiring ESL services, who were not present when the fourth grade test was administered.

Table 7-7 compares Westerville CSD's LEP student population percentage by grade level, as well as ESL staffing levels with those of Lakota LSD. Pickerington LSD is excluded from the comparison because of its relatively small number of LEP students.

Table 7-7: LEP Student Comparison for FY 2002-03

	Westerville CSD	Lakota LSD	Pickerington LSD	Willoughby- Eastlake CSD	Peer Average
LEP Student Percentage	2.3%	1.3%	0.7%	1.9%	1.3%
LEP Student Population ¹	316	207	56 ¹	180	137
• Elementary	44.6%	50.7%	--	47.8%	49.3%
• Middle	19.6%	19.8%	--	11.1%	15.5%
• High	35.8%	29.5%	--	41.1%	35.3%
ESL Staffing Levels					
Total ESL Staff ²	27	19	--	N/A	19
LEP Students Per	12	11	--	N/A	11
• District Coordinators	4 ³	2	--	N/A	2
LEP Students Per	79	104	--	N/A	104
• Teachers	11	8	--	N/A	8
LEP Students Per	29	26	--	N/A	26
• Aides	12 ⁴	9	--	N/A	9
LEP Students Per	26	23	--	N/A	23

Source: Ohio Department of Education FY 2002-03 Local Report Cards

N/A: Staffing level data was unavailable.

¹ Approximated based upon ODE-reported enrollment percentages and rounded to nearest whole number. Westerville CSD indicated that the enrollment of LEP students as of September 2004 was 662, and increase of 246 students from October 1, 2003.

² Staffing levels are based on actual number of individuals performing ESL services, rather than full-time equivalent (FTE) positions.

³ Includes 2 coordinators, 1 elementary facilitator, and 1 evaluator. Only one position is a full-time position, the remaining employees fulfill this function as extra-duties.

⁴ Includes 9 paraprofessionals, 2 bilingual aides, and 1 interpreter.

Although Westerville CSD serves significantly more LEP students compared to the peer average, its population percentage per grade level is generally in line. Westerville CSD's use of predominantly existing personnel with LEP responsibilities assigned as extra-duties ensures a cost-effective response to serving its students with specialized language needs.

Middle School Teaming

R7.3 Subject to negotiations, Westerville CSD should consider offering one planning period to middle school team teachers, rather than two. In addition to bringing the District in line with peers in terms of the use of planning periods and permitting teachers to spend more instructional time with students, this will help to reduce administrative and staff support costs, which are attributable to current teaming practices, through staff reductions. Westerville CSD can use annual savings achieved via staffing reductions to finance other recommendations identified in this report. Finally, the District should review its grade configuration at the middle school level to determine if alternatives exist (see R4.7 in the Facilities section) to improve sixth grade performance on State proficiency tests.

Similar to the peers, the District uses interdisciplinary teaming at the middle school level as a method of organizing staff so that a group of teachers share the responsibility for planning, teaching, and evaluating curriculum and instruction in more than one academic area. Team teachers also share the same group of students and a similar schedule.⁷⁻⁶ Westerville CSD has used interdisciplinary teaming since 1989, when it was first introduced to sixth graders. In 1998, the District extended teaming to grades 7 and 8, based upon recommendations issued by the Middle School Program Review Committee – a committee comprised of District middle school teachers and parents. The committee also recommended that teaming practices include two planning periods for teachers – one common and one individual, as well as incorporate a flexible, block scheduling system – whereby team teachers have the option to adjust the schedules of their students.

While the NMSA indicates that implementing a common planning period is costly to school districts, the National Association of Secondary School Principals (NASSP) suggests that teams with both common and individual planning periods experience the largest gains in student achievement scores.⁷⁻⁷ Notably, peer team teachers have only one planning period, which, according to Pickerington LSD, allows for more time with students. Furthermore, peer districts significantly outperform Westerville CSD on State proficiency tests (see **Table 7-8**), and each spends less per pupil in several identified cost categories (see **Table 7-9**).

⁷⁻⁶ *Current Scheduling, Teaming, and Curriculum Practices in Virginia's Middle Schools*, Charles H. Harris III; October 15, 1998.

⁷⁻⁷ *NASSP Bulletin*, Vol. 86 No. 632, September 2002.

District teams are typically made up of 3-4 teachers assigned to a group of about 75-120 students (or about 25-30 students per teacher). In accordance with practices endorsed by the NASSP, teachers are assigned to teams based on the recommendation of administrators (e.g., building principals), with the goal of ensuring a diverse mix of teachers and teaching styles. In addition, students are assigned to teams in a heterogeneous manner, similar to Pickerington LSD and Willoughby-Eastlake CSD. In other words, student assignments are based on demographics (age, sex, religion, socio-economic background, etc.), academic achievement, and special needs requirements – a practice that is endorsed by both the NASSP and the NMSA.

In general, teamed students are taught the core subject areas (e.g., mathematics, reading, social studies, etc.). Similar to the peers, however, Westerville CSD also offers a number of exploratory courses. Referred to as *Encore courses* by the District, these classes include art, music, life-skills (e.g., cooking and sewing), and some industrial skills trades (e.g., keyboarding). In FY 2003-04, the District eliminated sixth grade health classes in order to reduce expenditures.

Table 7-8 compares Westerville CSD's performance on sixth and ninth grade proficiency tests over the past three years with those of the peers.

Table 7-8: Middle School Proficiency Test Performance FY 2001-03

	Westerville CSD	Above/ (Below) Peer Average	Lakota LSD	Pickerington LSD	Willoughby- Eastlake CSD	Peer Average
FY 2000-01	6th Grade					
Citizenship	79.5	(6.2)	85.8	89.4	81.9	85.7
Mathematics	72.3	(8.5)	80.4	86.3	75.7	80.8
Reading	66.4	(8.2)	75.7	81.7	66.5	74.6
Writing	89.0	(2.8)	92.0	95.4	88.0	91.8
Science	70.6	(10.9)	79.4	85.1	80.0	81.5
	9th Grade					
Citizenship	88.6	(1.9)	93.2	93.7	84.5	90.5
Mathematics	80.3	(3.2)	85.2	90.0	75.4	83.5
Reading	93.2	(1.4)	96.5	96.0	91.3	94.6
Writing	95.3	(1.3)	96.4	98.3	95.0	96.6
Science	83.8	(3.8)	89.5	91.7	81.5	87.6
FY 2001-02	6th Grade					
Citizenship	80.8	(6.3)	85.3	92.9	83.0	87.1
Mathematics	69.7	(9.5)	80.5	84.5	72.6	79.2
Reading	65.9	(6.9)	73.5	78.1	66.9	72.8
Writing	90.6	(2.8)	92.8	96.5	90.9	93.4
Science	70.9	(5.7)	73.8	81.6	74.3	76.6
	9th Grade					
Citizenship	87.7	(5.2)	92.5	96.6	89.7	92.9
Mathematics	78.3	(8.8)	87.0	91.3	83.1	87.1
Reading	93.6	(1.9)	95.0	97.3	94.2	95.5
Writing	90.1	(5.5)	95.6	97.8	93.5	95.6
Science	81.3	(7.9)	88.0	96.1	83.6	89.2
FY 2002-03	6th Grade					
Citizenship	83.0	(5.7)	87.0	91.5	87.5	88.7
Mathematics	66.2	(6.6)	72.5	73.8	72.0	72.8
Reading	73.5	(8.9)	80.7	86.4	80.0	82.4
Writing	85.0	(8.2)	93.9	95.2	90.5	93.2
Science	78.1	(6.9)	83.9	87.2	83.8	85.0
	9th Grade					
Citizenship	90.1	(2.5)	93.2	93.8	90.8	92.6
Mathematics	82.6	(5.6)	89.4	89.9	85.3	88.2
Reading	92.2	(2.5)	95.4	95.4	93.4	94.7
Writing	93.0	(2.6)	96.5	96.4	93.9	95.6
Science	83.3	(5.6)	90.8	92.1	83.9	88.9

Source: Ohio Department of Education FY 2002-03 Local District Report Cards

Note: State requirement for proficiency is 75 percent in grades 6 and 9.

Westerville CSD has scored below the peer average in every subject area in each of the past three years for 6th and 9th graders. Moreover, the District's sixth graders consistently test below State requirements (75 percent) in mathematics and reading. These results are

contrary to the Middle School Program Review Committee's findings – as well as NMSA research, which suggests that team teaching positively impacts scores in these subject areas. On the other hand, the District has documented a reduction in disciplinary referrals at the middle school level, and the student attendance rate (see **Table 7-9**) in FY 2002-03 slightly exceeds the peer average. According to the District, these are examples of some advantages of team teaching.

Compared to the peers, Westerville CSD is the only District that configures its middle school as grades 6-8. In contrast, Lakota LSD operates a K-6 elementary system, with grades 7 and 8 comprising the junior high. Additionally, Pickerington LSD enrolls grades 5 and 6 separate from grades 7 and 8 and Willoughby-Eastlake CSD's middle schools include grades 4-8 (see **R4.7** in the **Facilities** section). The primary difference between Westerville CSD and the peers, aside from the number of planning periods, is that peer districts do not transition sixth graders into new buildings. Rather, these students are generally enrolled with elementary-aged students. According to the NMSA, the 6-8 grade middle school configuration is better suited for interdisciplinary teaming as it focuses programming and services towards adolescents.

Based on a comparison with peer State proficiency test scores, however, it appears that sixth graders in the peer districts perform better when enrolled in the elementary setting. This is an indication that current middle school team teaching practices, combined with grade configurations, may not be effective in achieving Westerville CSD's vision of becoming the largest Ohio school district ODE-rated as *Excellent* by 2005.

Table 7-9 compares Westerville CSD's middle school enrollment and expenditures per pupil by cost category with those of the peers.

Table 7-9: Middle School Enrollment and Expenditures per Pupil FY 2002-03

	Westerville CSD	Lakota LSD	Pickerington LSD	Willoughby- Eastlake CSD	Peer Average
District Enrollment	13,311	14,983	8,066	8,575	10,541
Middle School Enrollment ¹	3,319	3,801	1,995	2,145	2,647
Middle School Percentage	24.9%	25.4%	24.7%	25.0%	25.0%
Average Attendance Rate	95.9%	96.3%	95.9%	94.6%	95.6%
Middle School Expenditures per Pupil					
Administration	\$509	\$437	\$442	\$409	\$429
Building Operations	\$1,464	\$1,378	\$1,362	\$1,755	\$1,498
Staff Support	\$130	\$20	\$47	\$157	\$75
Pupil Support	\$951	\$806	\$584	\$734	\$708
Instruction	\$5,392	\$4,358	\$4,520	\$4,600	\$4,493

Source: Ohio Department of Education

¹ Includes students in grades 6-8.

Although the District has a significantly higher ADM (see **Table 7-3**), compared to the peer average, it enrolls a commensurate percentage of middle school students. According to ODE's expenditure flow model, however, Westerville CSD significantly exceeds the peer average in middle school expenditures per pupil in the following cost categories: administration (19 percent), staff support (73 percent), pupil support (34 percent), and instruction (20 percent). This can be partially attributed to Westerville CSD's relatively high level of teacher salaries and wages, as well as its practice of allotting two planning periods to team teachers – which accounts for 84 minutes (or about 18 percent) of the contracted workday.

Table 7-10 summarizes Westerville CSD's total number of team teaching FTEs by building and compares the number of FTEs the District currently uses to staff two planning periods with the number of FTEs required to staff only one planning period.

Table 7-10: Middle School Team Teaching FTEs

	Number of Team Teacher FTEs	Allocated FTEs	
		Two 42-minute Planning Periods ¹	One 42-minute Planning Period ²
Blendon	17.0	3.1	1.5
Genoa	23.0	4.2	2.1
Heritage	22.0	4.0	2.0
Walnut Springs	24.0	4.4	2.2
TOTAL	86.0	15.7	7.8

Source: Westerville CSD and the Ohio Department of Education

Note: Benefits are calculated by adding 28 percent to average salary levels.

¹ Accounts for 84 minutes (or 18 percent) of the 460-minute contracted workday.

² Accounts for 42 minutes (or 10 percent) of the 460-minute contracted workday.

Westerville CSD currently allocates the equivalent of 15.7 FTEs to staff two planning periods of 42-minutes each. By eliminating one planning period, however, the District will be in line with the peers. Additionally, this will enable the District to increase the amount of instructional time team teachers spend with students, thereby facilitating a staff reduction of 7.9 FTEs.

Financial Implication: According to ODE, Westerville CSD middle school teachers earned an average of nearly \$55,000 in salaries during FY 2002-03. According to the District's five-year forecast, teachers earned an additional 28 percent (or \$15,400) in benefits (e.g., medical insurance), for a total of about \$70,400 annually. By negotiating to eliminate one planning period, Westerville CSD can increase instructional time for team teachers and reduce staffing levels by 7.9 FTEs. This will result in annual cost savings of approximately \$556,200 in salaries and benefits costs. Westerville CSD asserts that it has implemented this recommendation for FY 2004-05 and that the cost savings have been included in the District's five-year forecast.

Special Education

R7.4 Westerville CSD should obtain certification through the Community Alternative Funding System (CAFS). In addition, the District should review alternatives for obtaining CAFS-related billing services. Specifically, the treasurer, the director of purchasing, and the executive director for special education should conduct a cost/benefit analysis to determine the feasibility of performing this function in-house versus contracting it to an outside billing agency. Regardless of how the function is performed, CAFS-certification will enable the District to increase annual reimbursements by billing Medicaid directly for the provision of qualifying special education services.

During the course of the audit, the District began taking steps to become CAFS-certified.

As stipulated in ORC § 3323.01(A):

“‘Handicapped child’ means a person under twenty-two years of age who is developmentally handicapped, hearing handicapped, speech handicapped, visually disabled, severe behavior handicapped, orthopedically handicapped, multihandicapped, other health handicapped, specific learning disabled, autistic, or traumatic brain injured, and by reason thereof requires special education.”

A special education program must be provided to all such students from age 3 to 21 (ORC § 3323.02). Special education programs are defined as the “required related services and instruction specifically designed to meet the unique needs of a handicapped child, including classroom and home instruction, and instruction in hospitals, institutions, and other settings” (ORC § 3323.01(B)). Related services include transportation, as well as support services as may be required to assist a handicapped child benefit from special education, including the early identification and assessment of conditions, speech pathology, audiology, psychological services, occupational and physical therapy, physical education, recreation, rehabilitative counseling, and diagnostic medical services (ORC § 3323.01(C)). The ultimate purpose of special education programming is to ensure students receive an appropriate public education program, as stipulated in State (ORC § 3323.02) and federal law (20 United States Code § 1401(8), 1412 (a)(1)).

As permitted by ORC § 3323.04 and 3323.08, the District maintains a number of contracts with outside vendors for the provision of the following special education programs and services:

- **Assessment:** Consists of student and parent interviews and assessments;
- **Medical & Mental Health:** Includes physical examinations, nursing services, mental health counseling, and instruction assistance; and
- **Speech, Hearing, Vision Impairment:** Encompasses curriculum development and education for parents of hearing impaired students, sign language interpretation, audiology, speech therapy, and orientation/mobility consultation.

The District also contracts with the Franklin County Educational Service Center (ESC) to provide special education programming and services to pre-school, elementary, and secondary students. These services include administrative, supervisory, and instructional support for students with multiple disabilities and autism (STACK programming). Additional related services provided by the Franklin County ESC include aides, interpreters, and therapists. According to the District, a contract also exists with the Delaware-Union County ESC for the provision of one school bus aide.

Table 7-11 compares Westerville CSD's special education students by service category with those of the peers. Categories in which the District exceeds the peer average appear in bold.

Table 7-11: Special Education Student Comparison

Category	Westerville CSD		Lakota LSD		Pickerington LSD		Willoughby-Eastlake CSD		Peer Average	
	No.	%	No.	%	No.	%	No.	%	No.	%
Speech Disabled	255	16.7	304	20.0	89	10.8	180	14.6	191	16.0
Specific Learning Disability	622	40.8	529	34.8	260	31.4	560	45.3	450	37.6
Mental Retardation	117	7.7	185	12.2	91	11.0	148	12.0	141	11.8
OHI – Minor	115	7.5	76	5.0	93	11.2	32	2.6	67	5.6
Hearing Impaired	15	1.0	34	2.2	8	1.0	27	2.2	23	1.9
Visually Impaired	9	0.6	8	0.5	4	0.5	7	0.6	6	0.5
Emotional Disturbance	95	6.2	59	3.9	158	19.1	91	7.4	103	8.6
OHI - Major	3	0.2	19	1.3	2	0.2	1	0.1	7	0.6
Orthopedic Handicapped	13	0.9	19	1.3	10	1.2	18	1.5	16	1.3
Multi-handicapped	86	5.6	63	4.1	43	5.2	43	3.5	50	4.2
Traumatic Brain Injury	5	0.3	4	0.3	6	0.7	0	0.0	3	0.3
Autism	57	3.7	57	3.8	16	1.9	35	2.8	36	3.0
Deaf/Blind	0	0.0	1	0.1	0	0.0	0	0.0	0	0.0
Pre-School	132	8.7	162	10.7	47	5.7	95	7.7	101	8.5
TOTAL	1,524	100.0	1,520	100.0	827	100.0	1,237	100.0	1,195	100.0
Proportion of District Enrollment¹	11.4%		10.1%		10.3%		14.4%		11.3%	

Source: Westerville CSD and the peers

¹ See **Table 7-9** for district enrollment figures.

In FY 2002-03, Westerville CSD provided special education programming and services to over 1,500 students, exceeding the peer average by nearly 30 percent. Nevertheless, the District is generally in line with the peer average in percentage of students served by category, as well as in proportion to total enrollment.

Table 7-12 compares the District's special education reimbursement percentage with those of the peers.

Table 7-12: Special Education Reimbursement Comparison

	Westerville CSD	Lakota LSD	Pickerington LSD	Willoughby-Eastlake CSD	Peer Average
Students	1,524	1,520	827	1,237	1,195
Expenditures	\$15,437,214	\$12,319,761	\$7,134,447	\$12,273,221	\$10,575,810
<i>Per Student</i>	\$10,129	\$8,105	\$8,627	\$9,922	\$8,853
Reimbursements	\$10,683,641	\$10,272,039	\$5,736,385	\$8,802,510	\$8,270,311
<i>Per Student</i>	\$7,010	\$6,758	\$6,936	\$7,116	\$6,923
Reimbursement Percentage	69.2%	83.4%	80.4%	71.7%	78.2%

Source: Westerville CSD, the peers, and the Ohio Department of Education

Although Westerville CSD provides special education programming and services to a commensurate percentage of students, the District's expenditures per student exceed the peer average by \$1,276, or about 14 percent. The District also receives a significantly smaller reimbursement percentage, compared to the peer average. This can be attributed, in part, to Westerville CSD's practice of transporting students in contracted taxis, which costs over \$500,000 annually. None of the peers use taxis to transport special education students (see **R5.2** in the **Transportation** section). Moreover, the District is not currently certified to receive Medicaid-service reimbursements via the Community Alternative Funding System (CAFS). Specific services that the District provides which may be eligible for reimbursement include: therapists, speech pathologists, audiologists, nurses, social workers, and psychologists.

According to the Ohio Department of Mental Retardation and Developmental Disabilities (OMRDD), as well as Healthcare Billing Services, Inc. – an independent billing agency that works with school districts to obtain CAFS-related reimbursements – a school district should consider becoming CAFS-certified if its percentage of Free and Reduced Lunch program-eligible students exceeds 15 percent of ADM. Typically, this figure can be used to estimate district-wide Medicaid-service eligibility. In FY 2004-05, Westerville CSD's Free and Reduced Lunch population is between 12 and 14 percent.

Although the District is not currently receiving these reimbursements, the District has taken steps to become CAFS-certified. Specifically, Westerville CSD has explored CAFS funding and began the application process earlier this school year. The District has also

conducted preliminary research on whether to perform this function in-house or contract it to an outside billing agency. Neither Lakota LSD nor Pickerington LSD are CAFS-certified. According to Lakota LSD, performing this function in-house would require an additional FTE, while Pickerington LSD cites its relatively small number of special education students as its primary reason for not seeking CAFS-certification. Additionally, both Lakota LSD and Pickerington LSD enroll a low percentage of Free and Reduced Lunch program-eligible students (about 8 percent each). In contrast, over 20 percent of Willoughby-Eastlake CSD's students are eligible to participate in the Free and Reduced Lunch program. This district contracts its CAFS-related billing function to the Lake County ESC at a cost of about \$6,000 to \$7,500, or 7.5 percent of reimbursements. This results in annual Medicaid-service revenue of \$80,000 to \$100,000. Franklin County ESC indicates that it does not perform the billing function for individual school districts.

An independent billing agency conservatively estimates that once Westerville CSD is certified through CAFS, it will become eligible to receive at least \$50,000 in annual revenue from Medicaid reimbursements. This figure, however, is based on a preliminary review of the District's percentage of Free and Reduced Lunch program-eligible students and assumes the District will contract the billing function to an outside vendor. This figure also does not account for contracted service fees, nor does it include costs associated with performing the billing function in-house, which, according to the District, would require an additional FTE.

Financial Implication: Once Westerville CSD is certified through CAFS, it may become eligible to receive approximately \$50,000 in annual revenue from Medicaid-service reimbursements. The costs associated with performing the billing function in-house could amount to approximately 8 percent of reimbursements. Accounting for the potential cost of in-house billing, the net annual benefit would be approximately \$46,000.

Financial Implications Summary

The following table represents a summary of estimated annual cost savings, annual reimbursements, and annual costs. For the purpose of this table, only recommendations with quantifiable impacts are listed.

Summary of Financial Implications for Program and Management Issues

Recommendation	Annual Cost Savings	Annual Reimbursements	Annual Costs
R7.3 Eliminate one team teaching planning period ¹	\$556,200		
R7.4 Medicaid-service reimbursements ²		\$46,000	\$4,000
Total	\$556,200	\$46,000	\$4,000

¹ Subject to collective bargaining agreement negotiations.

² The estimated annual revenue assumes that the District is certified through CAFS.

This page intentionally left blank.

336 South Otterbein Avenue, Westerville OH 43081-2396



George E. Tombaugh, Ed.D.
Superintendent of Schools

614/797-5700 Fax 614/797-5701

WESTERVILLE CITY SCHOOLS

Auditor of State
Betty D. Montgomery
88 E. Broad Street
P.O. Box 1140
Columbus, Ohio 43216-1140

Dear Auditor Montgomery,

The Westerville Board of Education, at its 2002 Organizational Meeting, authorized nine (9) expectations for 2004. One of these expectations was the completion of a Performance Audit. The Audit process began in mid-February and the final report will be released on or about October 1st.

As Superintendent of Westerville City Schools, I appreciate the hard work and collaboration of the Audit staff and the administrative team of Westerville City Schools in the data gathering and analysis of the operations, practices, and programs of the school district. The selection of three (3) peer districts is very difficult for a large district such as Westerville (9th largest) that serves a very diverse population in a suburban location. Two similar districts within Franklin County declined to participate as a peer district in the Performance Audit.

The Audit staff needs to be commended in their efforts to analyze comparative Education Management Information System (EMIS) data. I would like to caution anyone reading the final report to keep the following factors in mind:

1. Data points were collected over a period of time;
2. EMIS coding may vary across the peer districts;
3. Westerville and Willoughby-Eastlake are City School Districts, whereas Lakota and Pickerington are Local School Districts and may, in fact, receive personnel services from their County Education Service Center that may not be included in district staffing data.

Page Two
Auditor of State

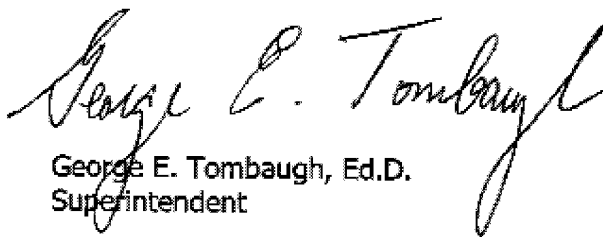
Perhaps the greatest benefit that we will derive from this Performance Audit is resulting from our comparing ourselves with school districts outside of Franklin County. For years, our frame of reference has been to compare ourselves with Worthington, Dublin, Upper Arlington, Hilliard, and Gahanna. Since those districts spend more (\$1,442 per pupil in 02-03), on average than Westerville City Schools, we have been making comparisons with districts where the available revenues are significantly higher. Such comparisons have not produced, nor is it likely to produce, efficiencies for Westerville City Schools.

Through a comparison with Lakota and Pickerington Locals and Willoughby-Eastlake City Schools, we are looking at districts with an average expenditure of \$329 per pupil less than Westerville. This examination will provide the opportunity to look at the expenditure patterns in these districts and find areas where we may be able to reduce expenses either through greater efficiencies, through staff reorganization, and/or through program modifications or reallocation of resources.

Overall, the findings and recommendations represent an objective analysis of the effectiveness and efficiency of the operations of Westerville City Schools. They will be carefully reviewed and utilized in upcoming negotiations, continuing reorganization, and realignment of staffing decisions in other professional and administrative positions, redesign of organizational chart, the annual district Continuous Improvement Plan (CIP), FY06 Appropriations, and VISION 2010 (an ongoing process of updating the academic and financial strategic direction for the district for the years 2006-2010.)

I would like to thank everyone for their diligence, professionalism, and cooperation in developing a report that will guide the future direction of Westerville City Schools.

Sincerely,

A handwritten signature in black ink that reads "George E. Tombaugh". The signature is written in a cursive style with a large, stylized initial "G".

George E. Tombaugh, Ed.D.
Superintendent

GET:kpg