



Dave Yost • Auditor of State

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Dave Yost • Auditor of State

To the residents, elected officials, management, and stakeholders of the Parma City School District,

In consultation with the Ohio Department of Education, the Auditor of State's Ohio Performance Team (OPT) conducted a performance audit of the District to provide an independent assessment of operations and management. Functional areas selected for review were identified with input from District administrators and were selected due to strategic and financial importance to the District. Where warranted, and supported by detailed analysis, this performance audit report contains recommendations to enhance the District's overall efficiency and effectiveness. This report has been provided to the District and its contents have been discussed with the appropriate elected officials and District management.

The District has been encouraged to use the management information and recommendations contained in the performance audit report. However, the District is also encouraged to perform its own assessment of operations and develop alternative management strategies independent of the performance audit report. The Auditor of State has developed additional resources to help Ohio governments share ideas and practical approaches to improve accountability, efficiency, and effectiveness.

SkinnyOhio.org: This website, accessible at <http://www.skinnyohio.org/>, is a resource for smarter streamlined government. Included are links to previous performance audit reports, information on leading practice approaches, news on recent shared services examples, the Shared Services Idea Center, and other useful resources such as the Local Government Toolkit. The Shared Services Idea Center is a searchable database that allows users to quickly sort through shared services examples across the State. The Local Government Toolkit provides templates, checklists, sample agreements, and other resources that will help local governments more efficiently develop and implement their own strategies to achieve more accountable, efficient, and effective government.

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

Sincerely,

A handwritten signature in black ink that reads "Dave Yost".

Dave Yost
Auditor of State
March 30, 2017

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Executive Summary

Purpose and Scope of the Audit

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

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

Performance Audit Overview

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

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

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

Audit Methodology

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

- Peer districts;
- Industry standards;
- Leading practices;
- Statutes; and/or

- Policies and procedures.

In consultation with the District, four sets of peer groups were selected for comparisons contained in this report. A “Primary Peers” set was selected for general, District-wide comparisons. This peer set was selected from a pool of demographically similar districts with relatively lower per pupil spending and higher academic performance. A “Local Peers” set was selected for a comparison of compensation, benefits, and collective bargaining agreements, where applicable. This peer set was selected specifically to provide context for local labor market conditions. Also, a “Career-Technical Education Peers” set was selected specifically for State Share Index comparisons which is significant because it determines the amount of State funding per pupil. These peers include districts that provide in-house career-technical education rather than through a Joint Vocational School (JVS) or contracting with another school. Finally, a “Transportation Peers” set was selected for transportation operating and spending comparisons. This peer set was selected specifically for transportation operational comparability and included only those districts with a similar size in square miles and population density; two significant factors that impact transportation efficiency. **Table 1** shows the Ohio school districts included in these peer groups.

Table 1: Peer Group Definitions

Primary Peers
<ul style="list-style-type: none"> • Fairfield City School District (Butler County) • Northwest Local School District (Hamilton County) • Pickerington Local School District (Fairfield County) • Westerville City School District (Franklin County) • Willoughby-Eastlake City School District (Lake County)
Local Peers (Compensation, Benefits, and Bargaining Agreements)
<ul style="list-style-type: none"> • Berea City School District (Cuyahoga County) • Lakewood City School District (Cuyahoga County) • North Royalton City School District (Cuyahoga County) • Strongsville City School District (Cuyahoga County)
Career-Technical Education (CTE) Peers
<ul style="list-style-type: none"> • Hamilton City School District (Butler County) • Lorain City School District (Lorain County) • Massillon City School District (Stark County) • Washington Local School District (Lucas County) • Youngstown City School District (Mahoning County)
Transportation Peers
<ul style="list-style-type: none"> • Hamilton City School District (Butler County) • Mason City School District (Warren County) • Washington Local School District (Lucas County) • Westerville City School District (Franklin County)

Where reasonable and appropriate, peer districts were used for comparison. However, in some operational areas industry standards or leading practices were used for primary comparison. Sources of industry standards or leading practices used in this audit include: American Schools and Universities (AS&U), DeJong and Associates, the Government Finance Officers Association (GFOA), the National Center for Education Statistics (NCES), the Ohio Department of Education (ODE), and the Ohio State Employment Relations Board (SERB). District policies and procedures as well as pertinent laws and regulations contained in the Ohio Administrative Code (OAC) and the Ohio Revised Code (ORC) were also assessed.

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

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

Noteworthy Accomplishments

Noteworthy accomplishments acknowledge significant accomplishments or exemplary practices. The following summarizes noteworthy accomplishments identified during the course of this audit.

- **Health Insurance Fund Management:** PCSD utilizes a self-insurance model to provide health insurance benefits to all full-time employees and pro-rated benefits to part-time employees. Under this model, the District independently manages insurance claims and sets monthly premiums based on actual and projected claims for the year. In fiscal year (FY) 2015-16, the District's employer cost for health insurance was found to be in-line with acceptable benchmarks (see **Appendix B** for detailed comparisons). In FY 2016-17, the District increased its health insurance premiums by 13.0 percent to proactively address expenditures outpacing revenues. Had the District not been proactive in making premium adjustments, expenditures would have continued to outpace revenues which in turn would have resulted in General Fund subsidy to cover the incurred but not reported (IBNR) insurance claims.¹

¹ Incurred but not reported (IBNR) claims is an insurance industry term for the amount owed by an insurer to all valid claimants who may have had a covered loss but have not yet reported it.

Summary of Recommendations

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

Table 2: Summary of Recommendations

	Recommendations	Savings
R.1	Update the strategic plan and link the budget to goals	N/A
R.2	Consider eliminating General Fund subsidy of extracurricular activities	\$2,110,900
R.3	Improve stakeholder access to financial and operational information	N/A
R.4	Eliminate an additional 0.0 FTE administrative positions	N/A
R.5	Eliminate an additional 23.0 FTE office/clerical positions	\$843,954
R.6	Eliminate an additional 23.0 FTE general education teacher positions	\$1,257,408
R.7	Eliminate an additional 5.0 FTE professional staffing positions	\$450,299
R.8	Eliminate an additional 2.0 FTE non-certificated classroom support positions	\$71,695
R.9	Eliminate an additional 18.0 FTE technical positions	\$896,430
R.10	Renegotiate collective bargaining agreement provisions	N/A
R.11	Decrease employer costs for dental and vision insurance	\$210,400
R.12	Eliminate five curricular service contracts	\$162,500
R.13	Conduct a citizen survey concerning CTE course offerings	N/A
R.14	Develop a comprehensive staffing plan	N/A
R.15	Develop a multi-year capital improvement plan	N/A
R.16	Improve the accuracy of building and grounds overtime reporting data	N/A
R.17	Eliminate an additional 0.0 FTE facility positions	N/A
R.18	Enhance internal control measures for T-Form reporting	N/A
Total Cost Savings from Performance Audit Recommendations		\$6,003,586

Table 3 shows PCSD's ending fund balances as projected in its October 2016 five-year forecast. This ending fund balance includes all projected savings identified in the District's financial recovery plan. The Board of Education approved the financial recovery plan on October 27, 2016 with implementation anticipated at the beginning of January 2017. **Table 3** also shows PCSD's reconciled ending funding balance with the adoption of the recovery plan as of March 21, 2017. Included are annual savings identified from this performance audit and the estimated impact that implementation of the recommendations will have on the District's ending fund balances while implementing their financial recovery plan.

Table 3: Financial Forecast with Performance Audit Recommendations

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Ending Fund Balance with Financial Recovery Plan¹	\$178,627	\$284,252	(\$1,869,855)	(\$5,408,179)	(\$11,579,677)
Ending Fund Balance with Reconciled Financial Recovery Plan Implementation as of March 21, 2017²	(\$1,708,421)	(\$3,995,056)	(\$8,282,783)	(\$14,024,727)	(\$22,478,844)
Cumulative Balance of Performance Audit Recommendations	\$0	\$6,003,586	\$12,007,172	\$18,010,758	\$24,014,344
Revised Ending Fund Balance	(\$1,708,421)	\$2,008,530	\$3,724,389	\$3,986,031	\$1,535,500

Source: PCSD, ODE, and performance audit recommendations

Note: Parma CSD began implementing the financial recovery plan mid-year FY 2016-17. However, performance audit recommendations are assumed to begin implementation at the start of FY 2017-18.

¹ The ending fund balance with financial recovery plan reflects the District's projection of the impact that full implementation of the recovery plan will have on ending fund balances over the five-year forecast period.

² The ending fund balance with reconciled financial recovery plan implementation as of March 21, 2017 reflects documented, verifiable cost savings resulting from implementation of the District's up-to-date implementation of the financial recovery plan.

As shown in **Table 3**, fully implementing the performance audit recommendations to the original ending fund balance would result in a cumulative ending fund balance of approximately \$1,535,500 by FY 2020-21.

ORC § 3316.031(C) requires entities in fiscal caution to provide a written proposal for discontinuing and/or correcting the fiscal practices and/or budgetary conditions that prompted fiscal declaration. On October 27, 2016, PCSD approved a FY 2016-17 and FY 2017-18 financial recovery plan (see **Appendix C**). This recovery plan outlines the District's strategies to address current and future deficits. The financial results of the approved recovery plan are reflected in the November 2016 five-year forecast (see **Table 6**).

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

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

ODE is charged with monitoring school districts' compliance with MOE requirements and is also in a position of working with districts to facilitate seeking a waiver from the US Department of Education, where available within the grant guidelines, when certain conditions are evident.² Two such conditions specific to Title I include:

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

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

² IDEA Part B does not have a MOE waiver option.

Background

In April 2016, AOS, in consultation with ODE, determined that it was appropriate to conduct a performance audit of PCSD. This determination was the result of the District's October 2015 forecasted financial condition. The District had projected expenditures would outpace revenue for all five years in the forecast period resulting in increased growth of negative year-end fund balances in FY 2018-19 and FY 2019-20. AOS has conducted three previous performance audits of PCSD. A full performance audit was conducted in 1998 and again in 2011. A limited scope performance audit of facilities and purchasing was completed in 2010 at the District's request.

Table 4 shows PCSD's total revenues, total expenditures, results of operations, beginning and ending cash balances, and ending fund balance as projected in the District's October 2015 five-year forecast. This information is an important measure of the financial health of the District and serves as the basis for identification of fiscal distress conditions.

Table 4: PCSD Financial Condition Overview (October 2015)

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Total Revenue	\$146,666,365	\$147,427,426	\$145,984,321	\$138,368,121	\$138,437,155
Total Expenditures	\$148,714,120	\$150,072,015	\$151,498,422	\$154,017,515	\$156,499,177
Results of Operations	(\$2,047,755)	(\$2,644,589)	(\$5,514,101)	(\$15,649,394)	(\$18,062,022)
Beginning Cash Balance	\$6,021,234	\$3,973,479	\$1,328,890	(\$4,185,211)	(\$19,834,605)
Ending Cash Balance	\$3,973,479	\$1,328,890	(\$4,185,211)	(\$19,834,605)	(\$37,896,627)
Ending Fund Balance	\$2,723,479	\$1,328,890	\$7,289	(\$7,579,605)	(\$17,579,126)

Source: PCSD and ODE

As shown in **Table 4**, PCSD projected negative results of operations every year of the forecast period indicating that District was projected to spend more than it brought in in revenue in each year. More specifically, as a result of operations, the District projected to spend approximately \$43.9 million more than it anticipated receiving in revenue during the forecasted period. Although this deficit spending was anticipated to be partially offset by the District's initial cash reserves, these reserves were expected to be fully depleted by the end of FY 2017-18. The projected net result of these spending and revenue trends was that the District projected to end FY 2018-19 with a deficit of approximately \$7.6 million; growing to a deficit of nearly \$17.6 million by the end of the forecast period.

In order to offset this deficit spending, the forecast reflected that the District would seek voter approval for nearly \$14.0 million annually in new revenue starting with partial collections of nearly \$7.7 million in FY 2018-19. This was in addition to the renewal of the 2012 emergency levy which was anticipated to take place in FY 2016-17 maintaining annual revenue of more than \$8.0 million. Cumulatively, the renewal of the emergency levy and the infusion of new levy money was projected to enable the District to end FY 2019-20 with a surplus of more than \$4.0 million.

In May 2016, PCSD approved and released an updated forecast which projected a sharp decline in its financial condition resulting in much more severe and more rapidly occurring fund deficits. Based on this forecast, and primarily due to the FY 2016-17 projected deficit, ODE determined that it was appropriate to place the District into fiscal caution effective August 1, 2016.

It is important to note that between October 2015 and May 2016 the District's previous Treasurer resigned and a new Treasurer was hired. Although the forecast must be approved by the Board and should be reflective of the views and plans of both the District administration and elected officials, the forecast itself is largely prepared by the Treasurer. Individual philosophies on forecasting may vary (e.g. more aggressive or conservative assumptions) even when projecting from the same baseline data. Furthermore, the actual numbers driving a forecast are much more detailed than the assumptions that are published alongside the forecast. As such, this performance audit focused on evaluating the differences between the forecasts to provide context for assessing the overall sufficiency and reasonableness of the May and October 2016 versions of the forecast. Both of which were found to be sufficiently supported, reliably stated to historical data, and reasonably projected based on documentation provided.

Table 5 shows PCSD's total revenues, total expenditures, results of operations, beginning and ending cash balances, and ending fund balance as projected in the District's May 2016 five-year forecast. Due to the timing of five-year forecast reporting periods (i.e. by October 31 and May 31) the District's FY 2015-16 revenues and expenditures were largely actuals rather than projections. Although PCSD's total revenues remained relatively consistent with what was projected in the October 2015 five-year forecast, the District's expenditures saw a slight increase of nearly \$2.5 million or 1.7 percent.

Table 5: PCSD Financial Condition Overview (May 2016)

	FY 2015-16	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20
Total Revenue	\$146,611,770	\$143,036,875	\$138,041,250	\$132,881,250	\$132,881,250
Total Expenditures	\$151,213,189	\$149,220,874	\$152,526,374	\$155,988,882	\$159,158,979
Results of Operations	(\$4,601,419)	(\$6,183,999)	(\$14,485,124)	(\$23,107,632)	(\$26,277,729)
Beginning Cash Balance	\$6,021,234	\$1,419,815	(\$4,764,184)	(\$19,249,308)	(\$42,356,940)
Ending Cash Balance	\$1,419,815	(\$4,764,184)	(\$19,249,308)	(\$42,356,940)	(\$68,634,669)
Ending Fund Balance	\$169,815	(\$4,764,184)	(\$15,056,808)	(\$30,101,940)	(\$48,317,169)

Source: PCSD and ODE

As shown in **Table 5**, PCSD continued to project negative results of operations for each year of the forecast. These annual operating losses were more than \$74.6 million. This was a total operating loss of \$30.7 million more than was projected in the previous forecast over the same time period. In-turn, the increasingly severe deficit spending also affected the deficit ending fund balances. These deficits were projected to first occur in FY 2016-17 culminating in a total FY 2019-20 ending deficit of more than \$48.3 million; two years earlier and cumulatively more than \$30.7 million more than the previous forecast. In general, the May 2016 five-year forecast presented a relatively more conservative projection than that which was presented in the October 2015 five-year forecast. Revenues from FY 2016-17 through FY 2019-20 were estimated to decrease annually by 3.3 percent while expenditures over the same time period were estimated to increase by 1.0 percent.

In October 2016, PCSD approved and released an updated forecast which included the impact of a financial recovery plan for FY 2016-17 and FY 2017-18 that the District was required to prepare, approve, and submit to ODE as a condition of its fiscal caution status. (See **Appendix C** for the District’s full financial recovery plan.) This forecast was again updated, approved, and released in November 2016 to reflect the successful renewal of the more than \$8.0 million emergency levy on November 8, 2016.³ The addition of these funds back into the forecast revenue line-item was the only significant difference between the October 2016 and November 2016 forecasts (see **Appendix D** for complete versions of both forecasts).

Table 6 summarizes the November 2016 five-year forecast, showing total revenues, total expenditures, results of operations, beginning and ending cash balances, and year-ending fund balances. Analyzing this forecast in relation to the May 2016 forecast provides insight into the expected impact of the recovery plan.

Table 6: PCSD Financial Condition Overview (November 2016)

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Total Revenue	\$142,988,379	\$140,910,402	\$141,567,425	\$142,817,425	\$138,218,495
Total Expenditures	\$143,383,813	\$140,804,777	\$143,721,532	\$146,355,750	\$148,988,922
Results of Operations	(\$395,434)	\$105,625	(\$2,154,107)	(\$3,538,325)	(\$10,770,427)
Beginning Cash Balance	\$1,324,061	\$928,627	\$1,034,252	(\$1,119,855)	(\$4,658,180)
Ending Cash Balance	\$928,627	\$1,034,252	(\$1,119,855)	(\$4,658,180)	(\$15,428,607)
Ending Fund Balance	\$178,627	\$284,252	(\$1,869,855)	(\$5,408,180)	(\$11,579,677)

Source: PCSD and ODE

As shown in **Table 6**, with implementation of the financial recovery plan and the renewal emergency levy revenue, PCSD projects to end FY 2017-18 with positive results of operations and both FY 2016-17 and FY 2017-18 with positive ending fund balances. However, the District projects to re-engage in deficit spending beginning in FY 2018-19 and continuing through the duration of the forecast period. This cumulative deficit spending is projected to amount to nearly \$16.5 million from FY 2018-19 to FY 2020-21 and will result in negative ending fund balances during these same years and culminating in a fund deficit of nearly \$11.6 million by FY 2020-21. This ending fund deficit includes the projected renewal of a nearly \$9.2 million emergency levy in November 2020.

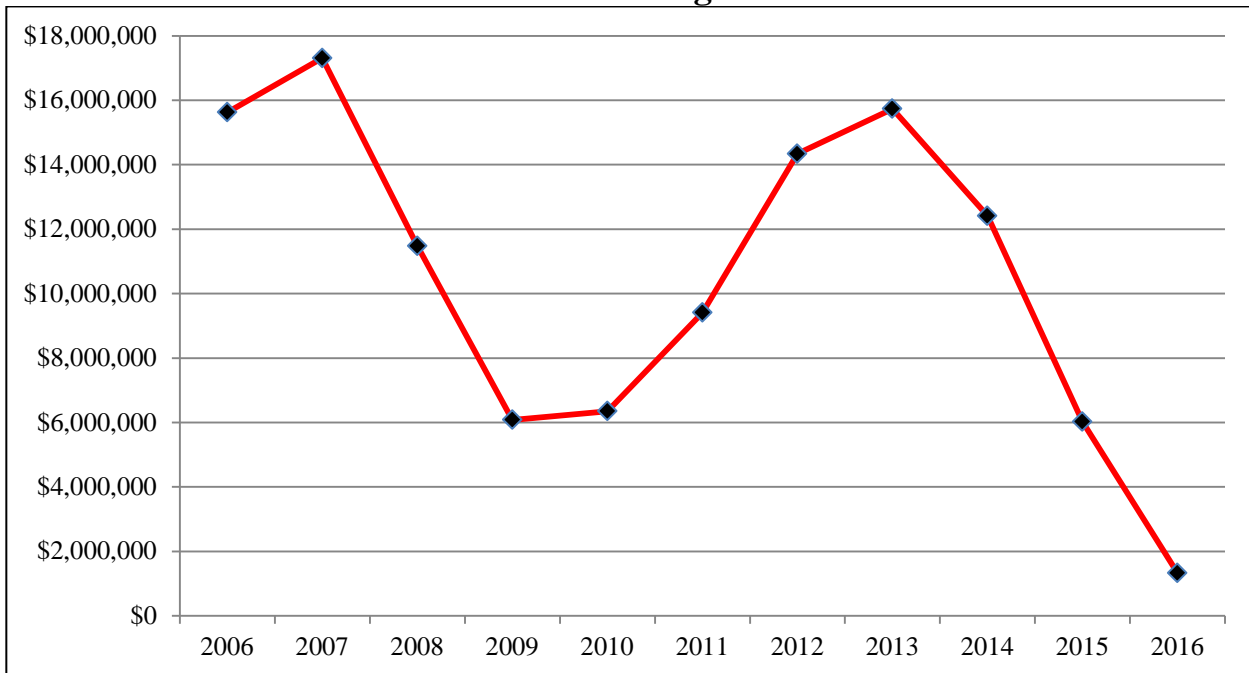
None of the three forecasts that were prepared and approved during 2016 reflect District plans to seek voter approval of any new levy money through the duration of the forecast period.

³ This issue was approved with nearly 63.0 percent of voters supporting the renewal.

Ending Cash Balance Overview

Chart 1 shows PCSD's five-year forecast ending cash balances from FY 2005-06 through FY 2015-16. These ending cash balances are located on line 7.020 of the five-year forecast (see **Appendix D**). An examination of this baseline financial data shows the amount of cash the District has at the end of the fiscal year. This is important because it better equips school administration to make informed decisions regarding district operations based on the current amount and historical trend of cash.

Chart 1: Historical Ending Cash Balances



Source: PCSD and ODE

Note: Chart 1 includes encumbrances

As shown in **Chart 1**, the ending cash balance decreased significantly in the last decade. Specifically, a large decrease in the ending cash balance occurred between FY 2006-07 and FY 2010-11 due to expenditures outpacing revenues. To address the declining balances, in May 2011, the District's residents approved a new 10-year, 6.90 mills emergency levy which generates \$15.6 million dollars per year. Despite passage of the new levy, the District's expenditures again began to outpace revenues in FY 2013-14 and this fiscal imbalance has continued through FY 2015-16.

Property Tax Revenue Overview

PCSD's single largest source of revenue is from property tax collections; in FY 2015-16 this equated to approximately \$107.9 million or 73.0 percent of the District's total revenue of \$147.8 million. Property tax rates are calculated in mills, each of which is one/one thousandth of assessed property value (i.e. one dollar for every \$1,000 assessed).

The District's property taxes for FY 2015-16 were levied based on a total of 75.71 voted mills, including: 46.50 mills of continuing outside millage; 5.10 mills of continuing inside millage;

3.00 mills of continuing permanent improvement millage, which is not included in the General Fund; and four separate emergency operating levies totaling 20.91 mills.

The four emergency operating levies generate nearly \$40.5 million dollars annually and will end collections without voter re-approval or replacement in the following years:

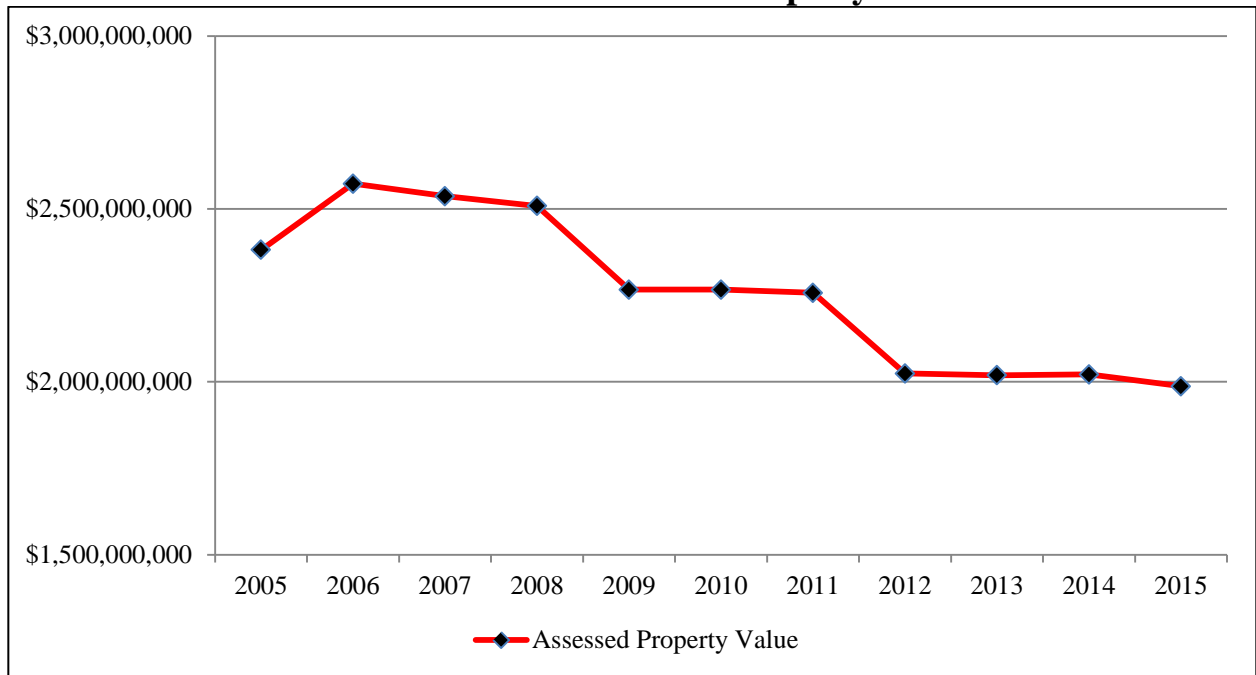
- 4.81 mills with last collections of \$9,197,869 in 2020;
- 8.10 mills with last collections of \$15,624,693 in 2021;
- 3.80 mills with last collections of \$7,603,000 in 2024; and
- 4.20 mills with last collections of \$8,062,500 in 2027.

Reappraisal and Update

ORC § 5715.33 requires county auditors to reappraise property value once every six years. On the third year between reappraisals, the county auditor is required to perform a statistical analysis of the sales which have occurred in the prior three years and provide for a percentage adjustment to the values of all properties within the county. This process is called the triennial update. As a result of a reappraisal or triennial update, property values may go up or down which will affect the amount a homeowner will pay in property taxes.

Chart 2 shows a historical look at PCSD assessed property value. Examining the District’s assessed property value provides context as to how reappraisal and triennial updates have affected property values.

Chart 2: Historical Assessed Property Value



Source: Ohio Department of Taxation (DOT)

As shown in **Chart 2**, total assessed property value decreased by \$400 million, or 16.6 percent from CY 2005 to CY 2015. Specifically, large decreases in total assessed property value resulted from the reappraisals (i.e. 2012) and triennial updates (i.e. 2009 and 2015). Although

the impact of future assessed property values cannot be known at this time, the next Cuyahoga County reappraisal is scheduled for 2018.

Tax Reduction Factors

In 1976, the Ohio general assembly enacted House Bill (H.B.) 920 which set out to limit property tax growth by reducing voted millage rates when property values rise. This tax reduction factor applies to both current expense and permanent improvement levies. In practice, as property values increase the revised, effective millage is reduced so that the levy will generate the same amount of revenue as when it was originally approved by voters. However, if property values decrease, the millage rate cannot exceed that which was originally voted. As a result, it is possible that current expense and permanent improvement levies may generate less revenue over time. Although tax reduction factors do not apply to inside or “unvoted” millage, the amount of revenue generated by this millage is subject to change as assessed property values change. In contrast, emergency operating levies are designed to generate a specific amount of revenue regardless of changes in assessed property values. However, emergency operating levies are only able to be approved for a maximum of 10 years at a time.

Table 7 shows PCSD’s levies with all original voted millage rates; effective millage rates, and the revenue generated. This data helps differentiate the extent to which the District’s levies are subject to tax reduction factors as well as, for those that are, to demonstrate how effective millage rates have generally decreased for older levies, but have remained relatively constant for newer levies.

Table 7: Original and Effective Millage and Revenue for 2015

Levy Type	Original Millage Rate	Effective Millage Rate	2015 Revenue
Inside/Unvoted Millage	5.1000	5.1000	\$10,134,709
1976 Current Expense	28.9000	11.1369	\$22,131,232
1982 Current Expense	6.7000	4.0896	\$8,126,896
2000 Current Expense	6.0000	5.9323	\$11,788,718
2000 Permanent Improvement	2.0000	1.9774	\$3,929,573
2005 Current Expense	4.9000	4.9000	\$9,737,270
2005 Permanent Improvement	1.0000	1.0000	\$1,987,198
2009 Emergency	4.0000	4.0000	\$7,603,000
2010 Emergency	4.8100	4.8100	\$9,197,860
2011 Emergency	6.9000	8.1000	\$15,624,693
2012 Emergency ¹	4.2000	4.2000	\$8,062,500
Total	74.5100	55.2462	\$108,323,649

Source: Cuyahoga County, ODT, and PCSD

Note: Shaded rows indicate levies that are subject to tax reduction factors.

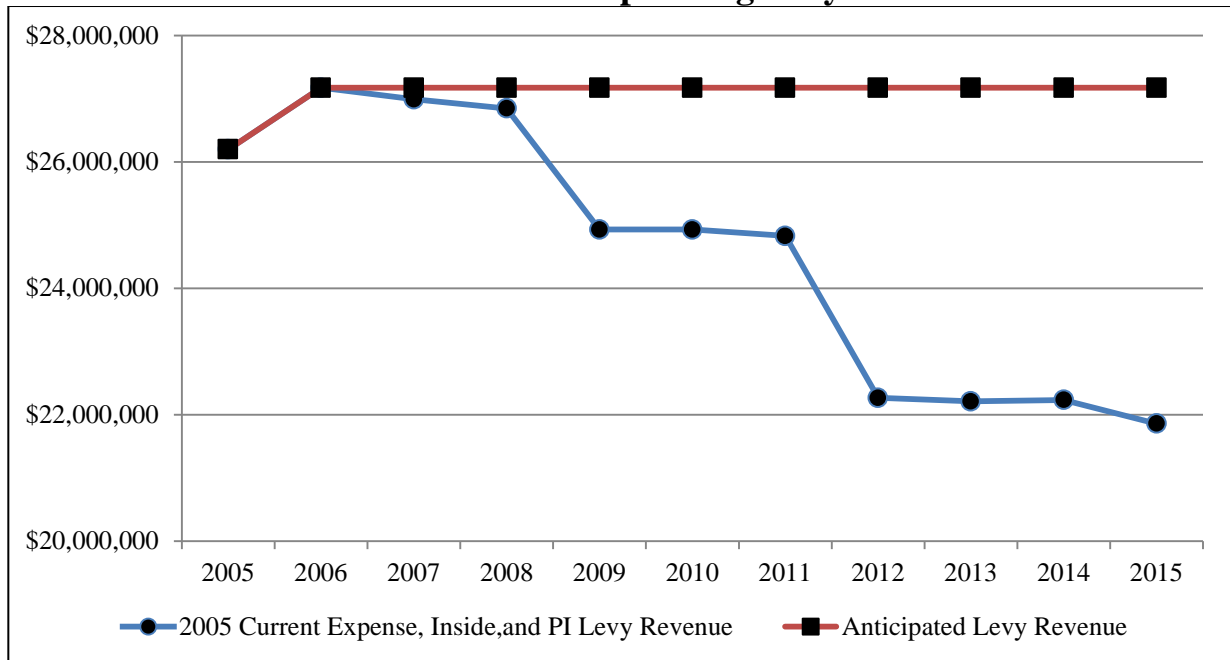
¹ This levy was renewed by the District’s voters on November 8, 2016 for 10 years at the same fixed revenue amount and millage rate.

As shown in **Table 7**, PCSD has several levies that could generate less revenue as property values decline. However, the 1976, 1982, and 2000 current expense as well as the 2000 permanent improvement levies are all at a lower effective millage than was originally voted. This indicates that additional decreases in valuation may not have an immediate negative effect on revenue, depending on the severity of the decrease. However, there are three levies that

would immediately generate less revenue due to declining property values, including the inside/unvoted millage as well as the 2005 current expense and 2005 permanent improvement levies; both of which are subject to tax reduction factors. Given that voted and effective millage are the same, the revenue generated by these levies is likely to have decreased significantly since 2005.

Chart 3 shows the effect of declining property values on the District’s inside/unvoted millage as well as the 2005 current expense and permanent improvement levies. This type of analysis is important because it compares revenue from property values that peaked in FY 2005-06 and illustrates how H.B 920 and property value declines since 2005-06 have impacted revenue.

Chart 3: FY 2004-05 Operating Levy Revenue



Source: PCSD and ODT

Note: The increase in revenue from CY 2005 to CY 2006 is only attributable to inside/unvoted millage.

As shown in **Chart 3**, revenue from the last voter approved current expense and permanent improvement levy along with inside/unvoted millage has been reduced from approximately \$27.1 million in 2005 to approximately \$21.8 million in 2015. Specifically, property values staying consistent with 2006 levels would have resulted in approximately \$27.1 million in revenue, but because property values declined 16.6 percent, these levies collected approximately \$21.8 million which is a difference of approximately \$5.3 million, or 19.6 percent.

Revenue is not directly controlled by school districts, but instead by Federal and State laws, and support from local residents. ODE uses the Local Tax Effort Index to compare means-adjusted taxpayer support between school districts in Ohio. This index reflects the extent of effort the residents of a school district make in supporting public elementary and secondary education in relation to their ability to pay. A local tax effort of 1.0 represents the State-wide average of all school districts. The District’s local tax effort was 1.3525 for FY 2014-15 while

the average for the 30 other districts in Cuyahoga County, excluding PCSD, was 1.0265; signifying PCSD receives 31.8 percent more means-adjusted local taxpayer support.

Eliminating future deficits can be accomplished by decreasing expenditures, increasing revenue, or a combination of both. Management control over operating decisions can directly affect expenditures. Consequently, the District's management, operations, and resulting expenses were examined by OPT in an effort to identify areas of potential cost savings. The District's ability to generate additional revenue has ultimately been impacted by the decline in property values. Because this decline has been both significant and fast approaching, the District's option of increasing revenue can no longer be a singular answer to eliminating the deficit. Due to the timing of the District's fiscal designation, it now has to reduce a significant amount of expenditures to fully address the projected deficits.

Recommendations

R.1 Update the strategic plan and link the budget to goals

PCSD last created a long-term strategic plan in 2014. This document is available on the District's website and includes detailed action plans with regard to facilities, personalizing education, community engagement, student equity, and student pride. However, since that time, there have been several changes in District leadership including a new Superintendent, Treasurer, Business Manager, and several new School Board members. As a result, the strategic plan has not been updated or replaced and is no longer linked to the District's budget. Although the Treasurer requested and included input from District and building administrators when creating the annual budget, there was no formal connection between the budget and strategic goals, objectives, and/or performance measures.

Establishment of Strategic Plans (GFOA, 2005) indicates that governments should develop a strategic plan in order to provide a long-term perspective for service delivery and budgeting. The strategic plan should establish logical links between spending and goals. In addition, the focus of the strategic plan should be on aligning organizational resources to bridge the gap between present conditions and the envisioned future. The GFOA recommends the following steps when developing a strategic plan:

- Initiate the strategic planning process;
- Prepare a mission statement;
- Identify and assess environmental factors and critical issues;
- Agree on a small number of goals and develop strategies and action plans to achieve them;
- Develop measurable objectives and incorporate performance measures;
- Approve, implement, and monitor the plan; and
- Reassess the strategic plan annually.

Changes in administration and financial situations often lead districts such as PCSD to reduce focus on long-term, strategic planning in order to address immediate constraints. However, during such periods, these decisions and the impact of all financial changes are even more critical. By linking strategic planning more directly to budgets, the District and the community can more fully evaluate desired outcomes and the effect that spending decisions, including reduced spending, will have on program outcomes. This, in turn, could result in an increase in the efficiency and effectiveness of addressing District needs and preparing for the future

R.2 Consider eliminating General Fund subsidy of extracurricular activities

During the course of the audit, PCSD implemented increases to pay-to-play fees and reduce supplemental expenditures that are anticipated to result in an annual reduction of \$216,000. However, due to the District's financial condition, the recommendation to consider fully eliminating the General Fund subsidy of extracurricular activities, including consideration of implementing full "pay-to-play" for certain activities, is still warranted.

In FY 2015-16, PCSD expended more than \$3.6 million on academic, occupational, sports-oriented extracurricular activities, and school & public service co-curricular which included the salaries and benefits of directors, coaches, and advisors; supplies and materials; transportation services; awards and prizes; and other miscellaneous expenditures.

Table 8 shows the revenue, expense, and net cost of extracurricular activities by activity type compared to the primary and local peers for FY 2015-16. This type of analysis is important in that any net cost to the District results in the need to allocate General Fund resources to cover the cost. Further, analyzing data by activity type is important because it identifies activities requiring the greatest level of General Fund subsidy, and can help the District make appropriate management decisions to reduce or eliminate the net cost of those activities.

Table 8: Extracurricular Net Cost Comparison

	PCSD			Primary Peer Avg.	Local Peer Avg.
Students	10,465			9,920	5,043
Activity Type	Rev.	Exp.	Net Cost		
Academic Oriented	\$104,753	\$669,184	(\$564,431)	(\$314,226)	(\$250,205)
Occupation Oriented	\$69,878	\$90,197	(\$20,319)	(\$10,400)	(\$9,919)
Sport Oriented	\$826,881	\$1,998,186	(\$1,171,305)	(\$1,444,933)	\$273,628
School & Public Service Co-Curricular	\$157,321	\$895,118	(\$737,797)	(\$152,342)	(\$585,455)
Bookstore Sales	\$6,866	\$0	\$6,866	\$7,978	(\$1,112)
Other Extracurricular	\$248,296	\$0	\$248,296	\$135,470	\$112,826
Non-specified ¹	\$127,791	\$0	\$127,791	\$518,649	(\$390,858)
Total	\$1,541,786	\$3,652,685	(\$2,110,899)	(\$1,259,804)	(\$851,095)
Net Cost per Student			(\$201.71)	(\$126.99)	(\$168.76)

Source: PCSD, ODE, and primary peers

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

As shown in **Table 8**, although PCSD was able to generate more than \$1.5 million in revenue, the District's net cost of approximately \$2.1 million, or \$201.71 per student, was significantly more than either the primary or local peer average. Specifically, the District operated all four revenue generating activities (i.e. academic oriented such as English and math, occupation oriented such as future farmers of America and teachers, sports oriented such as baseball and basketball, and school and public services co-curricular such as student government and yearbook) at a net cost.

Sports oriented activities operated with the largest net cost of over \$1.1 million followed by school and public service co-curricular activities with a net cost of over \$737,000. However, these two program areas also generated significant revenue; nearly \$827,000 and \$157,321, respectively. A portion of this revenue is generated through fees to participate in program activities; commonly referred to as pay-to-participate.

PCSD offers pay-to-participate athletics for football, baseball, basketball, cheerleading, cross country, golf, hockey, soccer, softball, swimming, tennis, track, volleyball and wrestling. The District last set its pay-to-participate fees in May 2013; with two rates for non-football and football. The non-football fee is set at \$150 for the first sport, \$100 for a second sport, and \$50 for a third sport. For football, the fees are \$250, free for a second sport, and \$50 for a third sport. Regardless of the fee schedule, the District put a maximum dollar cap of \$800 per family in place. In addition to pay-to-participate athletics, there is a \$50 charge for high school marching band and a \$10 fee for elementary band and choir.

Given the District's current financial condition, options to eliminate the General Fund subsidy of extracurricular activities may be necessary. In exploring these options the District should increase revenue and/or decrease expenditures. This can be achieved by implementing one or more of the following:

- Increase pay-to-participate fees to fully cover the cost of participation in each activity;
- Increase admissions and sales;
- Increase booster funding/donations;
- Reduce the supplemental salary schedule; and/or
- Eliminate programs and activities.

Financial Implication: Reducing student activities expenditures and/or increasing revenue to enable the student extracurricular activity to become self-sufficient could save the District **\$2,110,900** annually based on FY 2015-16.

R.3 Improve stakeholder access to financial and operational information

During the course of the audit, PCSD produced a Financial Recovery Plan (see Appendix C) which was presented and explained in detail to the public. In addition, the District has since formed a stakeholder group dedicated to transparency and community involvement.

PCSD shares a significant amount of financial information on its website, including:

- Video recorded Board meetings;
- Community newsletters;
- Historical and current five-year forecasts;
- Financial audits;
- Performance audits;
- Payroll information;
- Insurance committee meeting minutes, and;
- A financial reporting tool, which allows the user to search all financial transactions by fund, function, object, purchase order number, and check number.

However, with the District's rapid decline in projected financial condition and subsequent placement into fiscal caution (see **Background**) public concern was heightened. This heightened concern has been largely focused on transparency of District decision making, management, and operations, but ultimately calls into question the overall effectiveness of these information sharing efforts in actually meeting stakeholder needs. A thematic concern voiced by stakeholders is that the District does not fully engage and ask for feedback regarding its budgetary, curriculum, and/or community focus. By not engaging stakeholders in a way that provides them with an opportunity to offer meaningful and impactful community decisions, support for the District can wane.

Back to the Base: Citizen Involvement and the Budget Process (Government Finance Review (GFR), 2010), explains that failing to get direction and support from key constituencies can result in fiscal distress. Failing to request citizen feedback about the kind of school they want including the appropriate mix of taxes and services can lead to citizens not supporting all services. As such, a citizen survey can be used as a tool to find out what the public's highest priorities and most valued services. Likewise, surveys can reveal citizens' perception of the value students receive from their tax dollars. This information can be used to better align the services provided with what citizens most want.

In addition, *Content Guidelines for the Citizen-Centric Report* (Association of Government Accountants (AGA), 2010), encourages governments to provide meaningful and understandable information about the financial condition and performance of the government to its citizens in a four-page citizen-centric report. The AGA publication highlights the following content that should appear in this type of report:

- Strategic objectives;
- Performance report on key missions and services;
- Costs for servicing the citizens and how those costs were paid; and
- Challenges moving forward.

PCSD should improve the communication of financial and operational information to stakeholders by making its budget and operational plans easily accessible and understandable. Furthermore, and to the extent practicable, the District should seek to involve stakeholders in meaningful dialogue and/or decision making. These steps will help to ensure the District is maintaining the necessary accountability and transparency to stakeholders while also building positive support for necessary short and long-term decision making.

R.4 Eliminate an additional 0.0 FTE administrative positions

During the course of the audit, PCSD implemented administrative staffing reductions, including elimination of positions through attrition, as identified in the Financial Recovery Plan (see Appendix C) in an effort to proactively reduce FY 2016-17 expenditures. In total, PCSD eliminated 7.63 FTE administrative positions with a financial impact, based on actual salaries and benefits, totaling \$747,899 and reflected in Table 3.

The District's action in eliminating administrative positions has already exceeded the initial recommended level of reduction identified by the performance audit; as such, this recommendation is considered fully implemented.

The Educational Management Information System (EMIS) is the statewide data collection system used for primary and secondary education. EMIS data files such as staff, student, district/building, and financial data are collected through this system and used for State and federal reporting which determine the appropriate level of funding. According to the *ODE EMIS Manual, Staff Employment Record* (ODE, 2015), administrators include personnel who perform management activities, such as developing broad policies for the school district and executing these policies through the direction of staff members at all levels.

Table 9 shows the District's administrative staffing, on a full-time equivalent (FTE) basis, per 1,000 students compared to the primary peer average for FY 2015-16. Comparing administrative staffing in relation to student population normalizes the effect of district size between PCSD and the peers.

Table 9: Administrative Staffing Comparison

	PCSD	Primary Peer Avg.	Difference		
Students Educated ¹	10,587	9,857	730		
Students Educated (thousands)	10.587	9.857	0.73		
Classification	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Total FTEs Above/ (Below) ²
Assistant Deputy/Associate Superintendent Assignment	0.00	0.0	0.10	(0.10)	(0.99)
Assistant Principal	12.00	1.13	1.10	0.03	0.32
Principal	14.00	1.32	1.27	0.05	0.53
Superintendent	1.00	0.09	0.10	(0.01)	(0.11)
Supervising/Managing/Directing	11.62	1.10	0.55	0.55	5.82
Treasurer	1.00	0.09	0.11	(0.02)	(0.21)
Coordinator	2.00	0.19	0.64	(0.45)	(4.76)
Education Administrative Specialist	2.00	0.19	0.18	0.01	0.11
Director	6.00	0.57	0.49	0.08	0.85
Other Official/Administrative	5.00	0.47	0.22	0.25	2.65
Public Relations	0.00	0.00	0.07	(0.07)	(0.74)
Planning/Research/Development/Evaluation/Analysis Assignment	1.00	0.09	0.0	0.09	0.95
Total FTEs	55.62	5.25	4.83	0.41	4.34

Source: PCSD, ODE, and primary peers

Note: FTE ratios and totals may vary due to rounding.

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

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

As shown in **Table 9**, administrative staffing was above the peer average. The District would need to reduce 4.0 FTE administrative positions in order to achieve a staffing ratio in line with the primary peer average.

R.5 Eliminate an additional 23.0 FTE office/clerical positions

During the course of the audit, PCSD implemented office/clerical staffing reductions, including elimination of positions through attrition, as identified in the Financial Recovery Plan (see Appendix C) in an effort to proactively reduce FY 2016-17 expenditures. In total, PCSD eliminated 16.34 FTE office/clerical positions with a financial impact, based on actual salaries and benefits, totaling \$528,573 and reflected in Table 3.

Office/clerical personnel are responsible for general office activities or building, department, and/or administrative secretarial duties. **Table 10** shows the District's FY 2015-16 office/clerical staffing compared to the primary peer average on a per 1,000 student basis. This type of analysis is important because it helps the District identify classifications that have more FTEs compared to the peers when student populations are equalized.

Table 10: Office/Clerical Staffing Comparison

	PCSD	Primary Peer Avg.	Difference		
Students Educated ¹	10,587	9,857	730		
Students Educated (thousands)	10.587	9.857	0.730		
Classification	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Total FTEs Above/ (Below) ²
Administrative Assistant	0.00	0.00	0.08	(0.08)	(0.85)
Accounting	1.00	0.09	0.08	0.01	0.11
Attendance Officer	0.00	0.00	0.05	(0.05)	(0.53)
Bookkeeping	11.00	1.04	0.28	0.76	8.05
Clerical	82.74	7.82	6.04	1.78	18.85
Family and Community Liaison	18.00	1.70	0.00	1.70	18.00
Linkage Coordinator Assignment	1.00	0.09	0.08	0.01	0.11
Messenger	0.00	0.00	0.03	(0.03)	(0.32)
Other Office/Clerical	2.00	0.19	0.35	(0.16)	(1.70)
Parent Monitor	0.60	0.06	0.07	(0.01)	(0.11)
Records Managing	3.00	0.28	0.42	(0.14)	(1.48)
Telephone Operator	0.00	0.00	0.02	(0.02)	(0.21)
Total FTEs	119.34	11.27	7.50	3.77	39.91

Source: PCSD, ODE, and primary peers

Note: FTE ratios and totals may vary due to rounding.

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

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

As shown in **Table 10**, total office/clerical staffing was significantly above the peer average. The District would need to reduce 39.5 FTE office/clerical positions in order to achieve a staffing ratio in line with the primary peer average.

Financial Implication: Eliminating an additional 23.0 FTE office/clerical positions could save **\$843,954** in salaries and benefits annually. This was calculated using the least tenured office/clerical position actual salaries and benefits. The estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher-tenured staff.

R.6 Eliminate an additional 23.0 FTE general education teacher positions

During the course of the audit, PCSD implemented general education teacher staffing reductions, including elimination of positions through attrition, as identified in the Financial Recovery Plan (see Appendix C) in an effort to proactively reduce FY 2016-17 expenditures. In total, PCSD eliminated 19.84 FTE general education teacher positions with a financial impact, based on actual salaries and benefits, totaling \$1,232,215 and reflected in Table 3.

General education teachers instruct students in a regular classroom environment. This category excludes teaching staff in other areas such as gifted, special education, career-technical and educational service personnel (ESP). OAC 3301-35-05 requires that the district-wide ratio of general education teachers to students be at least 1.0 FTE classroom teacher for every 25 regular students.

Table 11 shows a general education staffing comparison based on the District's FY 2015-16 students to teacher ratio. It is important to compare staffing to both the primary peer average and State minimum requirements to provide a more accurate picture of both relative staffing efficiency and options for the District to evaluate.

Table 11: General Education Teacher Staffing Comparison

General Education FTEs					443.2
Regular Student Population ¹					9,003.3
Staffing Ratio (Students: Teachers)					20.3:1
Staffing Options	Staffing Ratio (Students: Teachers)	Total FTEs Needed	Difference Above/ (Below)	FTE Reduction	Annual Savings
Option 1: Primary Peer Average	21.0:1	428.7	14.5	14.5	\$861,400
Option 2: 10% Above State Minimum	22.5:1	400.1	43.1	43.0	\$2,473,400
Option 3: State Minimum	25.0:1	360.1	83.1	83.0	\$5,473,000

Source: PCSD, ODE, and OAC

Note: FTE ratios and totals may vary due to rounding.

¹ Regular student population represents the number of students not on an individual education plan (IEP) and is specifically used to calculate State minimum teacher staffing.

As shown in **Table 11**, the District's general education teacher staffing level is above the peer average and above the State minimum requirement. While the selection of one of the staffing options is ultimately District management's responsibility based on the needs and desires of the stakeholders in its community. Staffing decisions must be balanced with the fiduciary responsibility to adapt to the District's financial realities and maintain a solvent operation. Prior to making any reductions, the District should review staffing in all areas to determine

appropriate service levels based on programmatic needs and responsibilities. The option to reduce general education staffing to State minimums is not a common practice in Ohio, but may be necessary to maintain financial solvency based on the deficit projections in the December 2016 five-year forecast and the District's fiscal caution status.

Financial Implication: Eliminating an additional 23.0 FTE general education teachers could save **\$1,257,408** in salaries and benefits annually. This savings was calculated using the least tenured general education teacher position actual salaries and benefits. The estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher-tenured staff.

R.7 Eliminate an additional 5.0 FTE professional positions

During the course of the audit, PCSD implemented professional staffing reductions, including elimination of positions through attrition, as identified in the Financial Recovery Plan (see Appendix C) in an effort to proactively reduce FY 2016-17 expenditures. In total, PCSD eliminated 1.35 FTE professional positions with a financial impact, based on actual salaries and benefits, totaling \$53,714 and reflected in Table 3.

Professional personnel are responsible for providing guidance to other staff members to improve the curriculum within the District and evaluate other teachers. Professional personnel can act as mentors and/or coaches to entry-level teachers, but do not have direct responsibility for routinely teaching students in a classroom.

Table 12 shows the District's FY 2015-16 professional staffing compared to the primary peer average on a per 1,000 student basis. Analyzing FTEs in this manner provides context to staffing levels and workload measures.

Table 12: Professional Staffing Comparison

	PCSD	Primary Peer Avg.	Difference		
Students Educated ¹	10,587	9,857	730		
Students Educated (thousands)	10.587	9.857	0.730		
Classification	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Total FTEs Above/ (Below) ²
Curriculum Specialist	14.00	1.32	0.87	0.45	4.76
Teacher Mentor/Evaluator	1.00	0.09	0.02	0.07	0.74
Other Professional	13.60	1.28	1.23	0.05	0.53
Total FTEs	28.60	2.69	2.12	0.57	6.03

Source: PCSD, ODE, and primary peers

Note: FTE ratios and totals may vary due to rounding.

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

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

As shown in **Table 12**, total professional staffing was significantly above the peer average. The District would need to reduce 6.0 FTE professional positions in order to achieve a staffing ratio in line with the primary peer average.

Financial Implication: Eliminating an additional 5.0 FTE professional positions could save **\$450,299** in salaries and benefits annually. This savings was calculated using the least tenured professional staffing position actual salaries and benefits. The estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher-tenured staff.

R.8 Eliminate an additional 2.0 FTE non-certificated classroom support positions

During the course of the audit, PCSD implemented non-certificated classroom support staffing reductions, including elimination of positions through attrition, as identified in the Financial Recovery Plan (see Appendix C) in an effort to proactively reduce FY 2016-17 expenditures. In total, PCSD eliminated 27.0 FTE non-certificated classroom support positions with a financial impact, based on actual salaries and benefits, totaling \$673,518 and reflected in Table 3.

Non-certificated classroom support personnel are responsible for providing instructional assistance with one-on-one tutoring; classroom management; instructional assistance in a computer laboratory, library, or media center; or instructional support services under the direct supervision of a teacher. They can also help a teacher with routine activities such as monitoring, operating equipment, clerking, and enforcing compulsory attendance laws.

Table 13 shows the District's non-certificated classroom support staffing per 1,000 students compared to the primary peer average for FY 2015-16. Comparing non-certificated classroom support per 1,000 students is an important measure to help identify the workload per employee as opposed to comparing non-certificated personnel to teaching staff.

Table 13: Non-Certificated Classroom Support Staffing Comparison

	PCSD	Primary Peer Avg.	Difference		
Students Educated ¹	10,587	9,857	730		
Students Educated (thousands)	10.587	9.857	0.730		
Classification	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Total FTEs Above/ (Below) ²
Teaching Aides	1.00	0.09	5.20	(5.11)	(54.10)
Instructional Paraprofessionals	170.15	16.07	0.87	15.20	160.92
Attendants	0.00	0.00	2.05	(2.05)	(21.70)
Total FTEs	171.15	16.16	8.12	8.04	85.12
PCSD Staff Linked to Special Education Services					55.85
Revised Reduction Excluding Special Education FTEs					29.3

Source: PCSD, ODE, and primary peers

Note: FTE ratios and totals may vary due to rounding.

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

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

As shown in **Table 13**, PCSD employed more non-certificated classroom support FTEs per 1,000 students overall. While teaching aides and attendants were lower, instructional paraprofessional staffing levels were significantly higher than the primary peer average. Of the instructional paraprofessionals FTEs, 55.85 FTE are linked to special education due to individualized education plan (IEP) requirements (see **Appendix B**). Due to the District's financial condition, staffing recommendations were made to achieve the peer staffing ratio based on the total number of FTE's then subtracted employees associated with an IEP. The District would need to reduce 29.0 FTE non-certificated positions in order to achieve a staffing ratio in line with the primary peer average.

Financial Implication: Eliminating an additional 2.0 FTE non-certificated classroom support positions could save **\$71,695** in salaries and benefits annually. This savings was calculated using the least tenured non-certificated classroom support position actual salaries and benefits. The estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher-tenured staff.

R.9 Eliminate an additional 18.0 FTE technical positions

During the course of the audit, PCSD implemented technical staffing reductions, including elimination of positions through attrition, as identified in the Financial Recovery Plan (see Appendix C) in an effort to proactively reduce FY 2016-17 expenditures. In total, PCSD eliminated 6.0 FTE technical positions with a financial impact, based on actual salaries and benefits, totaling \$328,601 and reflected in Table 3.

Technical personnel provide non-instructional technical services to administrators, teachers, and/or students. **Table 14** shows a comparison of PCSD's technical staffing per 1,000 students compared to the primary peer average for FY 2015-16. Comparing staffing positions in this manner provides district administration with a clear picture of workload measure for each FTE.

Table 14: Technical Staffing Comparison

	PCSD	Primary Peer Avg.	Difference		
Students Educated ¹	10,587	9,857	730		
Students Educated (thousands)	10.587	9.857	0.730		
Classification	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Total FTEs Above/ (Below) ²
Computer Operating	0.00	0.00	0.20	(0.20)	(2.12)
Computer Programming	0.00	0.00	0.18	(0.18)	(1.91)
Library Aide	18.00	1.70	0.44	1.26	13.34
Other Technical	16.00	1.51	0.10	1.41	14.93
Total Technical FTEs	34.00	3.21	0.92	2.29	24.24

Source: PCSD, ODE, and primary peers

Note: FTE ratios and totals may vary due to rounding.

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

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

As shown in **Table 14**, PCSD employs more technical staff FTEs per 1,000 students overall. While the District did not code any employee to computer operating or computer programming, library aides and other technical positions were significantly higher than the primary peer average. Due to the District's financial condition, staffing recommendations were made to achieve the peer staffing ratio based on the total number of employees. The District would need to reduce 24.0 FTE technical positions in order to achieve a staffing ratio in line with the primary peer average.

Financial Implication: Eliminating an additional 18.0 FTE technical positions could save **\$896,430** in salaries and benefits annually. This savings was calculated using the lowest tenured technical position actual salaries and benefits. The estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher-tenured staff.

R.10 Renegotiate collective bargaining agreement provisions

The District has collective bargaining agreements (CBAs) with the Parma Education Association (certificated CBA) and the Ohio Association of Public School Employees Locals 122, 160, 404, 695, and 756 (classified CBA).⁴ An analysis of these CBAs identified the following provision that exceeded State minimum standards and/or typical provisions in local peer districts:

- **Holidays:** The District's classified CBA offers 12-month employees 11 paid holidays, 11-month employees nine paid holidays, and 10-month and nine-month employees eight paid holidays. These levels are lower than the local peer average of 12 paid holidays for 12-month employees, 11 for 11-month employees, and nine for 10-month and nine-month employees. However, ORC § 3319.087 states 11-month and 12-month employees are entitled to a minimum of seven paid holidays, and nine-month and 10-month employees six paid holidays. Direct savings from reducing the number of holidays could not be quantified, however, a reduction would increase the number of available work hours at no additional cost to the District.
- **Vacation:** The District's classified CBA provides employees with annual vacation accrual whereby they earn 627 vacation days over the course of a 30-year career. This exceeds the peer average of 571 days and ORC § 3319.084 minimum of 460 days. Providing employees with more vacation days could increase substitute and overtime costs. Although direct savings from reducing the vacation schedule could not be quantified, a reduction would increase the number of available work hours at no additional cost to the District.
- **Sick Leave Accrual and Severance Payout:** Both of the District's CBAs allow employees to accrue an unlimited number of sick leave days. ORC § 3319.141 details

¹⁰ PCSD's certificated and classified bargaining agreements both expire on June 30, 2017.

sick leave accumulation and specifies that unused sick leave shall be cumulative up to 120 days. Providing an accrual in excess of State minimum levels represents potential for increased financial liability when sick leave is paid out to retiring employees. Additionally, the District's CBAs allow certificated and classified employees to be paid for accumulated sick leave upon retirement. Specifically, the certificated CBA allows for a maximum of 95 days and the classified CBA a maximum of 134 days. In comparison, the local peer maximum sick leave payout average is 90 days for certificated employees and 103 days for classified employees. The District's sick leave payout is also higher than the minimum established by ORC § 124.39, which allows school employees to be paid for 30 days (i.e. 25 percent of 120 days) of unused sick leave at retirement. Allowing employees to receive payout in excess of State minimums becomes costly at employee retirement.

Provisions within CBAs that provide benefits beyond what is required or typically offered by other school districts can create an unnecessary financial burden on the District and limit management's ability to control costs.

R.11 Decrease employer costs for dental and vision insurance

Although it is typical for a public employer to cover the majority of the cost of employee insurance, employee contributions are also typically used to offset these costs. In FY 2015-16, PCSD's administrative staff contributed 15.0 percent of the single and family dental and vision premiums. However, certificated and classified employees are not required to contribute toward dental and vision benefits.

Table 15 shows PCSD's certificated and classified dental and vision Board cost for these benefits compared to the administrative contribution (i.e. 15.0 percent). This comparison provides a benchmark to determine if District employees are contributing an appropriate amount relative to other district employees.

Table 15: Monthly Board Dental and Vision Cost Comparison

Vision Board Cost					
Plan Type	Board Cost	Board Cost with 15% Employee Contribution	Difference	Number of Plans	Annual Savings
Certificated-Single	\$4.97	\$4.22	\$0.75	238	\$2,142
Certificated-Family	\$11.86	\$10.08	\$1.78	550	\$11,748
Classified-Single	\$4.97	\$4.22	\$0.75	217	\$1,953
Classified-Family	\$11.86	\$10.08	\$1.78	358	\$7,647
Total Vision Annual Savings					\$23,490
Dental Board Cost					
Plan Type	Board Cost	Board Cost with 15% Employee Contribution	Difference	Number of Plans	Annual Savings
Certificated-Single	\$39.47	\$33.55	\$5.92	245	\$17,405
Certificated-Family	\$100.77	\$85.65	\$15.12	556	\$100,881
Classified-Single	\$30.97	\$26.32	\$4.65	260	\$14,508
Classified-Family	\$92.64	\$78.74	\$13.90	325	\$54,210
Total Dental Annual Savings					\$187,004
Total Annual Savings					\$210,494

Source: PCSD

As shown in **Table 15**, if the District were to increase certificated and classified employee contributions to equal the current contribution percentage for administrative employees, it could save \$210,400 annually.

It is common for school districts to require some level of dental and vision insurance contribution from employees, but this is often the specific product of negotiations within each district. For example, the local peers have the following provisions in place:

- **Lakewood CSD** requires both certificated and classified employees to contribute 15.0 percent of the cost of vision and dental insurance.
- **Berea CSD** does not require employees enrolled in single-coverage plans to contribute to dental or vision insurance. However, employees enrolled in family plans are required to contribute the full amount of the difference between the total cost of the single plan and the family plan for both dental and vision insurance.
- **North Royalton CSD** does not require employees to contribute to dental or vision insurance.
- **Strongsville CSD** does not offer vision insurance, but does offer dental insurance. Certificated employees are required to contribute 20.0 percent of the premium. Classified employee contributions are determined on a sliding scale dependent upon the number of hours worked per day including:
 - 7.0 or more hour employees are not required to contribute;
 - 6.5 hour employees contribute 10.0 percent;
 - 6.0 hour employees contribute 20.0 percent;
 - 5.5 hour employees contribute 30.0 percent;
 - 5.0 hour employees contribute 40.0 percent; and
 - 4.0 hour employees contribute 50.0 percent.

Financial Implication: The District could save an average of **\$210,400**, annually, by increasing the certificated and classified employee contributions to 15.0 percent for single and family plan dental and vision insurance.

R.12 Eliminate five curricular service contracts

Curricular service contracts are limited-term contracts given to teachers to complete additional duties outside the scope of regular teaching duties. Regular teaching duties are defined by the certificated bargaining agreement. The certificated agreement stipulates that any department in a secondary school which has four or more FTE teachers will qualify to have a department head. Also, any department within a secondary school that has less than four FTE teachers within that department shall become a part of the departmental cluster.

Table 16 shows the District's curricular service contracts in force for FY 2015-16. Showing curricular service contracts in this manner provides insight into the number of contracts and the cost these contracts have on the General Fund per year.

Table 16: PCSD Curricular Service Contracts

Cluster Department Head		
Department	Number of Contracts	Curricular Service Contract Cost
Art	3	\$13,166
Music	3	\$12,269
Guidance	3	\$15,082
Career Tech	2	\$11,275
Foreign Language	3	\$13,315
Department Head: High School		
Mathematics	3	\$13,990
Science	3	\$15,141
Social Studies	3	\$14,318
English	3	\$13,496
Special Education	5	\$21,394
Business Education	1	\$4,848
Physical Education	3	\$10,637
Industrial Arts	2	\$10,952
Department Head: Middle School		
Special Education	5	\$14,348
Mathematics	3	\$8,798
Science	3	\$9,322
English	3	\$8,169
Social Studies	3	\$8,169
Physical Education	3	\$6,284
Department Head: District-wide		
Elementary Art Facilitator	1	\$3,710
Physical Education Facilitator	1	\$2,992
Faculty Manager	5	\$48,400
Assistant Faculty Manager	5	\$33,274
Middle School House Leader	40	\$111,644
Total	109	\$424,993

Source: PCSD

Note: Shaded rows indicate curricular service contracts unique to PCSD.

As shown in **Table 16**, for FY 2015-16 PCSD had 109 supplemental contracts in force with a total contract cost of \$424,993. It is not uncommon for a school district to have multiple department heads and associated curricular service contracts. For example, all but five of the curricular service contracts used by PCSD were also used by the local peers. However, the five curricular service contracts that were unique to PCSD included:

- Industrial Arts Department Head;
- Elementary Art Facilitator;
- Physical Education Facilitator;
- Assistant Faculty Manager; and,
- Middle School House Leader.

These five positions account for 49 of the District's 109 contracts or 45.0 percent. Additionally, these five positions, which are only unique to the District cost \$162,572 annually or \$15.4 dollars per student.

The job description of what curricular service department heads are responsible for are not located in the certificated agreement. As such, AOS requested job descriptions for these positions from the Districts administration. The District was not able to provide job descriptions for any curricular service supplemental contract.

Financial Implication: The District could save an average of **\$162,500**, annually, by eliminating the supplemental contracts for industrial arts, elementary art facilitator, physical education facilitator, assistant faculty manager, and middle school house leaders.

R.13 Conduct a citizen survey concerning CTE course offerings

Career and technical education (CTE) is a school program that specializes in skilled trades, applied sciences, modern technologies, and career preparation that provide students with the opportunity to gain work experience and college credit. ORC § 3313.90 requires all school districts to provide grades seven through 12 a career-technical education that is adequate to prepare a student for an occupation. A school district has three options for offering career-technical education, including:

- Establish and maintain its own CTE program;
- Become a member of a joint vocational school (JVS); or
- Contract for CTE with a JVS or another school district.

In accordance with ORC § 3313.90(A)(3), if a school district decides to establish and maintain its own CTE program, the district needs to have a minimum enrollment of 2,250 students in grades seven through 12. Also, each district is required to provide an approved education plan with a current listing of CTE workforce development programs. The programs are required to reflect the current and future needs of students, community, business and industry and meet criteria for secondary workforce development programs in accordance with OAC 3301-61-03.

PCSD has elected to establish and maintain its own CTE program. At PCSD, all CTE programs have articulation agreements where students can receive college credits by meeting specific requirements with the exception of its job training program. This is a two-year program that provides students with disabilities the opportunity to perform entry-level job readiness skills in preparation for employment after high school. The District offers 17 CTE programs and 13 elective pathway courses. Pathways are a collective look at various education and training options students can enroll in and are developed to focus on Ohio's in-demand occupations.

CTE Enrollment Trend

Table 17 shows the District's total student average daily membership (ADM) compared to its CTE ADM from FY 2009-10 to FY 2015-16. This type of analysis is important to show the historical trend of student participation in CTE programs compared to the District's total enrollment.

Table 17: Historical Career-Tech Population Comparison

	Grade 7-12 Total Student ADM	Grade 7-12 CTE ADM	% of ADM in CTE
FY 2009-10	6,382	471	7.4%
FY 2010-11	6,081	460	7.6%
FY 2011-12	5,860	507	8.7%
FY 2012-13	5,752	557	9.7%
FY 2013-14	5,712	571	10.0%
FY 2014-15	5,596	624	11.2%
FY 2015-16	5,465	521	9.5%

Source: PCSD and ODE

As shown in **Table 17**, the District's 7th through 12th grade student ADM enrolled in CTE programs has steadily increased with the exception of FY 2015-16. From FY 2009-10, the student ADM electing CTE ranged from a low of 460 to a high of 624. Further, the percent of CTE students to total student population ranged from 7.4 to 11.2 percent during this time frame. It is important to note however, that CTE ADM is a percent of time, which the State uses as a funding calculation for the District. It does not equal the total number of students (headcount) enrolled in CTE.

ORC § 3313.90 requires all districts that provide their own CTE, must offer a minimum of 12 CTE courses. PCSD exceeds this requirement by offering 17 CTE courses. Also districts that provide their own CTE must provide eight pathways in the form of electives for students. PCSD exceeds this requirement by offering 13 CTE pathways which provide an overview of various career options which were developed based on Ohio's in-demand occupations.

Revenue Analysis

The funding mechanism for CTE allows for additional State support by funding a per-pupil amount applied to five different career technical categories. The per-pupil amount is then multiplied by the District's average daily membership (ADM). ADM is compiled using the annualized full time equivalent (FTE) enrollment for each student which is then multiplied by the corresponding categorical per-pupil amount and then multiplied by the State Share Index.

The State Share Index is a calculation used to determine a district's capacity to raise local revenue when distributing State funds. The basis for this calculation is the district's three-year average property value, median income index, and a wealth index. Using this formula, no district will have a State Share Index greater than 0.90 or less than 0.05. In FY 2015-16, PCSD's CTE program received slightly over \$871,000 in State revenue with an applied State Share Index of 0.3742.

Table 18 compares PCSD’s FY 2015-16 CTE State revenue and State Share Index to the CTE peers. This comparison is important because it shows the impact of the District’s State Share Index on CTE State revenue and revenue per student ADM.

Table 18: State Revenue per CTE Student

District	CTE Student ADM	State Share Index	Total State Revenue	State Revenue per Student
PCSD	521	0.3742	\$871,232	\$1,672
Hamilton CSD	248	0.7513	\$817,064	\$3,295
Lorain CSD	309	0.8563	\$1,152,726	\$3,731
Massillon CSD	281	0.6924	\$667,836	\$2,377
Washington LSD	382	0.5987	\$1,031,924	\$2,701
Youngstown CSD	243	0.9000	\$817,064	\$3,362
Peer Average	293	0.7597	\$897,323	\$3,093
Difference	228	(0.3855)	(\$26,091)	(\$1,421)
% Difference	77.8%	(50.7%)	(2.9%)	(45.9%)

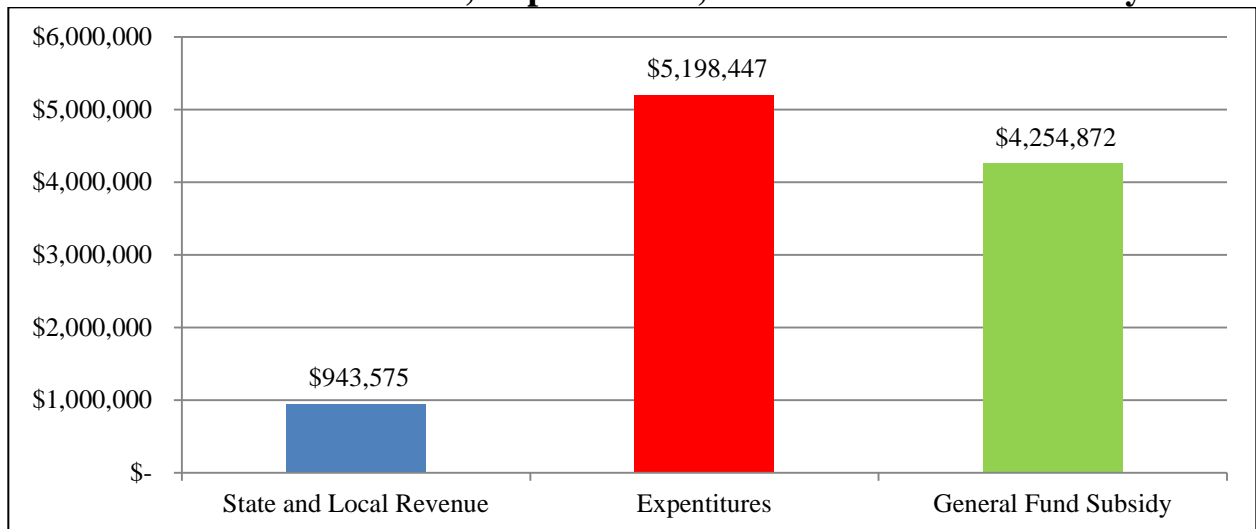
Source: ODE

As shown in **Table 18**, on average, a PCSD CTE student generates \$1,672, or 45.9 percent less revenue compared to the CTE peer average. Further, PCSD’s CTE program received \$871,232 in State revenue, or 2.9 percent less revenue while educating 77.8 percent more students. PCSD receives less funding per student because its State Share Index of 0.3742 is 50.7 percent lower than the peer average.

Expenditure Analysis

Chart 4 shows the District’s General Fund subsidy of its CTE programs, once State revenue and CTE program revenue are subtracted from the total program expenditures. This type of analysis is important because it shows the amount of subsidy required to offer a CTE program.

Chart 4: CTE Revenue, Expenditures, and General Fund Subsidy



Source: PCSD and ODE

Note: In FY 2015-16 the CTE program collected \$72,342 in revenue.

Chart 4 shows that PCSD collected \$943,575 in total revenue but expended approximately \$5.1 million to educate all CTE students. This required the General Fund to subsidize the CTE program \$4.2 million dollars or 81.8 percent. This General Fund subsidy, based on PCSD CY 2015 property tax value, is equal to 2.14 mills. Because all schools in Ohio are required to provide CTE and PCSD elected to provide this type of education in-house, a comparison is warranted to a Joint Vocational School (JVS). The Ohio Constitution requires all JVS' to operate at a minimum of 2.0 mills. If the District were to send its students to a JVS instead of providing CTE in-house, Cuyahoga County has two options: Cuyahoga Valley and Polaris.

Table 19 shows student ADM, millage rate each school assess to its taxpayers, the local revenue generated from the millage, any charges for services excluding adult education and revenue collected from its taxpayers during tax year 2015. This type of comparison shows key financial indicators for the amount of tax revenue required to continue offering CTE at its current level, or sending students to either JVS.

Table 19: Local Revenue Comparison

District	PCSD	Cuyahoga Valley	Polaris
Student ADM	521.2	418.5	686.8
Current millage rate	2.14	2.00	3.09
Locally generated revenue	\$4,252,604	\$3,974,396	\$6,140,442
Local revenue per ADM student	\$8,159	\$9,497	\$8,941

Source: PCSD, ODT, and ODE

Note 1: During the course of the audit, Polaris passed an additional 0.69 permanent improvement levy which is reflected in the above calculations.

Note 2: Capacity, transportation, and programs at Cuyahoga Valley and Polaris were not included in the scope of this audit.

As shown in **Table 19**, PCSD's student ADM has 102.7 more students than Cuyahoga Valley but 165.6 less students than Polaris. Likewise, PCSD requires a slightly higher millage rate (i.e. 0.14 mills) than Cuyahoga Valley to operate, but less (i.e. 0.95 mills) to operate than Polaris. In FY 2015-16, PCSD was able to educate more students with less taxpayer subsidy than it would if students were sent to either JVS. The taxpayer subsidy to educate a student in PCSD CTE program was \$8,159 compared to \$9,497 and \$8,941 for Cuyahoga Valley and Polaris respectively. This translates into PCSD CTE program being the most economical to taxpayers.

Although The District's CTE program is comparatively the best value, offering this program in a way that exceeds ORC minimum requirements necessitates additional staffing and General Fund subsidy at a time when District finances are limited. Due to limited resources it is likely that CTE can only be sustained at the cost of other educational programs and offerings. Nevertheless, the decision to offer CTE, and the manner in which to offer it, is the District's responsibility and should take into account the needs and desires of stakeholders as well as the need to carry out its fiduciary responsibilities. A citizen survey can be used as a tool to find out what the public's highest priorities and most valued services are. In conjunction with **R.3**, PCSD should engage with its community to better align the CTE services provided with what stakeholders most value and demand.

R.14 Develop a comprehensive staffing plan

The District determines its staffing levels based on student population, educational needs, and class size. However, the District does not have a formal staffing plan. The absence of a formal staffing plan reduces the District's visibility into whether staffing levels are efficient and, as a result, changes to staffing levels are made on a reactionary basis.

According to *Your Next Move: Strategic Workforce Planning in the Public Sector* (Deloitte, 2006), strategic workforce planning "is an ongoing process for defining and anticipating long-term workforce needs". Five key stages in developing a strategic workforce plan are as follows:

- Identify critical workforce segments;
- Establish one source of truth (data consistency);
- Analyze labor supply/demand;
- Identify strategies to mitigate future labor gaps; and
- Embed workforce planning as part of the annual planning process.

The District should develop a staffing plan to help communicate staffing strategies and priorities as well as contingency plans. In addition, the plan should incorporate allocation factors such as workload measures, available resources, contractual agreements, and educational goals. A comprehensive staffing plan with these elements would allow the District to explain or defend its decisions to hire or reduce personnel based on the objective analysis and clear reasoning that a staffing plan offers.

R.15 Develop a multi-year capital improvement plan

During the course of the audit, PCSD formulated a multi-year capital improvement plan using its Permanent Improvement Fund. As stated in the District's five-year forecast assumptions and its financial recovery plan (see Appendix C), the District plans to offset General Fund expenditures by paying H.B. 264 debt from this fund rather than the General Fund. The District estimates that this change in fund source will result in reduced expenditures from the General Fund of approximately \$3.8 million from FY 2017-18 through FY 2020-21. These reductions to General Fund expenditures are reflected in Table 3.

The District does not have a formal multi-year capital plan. However, the District has a Permanent Improvement (PI) levy which it estimates to generate \$5.8 million per year. While there was no formal PI plan in place to allocate these resources, the Treasurer did create a PI forecast which outlined potential options to use the funds including such uses as building improvements and bus replacements. However, the Treasurer's PI forecast was not formally presented to District stakeholders or approved by the Board.

According to *Multi-Year Capital Planning: Best Practice* (GFOA, 2006), public entities that are allocated capital outlay or permanent improvement funding should prepare and adopt multi-year capital plans. A properly prepared capital plan is essential to the future financial health of an organization and its continued delivery to its constituents and stakeholders. An adequate capital plan should:

- Identify and prioritize expected needs based on the entity's strategic plan;

- Establish project scopes and costs;
- Detail estimated amounts of funding from various sources; and
- Project future operating and maintenance costs.

The District should create a multi-year capital plan for all of its capital assets. Doing so would ensure that capital assets and permanent improvement funds are effectively managed and transparent to its constituents.

R.16 Improve the accuracy of building and grounds overtime reporting data

PCSD does not have a current method to track and document the amount of building and grounds overtime used and the reason for the expenditure. According to the District, overtime for building and grounds is necessitated by one of three channels:

- Vacancies in the District are being filled by contractual overtime;
- Calamity overtime caused by weather events; and
- Emergency overtime caused by overnight alarms, security issues, etc.

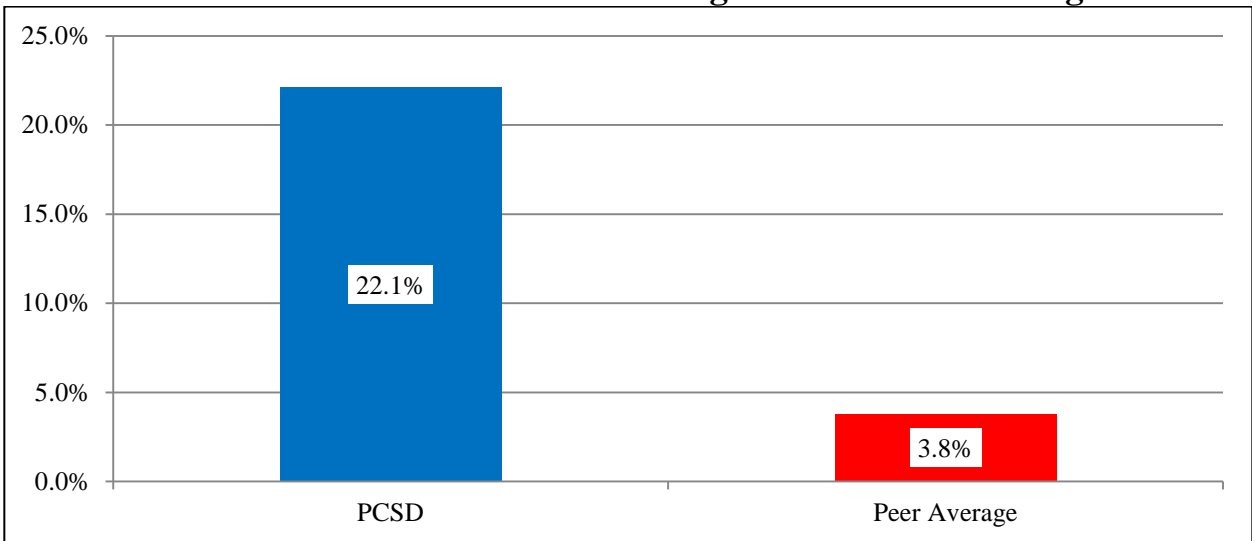
The following provisions within the classified CBA impact PCSD's overtime costs:

- **Substitutes/Sick Leave:** Whenever it becomes necessary to fill a vacancy or cover for an absent cleaner, cleaners in the building where the position needs covered will be offered the extra time/overtime on a seniority rotation basis. Likewise, if a custodian is absent at a high school or middle school, the time shall be covered by that buildings custodial/maintenance staff. If no custodian accepts the overtime it will be offered to the maintenance department by seniority. In contrast, Berea CSD, Lakewood CSD, North Royalton CSD, and Strongsville CSD do not have specific bargaining agreement provisions that require the use of overtime to cover position vacancies.
- **Call-in Pay:** An employee called into work for non-scheduled/emergency work, will receive a minimum of three hours of pay. By comparison, Berea CSD, Lakewood CSD, and Strongsville CSD provide a minimum of two hours pay while North Royalton CSD provides two and one half.
- **Building Use:** A custodian must be present during all school hours and open hours in a high school, middle school or elementary school for which a building permit has been issued, and during times that an outside contractor is working in the building. A building permit is defined as all after hour activities including board meetings. In addition, building principals can request custodians to work three special events during the school year and custodians shall be paid a minimum of three hours of pay per event. Special events are defined as open houses, teacher/parent conferences, concerts, etc. None of the peers have provisions addressing building permits or special events for overtime.
- **Work Schedule:** Holidays, vacation days, and calamity days will all be considered hours worked when determining overtime. Further, if an employee's workweek begins on Monday, the employee will receive overtime if required to work Saturday or Sunday, regardless of whether he/she has actually worked 40 hours. Finally, all hours

worked plowing snow between midnight and the beginning of the employee’s regular shift but no later than 7:30 AM will be paid in overtime. By comparison, Berea CSD and North Royalton CSD exclude sick leave and personal leave from the hours used to compute overtime. Likewise, Lakewood CSD and Strongsville CSD provide holidays, vacation days, and calamity days which are considered hours worked when determining overtime.

Chart 5 shows a comparison between PCSD building and grounds overtime and the primary peer average for overtime as a percent of regular salaries and wages. This analysis is a proportionate comparison to peers and is important since it provides context for how much overtime the District uses.

Chart 5: Overtime as a Percent of Regular Salaries and Wages

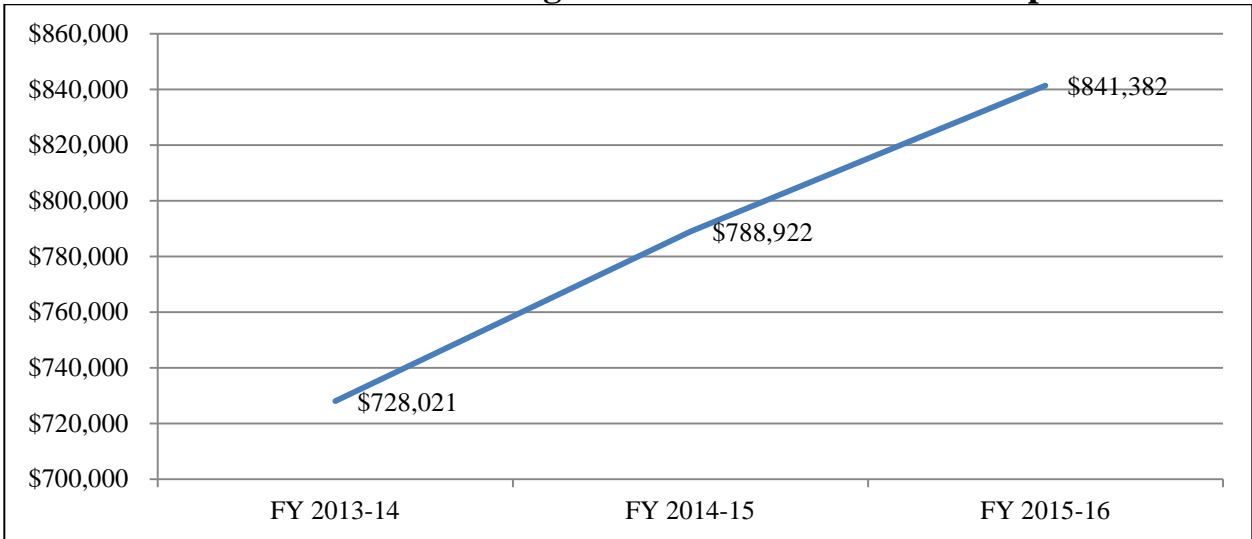


Source: PCSD and General Peers

As shown in **Chart 5**, PCSD’s overtime was a significantly higher percent of regular salaries and wages compared to the peer average; a difference of 18.3 percent.

Chart 6 shows the District’s building and grounds overtime expenditures for FY 2013-14 through FY 2015-16. A comparison of overtime expenditures by fiscal year provides context as to how much overtime is used by the District.

Chart 6: Three-Year Building and Grounds Overtime Comparison

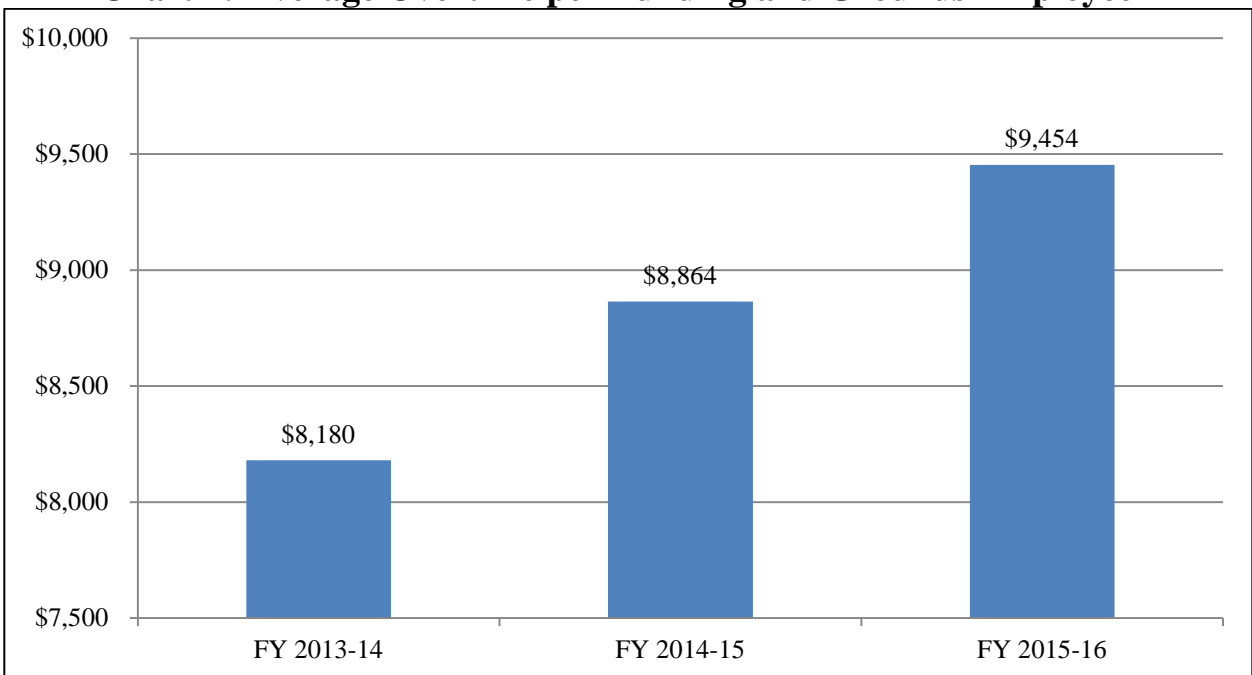


Source: PCSD

As shown in **Chart 6**, building and grounds General Fund overtime increased significantly over the last three years. Specifically, overtime expenditures increased from \$728,021 in FY 2013-14 to \$841,382 in FY 2015-16, an increase of 15.6 percent.

Chart 7 shows the District’s average building and grounds overtime expenditure per employee (89 employees per year) for FY 2013-14 through FY 2015-16. This type of overtime expenditures analysis provides a compensation comparison when used in conjunction with employee classification salary schedules (see **Appendix B**).

Chart 7: Average Overtime per Building and Grounds Employee

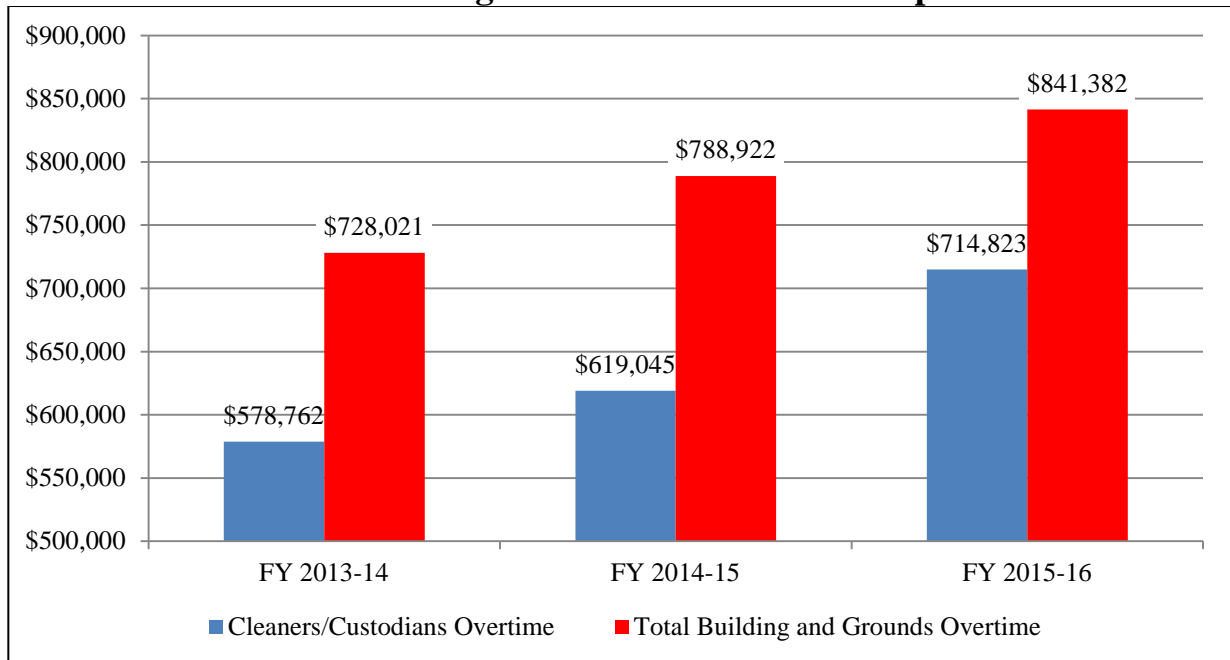


Source: PCSD

As shown in **Chart 7**, building and grounds overtime per employee increased significantly over the last three years. Specifically, overtime expenditures increased from \$8,180 per building and grounds employee in FY 2013-14 to \$9,454 per building and grounds employee in FY 2015-16.

In FY 2015-16, the custodian and cleaning positions accounted for \$714,823 in overtime, or 85.0 percent of the total overtime expenditure. **Chart 8** shows the amount of overtime for cleaners and custodians from FY 2013-14 through FY 2015-16. This type of data is important to analyze because overtime expenditures have steadily increased the past three years while the number of buildings and employees have remained constant.

Chart 8: Cleaning/Custodian Overtime Comparison



Source: PCSD

As shown in **Chart 8**, cleaning/custodial overtime has increased from \$578,762 in FY 2013-14 to \$714,823 in FY 2015-16, which is an increase of \$136,061 or 23.5 percent, while the increase to total building and grounds overtime was 15.6 percent.

The amount of overtime expended in FY 2015-16 by cleaners totaled \$261,728 while custodians totaled \$453,095. However, due to the current reporting process, the amount of overtime that is contractual in nature cannot be quantified. Likewise, overtime created from a calamity or emergency event cannot be quantified. Despite PCSD current reporting process, the cleaning positions use of overtime is not attributable to calamity or emergency events. Their overtime is triggered strictly by their contract which requires them to fill any vacancies or sick leave.

When large operational cost drivers such as overtime cannot be reported in a way to help manage and utilize district resources, decisions to hire additional or temporary labor, or contracting out high cost operations cannot be realized. The District should understand the cost

associated with each of these bargaining provisions and use these costs to help administration make cost saving decisions.

R.17 Eliminate an additional 0.0 FTE facility positions

During the course of the audit, PCSD implemented facility staffing reductions, including elimination of positions through attrition, as identified in the Financial Recovery Plan (see Appendix C) in an effort to proactively reduce FY 2016-17 expenditures. In total, PCSD eliminated 17.0 FTE facility positions with a financial impact, based on actual salaries and benefits, totaling \$846,613 and reflected in Table 3.

The District's action in eliminating facility positions has already equaled the initial recommended level of reduction identified by the performance audit; as such, this recommendation is considered fully implemented.

PCSD currently operates and maintains more than 1.7 million square feet between 15 buildings. Additionally, the District maintains 304.7 acres of grounds. Three classifications of building and grounds employees; cleaners, custodians, and maintenance, perform the cleaning, maintenance and grounds keeping duties. Cleaners are responsible for cleaning only while custodians are responsible for light cleaning, maintenance, and some grounds duties. They are also responsible for any activity after hours and weekend building checks. Maintenance is responsible for the general upkeep and maintenance of the buildings, snow removal, and grounds. In total, there are 11.0 FTE grounds staff, 51.2 FTE cleaners, and 25.8 FTE maintenance staff.

Although the District employs a total of 88.0 FTE building and grounds employees, it also has an additional 16.0 FTE vacant positions that it must use overtime to fill (**R.16**). The Building and Grounds Director and Business Manager use a time and task program to help determine the number of positions needed for Level 3 cleaning. *The Planning Guide for Maintaining School Facilities* (National Center for Education Statistics (NCES), 2003) establishes that Level 3 cleaning is the norm for most school facilities and that a cleaner can clean approximately 29,500 square feet in an eight hour shift. Also, *American School and University Magazine* (AS&U) sets an industry benchmark for maintenance employees of 94,872 square feet per 40 hour week and grounds employees of 40.2 acres per 40 hour week. Maintenance employees perform skilled jobs such as electrical, heating and cooling, and plumbing while grounds employees are responsible for landscape upkeep.

Table 20 shows the Districts building and grounds staffing positions for FY 2015-16 compared to industry benchmarks from (AS&U) and (NCES) for a Level 3 cleaning. It is important to compare and monitor staffing using workload measures in order to determine proper staffing levels and maintain efficiency.

Table 20: Building & Grounds Staffing Comparison ¹

Grounds Staffing	
Grounds FTE Positions ²	13.0
Grounds FTEs	11.0
Acreage Maintained minus Buildings	284.3
AS&U Benchmark - Acres per FTE	40.2
Benchmarked Staffing Need ³	7.0
Grounds FTE Positions Above/(Below) Benchmark	6.0
Cleaning Staffing	
Cleaning FTE Positions ²	60.5
Cleaning FTEs	51.2
Square Footage Cleaned	1,791,751
NCES Level 3 Cleaning Benchmark - Median Square Footage per FTE	29,500
Benchmarked Staffing Need	60.7
Cleaning FTE Positions Above/(Below) Benchmark	(0.2)
Maintenance Staffing	
Maintenance FTE Positions ²	30.5
Maintenance FTEs	25.8
Square Footage Maintained	1,791,751
AS&U Benchmark - Square Footage per FTE	94,872
Benchmarked Staffing Need	18.9
Maintenance FTE Positions Above/(Below) Benchmark	11.6
Total Buildings & Grounds Staffing	
Total FTE Positions	104.0
Total Benchmarked Staffing Need	86.6
Total FTEs Above/(Below) Benchmark	17.4

Source: PCSD, AS&U, and NCES

¹ Precise allocation of time was not available, however, the District's Maintenance Supervisor did provide the typical daily functional time for individual employees. FTE allocations to specific functions have been rounded to reflect these estimates

² Represents the total number of positions at the District which includes any vacancies.

³ Acres maintained per FTE were adjusted to reflect the number of weeks (30) mowing service is typically provided per year.

As shown in **Table 20**, PCSD exceeds the respective staffing benchmarks in all but cleaning staff. Specifically, PCSD maintains an annualized average of approximately 21.9 acres per grounds FTE position, a level 45.5 percent lower than the benchmark. Also, PCSD maintains an average of approximately 58,745 square feet per maintenance FTE position, a level 38.1 percent below the benchmark. In order to achieve staffing comparable to the benchmarks, the District would need to eliminate 17.4 FTE positions which include the 16.0 FTE vacant positions.

R.18 Enhance internal control measures for T-Form reporting

In accordance with ORC § 3327.012 and OAC 3301-83-01, school districts in Ohio are required to submit annual T-1 and T-2 Forms to ODE. The T-1 Form certifies the actual number and type of pupils transported, daily miles traveled, and buses used in the transportation program. School districts are required to complete the T-1 Form by recording the average number of pupils enrolled and regularly transported to school as well as the average daily miles traveled for pupil transportation (excluding non-routine and extra-curricular miles) during the first full week of October. The T-1 Form is then used to calculate the pupil transportation payment pursuant to ORC § 3327.012. Cost data is reported via the T-2 Form, which serves to certify the actual expenses incurred in the transportation of eligible pupils reported on the corresponding T-1 Form. ODE provides detailed instructions for completing both the T-1 and T-2 forms. In particular, it provides guidelines detailing how a district should properly code its students, mileage, and buses on the T-1 Form and the manner in which transportation related expenditures should be recorded on the T-2 Form.

In order to assess the accuracy of the District's transportation reporting, a 21 bus sample, or 25.0 percent of all buses, of the FY 2015-16 October count data was used to determine average daily riders and average daily miles, which were then compared to total values as reported on the FY 2015-16 T-1 Form. **Table 21** shows the degree of variation between PCSD's transportation operating condition and the information as reported in the T-Reports. This comparison is important in determining whether the District's T-Form data collection practices are resulting in accurate submissions to ODE and are in accordance with the established guidelines.

Table 21: T-Form Reporting Variation

T-1 Report ¹				
	T-1 Totals	District Count Data	Difference	Percentage Difference
Average Daily Ridership	739	773	(34)	(4.4%)
Average Daily Mileage	1132	1143	(11)	(1.0%)
T-2 Report				
	T-2 Total Expenditures Reported	Actual Expenditures	Difference	Percentage Difference
FY 2013-14	\$4,929,182	\$5,258,022	(\$328,840)	(6.3%)
FY 2014-15	\$5,217,606	\$5,842,556	(\$624,950)	(10.7%)

Source: PCSD and ODE

¹ Based on a sample of 21 buses

As shown in **Table 21**, variation was identified between the average daily ridership and average daily mileage figures as calculated from the District count sheets and those reported on the FY 2015-16 T-1 Report. Also, **Table 21** shows T-2 expenditures did not match actual expenditures which suggest the District's transportation expenditures were potentially misstated in FY 2013-14 and FY 2014-15. The Transportation Department reports these figures based on financial data provided by the former Treasurer and former transportation supervisor. The current Treasurer and transportation supervisor are not able to speak to the potential misstatements.

The District should enhance its internal control measures for the collection and recording of transportation data in order to ensure that T-Forms are submitted accurately and in accordance with guidance provided by ODE. Failure to accurately report this information increases the risk of incorrect calculations of State pupil transportation payments to the District. Adhering to internal controls governing T-Form data collection will help to ensure the District will receive the appropriate amount of funding and that expenditures will be accurately reported.

Appendix A: Scope and Objectives

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

In consultation with the Department and the District, OPT identified the following scope areas for detailed review: Financial Management, Human Resources, Facilities, Transportation and Food Service. Based on the agreed upon scope, OPT developed objectives designed to identify improvements to economy, efficiency, and/or effectiveness. **Table A-1** illustrates the objectives assessed in this performance audit and references the corresponding recommendation when applicable. Seven of the 20 objectives did not yield a recommendation (see **Appendix B** for additional information including comparisons and analyses that did not result in recommendations).

Table A-1: Audit Objectives and Recommendations

Objective	Recommendation
Financial Management	
Are strategic planning and budgeting practices consistent with leading practices?	R.1
Are purchasing practices comparable to leading practices?	N/A
Is the five-year-forecast reasonably and sufficiently accurate? Does the five-year forecast reasonably and logically project future revenues and expenditures?	N/A
Are the extracurricular activities appropriate to the peers and/or financial condition?	R.2
Is financial reporting consistent with leading practices?	R.3
Human Resources	
Are staffing levels comparable to peers and OAC/State minimums, where applicable, and are they appropriate based on the District's financial condition?	R.4, R.5, R.6, R.7, R.8, and R.9
Are salaries comparable to local peers and are they appropriate based on the District's financial condition?	N/A
Are collective bargaining agreement provisions consistent with ORC minimums, leading practices, and/or local peers, and are they appropriate based on the District's financial condition?	R.10
Are insurance benefits, including cost and coverage provided, consistent with regional market rates and leading practices and appropriate based on the District's financial condition?	R.11
Are supplemental contracts comparable to local peers and are they appropriate based on the District's financial condition?	R.12
Is special instruction spending consistent with peers and/or leading practices?	N/A
Is the District's vocational education program optimally efficient compared to leading practices and/or peers? What, if any, opportunities exist to improve the economy, efficiency, and/or effectiveness of the programs offered?	R.13
Does the District have a staffing plan that is consistent with leading practices?	R.14
Facilities	
Is custodial and maintenance staffing consistent with leading practices and/or industry standards and appropriate based on the District's financial condition?	R.17
Are capital planning efforts consistent with leading practices and/or industry standards?	R.15
Is overtime cost and use consistent with leading practices, peers, and/or industry standards and appropriate based on the District's financial condition?	R.16
Are current building utilization rates consistent with industry standards and/or leading practices? What, if any, opportunities exist to further maximize building utilization efficiency?	N/A
Transportation	
Are T-form procedures consistent with leading practices and/or ODE requirements?	R.18
Is the District's transportation function operating efficiently relative to industry standards, and/or leading practices and is it appropriate based on the District's financial condition?	N/A
Food Service	
Are staffing levels in-line with the industry standards and/or leading practices and appropriate based on the District's financial condition?	N/A

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

Appendix B: Additional Comparisons

General Staffing

Table B-1 shows full-time equivalent (FTE) staffing levels per 1,000 students at the District compared to the primary peer district average for FY 2015-16. Peer data was as reported to ODE through EMIS. Adjustments were made to the District's EMIS data to reflect accurate staffing levels for FY 2015-16.

Table B-1: General Staffing Comparison

	PCSD	Primary Peer Avg.	Difference		
Students Educated ¹	10,587	9,857	730		
Students Educated (thousands)	10.587	9.857	0.730		
Classification	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference Per 1,000 Students	Total FTEs Above/ (Below) ²
Administrative	55.62	5.25	4.83	0.42	4.45
Office/Clerical	119.34	11.27	7.51	3.76	39.81
General Education Teachers	443.22	41.86	40.89	0.97	10.27
Education Service Personnel	60.53	5.72	6.40	(0.68)	(7.20)
All Other Teachers	220.41	20.82	12.26	8.56	90.62
Other Educational	22.50	2.13	4.02	(1.89)	(20.01)
Professional	28.60	2.70	2.12	0.58	6.14
Non-Certificated Support	171.15	16.17	8.13	8.04	85.12
Technical Staff	34.00	3.21	0.92	2.29	24.24
All Other Staff	45.71	4.32	2.88	1.44	15.25

Source: PCSD, ODE, and primary peers

Note: FTE ratios and totals may vary due to rounding.

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

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

During the course of the audit, the District eliminated 70.41 FTEs from the various positions listed above. Where applicable to the recommendations contained in this performance audit these staffing changes have been specifically identified to provide an appropriate understanding of the District's implemented efforts to date.

As shown in **Table B-1**, District staffing levels were above the peer average in all categories, with the exception of education service personnel and all other educational positions. Because staffing levels were generally higher than the peers, recommendations for administrators, clerical, general education teachers, professional, non-certificated support staff and technical staff were warranted based on the District's financial condition, and are discussed in greater detail in **R.4**, **R.5**, **R.6**, **R.7**, **R.8**, and **R.9**, respectively. All other teachers, other educational and all other staff includes various positions whose staffing levels are dictated by

individualized education programs (IEPs) or OAC 3301-51-09. As such, these categories were not assessed.

Education Service Personnel

Education Service Personnel (ESP) positions include K-8 art, music, and physical education teachers, counselors, librarians, social workers, and visiting teachers. In FY 2015-16, the District employed 60.53 FTE ESP, which included 12.0 FTE art teachers, 13.2 FTE music teachers, and 15.33 FTE physical education teachers, 17.0 FTE counselors, and 3.0 FTE librarians/median specialists. Effective April 24, 2015, OAC 3301-35-05 was revised to state, “The local board of education shall be responsible for the scope and type of educational services in the district. The District shall employ educational service personnel to enhance the learning opportunities for all students” This revision eliminated State minimum staffing levels for ESP staffing.

Table B-2 shows the District’s ESP staffing on a per 1,000 students basis as compared to the peer average for FY 2015-16. Comparing ESP staffing in relation to student population normalizes the effect of district size between PCSD and the peers.

Table B-2: ESP Staffing Comparison

	PCSD	Primary Peer Avg.	Difference
Students Educated ¹	10,587	9,857	730
Students Educated (thousands)	10.587	9.857	0.730

Classification	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Total FTEs Above/ (Below) ²
Counselors	17.00	1.61	1.79	(0.18)	(1.91)
ESP Teachers	40.53	3.83	3.18	0.65	6.90
Librarians/Media Specialists	3.00	0.28	0.49	(0.21)	(2.22)
School Nurses	0.00	0.00	0.74	(0.74)	(7.83)
Social Workers	0.00	0.00	0.20	(0.20)	(2.12)
Total FTEs	60.53	5.72	6.40	(0.68)	(7.18)

Source: PCSD, ODE, and primary peers

Note: FTE ratios and totals may vary due to rounding.

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

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

As shown in **Table B-2**, the District employed less ESP staff than the peer average. More specifically, the District employs 7.18 FTE less ESP staff when compared on a per 1,000 student basis to the primary peer average.

Special Education

Table B-3 shows the District's special education expenditures per special education student in relation to the primary peer average for FY 2015-16. Comparing special education expenditures in relation to special education students normalizes the effect of a district's size and special education population between PCSD and the peers.

Table B-3: Special Education Expenditures Comparison

	PCSD	Primary Peer Avg.	Difference	% Difference	
Special Education Students	1,785.92	1,424.37	361.55	25.4	
Function Code	Function Description	PCSD	Primary Peer Avg.	Difference	% Difference
1210s	Academically Gifted	\$190.85	\$350.80	(\$159.95)	(45.6%)
1211	Gifted Identification	\$7.86	\$4.81	\$3.05	63.4%
1230s	Handicapped Special Learning Experiences for K through Grade-6	\$5,380.32	\$3,316.69	\$2,063.63	62.2%
1231	Multi-handicapped	\$628.31	\$153.85	\$474.46	308.4%
1232	Hearing Handicapped	\$3.40	\$11.29	(\$7.89)	(69.9%)
1233	Visually Handicapped	\$34.13	\$0.00	\$34.13	N/A
1234	Orthopedically or Other Health Handicapped	\$0.00	\$0.00	\$0.00	N/A
1235	Severe Behavior Handicapped	\$197.77	\$191.60	\$6.17	3.2%
1236	Developmentally Handicapped	\$76.42	\$284.46	(\$208.04)	(73.1%)
1237	Specific Learning Disabled	\$132.52	\$1,215.21	(\$1,082.69)	(89.1%)
1239	Other Handicaps	\$3,555.95	\$579.57	\$2,976.38	513.5%
1240s	Handicapped Special Learning Experiences for Grades 7 through 12	\$5,534.53	\$3,901.44	\$1,633.09	41.9%
1241	Multi-handicapped	\$760.14	\$203.35	\$556.79	273.8%
1242	Hearing Handicapped	\$0.42	\$20.33	(\$19.91)	(97.9%)
1243	Visually Handicapped	\$0.00	\$0.00	\$0.00	N/A
1244	Orthopedically or Other Health Handicapped	\$0.00	\$9.11	(\$9.11)	(100.0%)
1245	Severe Behavior Handicapped	\$340.14	\$227.92	\$112.22	49.2%
1246	Developmentally Handicapped	\$69.33	\$277.97	(\$208.64)	(75.1%)
1247	Specific Learning Disabled	\$50.32	\$1,693.63	(\$1,643.31)	(97.0%)
1249	Other Handicaps	\$4,290.31	\$705.25	\$3,585.06	508.3%
1250s	Culturally Different	\$260.70	\$726.33	(\$465.63)	(64.1%)
1251	Bilingual	\$260.70	\$726.33	(\$465.63)	(64.1%)
1252	Migrant Education	\$0.00	\$0.00	\$0.00	N/A
1259	Other Culturally Different	\$0.00	\$0.00	\$0.00	N/A
1260s	Not Used At This Time	\$0.00	\$0.00	\$0.00	N/A
1270s	Disadvantaged Youth	\$1,179.86	\$990.55	\$189.31	19.1%
1280s	Preschool	\$1,051.65	\$661.82	\$389.83	58.9%
1290s	Other Special	\$1,429.33	\$1,022.14	\$407.19	39.8%
Total Special Education Expenditures	\$15,027.24	\$10,969.77	\$4,057.47	37.0%	

Source: PCSD and primary peers

Note: The comparisons shown in this table are informational only and do not constitute advice or opinion as to the appropriateness of the District's special education expenditures.

As shown in **Table B-3**, the District spends more per special education student than the primary peer average. Specifically, the District spent \$15,027 per special education student compared to the peer average of \$10,970, a difference of \$4,057 or 37.0 percent.

While spending is higher than the primary peer average, several factors limit the District's ability to significantly reduce special education cost, including: building configurations, insurance and litigation costs, special needs scholarships, federal maintenance of effort, and individualized education plans.

All Other Teaching Staff

Table B-4 shows the District's all other teachers staffing per 1,000 students compared to the primary peer average for FY 2015-16. Comparing all other teachers staffing in relation to student population normalizes the effect of district size between PCSD and the peers.

Table B-4: All Other Teachers Staffing Comparison

	PCSD	Primary Peer Avg.	Difference		
Students Educated	10,587	9,857	730		
Students Educated (thousands)	10.587	9.857	0.730		
Classification	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Total FTEs Above/ (Below)
Career-Technical Programs/Pathways	42.74	4.04	0.42	3.62	38.32
Gifted and Talented	3.00	0.28	0.86	(0.58)	(6.14)
LEP teaching assignment	0.00	0.00	0.52	(0.52)	(5.51)
Special Education	34.84	3.29	6.74	(3.45)	(36.53)
Supplemental Service Teachers	130.83	12.36	3.11	9.25	97.93
Preschool Special Education	9.00	0.85	0.61	0.24	2.54
Total FTEs	220.41	20.82	12.26	8.56	90.62

Source: PCSD and primary peers

Note: FTE ratios and totals may vary due to rounding.

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

² Represents the number of FTEs that, when added or subtracted, would bring the District's number of all other teachers FTEs per 1,000 students in line with the peer average.

As shown in **Table B-4**, PCSD employed more all other teacher FTEs per 1,000 students overall. Two areas were identified that show a significantly higher staffing levels compared to the primary peer average: career-technical programs/pathways and supplemental service teachers. Career-technical programs/pathways positions are directly linked to career technical education (see **R.13**). Supplemental service teachers are linked to special education and staffing levels are determined by IEP requirements. This directly impacts the District's high special education spending.

Health Insurance

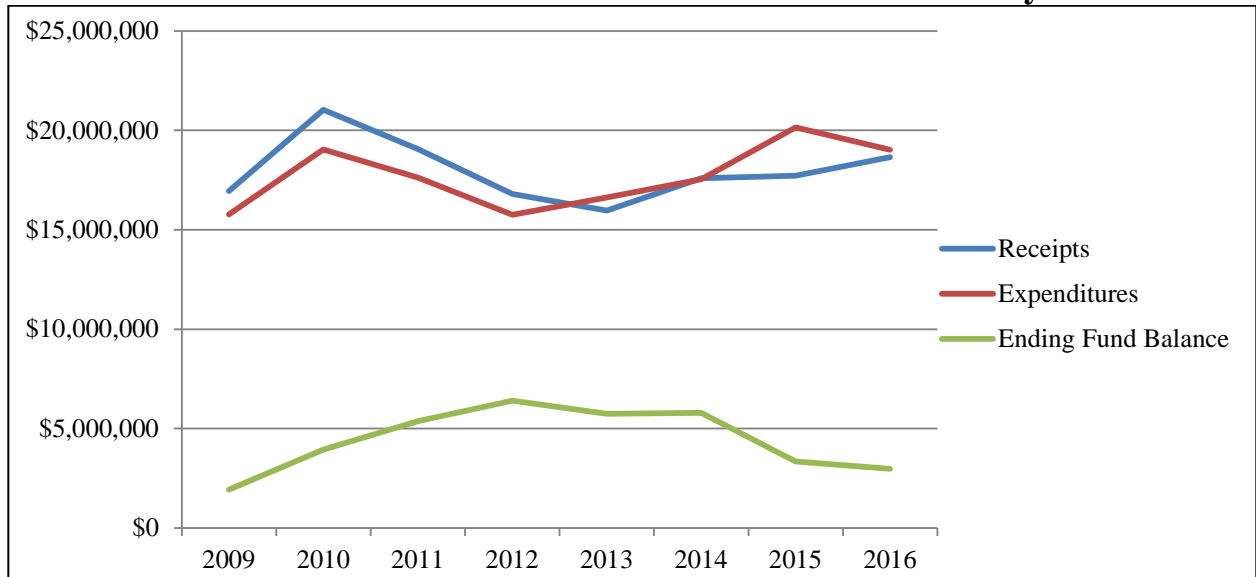
For healthcare, PCSD offers three separate preferred provider organization (PPO) plans and a Bronze (minimal value) plan through Medical Mutual. However, because of coverage levels and the eligibility restrictions, the vast majority of the employees are enrolled in the PPO plans. Specifically, of the 1,415 employees enrolled in PCSD’s healthcare program, only six (less than 1.0 percent) were enrolled in the minimum value plan.

To help establish appropriate premiums, the District contracts with an actuarial firm to annually review its cash reserves in the Self-Insurance Fund and to project IBNR claim liabilities. In FY 2014-15, the actuarial firm’s report indicated the \$3.3 million of cash reserves in PCSD’s Self-Insurance Fund were more than sufficient to cover the potential IBNR claims of \$1.5 million. However, the District’s Self-Insurance Fund balance has been in decline since FY 2013-14. As a result, the District increased health insurance premiums by 13.0 percent in FY 2016-17 (see **Noteworthy Accomplishment**).

Self-Insurance Fund

Chart B-1 shows the historical receipts, expenditures and ending fund balance of the District’s Self-Insurance Fund from FY 2007-08 to FY 2015-16. This data is important because it shows years in which expenditures outpaced receipts and the negative effect on the self-insurance ending fund balance.

Chart B-1: Self-Insurance Fund and Balance History



Source: PCSD

As shown in **Chart B-1**, the cost of insurance has outpaced receipts in three of the last four fiscal years (i.e. FY 2012-13, FY 2014-15, and FY 2015-16) which is an indicator that the past premiums were not adjusted to be at a sustainable level. There are a number of factors that can significantly impact health insurance costs, with some of the most common factors being plan design (e.g. out-of-pocket maximums, types and extent of coverage, etc.) and cost sharing (i.e. employee and employer cost).

Medical Premiums

Table B-5 shows PCSD’s share of the medical premiums compared to the average for other (self-insured) plans in Cuyahoga County, from the *24th Annual Report on the Cost of Health Insurance in Ohio’s Public Sector* (SERB, 2016). This comparison is important as insurance costs are recognized as sensitive to local conditions and, where possible, other local or regional plans provide the most realistic benchmarks for relative price competitiveness.

Table B-5: Monthly Board Medical Insurance Cost Comparison

Plan Type	PCSD	SERB Avg.	Difference	% Difference
Single	\$499.27	\$622.44	(\$123.17)	(19.8%)
Family	\$1,312.43	\$1,735.30	(\$422.87)	(24.4%)

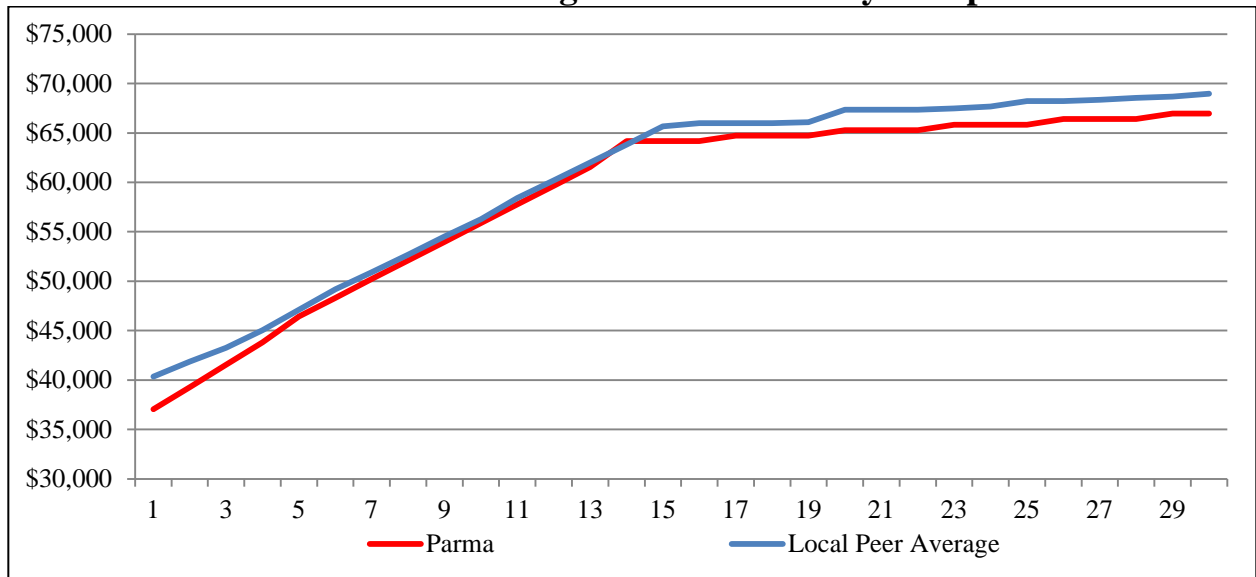
Source: PCSD and SERB

As shown in **Table B-5**, the District’s 2016 cost for medical insurance was significantly lower than the average self-funded medical plan in Cuyahoga County. However, due to the District’s financial condition, additional comparisons were made to help further reduce costs.

Salaries

Career salaries by position are compared to the local peer average in order to provide a gauge of regional competitiveness. **Chart B-2** shows the salary for a teacher with a bachelor’s degree compared to the local peers over the course of 30 years.

Chart B-2: Bachelor’s Degree Teacher Salary Comparison

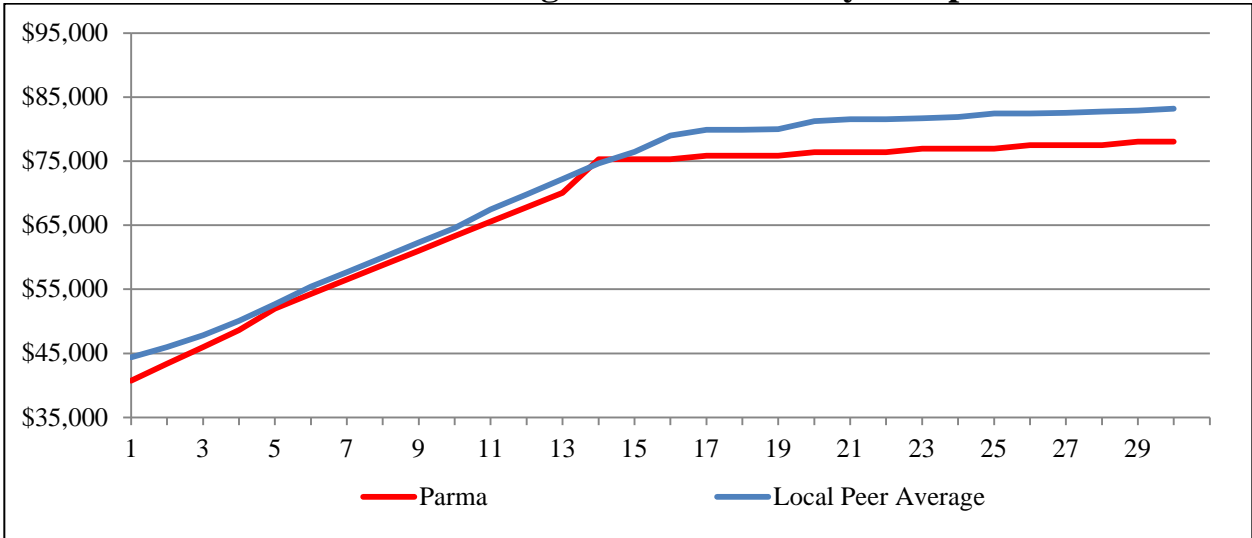


Source: PCSD and SERB

As shown in **Chart B-2**, the District’s career compensation for certificated staff with a bachelor’s degree was slightly below the local peer average.

Chart B-3 shows the salary for a teacher with a master’s degree compared to the local peers over the course of 30 years.

Chart B-3: Master’s Degree Teacher Salary Comparison

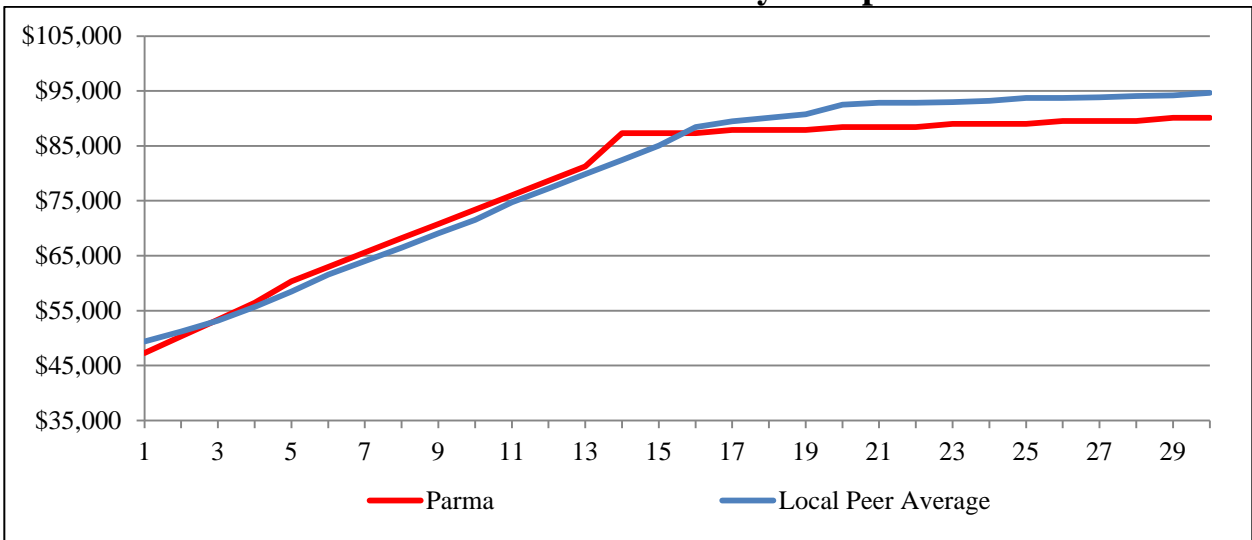


Source: PCSD and SERB

As shown in **Chart B-3**, the District’s career compensation for certificated staff with a master’s degree was slightly below the local peer average.

Chart B-4 shows the salary for a teacher with Ph.D. compared to the local peers over the course of 30 years.

Chart B-4: Ph.D. Teacher Salary Comparison

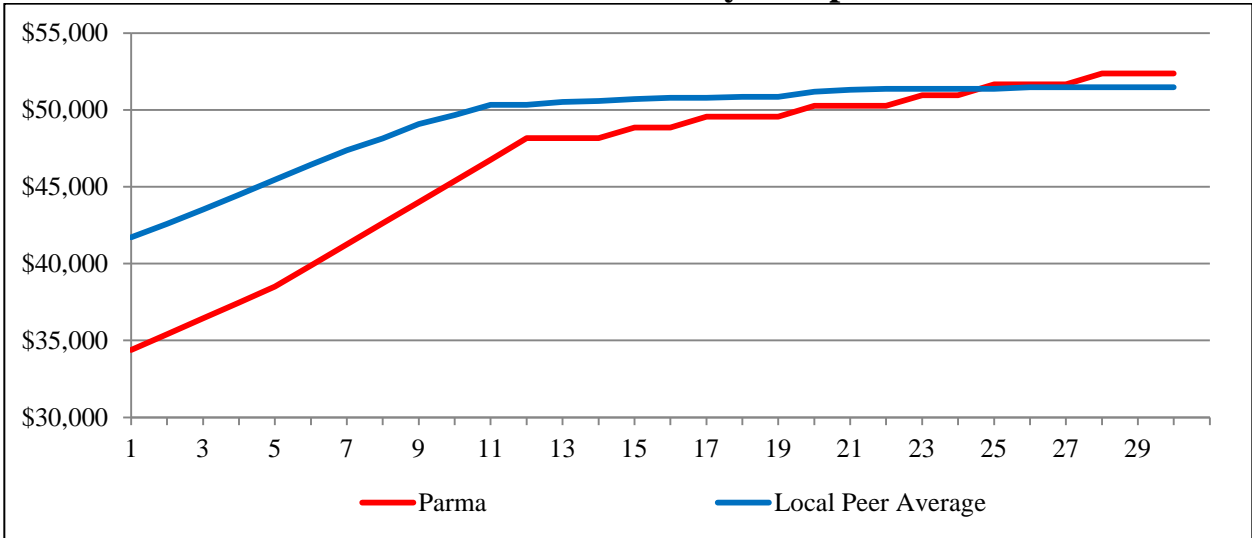


Source: PCSD and SERB

As shown in **Chart B-4**, the District’s career compensation for certificated staff with a Ph. D. was slightly below the local peer average.

Chart B-5 shows the salary for the District’s custodian position compared to the local peers over the course of 30 years.

Chart B-5: Custodian Salary Comparison

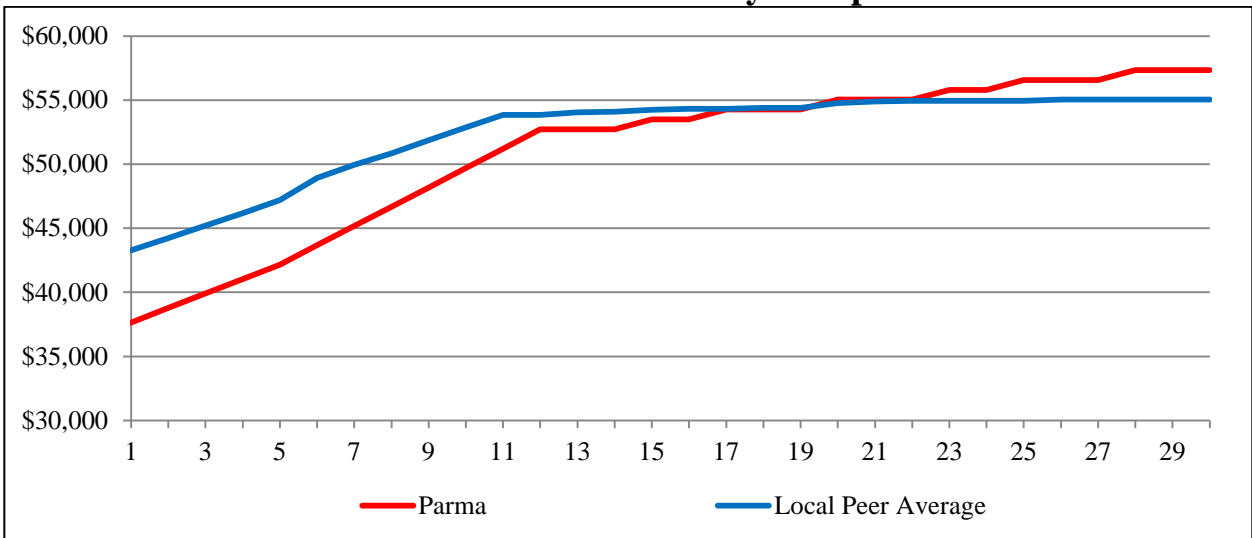


Source: PCSD and SERB

As shown in **Chart B-5**, a new custodian employee would have a lower starting wage through the first 25 years of service, but end with a slightly higher wage due to longevity.

Chart B-6 shows the salary for the District’s maintenance position compared to the local peers over the course of 30 years.

Chart B-6: Maintenance Salary Comparison

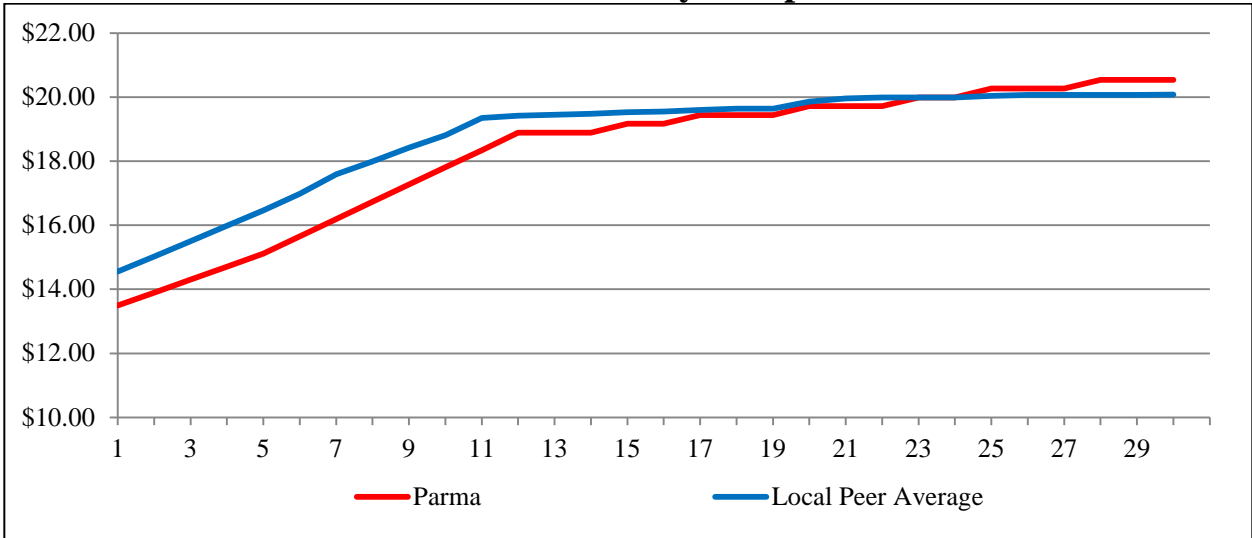


Source: PCSD and SERB

As shown in **Chart B-6**, a new maintenance employee would have a lower stating wage through the first 19 years of service, but end with a slightly higher wage due to longevity.

Chart B-7 shows the hourly wage for the District’s aide position compared to the local peers over the course of 30 years.

Chart B-7: Aide Salary Comparison

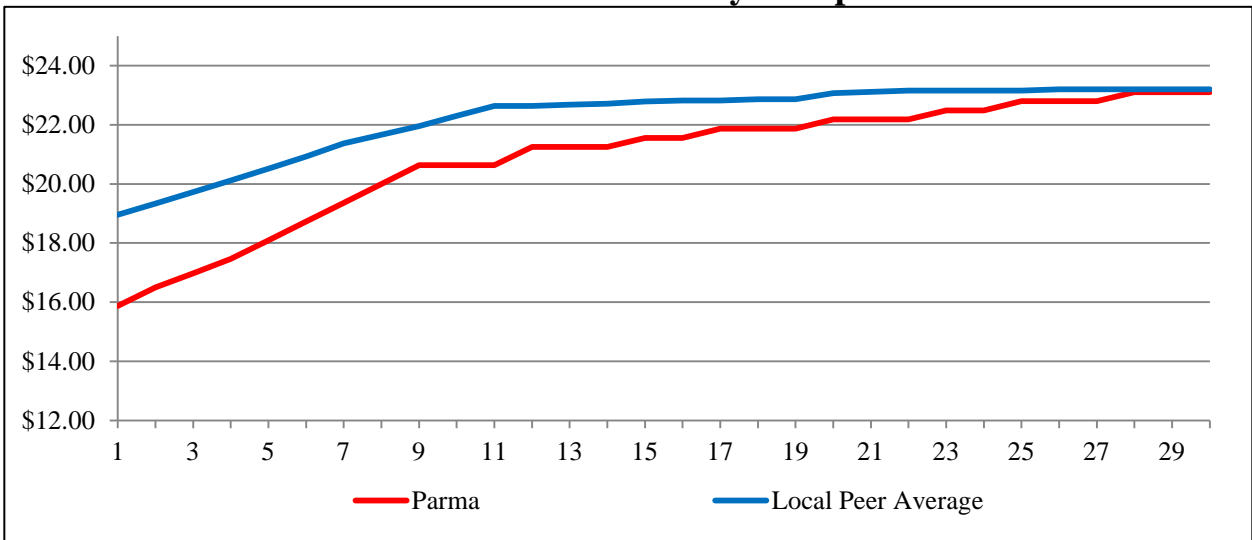


Source: PCSD and SERB

As shown in **Chart B-7**, a new aide employee would have a lower starting wage through the first 22 years of service, but end with a slightly higher wage due to longevity.

Chart B-8 shows the hourly wage for the District’s bus driver position compared to the local peers over the course of 30 years.

Chart B-8: Bus Driver Salary Comparison

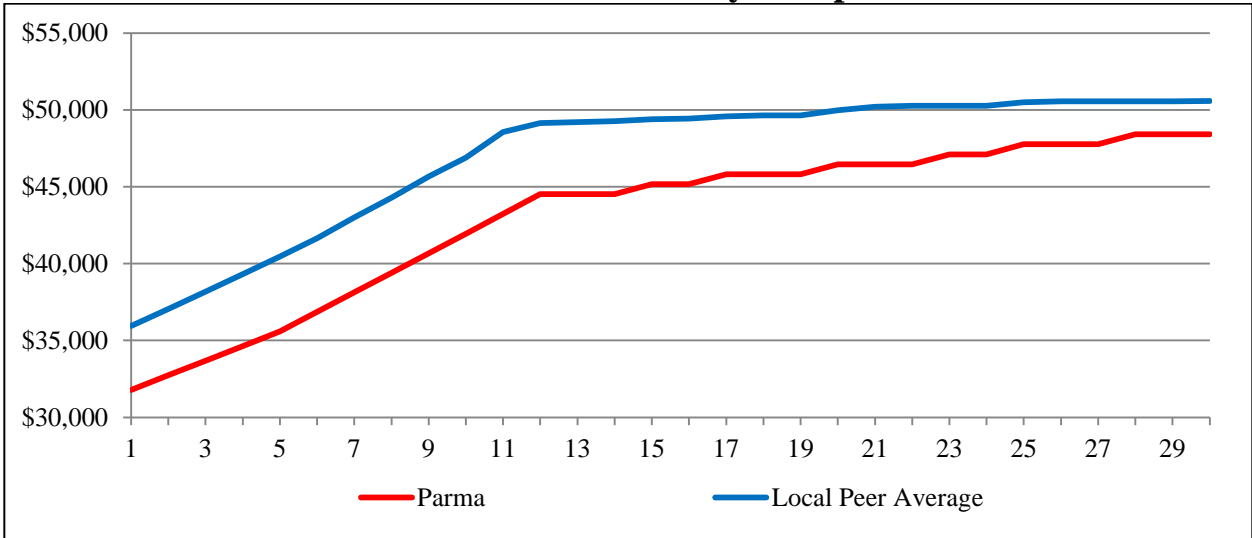


Source: PCSD and SERB

As shown in **Chart B-8**, a new bus driver employee would have a lower starting and ending wage through their entire career.

Chart B-9 shows the salary for the District’s clerical position compared to the local peers over the course of 30 years.

Chart B-9: Clerical 30 Salary Comparison



Source: PCSD and SERB

As shown in **Chart B-9**, a new clerical employee would have a lower starting and ending wage through their entire career.

Building Utilization

Building utilization refers to the level of available building capacity used as classroom space. According to *Defining Capacity* (DeJong, 1999), functional capacities are assumed at 25 students per classroom for elementary and middle school buildings and 25 students per teaching station for junior high and high school multiplied by a factor of 85.0 percent.⁵ Actual averages are used if they are greater than 25 students per classroom. As such, secondary education buildings are shown using 25, 28, and 30 students per classroom to match the District’s average functional capacity. Building utilization is a ratio of the student enrollment to the capacity of the regular classrooms.

⁵ The 85.0 percent factor accounts for the fact that every classroom may not be used every period of the day.

Table B-6 shows FY 2016-17 building utilization rates using the aforementioned methodology and 25 students per classroom for all grade levels. This ratio functions as a workload measure for assessing building utilization.

Table B-6: Building Utilization – 25 Students per Classroom

Building	Functional Capacity	Enrollment	Utilization Rate
Dentzler	450	433	96.2%
Green Valley	350	348	99.4%
John Muir	575	457	79.5%
Parma Park	375	322	85.9%
Pleasant Valley	900	850	94.4%
Renwood	325	322	99.1%
Ridge-Brook	450	381	84.7%
Thoreau Park	600	435	72.5%
Elementary School Subtotal	4,025	3,548	88.1%
Greenbriar	950	926	97.5%
Hillside	750	643	85.7%
Shiloh	825	753	91.3%
Middle School Subtotal	2,525	2,322	92.0%
Normandy	1,573	1,394	88.6%
Parma	1,785	1,704	95.5%
Valley Forge	1,636	1,572	96.1%
High School Subtotal	4,994	4,670	93.5%
Total	11,544	10,540	91.3%

Source: PCSD

As shown in **Table B-6**, the District's overall building utilization rate was 91.3 percent, which indicates that based on FY 2016-17 enrollment and building use, building closures are not feasible without additional reconfiguration which could require construction expenditures.

However, because class sizes at the middle and high school average more than 25 students per classroom, the functional capacities and utilization rates for these buildings were updated to reflect the current classroom sizes. **Table B-7** shows FY 2016-17 building utilization rates based on 25 students per classroom at the elementary level and 28 students per classroom at the middle and high school levels.

Table B-7: Building Utilization – 25/28 Students per Classroom

Building	Functional Capacity	Enrollment	Utilization Rate
Dentzler	450	433	96.2%
Green Valley	350	348	99.4%
John Muir	575	457	79.5%
Parma Park	375	322	85.9%
Pleasant Valley	900	850	94.4%
Renwood	325	322	99.1%
Ridge-Brook	450	381	84.7%
Thoreau Park	600	435	72.5%
Elementary School Subtotal	4,025	3,548	88.1%
Greenbriar	1,064	926	87.0%
Hillside	840	643	76.5%
Shiloh	924	753	81.5%
Middle School Subtotal	2,828	2,322	82.1%
Normandy	1,761	1,394	79.2%
Parma	1,999	1,704	85.2%
Valley Forge	1,833	1,572	85.8%
High School Subtotal	5,593	4,670	83.5%
Total	12,446	10,540	84.7%

Source: PCSD

As shown in **Table B-7**, the overall utilization rate decreased to 84.7 percent, with the middle school and high school decreasing to 82.1 percent and 83.5 percent, respectively. However, based on FY 2016-17 enrollment and building use, building closures still do not appear to be feasible are not feasible without additional reconfiguration which could require construction.

Table B-8 shows FY 2016-17 building utilization rates based on 25 students per classroom at the elementary level and 30 students per classroom at the middle and high school levels.

Table B-8: Building Utilization – 25/30 Students per Classroom

Building	Functional Capacity	Enrollment	Utilization Rate
Dentzler	450	433	96.2%
Green Valley	350	348	99.4%
John Muir	575	457	79.5%
Parma Park	375	322	85.9%
Pleasant Valley	900	850	94.4%
Renwood	325	322	99.1%
Ridge-Brook	450	381	84.7%
Thoreau Park	600	435	72.5%
Elementary School Subtotal	4,025	3,548	88.1%
Greenbriar	1,140	926	81.2%
Hillside	900	643	71.4%
Shiloh	990	753	76.1%
Middle School Subtotal	3,030	2,322	76.6%
Normandy	1,887	1,394	73.9%
Parma	2,142	1,704	79.6%
Valley Forge	1,964	1,572	80.0%
High School Subtotal	5,993	4,670	77.9%
Total	13,048	10,540	80.8%

Source: PCSD

As shown in **Table B-8**, the District's overall utilization rate decreased to 80.8 percent, with the middle school and high school decreasing to 76.6 percent and 77.9 percent, respectively. If the building with the lowest capacity was closed at each grade level, overall utilization would increase to 106.6 percent. As a result, building closures are not an option without reconfiguration which could require construction.

When determining building utilization, it is also important to assess utilization using projected or expected changes in enrollment. From FY 2008-09 to FY 2015-16, the District's total enrollment decreased by 14.9 percent. **Table B-9** shows utilization rates using FY 2016-17 capacities, assuming 25 students per classroom at the elementary level and 30 students at the middle and high school levels, and projected enrollment levels.

Table B-9: Projected Enrollment & Utilization

Fiscal Year	Functional Capacity	Enrollment	Utilization
FY 2016-17	13,048	10,540	80.8%
FY 2017-18	13,048	10,316	79.1%
FY 2018-19	13,048	10,096	77.4%
FY 2019-20	13,048	9,882	75.7%
FY 2020-21	13,048	9,671	74.1%

Source: PCSD and OPT analysis

As show in **Table B-9**, overall utilization based on projected enrollment will decrease to 74.1 percent in FY 2020-21. If the building with the lowest capacity was closed at each grade level, overall utilization is projected to be 97.8 percent in FY 2020-21. As a result, future building closures may be feasible without reconfiguration and/or construction.

Appendix C: Financial Recovery Plan

PARMA CITY SCHOOL DISTRICT

FISCAL RECOVERY PLAN

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As requested by the Ohio Department of Education, the Parma City School District is required to submit a fiscal recovery plan by September 30, 2016. The Ohio Department of Education has graciously granted the district extensions to this deadline which place a new date of submittal on or before November 1, 2016. As outlined in the July 18, 2016 correspondence,

“In accordance with Ohio Revised Code Section 3316.031(C), the Parma Local Board of Education must provide a written proposal for discontinuing or correcting the fiscal practices and/or budgetary conditions that prompted the declaration. This proposal should address the forecasted deficits and list the plans for preventing further fiscal difficulties.”

This report will outline what the district has deemed the most appropriate and cost effective way to address our current and future budget deficits. The district administrative team realized the benefits of addressing the reductions quickly in order to maximize the cumulative effect of these reductions over our five year forecast. A detailed list of the proposed and implemented reductions will be included in this report. The reductions will be identified in this report by budget code and the implemented fiscal year they will take effect. While the district has made every effort possible to identify realistic and sustainable reductions it is important to realize that the full effect of the reductions will not be realized and/or confirmed until the end of the fiscal year in which they were implemented. The district also maintains the position that while the reductions listed in this report are comprehensive and sustainable, we reserve the right to substitute any alternate savings that can be identified to preserve the educational initiatives of the district during the implementation of this fiscal recovery plan. The proposed reductions in this recovery plan will be reflected in the district’s October 2017 five-year forecast.

Implemented Reductions Fiscal Year 2017

Line 1.060 All Other Revenue

Total reductions to date equal \$44,000. This was realized through a one-time refund of an account established when the district implemented the Apple Computer technology. These funds were placed in an account to purchase educational apps for the I-Pads. This is a one-time revenue enhancement that will not continue after fiscal year 2017.

Line 3.010 Personnel Services

Total reductions to date equal \$2,113,816.02. These reductions were realized through a combination of reductions in force as well as funding shifts. The district also utilized Title I and II-A funds for classroom reductions by funding teacher salaries and benefits in Title I served buildings and provided access to services for students with disabilities through the use of 6B funds. The district has reduced or eliminated a total of 25 certificated positions so far in FY17. These reductions included 12 district wide instructional coaches, 3 middle school building literacy specialists and the elimination of 1 position for 4th grade strings. Additional reductions include 7 elementary building testing coordinators and 2 district wide speech and language pathologists.

Further reductions in force totaled 12 classified positions and ½ administration reduction. There were also aggressive funding shifts in the middle school lunch supplemental and elementary school breakfast monitors to have these positions paid for by the Nutrition Services budget. A decision was made to cease the summer work program for the Department of Information Services as well as eliminate the techs summer overtime. Lastly, the district implemented a reduction in certificated stipends for the PBIS and BLT supplemental duties, as well as a reduction in the number of “bus duty” supplemental contracts.

Line 3.020 Employees’ Retirement/Insurance Benefits

Total reductions to date \$738,360.98. The reductions in this line item all correspond to the preceding line 3.010 *Personnel Services*. These items include retirement benefits paid for employees on behalf of the district. It also includes health, life, dental and vision insurance for our employees. Additional items included in this budget line are unemployment and workers compensation benefits paid on behalf of the employees by the district.

Line 3.030 Purchased Services

Total reductions to date \$924,564.58. The *Purchased Services* budget line is used by the district to hire contractors, purchase utilities and or provide services to the district operations. In essence it is used to pay a vendor whenever they provide a service our employees are unable to perform. Some examples of items included in the reductions for FY17 are renegotiating multiple DIS contracts like: cell phone, printer/ copier and the expiration of an infrastructure (switches and routers) contract. Further reductions were realized through the reduction of professional development offerings to mandated only events. There were various professional organizations

and memberships that were not renewed. Additionally, the district re-negotiated a preventative maintenance contract for the HVAC equipment to find more savings. Most of the reductions in this budget line were continual reductions that carried forward from year to year. Two one-time cost avoidances that are included in this budget line are cancelling a financial forecast service and reducing the cost to maintain 18 year old busses through lease purchasing 6 new replacement buses in their place.

Line 3.040 **Supplies and Materials**

Total reductions to date \$123,521.30. The *Supplies and Materials* budget line is used by the district to purchase day to day supplies to operate the district. Items included in these reductions are mileage costs to operate buses, school budget reductions and future library book purchases.

Proposed Mid-Year Reductions Fiscal Year 2017

Line 3.010 Personnel Services

Total proposed mid-year reductions equal \$2,832,584.46. These reductions would be realized through a combination of reductions in force for certificated, classified and administrative positions. The district is proposing a reduction of 33 certificated positions. These reductions include 4 elementary building literacy specialists, 2 secondary level building testing coordinators and 3 district wide tech coaches. Additionally there will be reductions totaling 18 certificated positions for the middle school “encore- second wheel”. The “second wheel” includes foreign language, computers and health. Further reductions included 2 district media specialists, 2 high school level Computer Science elective positions and 2 high school guidance counselors.

Additional proposed reductions in force total 35.5 classified positions. These proposed reductions include 13 maintenance and custodial positions, 10.5 office clerical/ support staff, 7 district media assistants and 5 home liaisons. All of these reductions carry forward to future years. Proposed mid-year administrative reductions total 6 positions. This is comprised of 3 administrative interns and 3 central office administrators. Further proposed mid-year reductions from personnel services include the reductions of various supplemental contracts. Understanding the importance that many of these supplemental contracts mean to our students, the administration will provide a way for a specific club, organization, or group affected by these reductions the ability to “pay-to-participate”. The “pay-to-participate” fees for each of these supplemental activities will vary depending upon overall cost of the activity as well as total student involvement. It is our goal to allow these important activities to continue through the financial support of the students participating. Other personnel services savings would be realized through the elimination of all academic field trips funded through the general fund. Lastly, the administrative team is offering to take one furlough day per administrator to allow for further savings.

Line 3.020 Employees’ Retirement/ Insurance Benefits

Total proposed mid-year reductions equal \$745,239.22. The reductions proposed correspond to the preceding line 3.010 *Personnel Services*. These items include retirement benefits paid for employees on behalf of the district. It also includes health, life, dental and vision insurance for our employees. Additional items included in this budget line are unemployment and workers compensation benefits paid on behalf of the employees by the district.

Line 3.030 Purchased Services

Total proposed mid-year reductions equal \$477,811.29. The *Purchased Services* budget line is used by the district to hire contractors, purchase utilities and/or provide services to the district operations. In essence it is used to pay a vendor whenever they provide a service our employees are unable to perform. Some items included in the proposed mid-year reductions for FY17 are

ceasing contracts for various testing and statistical services used by our Curriculum and Instruction Department. We are also proposing limiting the amount of printing services available to the staff on our fee based copiers. By developing and implementing a web-based print submission service through our print shop, we are able to realize additional savings. A large reoccurring savings will be realized by shifting away from a contracted service for filling teacher vacancies to an in-house service. Our Human Resources Department has developed a way to provide this service “in-house”. Two one-time reductions would be to reverse the Board resolution to pay for all AP testing and shifting qualified costs to the Career Tech weighted funds.

Line 3.040 Supplies and Materials

Total proposed mid-year reductions equal \$73,611.00. The *Supplies and Materials* budget line is used by the district to purchase day to day supplies to operate the district. Items included in these proposed reductions are mileage costs for academic field trips and additional school budget reductions.

Proposed Reductions Fiscal Year 2018

Line 3.010 Personnel Services

Total proposed FY18 reductions equal \$6,646,453.66. These reductions would be realized through a combination of reductions in force for certificated, classified and administrative positions. Many of the FY17 reductions in force carry forward to this line item in FY18. All additional reductions are realized through certificated and non-union support staff reductions. The district is proposing a reduction of 19 certificated positions before the start of the 17/18 school year. This includes 16 special education certificated reductions and 3 gifted certificated reductions. There is also a proposed reduction to stop providing the PAC-TV service to our residents. This reduction would reduce staff by 2 additional positions. It would also mean the end to broadcasting school events and Board of Education meetings through cable TV.

Line 3.020 Employees' Retirement/ Insurance Benefits

Total proposed FY18 reductions equal \$2,789,605.30. The reductions proposed correspond to the preceding line 3.010 *Personnel Services*. These items include retirement benefits paid for employees on behalf of the district. It also includes health, life, dental and vision insurance for our employees. Additional items included in this budget line are unemployment and workers comp benefits paid on behalf of the employees by the district.

Line 3.030 Purchased Services

Total proposed FY18 reductions equal \$1,066,371.87. The *Purchased Services* budget line is used by the district to hire contractors, purchase utilities and or provide services to the district operations. In essence, it is used to pay a vendor whenever they provide a service our employees are unable to perform. All of the items included in the total reductions listed above are reoccurring costs from FY17.

Line 3.040 Supplies and Materials

Total proposed FY18 reductions equal \$226,010.30. The *Supplies and Materials* budget line is used by the district to purchase day to day supplies to operate the district. All of the items included in the total reductions listed above are reoccurring costs from FY17.

Line 4.050 Principal-HB 264 Loans

Total proposed FY18 reductions equal \$1,122,235.00. The *Principal-HB 264 Loans* budget line is used to pay the principal debt service for any loans that were used to provide energy efficiency

upgrades to district properties. These upgrades were capital improvements to district facilities. The district historically has made this payment through the general fund because there were no other funding sources available. The district has an additional budget called the Permanent Improvement (PI) fund that can be used to pay for capital expenditures and building renovations. Historically the PI funds have been highly leveraged which hindered the ability to pay other qualifying expenses through the proceeds. In FY18, the PI funds realize a healthier balance due to paying off old debt issued in the previous 10 years. That means the PI fund can now be used to pay other qualifying expenses. Since the HB-264 loans are paying for capital improvements, it is allowable to pay these expenses through the PI fund. The intent of the district is to continue future principal payments through the PI funds until the debt is paid off.

Line 4.060 **Interest and Fiscal Charges**

Total proposed FY18 reductions equal \$156,073.00. The *Interest and Fiscal Charges* budget line is used to pay the interest on the preceding line 4.050 *Principal-HB 264 Loans*. This expense is able to be shifted to the PI funds because it is attached to the capital improvement upgrades to district facilities. The intent of the district is to continue future interest payments through the PI funds until the debt is paid off.

FISCAL RECOVERY PLAN DATA SHEETS

Item	Implemented FY17	Proposed FY17	Proposed FY18	FY19	FY20	FY21
Cost Avoidance						
Salary for Administrative furlough day (\$26,000 is the salary & benefit total if 1 furlough day is taken per administrator)		\$ 22,423.46	\$ -			
Benefits for Administrative furlough days		\$ 3,576.54				
Lease 6 new buses	\$ 235,000.00	\$ -	\$ -			
Cancel Forecast 5 services	\$ 15,000.00	\$ -	\$ -			
Do not pay AP testing for PCSD students	\$ -	\$ 125,000.00	\$ -			
Sub-Total	\$ 250,000.00	\$ 151,000.00	\$ -			
Revenue Enhancement						
One time Apple App refund	\$ 44,000.00					
Sub-Total	\$ 44,000.00	\$ -	\$ -	\$ -	\$ -	\$ -
Cost Reductions						
Purchase Services & Supply/ Material Savings						
Additional 15% Building Budget Reductions	\$ 44,796.35		\$ 44,796.35	\$ 44,796.35	\$ 44,796.35	\$ 44,796.35
Additional Building Budget Reductions		\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
Reduce in-district mileage reimbursement for administrators		\$ 16,000.00	\$ 16,000.00			
Reduce WVIC contract with C&I		\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00	\$ 5,000.00
Reduce paper pencil gifted testing service		\$ 15,411.29	\$ 15,411.29	\$ 15,411.29	\$ 15,411.29	\$ 15,411.29
Reduce gifted statistical service		\$ 14,900.00	\$ 14,900.00	\$ 14,900.00	\$ 14,900.00	\$ 14,900.00
Shift qualified expenses to Career Tech weighted money		\$ 100,000.00	\$ -	\$ -	\$ -	\$ -
Reduced the Public Info awards/prizes	\$ 3,000.00		\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
Budget reduction for Parking Permit Equip- PSHS	\$ 3,000.00		\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
Budget reduction for Parking Permit Equip- VFHS	\$ 3,000.00		\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
Budget reduction for Parking Permit Equip- NHS	\$ 3,000.00		\$ 3,000.00	\$ 3,000.00	\$ 3,000.00	\$ 3,000.00
Reduced the Public Info food/related supplies/materials	\$ 2,500.00		\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
Reduced the instructional staff training other food/RE	\$ 2,500.00		\$ 2,500.00	\$ 2,500.00	\$ 2,500.00	\$ 2,500.00
Budget reduction for Library Books	\$ 7,684.75		\$ 7,684.75	\$ 7,684.75	\$ 7,684.75	\$ 7,684.75
Reduced the Community Partners: Speakers/trng/facilitators	\$ 3,273.08		\$ 3,273.08	\$ 3,273.08	\$ 3,273.08	\$ 3,273.08
Reduced the HR certified travel reimbursement	\$ 6,500.00		\$ 6,500.00	\$ 6,500.00	\$ 6,500.00	\$ 6,500.00
Reduce HR asst mtgs/mileage	\$ 208.50		\$ 208.50	\$ 208.50	\$ 208.50	\$ 208.50
Reduce Administration: meeting expenses	\$ 1,980.00		\$ 1,980.00	\$ 1,980.00	\$ 1,980.00	\$ 1,980.00
Reduce community partners: other travel/mtg expenses	\$ 2,247.00		\$ 2,247.00	\$ 2,247.00	\$ 2,247.00	\$ 2,247.00
Reduce staff training instructional consultants	\$ 2,000.00		\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
Reduce general fund mileage reimbursement account	\$ 27,000.00		\$ 27,000.00	\$ 27,000.00	\$ 27,000.00	\$ 27,000.00
Shift HB264 principal debt payment to PI from GF	\$ -	\$ -	\$ 1,122,235.00	\$ 1,171,953.00	\$ 716,000.00	\$ 514,250.16
Shift HB264 interest debt payment to PI from GF	\$ -	\$ -	\$ 156,073.00	\$ 106,354.00	\$ 59,946.00	\$ 30,855.29
Replace vehicle GPS system	\$ 22,016.00	\$ -	\$ 33,024.00	\$ 33,024.00	\$ 33,024.00	\$ 33,024.00
Purchase new buses to reduce average age of fleet reducing the cost of ownership (\$5,000 per bus per year savings for the first 5 years of ownership. Fleet replacement plan calls for six new busses purchased in FY19,20,21)	\$ 5,000.00	\$ -	\$ 35,000.00	\$ 65,000.00	\$ 95,000.00	\$ 125,000.00
Renegotiated cell phone contract	\$ 48,500.00	\$ -	\$ 48,500.00	\$ 48,500.00	\$ 48,500.00	\$ 48,500.00
Web submission printing service (projections show a 25 % increase in usage each year)	\$ 24,000.00	\$ -	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00	\$ 24,000.00
Push out web submission service and limit in building clicks to 1,500 for each teacher for the remainder of the school year.		\$ 46,000.00	\$ 46,000.00	\$ 46,000.00	\$ 46,000.00	\$ 46,000.00
Restructure current printer contract to phase out unneeded printers through the district (reduced savings initially with an increase starting in FY18. Entire contract expires in January 2020. It is our intent not to renew the contract)	\$ 47,000.00	\$ -	\$ 47,000.00	\$ 47,000.00	\$ 47,000.00	\$ 96,000.00
Mileage cost for providing academic field trips		\$ 33,611.00	\$ 33,611.00	\$ 33,611.00	\$ 33,611.00	\$ 33,611.00
Salary cost for providing academic field trips (benefits & salary= \$37,779.5)		\$ 32,582.58	\$ 32,582.58	\$ 32,582.58	\$ 32,582.58	\$ 32,582.58
Benefit cost for providing academic field trips		\$ 5,196.92	\$ 5,196.92	\$ 5,196.92	\$ 5,196.92	\$ 5,196.92
Restrict all overnight PD travel	\$ 30,000.00	\$ -	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00	\$ 30,000.00
Expiration of the lease purchase agreement for district infrastructure (switches & routers)	\$ 91,420.00	\$ -	\$ 219,408.00	\$ 219,408.00	\$ 219,408.00	\$ 219,408.00
Reduce the services included in the district HVAC PM contract	\$ 99,000.00	\$ -	\$ 99,000.00	\$ 99,000.00	\$ 99,000.00	\$ 99,000.00
Mailing costs for the "Monitor" delivered to all residence four times per year (consider limited distribution by providing select paper copies for public & bolster the electronic version distribution)	\$ -	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00	\$ 12,000.00
Salary portion to cease all PAC TV coverage of school events		\$ 20,698.58	\$ 20,698.58	\$ 20,698.58	\$ 20,698.58	\$ 20,698.58
Benefits portion to cease all PAC TV coverage of school events		\$ 3,301.42	\$ 3,301.42	\$ 3,301.42	\$ 3,301.42	\$ 3,301.42
Moved GATE programs into schools (eliminating transportation mileage costs)	\$ 5,281.00	\$ -	\$ 5,281.00	\$ 5,281.00	\$ 5,281.00	\$ 5,281.00
Benefits cost to reduce PASS Shuttle (waiting on mileage count- this total is the difference between family and single health insurance coverage)	\$ 12,083.00	\$ -	\$ 12,083.00	\$ 12,083.00	\$ 12,083.00	\$ 12,083.00

Mileage cost to reduce PASS Shuttle (Mileage costs for PASS program for last year was \$5,637.20. That was 2818.60 miles traveled with the 2 buses that provided that shuttle all year at \$2.00/mile)	\$ 5,637.20		\$ 5,637.20	\$ 5,637.20	\$ 5,637.20	\$ 5,637.20
Item	Implemented FY17	Proposed FY17	Proposed FY18	FY19	FY20	FY21
Benefits costs to reduce one 1st Step mid-day transportation route to maximize efficiencies (total is the difference between family and single health insurance coverage)	\$ 12,083.00		\$ -			
Mileage costs to reduce one 1st Step mid-day transportation route to maximize efficiencies (total is the difference between family and single health insurance coverage)	\$ 1,122.00		\$ -			
Salary portion to utilize Title Grants to pay costs associated for any mandated elementary summer school programs (15.95% of gross salary).		\$ -	\$ 64,683.05	\$ 64,683.05	\$ 64,683.05	\$ 64,683.05
Benefits portion to utilize Title Grants to pay costs associated for any mandated elementary summer school programs (15.95% of gross salary).			\$ 10,316.95	\$ 10,316.95	\$ 10,316.95	\$ 10,316.95
Salaries to eliminate PAC TV- (Salaries paid through City County funds will need to be reallocated to offset general fund costs)		\$ -	\$ 86,244.07	\$ 86,244.07	\$ 86,244.07	\$ 86,244.07
Benefits to eliminate PAC TV- (Salaries paid through City County funds will need to be reallocated to offset general fund costs)			\$ 13,755.93	\$ 13,755.93	\$ 13,755.93	\$ 13,755.93
Align school year ending in May to save health care premiums for certified retirees (avg. 12 certified per year @ \$800/ mo each for 3 months)		\$ -	\$ 28,800.00	\$ 28,800.00	\$ 28,800.00	\$ 28,800.00
Shift general fund allocation that historically went to athletics- retained in GF	\$ 45,000.00	\$ -	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00	\$ 45,000.00
Shift 50% of school trash service costs to food services	\$ 41,000.00	\$ -	\$ 41,000.00	\$ 41,000.00	\$ 41,000.00	\$ 41,000.00
Cease using McREL software & utilize free ODE version	\$ 10,000.00	\$ -	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00	\$ 10,000.00
Suspend enrollment in LEECA	\$ 2,000.00		\$ 2,000.00	\$ 2,000.00	\$ 2,000.00	\$ 2,000.00
Suspend membership for BASA	\$ 1,200.00		\$ 1,200.00	\$ 1,200.00	\$ -	\$ -
Suspend membership for ASCD	\$ 4,800.00		\$ 4,800.00	\$ 4,800.00	\$ 4,800.00	\$ 4,800.00
Reduce professional development to mandated trainings only	\$ 200,000.00		\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00
	\$ 819,831.88	\$ 344,701.79	\$ 2,702,432.67	\$ 2,716,431.67	\$ 2,242,870.67	\$ 2,091,030.12
Personnel Costs (RIF's & Cost shifts/ Reductions) *note- any personnel reductions could be offset with alternate funding sources if they are available.						
Salary cost of reducing bus supplemental duty (went from 81 to 40 supplemental)	\$ 211,244.40		\$ 211,244.40	\$ 211,244.40	\$ 211,244.40	\$ 211,244.40
Benefit cost of reducing bus supplemental duty (went from 81 to 40 supplemental)	\$ 33,693.60		\$ 33,693.60	\$ 33,693.60	\$ 33,693.60	\$ 33,693.60
Salary portion to reduce custodial & maintenance staff by 12-FTE's	\$ -	\$ 162,000.00	\$ 324,000.00	\$ 324,000.00	\$ 324,000.00	\$ 324,000.00
Benefits portion to reduce custodial & maintenance staff by 12-FTE's		\$ 120,000.00	\$ 240,000.00	\$ 240,000.00	\$ 240,000.00	\$ 240,000.00
Salary portion to reduce central office clerical and support staff by 4 FTE's	\$ -	\$ 44,000.00	\$ 88,000.00	\$ 88,000.00	\$ 88,000.00	\$ 88,000.00
Benefits portion to reduce central office clerical and support staff by 4 FTE's		\$ 40,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00
Salary portion to reduce school buildings office clerical and support staff by 5.5 FTE's	\$ -	\$ 60,500.00	\$ 121,000.00	\$ 121,000.00	\$ 121,000.00	\$ 121,000.00
Benefits portion to reduce school buildings office clerical and support staff by 5.5 FTE's		\$ 55,000.00	\$ 110,000.00	\$ 110,000.00	\$ 110,000.00	\$ 110,000.00
Reduce supplemental contracts for selective programs	\$ -	\$ 186,564.00	\$ 186,564.00	\$ 186,564.00	\$ 186,564.00	\$ 186,564.00
Benefits for supplemental contracts for selective programs	\$ -	\$ 29,756.96	\$ 29,756.96	\$ 29,756.96	\$ 29,756.96	\$ 29,756.96
Change Rachel Wixey services to in-house		\$ 143,500.00	\$ 143,500.00	\$ 143,500.00	\$ 143,500.00	\$ 143,500.00
Utilize title I and II-A funds for classroom reduction teacher salaries and benefits in Title I served buildings. By allocating all Title IIA funds to instructional purposes we will realize an additional \$56,000 into our Title IIA funds in future years. (\$56,000 is the salary & benefits total).	\$ -	\$ -	\$ 48,296.68	\$ 48,296.68	\$ 48,296.68	\$ 48,296.68
Benefits for utilizing Title I and II-A funds for classroom reduction teacher salaries and benefits in Title I served buildings.	\$ -	\$ -	\$ 7,703.32	\$ 7,703.32	\$ 7,703.32	\$ 7,703.32
Reduced instructional coaches in elementary and middle schools (12 FTE, 9.5 paid from GF)	\$ 380,000.00	\$ -	\$ 380,000.00	\$ 380,000.00	\$ 380,000.00	\$ 380,000.00
Benefits for instructional coaches	\$ 190,000.00	\$ -	\$ 190,000.00	\$ 190,000.00	\$ 190,000.00	\$ 190,000.00
Salary portion to utilize Title I and II-A funds for classroom reduction teacher salaries and benefits in Title I served buildings. (total available for salary & benefits= \$591,987)	\$ 510,553.69	\$ -	\$ 510,553.69	\$ -	\$ -	\$ -
Benefits portion to utilize Title I and II-A funds for classroom reduction teacher salaries and benefits in Title I served buildings. (total available for salary & benefits= \$591,987)	\$ 81,433.31		\$ 81,433.31	\$ -	\$ -	\$ -

Salary for Media Assistant from MS	\$ 11,569.00	\$ -	\$ 11,569.00	\$ 11,569.00	\$ 11,569.00	\$ 11,569.00
Benefits for Media Assistant from MS	\$ 1,845.00	\$ -	\$ 1,845.00	\$ 1,845.00	\$ 1,845.00	\$ 1,845.00
Eliminate middle school BLS (Building Literacy Specialists)	\$ 120,000.00	\$ -	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00
Benefits for middle school BLS	\$ 60,000.00	\$ -	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00
Salary portion to eliminate 4 elementary BLS (4 to remain)	\$ -	\$ 80,000.00	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00	\$ 160,000.00
Item	Implemented FY17	Proposed FY17	Proposed FY18	FY19	FY20	FY21
Benefits portion to eliminate 4 elementary BLS	\$ -	\$ 40,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00
Eliminate 4th grade strings (1 FTE)	\$ 40,000.00	\$ -	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
Benefits for 4th grade strings	\$ 20,000.00	\$ -	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Salary for elementary BTC (Building Testing Coordinators- 7 FTE's represents a reduced work year for all FTE's)	\$ 163,996.00	\$ -	\$ 163,996.00	\$ 163,996.00	\$ 163,996.00	\$ 163,996.00
Benefits for elementary BTC	\$ 140,000.00	\$ -	\$ 140,000.00	\$ 140,000.00	\$ 140,000.00	\$ 140,000.00
Salary portion to eliminate two BTC at secondary level (total of 2 FTE's)		\$ 40,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00
Benefit portion to eliminate two BTC at secondary level (total of 2 FTE's)		\$ 20,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
Salary portion to eliminate 3 tech coaches		\$ 60,000.00	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00
Benefit portion to eliminate 3 tech coaches		\$ 30,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00
Salary portion of moving Greenbriar Administrative role into an intern (total salary & benefits= \$42,842)	\$ 42,842.00	\$ -	\$ 42,842.00	\$ 42,842.00	\$ 42,842.00	\$ 42,842.00
Salary portion to eliminate custodial working foreman position		\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00
Benefits portion to eliminate custodial working foreman position		\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Salary portion of mid-year reduction of High School Media Assistants (total of 3 FTE's)		\$ 33,000.00	\$ 66,000.00	\$ 66,000.00	\$ 66,000.00	\$ 66,000.00
Benefits portion for HS Media Assistants (total of 3 FTE's)		\$ 30,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00
Salary portion to eliminate Leadership & Cultural Coordinator position (Total salary & benefits= \$80,000) If this is paid out of City/ County funds then any money saved should be used to offset general fund costs.		\$ 34,497.63	\$ 68,995.26	\$ 68,995.26	\$ 68,995.26	\$ 68,995.26
Benefits for Leadership & Cultural Coordinator		\$ 5,502.37	\$ 11,004.74	\$ 11,004.74	\$ 11,004.74	\$ 11,004.74
Salary portion to eliminate Communications Consultant position (If this is paid out of City/ County funds then any money saved should be used to offset general fund costs).		\$ 15,523.93	\$ 31,047.87	\$ 31,047.87	\$ 31,047.87	\$ 31,047.87
Benefit portion to eliminate Communications Consultant position		\$ 2,476.07	\$ 4,952.13	\$ 4,952.13	\$ 4,952.13	\$ 4,952.13
Salary portion of reduction of Middle School 2nd wheel (\$377,568 is the total for salary & benefits for the mid-year reduction. 18 FTE's will be reduced in FY18)		\$ 325,630.01	\$ 720,000.00	\$ 720,000.00	\$ 720,000.00	\$ 720,000.00
Benefits portion of reduction of Middle School 2nd wheel (\$377,568 is the total for salary & benefits for the mid-year reduction. 18 FTE's will be reduced in FY18)		\$ 51,937.99	\$ 360,000.00	\$ 360,000.00	\$ 360,000.00	\$ 360,000.00
Salary portion to stop providing elementary summer school enrichment (\$50,000 is the total for salary & benefits. It is a conservative estimate. Further investigation ongoing)			\$ 43,122.04	\$ 43,122.04	\$ 43,122.04	\$ 43,122.04
Benefits portion to stop providing elementary summer school enrichment			\$ 6,877.96	\$ 6,877.96	\$ 6,877.96	\$ 6,877.96
Salary portion to eliminate 2 district media specialists		\$ 40,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00
Benefits portion to eliminate 2 district media specialists		\$ 20,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
Salary portion to utilize Title I and II-A funds for classroom reduction teacher salaries and benefits in Title I served buildings.		\$ 40,000.00	\$ 80,000.00	\$ -	\$ -	\$ -
Benefits portion to utilize Title I and II-A funds for classroom reduction teacher salaries and benefits in Title I served buildings.		\$ 20,000.00	\$ 40,000.00	\$ -	\$ -	\$ -
Salary portion to reduce Career Assessment Assistant		\$ 11,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00
Benefits portion to reduce Career Assessment Assistant		\$ 10,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Restructure gifted program to provide service through classroom teachers and PD through a single point of contact (reductions come from 3 FTE's)			\$ 120,000.00	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00
Benefits from restructured gifted program (3 FTE's)			\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00
Salary portion to restructure payment for district gifted coordinator to alternate funding (City/ County money to pay a total of \$55,000 for this position)		\$ -	\$ 47,434.24	\$ 47,434.24	\$ 47,434.24	\$ 47,434.24
Benefits portion to restructure payment for district gifted coordinator to alternate funding (City/ County money)			\$ 7,565.76	\$ 7,565.76	\$ 7,565.76	\$ 7,565.76
Salary portion to shift middle school lunch supplemental costs to food services	\$ 122,797.00	\$ -	\$ 122,797.00	\$ 122,797.00	\$ 122,797.00	\$ 122,797.00
Benefits portion to shift middle school lunch supplemental	\$ 19,586.00	\$ -	\$ 19,586.00	\$ 19,586.00	\$ 19,586.00	\$ 19,586.00
Salary portion to shift breakfast monitor cost to nutrition services	\$ 26,916.00	\$ -	\$ 26,916.00	\$ 26,916.00	\$ 26,916.00	\$ 26,916.00
Benefits portion to shift breakfast monitors				\$ -	\$ -	\$ -

Salary portion for Home Liaison Costs		\$ 100,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00
Benefits portion for Home Liaisons		\$ 50,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Salary portion to eliminate Wellness Coordinator (Total salary & benefits= \$76,598 of which \$22,500 is compensated through Medical Mutual. The remaining \$54,098 is a general fund expenditure)		\$ 12,940.19	\$ 25,880.37	\$ 25,880.37	\$ 25,880.37	\$ 25,880.37
Benefits portion to eliminate Wellness Coordinator		\$ 14,108.82	\$ 28,217.63	\$ 28,217.63	\$ 28,217.63	\$ 28,217.63
Item	Implemented FY17	Proposed FY17	Proposed FY18	FY19	FY20	FY21
Benefits portion to eliminate 4 elementary BLS	\$ -	\$ 40,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00
Eliminate 4th grade strings (1 FTE)	\$ 40,000.00	\$ -	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
Benefits for 4th grade strings	\$ 20,000.00	\$ -	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Salary for elementary BTC (Building Testing Coordinators- 7 FTE's represents a reduced work year for all FTE's)	\$ 163,996.00	\$ -	\$ 163,996.00	\$ 163,996.00	\$ 163,996.00	\$ 163,996.00
Benefits for elementary BTC	\$ 140,000.00	\$ -	\$ 140,000.00	\$ 140,000.00	\$ 140,000.00	\$ 140,000.00
Salary portion to eliminate two BTC at secondary level (total of 2 FTE's)		\$ 40,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00
Benefit portion to eliminate two BTC at secondary level (total of 2 FTE's)		\$ 20,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
Salary portion to eliminate 3 tech coaches		\$ 60,000.00	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00
Benefit portion to eliminate 3 tech coaches		\$ 30,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00
Salary portion of moving Greenbriar Administrative role into an intern (total salary & benefits= \$42,842)	\$ 42,842.00	\$ -	\$ 42,842.00	\$ 42,842.00	\$ 42,842.00	\$ 42,842.00
Salary portion to eliminate custodial working foreman position		\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00
Benefits portion to eliminate custodial working foreman position		\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Salary portion of mid-year reduction of High School Media Assistants (total of 3 FTE's)		\$ 33,000.00	\$ 66,000.00	\$ 66,000.00	\$ 66,000.00	\$ 66,000.00
Benefits portion for HS Media Assistants (total of 3 FTE's)		\$ 30,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00
Salary portion to eliminate Leadership & Cultural Coordinator position (Total salary & benefits= \$80,000) If this is paid out of City/ County funds then any money saved should be used to offset general fund costs.		\$ 34,497.63	\$ 68,995.26	\$ 68,995.26	\$ 68,995.26	\$ 68,995.26
Benefits for Leadership & Cultural Coordinator		\$ 5,502.37	\$ 11,004.74	\$ 11,004.74	\$ 11,004.74	\$ 11,004.74
Salary portion to eliminate Communications Consultant position (If this is paid out of City/ County funds then any money saved should be used to offset general fund costs).		\$ 15,523.93	\$ 31,047.87	\$ 31,047.87	\$ 31,047.87	\$ 31,047.87
Benefit portion to eliminate Communications Consultant position		\$ 2,476.07	\$ 4,952.13	\$ 4,952.13	\$ 4,952.13	\$ 4,952.13
Salary portion of reduction of Middle School 2nd wheel (\$377,568 is the total for salary & benefits for the mid-year reduction. 18 FTE's will be reduced in FY18)		\$ 325,630.01	\$ 720,000.00	\$ 720,000.00	\$ 720,000.00	\$ 720,000.00
Benefits portion of reduction of Middle School 2nd wheel (\$377,568 is the total for salary & benefits for the mid-year reduction. 18 FTE's will be reduced in FY18)		\$ 51,937.99	\$ 360,000.00	\$ 360,000.00	\$ 360,000.00	\$ 360,000.00
Salary portion to stop providing elementary summer school enrichment (\$50,000 is the total for salary & benefits. It is a conservative estimate. Further investigation ongoing)			\$ 43,122.04	\$ 43,122.04	\$ 43,122.04	\$ 43,122.04
Benefits portion to stop providing elementary summer school enrichment			\$ 6,877.96	\$ 6,877.96	\$ 6,877.96	\$ 6,877.96
Salary portion to eliminate 2 district media specialists		\$ 40,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00
Benefits portion to eliminate 2 district media specialists		\$ 20,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
Salary portion to utilize Title I and II-A funds for classroom reduction teacher salaries and benefits in Title I served buildings.		\$ 40,000.00	\$ 80,000.00	\$ -	\$ -	\$ -
Benefits portion to utilize Title I and II-A funds for classroom reduction teacher salaries and benefits in Title I served buildings.		\$ 20,000.00	\$ 40,000.00	\$ -	\$ -	\$ -
Salary portion to reduce Career Assessment Assistant		\$ 11,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00	\$ 22,000.00
Benefits portion to reduce Career Assessment Assistant		\$ 10,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00	\$ 20,000.00
Restructure gifted program to provide service through classroom teachers and PD through a single point of contact (reductions come from 3 FTE's)			\$ 120,000.00	\$ 120,000.00	\$ 120,000.00	\$ 120,000.00
Benefits from restructured gifted program (3 FTE's)			\$ 60,000.00	\$ 60,000.00	\$ 60,000.00	\$ 60,000.00
Salary portion to restructure payment for district gifted coordinator to alternate funding (City/ County money to pay a total of \$55,000 for this position)		\$ -	\$ 47,434.24	\$ 47,434.24	\$ 47,434.24	\$ 47,434.24
Benefits portion to restructure payment for district gifted coordinator to alternate funding (City/ County money)			\$ 7,565.76	\$ 7,565.76	\$ 7,565.76	\$ 7,565.76
Salary portion to shift middle school lunch supplemental costs to food services	\$ 122,797.00	\$ -	\$ 122,797.00	\$ 122,797.00	\$ 122,797.00	\$ 122,797.00
Benefits portion to shift middle school lunch supplemental	\$ 19,586.00	\$ -	\$ 19,586.00	\$ 19,586.00	\$ 19,586.00	\$ 19,586.00
Salary portion to shift breakfast monitor cost to nutrition services	\$ 26,916.00	\$ -	\$ 26,916.00	\$ 26,916.00	\$ 26,916.00	\$ 26,916.00
Benefits portion to shift breakfast monitors			\$ -	\$ -	\$ -	\$ -
Salary portion for Home Liaison Costs		\$ 100,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00	\$ 200,000.00

Benefits portion for Home Liaisons		\$ 50,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00	\$ 100,000.00
Salary portion to eliminate Wellness Coordinator (Total salary & benefits= \$76,598 of which \$22,500 is compensated through Medical Mutual. The remaining \$54,098 is a general fund expenditure)		\$ 12,940.19	\$ 25,880.37	\$ 25,880.37	\$ 25,880.37	\$ 25,880.37
Benefits portion to eliminate Wellness Coordinator		\$ 14,108.82	\$ 28,217.63	\$ 28,217.63	\$ 28,217.63	\$ 28,217.63
Item	Implemented FY17	Proposed FY17	Proposed FY18	FY19	FY20	FY21
Reduce/ Eliminate EMIS Assistant to a half time position (\$74,214 full time salary & benefits- \$34,560 part time salary & benefits)		\$ 18,553.50	\$ 37,107.00	\$ 37,107.00	\$ 37,107.00	\$ 37,107.00
Salary portion to eliminate Wellness Committee Stipend (\$21,143 is the total for salary & benefits)		\$ 18,234.58	\$ 18,234.58	\$ 18,234.58	\$ 18,234.58	\$ 18,234.58
Benefit portion to eliminate Wellness Committee Stipend		\$ 2,908.42	\$ 2,908.42	\$ 2,908.42	\$ 2,908.42	\$ 2,908.42
Salary portion to reduce district overtime by 35% (\$400,000 is the target reduction)		\$ 344,976.28	\$ 344,976.28	\$ 344,976.28	\$ 344,976.28	\$ 344,976.28
Benefit portion to reduce district overtime by 35%		\$ 55,023.72	\$ 55,023.72	\$ 55,023.72	\$ 55,023.72	\$ 55,023.72
Salary portion to reduce all Admin Interns (FY17 mid year reduction of 3 FTE's)		\$ 109,500.00	\$ 219,000.00	\$ 219,000.00	\$ 219,000.00	\$ 219,000.00
Benefit portion to reduce all Admin Interns (FY17 mid year reduction of 3 FTE's)		\$ 36,450.00	\$ 72,900.00	\$ 72,900.00	\$ 72,900.00	\$ 72,900.00
Salary portion to reduce summer DIS help (\$24,206 is salary & benefits total)	\$ 20,876.24	\$ -	\$ 20,876.24	\$ 20,876.24	\$ 20,876.24	\$ 20,876.24
Benefits portion to reduce summer DIS help (\$24,206 is salary & benefits total)	\$ 3,329.76		\$ 3,329.76	\$ 3,329.76	\$ 3,329.76	\$ 3,329.76
Salary portion to eliminate 2016 Summer DIS overtime	\$ 4,260.46	\$ -	\$ -	\$ -	\$ -	\$ -
Benefits portion to eliminate 2016 Summer DIS overtime	\$ 679.54		\$ -	\$ -	\$ -	\$ -
Reduce/ Eliminate summer cleaning crew (50% reduction)		\$ -	\$ 143,523.00	\$ 143,523.00	\$ 143,523.00	\$ 143,523.00
Benefits for summer cleaning crew		\$ -	\$ 22,892.00	\$ 22,892.00	\$ 22,892.00	\$ 22,892.00
Reduce/ Eliminate summer paint crew (50% reduction)		\$ -	\$ 19,508.50	\$ 19,508.50	\$ 19,508.50	\$ 19,508.50
Benefits summer paint crew			\$ 2,833.00	\$ 2,833.00	\$ 2,833.00	\$ 2,833.00
Reduced one mechanic position through attrition	\$ 48,285.00		\$ 48,285.00	\$ 48,285.00	\$ 48,285.00	\$ 48,285.00
Benefits for mechanic	\$ 10,958.00		\$ 10,958.00	\$ 10,958.00	\$ 10,958.00	\$ 10,958.00
Salary portion for PBIS reduction	\$ 13,879.00		\$ 13,879.00	\$ 13,879.00	\$ 13,879.00	\$ 13,879.00
Benefits portion for PBIS reduction	\$ 2,211.00		\$ 2,211.00	\$ 2,211.00	\$ 2,211.00	\$ 2,211.00
Salary for mid-year reduction for high school electives (2 FTE's for Computer Science Elective)		\$ 40,000.00		\$ -	\$ -	\$ -
Benefits for mid-year reduction for high school electives (3 FTE's for Computer Science Elective)		\$ 20,000.00		\$ -	\$ -	\$ -
Salary for future high school elective reductions FY18			\$ -	\$ -	\$ -	\$ -
Benefits for future high school elective reductions FY18			\$ -	\$ -	\$ -	\$ -
Salary portion for reduction for secondary level school counselor (2 FTE's with start mid-year FY17)		\$ 55,000.00	\$ 110,000.00	\$ 110,000.00	\$ 110,000.00	\$ 110,000.00
Benefits portion for reduction for secondary level school counselor (2 FTE's with start mid-year FY17)		\$ 20,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00	\$ 40,000.00
Reduction of elementary media assistants hours per building (mid-year reduction in FY17 & full year reduction in FY18)		\$ 44,000.00	\$ 88,000.00	\$ 88,000.00	\$ 88,000.00	\$ 88,000.00
Benefits for elementary media assistants		\$ 40,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00	\$ 80,000.00
Reduced the total number of classroom aides district wide for FY17 (Reduction represents 9 FTE's)	\$ 132,895.00		\$ 132,895.00	\$ 132,895.00	\$ 132,895.00	\$ 132,895.00
Benefits for classroom aides	\$ 104,669.00		\$ 104,669.00	\$ 104,669.00	\$ 104,669.00	\$ 104,669.00
Salary portion to eliminate the number of Data Coach stipends	\$ 6,430.00		\$ 6,430.00	\$ 6,430.00	\$ 6,430.00	\$ 6,430.00
Benefits for Data Coach stipends	\$ 1,220.00		\$ 1,220.00	\$ 1,220.00	\$ 1,220.00	\$ 1,220.00
Reduce the number of BLT stipends	\$ 65,038.00		\$ 65,038.00	\$ 65,038.00	\$ 65,038.00	\$ 65,038.00
Benefits for BLT	\$ 12,342.00		\$ 12,342.00	\$ 12,342.00	\$ 12,342.00	\$ 12,342.00
Salary portion to utilize 6B funds to pay for staff which allows access to services for students with disabilities in the computer based PASS program.	\$ 47,434.24		\$ 47,434.24	\$ -	\$ -	\$ -
Benefits portion to utilize 6B funds to pay for staff which allows access to services for students with disabilities in the computer based PASS program.	\$ 7,565.76		\$ 7,565.76	\$ -	\$ -	\$ -
Move PASS administrator to direct pay from GF to save the 5% fee assessed through the ESC	\$ 2,420.00		\$ 2,420.00	\$ 2,420.00	\$ 2,420.00	\$ 2,420.00
Shift cost of 2 pre-school aides to grant funds	\$ 49,000.00		\$ 49,000.00	\$ -	\$ -	\$ -
Staffing reductions for special education	\$ -	\$ -	\$ 640,000.00	\$ 640,000.00	\$ 640,000.00	\$ 640,000.00
Benefits for Special Education	\$ -	\$ -	\$ 320,000.00	\$ 320,000.00	\$ 320,000.00	\$ 320,000.00
Reduce Speech & Language Pathologists	\$ 95,800.00	\$ -	\$ 95,800.00	\$ 95,800.00	\$ 95,800.00	\$ 95,800.00
Benefits for SLP's	\$ 24,662.00	\$ -	\$ 24,662.00	\$ 24,662.00	\$ 24,662.00	\$ 24,662.00
	\$ 2,830,431.00	\$ 2,832,584.46	\$ 9,304,316.46	\$ 8,488,329.46	\$ 8,488,329.46	\$ 8,488,329.46
	Implemented	Proposed	Proposed	FY19	FY20	FY21
Total	\$ 3,944,262.88	\$ 3,328,286.25	\$ 12,006,749.13	\$ 11,204,761.13	\$ 10,731,200.13	\$ 10,579,359.58
Total (Implemented and Proposed)	\$	7,272,549.13				

Proposed Supplemental Cuts for FY 2016/2017 School Year

JOB#	JOB_TITLE/PURPOSE	BLDG	
ATHLETIC COACHES			
21	D21 - INTRAMURAL DIRECTOR	001	Parma Senior
23	D21 - INTRAMURAL DIRECTOR	002	Valley Forge
21	D22-INTRAMURAL DIRECTOR @05	005	Hillside
22	D22 - INTRAMURAL DIRECTOR	006	Greenbriar
20	D22 - INTRAMURAL DIRECTOR	007	Shiloh
20	D21 - INTRAMURAL DIRECTOR	008	Normandy
DEPARTMENT HEADS/HOUSE LEADERS/MENTORS/ETC			
30	E30 - ACADEMIC TEAM ADVISOR 50%	002	Valley Forge
41	E35 - ELEM SCIENCE FACILITATOR 6.5%	013	Dentzler
41	E35 - ELEM SCIENCE FACILITATOR 93.5%	013	Dentzler
42	E35 - ELEMENTARY SCIENCE FACILITATO	015	John Muir
40	E35 - ELEMENTARY SCIENCE FACILITATOR 50%	017	Parma Park
42	E35 - ELEMENTARY SCIENCE FACILITATOR 50%	017	Parma Park
40	E35 - ELEMENTARY SCIENCE FACILITATOR	020	Renwood
41	E35 - ELEM SCIENCE FACILITATOR	021	Ridge-Brook
40	E39 - MENTOR TEACHER	022	Central Office
40	E39 - MENTOR TEACHER	022	Central Office
40	E39 - MENTOR TEACHER	022	Central Office
40	E39 - MENTOR TEACHER	022	Central Office
40	E39 - MENTOR TEACHER	022	Central Office
40	E39 - MENTOR TEACHER	022	Central Office
40	E39 - MENTOR TEACHER	022	Central Office
40	E39 - MENTOR TEACHER	022	Central Office
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40	E39 - MENTOR TEACHER	022	Central Office
40	E39 - MENTOR TEACHER	022	Central Office
41	E39 - MENTOR TEACHER	022	Central Office
41	E39 - MENTOR TEACHER	022	Central Office
41	E39 - MENTOR TEACHER	022	Central Office
41	E39 - MENTOR TEACHER	022	Central Office
41	E39 - MENTOR TEACHER	022	Central Office
41	E39 - MENTOR TEACHER	022	Central Office
41	E39 - MENTOR TEACHER	022	Central Office
41	E39 - MENTOR TEACHER	022	Central Office
41	E39 - MENTOR TEACHER	022	Central Office
43	E39 - MENTOR TEACHER	022	Central Office
44	E39 - MENTOR TEACHER	022	Central Office
41	E39 - MENTOR TEACHER END 10/12/15	022	Central Office
41	E35 - ELEMENTARY SCIENCE FACILITATOR	026	Thoreau Park
40	E35 - ELEMENTARY SCIENCE FACILITATOR	027	Green Valley
41	E35 - ELEMENTARY SCIENCE FACILITATOR	032	Pleasant Valley

Proposed Supplemental Cuts for FY 2016/2017 School Year Continued

JOB#	JOB_TITLE/PURPOSE	BLDG	
CLUB ADVISORS			
40	D71 - DRAMATICS	001	Parma Senior
40	D72 - DRAMATICS 8TH GRADE 50%	001	Parma Senior
43	D72 - DRAMATICS 8TH GRADE 50%	001	Parma Senior
40	E13 - NEWSPAPER ADVISOR	001	Parma Senior
40	E30 - ACADEMIC TEAM ADVISOR	001	Parma Senior
42	E44 - ART CLUB/NAT'L ART HONOR SOCIETY	001	Parma Senior
42	E45 - KEY CLUB	001	Parma Senior
40	E48 - ART CLUB 8TH GRADE 50%	001	Parma Senior
40	E48 - MIDDLE SCHOOL ART CLUB - 50%	001	Parma Senior
40	D71 - DRAMATICS	002	Valley Forge
40	D81 - DEBATE 50%	002	Valley Forge
41	D81 DEBATE 50%	002	Valley Forge
42	E13 - NEWSPAPER ADVISOR	002	Valley Forge
40	E30-50% ACADEMIC TEAM @02	002	Valley Forge
40	E44 - ART CLUB & NAT'L ART HONOR SOCIETY 50%	002	Valley Forge
40	E45 - KEY CLUB	002	Valley Forge
40	E50 - 8TH GRADE POWER OF THE PEN	002	Valley Forge
40	D72 - DRAMATICS	005	Hillside
40	E48 - MIDDLE SCHOOL ART CLUB	005	Hillside
40	E49 - 7TH GRADE POWER OF THE PEN	005	Hillside
44	D72 DRAMATICS	006	Greenbriar
40	E14-NEWSPAPER ADV.@07	006	Greenbriar
40	E48 - ART CLUB	006	Greenbriar
43	E48 - ART CLUB 50%	006	Greenbriar
40	E49 - POWER OF THE PEN 7TH GR	006	Greenbriar
40	D72 - DRAMATICS	007	Shiloh
41	E14 - NEWSPAPER ADVISOR	007	Shiloh
40	E48 - ART CLUB	007	Shiloh
40	D31 - STAGE DIRECTOR 50%	008	Normandy
41	D31 - STAGE DIRECTOR 50%	008	Normandy
40	D71 - DRAMATICS	008	Normandy
41	D72 - 8TH GRADE DRAMATICS	008	Normandy
40	E13- NEWSPAPER ADVISOR @08	008	Normandy
40	E30 - ACADEMIC TEAM ADVISOR 50%	008	Normandy
41	E30 - ACADEMIC TEAM ADVISOR 50%	008	Normandy
40	E44 - ART CLUB & NAT'L ART HONOR SOCIETY	008	Normandy
40	E45 - KEY CLUB	008	Normandy
41	E50 - POWER OF THE PEN 8TH GRADE	008	Normandy

Proposed Supplemental Cuts for FY 2016/2017 School Year Continued

JOB#	JOB_TITLE/PURPOSE	BLDG	
	MUSIC		
50	D31 - STAGE DIRECTOR	001	Parma Senior
51	D47-JAZZ BAND	001	Parma Senior
56	D55 - POP ENSEMBLE DIRECTOR @001	001	Parma Senior
58	D45 8TH GR JAZZ BAND - PSH	001	Parma Senior
50	D31 - STAGE DIRECTOR	002	Valley Forge
52	D55 - POP ENSEMBLE	002	Valley Forge
53	D54 - 8TH GRADE POP ENSEMBLE	002	Valley Forge
54	D45-JAZZ BAND DIRECTOR 8TH GRADE	002	Valley Forge
60	D47 - JAZZ BAND	002	Valley Forge
56	D45 - JAZZ BAND	005	Hillside
52	D45 - JAZZ BAND	006	Greenbriar
54	D54 - POP ENSEMBLE DIRECTOR	006	Greenbriar
50	D54 - POP ENSEMBLE 50%	007	Shiloh
50	D54-POP ENSEMBLE DIRECTOR 50%	007	Shiloh
54	D45-JAZZ BAND DIRECTOR	007	Shiloh
50	D55 - POP ENSEMBLE	008	Normandy
51	D54 - 8TH GRADE POP ENSEMBLE	008	Normandy
53	D47 - JAZZ BAND	008	Normandy
59	D45 - 8TH GRADE JAZZ BAND	008	Normandy
50	D53 - ELEMENTARY CHOIR	013	Dentzler
51	D63 - ELEMENTARY ORCHESTRA	013	Dentzler
51	D53 - ELEMENTARY CHOIR	015	John Muir
53	D63-ELEMENTARY ORCHESTRA	015	John Muir
54	D63 - ELEMENTARY ORCHESTRA	017	Parma Park
57	D53 - ELEMENTARY CHOIR	017	Parma Park
50	D53 - ELEMENTARY CHOIR	020	Renwood
50	D63 - ELEMENTARY ORCHESTRA	020	Renwood
52	D63 - ELEMENTARY ORCHESTRA	021	Ridge-Brook
50	D53 - ELEMENTARY CHOIR	026	Thoreau Park
50	D63 - ELEMENTARY ORCHESTRA	026	Thoreau Park
54	D53 - ELEMENTARY CHOIR	026	Thoreau Park
50	D63 - ELEMENTARY ORCHESTRA	027	Green Valley
54	D53 - ELEMENTARY CHOIR	027	Green Valley
60	63 - ELEMENTARY ORCHESTRA	027	Green Valley
51	D63 - ELEMENTARY ORCHESTRA	032	Pleasant Valley

Proposed Supplemental Cuts for FY 2016/2017 School Year Continued

JOB#	JOB_TITLE/PURPOSE	BLDG	
MUSIC			
50	D31 - STAGE DIRECTOR	001	Parma Senior
51	D47-JAZZ BAND	001	Parma Senior
56	D55 - POP ENSEMBLE DIRECTOR @001	001	Parma Senior
58	D45 8TH GR JAZZ BAND - PSH	001	Parma Senior
50	D31 - STAGE DIRECTOR	002	Valley Forge
52	D55 - POP ENSEMBLE	002	Valley Forge
53	D54 - 8TH GRADE POP ENSEMBLE	002	Valley Forge
54	D45-JAZZ BAND DIRECTOR 8TH GRADE	002	Valley Forge
60	D47 - JAZZ BAND	002	Valley Forge
56	D45 - JAZZ BAND	005	Hillside
52	D45 - JAZZ BAND	006	Greenbriar
54	D54 - POP ENSEMBLE DIRECTOR	006	Greenbriar
50	D54 - POP ENSEMBLE 50%	007	Shiloh
50	D54-POP ENSEMBLE DIRECTOR 50%	007	Shiloh
54	D45-JAZZ BAND DIRECTOR	007	Shiloh
50	D55 - POP ENSEMBLE	008	Normandy
51	D54 - 8TH GRADE POP ENSEMBLE	008	Normandy
53	D47 - JAZZ BAND	008	Normandy
59	D45 - 8TH GRADE JAZZ BAND	008	Normandy
50	D53 - ELEMENTARY CHOIR	013	Dentzler
51	D63 - ELEMENTARY ORCHESTRA	013	Dentzler
51	D53 - ELEMENTARY CHOIR	015	John Muir
53	D63-ELEMENTARY ORCHESTRA	015	John Muir
54	D63 - ELEMENTARY ORCHESTRA	017	Parma Park
57	D53 - ELEMENTARY CHOIR	017	Parma Park
50	D53 - ELEMENTARY CHOIR	020	Renwood
50	D63 - ELEMENTARY ORCHESTRA	020	Renwood
52	D63 - ELEMENTARY ORCHESTRA	021	Ridge-Brook
50	D53 - ELEMENTARY CHOIR	026	Thoreau Park
50	D63 - ELEMENTARY ORCHESTRA	026	Thoreau Park
54	D53 - ELEMENTARY CHOIR	026	Thoreau Park
50	D63 - ELEMENTARY ORCHESTRA	027	Green Valley
54	D53 - ELEMENTARY CHOIR	027	Green Valley
60	63 - ELEMENTARY ORCHESTRA	027	Green Valley
51	D63 - ELEMENTARY ORCHESTRA	032	Pleasant Valley

Appendix D: Five-Year Forecasts

Chart D-1 shows the District's October 2015 five-year forecast, **Chart D-2** shows the District's May 2016 five-year forecast, **Chart D-3** shows the District's October 2016 five-year forecast, and **Chart D-4** shows District's December 2016 which incorporates additional property tax revenue from the emergency levy renewal in November 2016.

Chart D-1: PCSD October 2015 Five-Year Forecast

Line	Actual			Forecasted				
	2013	2014	2015	2016	2017	2018	2019	2020
1.010 General Property (Real Estate)	90,358,210	89,110,418	87,255,455	87,560,087	87,384,967	83,629,392	75,985,039	75,985,039
1.020 Tangible Personal Property Tax	20,443	9,732	3,222,541	3,492,828	3,580,149	3,669,653	3,761,394	3,855,429
1.035 Unrestricted Grants-in-Aid	24,969,685	26,267,017	28,455,213	30,566,037	33,910,580	36,035,404	36,035,404	36,035,404
1.040 Restricted Grants-in-Aid	404,165	1,384,738	2,089,503	2,148,216	2,148,216	2,148,216	2,148,216	2,148,216
1.045 Restricted Federal Grants-in-Aid - SFSF	172,865							
1.050 Property Tax Allocation	14,559,418	14,589,259	14,679,357	14,952,241	15,086,853	15,162,287	15,162,287	15,162,287
1.060 All Other Operating Revenue	5,035,379	4,741,035	6,042,763	4,521,451	4,541,661	4,564,369	4,575,780	4,575,780
1.070 Total Revenue	135,520,165	136,102,199	141,744,832	143,240,861	146,652,426	145,209,321	137,668,121	137,762,155
2.040 Operating Transfers-In	464,002	11,973	1,356	11,973	50,000	50,000	50,000	50,000
2.050 Advances-In	328,100	988,251	732,756	367,000	175,000	175,000	175,000	150,000
2.060 All Other Financial Sources	307,188	1,132,404	1,326,019	3,046,531	550,000	550,000	475,000	475,000
2.070 Total Other Financing Sources	1,099,290	2,132,628	2,060,132	3,425,504	775,000	775,000	700,000	675,000
2.080 Total Revenues and Other Financing Sources	136,619,455	138,234,826	143,804,964	146,666,365	147,427,426	145,984,321	138,368,121	138,437,155
3.010 Personnel Services	76,762,020	76,744,433	82,296,197	83,273,883	84,481,643	86,086,794	87,636,356	89,213,810
3.020 Employees' Retirement/Insurance Benefits	27,036,717	29,089,670	28,862,496	28,616,434	28,479,900	28,752,410	29,362,684	30,335,253
3.030 Purchased Services	22,152,245	24,216,858	28,729,863	28,874,130	29,307,242	29,746,851	30,193,053	30,645,949
3.040 Supplies and Materials	3,509,787	4,486,172	3,849,131	3,480,123	3,350,123	3,316,622	3,291,747	3,267,059
3.050 Capital Outlay	737,367	2,212,126	2,075,997	300,000	275,000	275,000	275,000	275,000
4.050 Debt Service: Principal - HB 264 Loans	1,664,324	1,725,946	1,746,383	1,824,037	1,907,625	1,122,235	1,171,953	716,000
4.060 Debt Service: Interest and Fiscal Charges	484,562	421,981	400,120	321,610	237,335	156,073	59,946	59,946
4.300 Other Objects	1,885,496	1,850,570	1,866,822	1,848,903	1,858,148	1,867,438	1,876,775	1,886,159
4.500 Total Expenditures	134,232,519	140,747,755	149,827,007	148,539,120	149,897,015	151,323,422	153,867,515	156,399,177
5.010 Operational Transfers - Out		78,834	816					
5.020 Advances - Out	988,251	732,756	367,000	175,000	175,000	175,000	150,000	100,000
5.030 All Other Financing Uses	150							
5.040 Total Other Financing Uses	988,401	811,590	367,816	175,000	175,000	175,000	150,000	100,000
5.050 Total Expenditure and Other Financing Uses	135,220,920	141,559,345	150,194,823	148,714,120	150,072,015	151,498,422	154,017,515	156,499,177
6.010 Excess Rev & Oth Financing Sources over(under) Exp & Oth Financing	1,398,535	(3,324,519)	(6,389,859)	(2,047,755)	(2,644,588)	(5,514,101)	(15,649,394)	(18,062,021)
7.010 Beginning Cash Balance	14,337,077	15,735,612	12,411,093	6,021,234	3,973,479	1,328,891	(4,185,211)	(19,834,605)
7.020 Ending Cash Balance	15,735,612	12,411,093	6,021,234	3,973,479	1,328,891	(4,185,211)	(19,834,605)	(37,896,626)
8.010 Outstanding Encumbrances	4,156,517	2,149,183	1,197,418	1,250,000				
10.010 Fund Balance June 30 for Certification of Appropriations	11,579,095	10,261,910	4,823,816	2,723,479	1,328,891	(4,185,211)	(19,834,605)	(37,896,626)
11.020 Property Tax - Renewal or Replacement						4,192,500	8,062,500	8,062,500
11.300 Cumulative Balance of Replacement/Renewal Levies						4,192,500	12,255,000	20,317,500
12.010 Fund Bal June 30 for Cert of Contracts, Salary Sched, Oth Obligations	11,579,095	10,261,910	4,823,816	2,723,479	1,328,891	7,289	(7,579,605)	(17,579,126)
13.020 Property Tax - New							7,669,695	13,944,900
13.030 Cumulative Balance of New Levies							7,669,695	21,614,595
15.010 Unreserved Fund Balance June 30	11,579,095	10,261,910	4,823,816	2,723,479	1,328,891	7,289	90,090	4,035,469

Source: PCSD and ODE

Chart D-2: PCSD May 2016 Five-Year Forecast

Line	Actual			Forecasted				
	2013	2014	2015	2016	2017	2018	2019	2020
1.010 General Property (Real Estate)	90,358,210	89,110,418	87,255,455	88,677,956	86,677,956	82,246,706	78,215,456	78,215,456
1.020 Tangible Personal Property Tax	20,443	9,732	3,222,541	3,494,510	3,494,510	3,494,510	3,494,510	3,494,510
1.035 Unrestricted Grants-in-Aid	24,969,685	26,267,017	28,455,213	30,394,758	32,522,391	32,522,391	32,522,391	32,522,391
1.040 Restricted Grants-in-Aid	404,165	1,384,738	2,089,503	2,129,273	2,278,322	2,278,322	2,278,322	2,278,322
1.045 Restricted Federal Grants-in-Aid - SFSF	172,865							
1.050 Property Tax Allocation	14,559,418	14,589,259	14,679,357	14,438,697	14,438,697	13,874,322	12,745,572	12,745,572
1.060 All Other Operating Revenue	5,035,379	4,741,035	6,042,763	3,224,691	3,225,000	3,225,000	3,225,000	3,225,000
1.070 Total Revenue	135,520,165	136,102,199	141,744,832	142,359,884	142,636,875	137,641,250	132,481,250	132,481,250
2.040 Operating Transfers-In	464,002	11,973	1,356					
2.050 Advances-In	328,100	988,251	732,756	367,000				
2.060 All Other Financial Sources	307,188	1,132,404	1,326,019	3,884,885	400,000	400,000	400,000	400,000
2.070 Total Other Financing Sources	1,099,290	2,132,628	2,060,132	4,251,885	400,000	400,000	400,000	400,000
2.080 Total Revenues and Other Financing Sources	136,619,455	138,234,826	143,804,964	146,611,770	143,036,875	138,041,250	132,881,250	132,881,250
3.010 Personnel Services	76,762,020	76,744,433	82,296,197	83,653,832	84,682,559	86,935,519	88,574,794	90,245,364
3.020 Employees' Retirement/Insurance Benefits	27,036,717	29,089,670	28,862,496	31,724,327	33,008,766	34,556,869	36,049,941	37,623,292
3.030 Purchased Services	22,152,245	24,216,858	28,729,863	27,129,520	24,160,111	24,522,512	24,890,350	25,263,705
3.040 Supplies and Materials	3,509,787	4,486,172	3,849,131	3,445,331	3,186,931	3,186,931	3,186,931	3,186,931
3.050 Capital Outlay	737,367	2,212,126	2,075,997	1,376,255	300,000	300,000	300,000	300,000
4.050 Debt Service: Principal - HB 264 Loans	1,664,324	1,725,946	1,746,383	1,859,454	1,907,625	1,122,235	1,171,953	716,000
4.060 Debt Service: Interest and Fiscal Charges	484,562	421,981	400,120	286,193	237,335	156,073	59,946	59,946
4.300 Other Objects	1,885,496	1,850,570	1,866,822	1,728,903	1,737,548	1,746,235	1,754,966	1,763,741
4.500 Total Expenditures	134,232,519	140,747,755	149,827,007	151,203,815	149,220,874	152,526,374	155,988,882	159,158,979
5.010 Operational Transfers - Out		78,834	816	1,958				
5.020 Advances - Out	988,251	732,756	367,000					
5.030 All Other Financing Uses	150			7,415				
5.040 Total Other Financing Uses	988,401	811,590	367,816	9,374				
5.050 Total Expenditure and Other Financing Uses	135,220,920	141,559,345	150,194,823	151,213,189	149,220,874	152,526,374	155,988,882	159,158,979
6.010 Excess Rev & Oth Financing Sources over(under) Exp & Oth Financing	1,398,535	(3,324,519)	(6,389,859)	(4,601,419)	(6,183,999)	(14,485,124)	(23,107,632)	(26,277,729)
7.010 Beginning Cash Balance	14,337,077	15,735,612	12,411,093	6,021,234	1,419,815	(4,764,184)	(19,249,308)	(42,356,940)
7.020 Ending Cash Balance	15,735,612	12,411,093	6,021,234	1,419,815	(4,764,184)	(19,249,308)	(42,356,940)	(68,634,669)
8.010 Outstanding Encumbrances	4,156,517	2,149,183	1,197,418	1,250,000				
10.010 Fund Balance June 30 for Certification of Appropriations	11,579,095	10,261,910	4,823,816	169,815	(4,764,184)	(19,249,308)	(42,356,940)	(68,634,669)
11.020 Property Tax - Renewal or Replacement						4,192,500	8,062,500	8,062,500
11.300 Cumulative Balance of Replacement/Renewal Levies						4,192,500	12,255,000	20,317,500
12.010 Fund Bal June 30 for Cert of Contracts, Salary Sched, Oth Obligations	11,579,095	10,261,910	4,823,816	169,815	(4,764,184)	(15,056,808)	(30,101,940)	(48,317,169)
15.010 Unreserved Fund Balance June 30	11,579,095	10,261,910	4,823,816	169,815	(4,764,184)	(15,056,808)	(30,101,940)	(48,317,169)

Source: PCSD and ODE

Chart D-3: PCSD October 2016 Five-Year Forecast

Line	Actual			Forecasted				
	2014	2015	2016	2017	2018	2019	2020	2021
1.010 General Property (Real Estate)	89,110,418	87,255,455	89,924,979	86,677,956	81,327,468	78,721,023	79,971,023	76,145,322
1.020 Tangible Personal Property Tax	9,732	3,222,541	3,494,510	3,494,510	3,391,713	3,288,916	3,288,916	3,171,644
1.035 Unrestricted Grants-in-Aid	26,267,017	28,455,213	29,713,825	31,241,519	31,241,519	31,241,519	31,241,519	31,241,519
1.040 Restricted Grants-in-Aid	1,384,738	2,089,503	2,141,639	2,247,796	2,247,796	2,247,796	2,247,796	2,247,796
1.050 Property Tax Allocation	14,589,259	14,679,357	14,475,645	14,475,645	13,900,658	13,325,671	13,325,671	12,669,714
1.060 All Other Operating Revenue	4,741,035	6,042,763	3,433,462	3,474,000	3,400,000	3,400,000	3,400,000	3,400,000
1.070 Total Revenue	136,102,199	141,744,832	143,184,060	141,611,425	135,509,152	132,224,924	133,474,924	128,875,994
2.040 Operating Transfers-In	11,973	1,356	2,786					
2.050 Advances-In	988,251	732,756	367,000	596,954	590,000	500,000	500,000	500,000
2.060 All Other Financial Sources	1,132,404	1,326,019	4,220,668	780,000	780,000	780,000	780,000	780,000
2.070 Total Other Financing Sources	2,132,628	2,060,132	4,590,454	1,376,954	1,370,000	1,280,000	1,280,000	1,280,000
2.080 Total Revenues and Other Financing Sources	138,234,826	143,804,964	147,774,514	142,988,379	136,879,152	133,504,924	134,754,924	130,155,994
3.010 Personnel Services	76,744,433	82,296,197	83,717,691	80,387,631	80,562,183	82,378,795	84,039,444	85,731,713
3.020 Employees' Retirement/Insurance Benefits	29,089,670	28,862,496	31,810,614	30,515,854	29,474,679	30,210,061	30,827,988	31,457,682
3.030 Purchased Services	24,216,858	28,729,863	27,857,125	23,565,201	24,184,369	24,579,130	24,964,773	25,305,982
3.040 Supplies and Materials	4,486,172	3,849,131	3,308,737	3,378,004	3,288,546	3,258,546	3,228,546	3,198,546
3.050 Capital Outlay	2,212,126	2,075,997	1,314,709	856,033	850,000	850,000	850,000	850,000
4.050 Debt Service: Principal - HB 264 Loans	1,725,946	1,746,383	1,859,454	1,907,625				
4.060 Debt Service: Interest and Fiscal Charges	421,981	400,120	286,193	237,335				
4.300 Other Objects	1,850,570	1,866,822	1,710,837	1,944,629	1,945,000	1,945,000	1,945,000	1,945,000
4.500 Total Expenditures	140,747,755	149,827,007	151,865,360	142,792,313	140,304,777	143,221,532	145,855,750	148,488,922
5.010 Operational Transfers - Out	78,834	816	1,958					
5.020 Advances - Out	732,756	367,000	596,954	590,000	500,000	500,000	500,000	500,000
5.030 All Other Financing Uses				7,415	1,500			
5.040 Total Other Financing Uses	811,590	367,816	606,327	591,500	500,000	500,000	500,000	500,000
5.050 Total Expenditure and Other Financing Uses	141,559,345	150,194,823	152,471,687	143,383,813	140,804,777	143,721,532	146,355,750	148,988,922
6.010 Excess Rev & Oth Financing Sources over(under) Exp & Oth Financing	(3,324,519)	(6,389,859)	(4,697,173)	(395,434)	(3,925,624)	(10,216,608)	(11,600,826)	(18,832,929)
7.010 Beginning Cash Balance	15,735,612	12,411,093	6,021,234	1,324,061	928,627	(2,996,998)	(13,213,606)	(24,814,431)
7.020 Ending Cash Balance	12,411,093	6,021,234	1,324,061	928,627	(2,996,998)	(13,213,606)	(24,814,431)	(43,647,360)
8.010 Outstanding Encumbrances	2,149,183	1,197,418	472,542	750,000	750,000	750,000	750,000	750,000
10.010 Fund Balance June 30 for Certification of Appropriations	10,261,910	4,823,816	851,519	178,627	(3,746,998)	(13,963,606)	(25,564,431)	(44,397,360)
11.010 Income Tax - Renewal					4,031,250	8,062,500	8,062,500	12,661,430
11.300 Cumulative Balance of Replacement/Renewal Levies					4,031,250	12,093,750	20,156,250	32,817,680
12.010 Fund Bal June 30 for Cert of Contracts,Salary Sched,Oth Obligations	10,261,910	4,823,816	851,519	178,627	284,252	(1,869,856)	(5,408,181)	(11,579,680)
15.010 Unreserved Fund Balance June 30	10,261,910	4,823,816	851,519	178,627	284,252	(1,869,856)	(5,408,181)	(11,579,680)

Source: PCSD and ODE

Chart D-4: PCSD December 2016 Five-Year Forecast

Line	Actual			Forecasted				
	2014	2015	2016	2017	2018	2019	2020	2021
1.010 General Property (Real Estate)	89,110,418	87,255,455	89,924,979	86,677,956	84,680,934	85,427,956	86,677,956	82,852,255
1.020 Tangible Personal Property Tax	9,732	3,222,541	3,494,510	3,494,510	3,494,510	3,494,510	3,494,510	3,377,238
1.035 Unrestricted Grants-in-Aid	26,267,017	28,455,213	29,713,825	31,241,519	31,241,519	31,241,519	31,241,519	31,241,519
1.040 Restricted Grants-in-Aid	1,384,738	2,089,503	2,141,639	2,247,796	2,247,796	2,247,796	2,247,796	2,247,796
1.050 Property Tax Allocation	14,589,259	14,679,357	14,475,645	14,475,645	14,475,645	14,475,645	14,475,645	13,819,688
1.060 All Other Operating Revenue	4,741,035	6,042,763	3,433,462	3,474,000	3,400,000	3,400,000	3,400,000	3,400,000
1.070 Total Revenue	136,102,199	141,744,832	143,184,060	141,611,425	139,540,402	140,287,425	141,537,425	136,938,495
2.040 Operating Transfers-In	11,973	1,356	2,786					
2.050 Advances-In	988,251	732,756	367,000	596,954	590,000	500,000	500,000	500,000
2.060 All Other Financial Sources	1,132,404	1,326,019	4,220,668	780,000	780,000	780,000	780,000	780,000
2.070 Total Other Financing Sources	2,132,628	2,060,132	4,590,454	1,376,954	1,370,000	1,280,000	1,280,000	1,280,000
2.080 Total Revenues and Other Financing Sources	138,234,826	143,804,964	147,774,514	142,988,379	140,910,402	141,567,425	142,817,425	138,218,495
3.010 Personnel Services	76,744,433	82,296,197	83,717,691	80,387,631	80,562,183	82,378,795	84,039,444	85,731,713
3.020 Employees' Retirement/Insurance Benefits	29,089,670	28,862,496	31,810,614	30,515,854	29,474,679	30,210,061	30,827,988	31,457,682
3.030 Purchased Services	24,216,858	28,729,863	27,857,125	23,565,201	24,184,369	24,379,130	24,964,773	25,305,982
3.040 Supplies and Materials	4,486,172	3,849,131	3,308,737	3,378,004	3,288,546	3,258,546	3,228,546	3,198,546
3.050 Capital Outlay	2,212,126	2,075,997	1,314,709	856,033	850,000	850,000	850,000	850,000
4.050 Debt Service: Principal - HB 264 Loans	1,725,946	1,746,383	1,859,454	1,907,625				
4.060 Debt Service: Interest and Fiscal Charges	421,981	400,120	286,193	237,335				
4.300 Other Objects	1,850,570	1,866,822	1,710,837	1,944,629	1,945,000	1,945,000	1,945,000	1,945,000
4.500 Total Expenditures	140,747,755	149,827,007	151,865,360	142,792,313	140,304,777	143,221,532	145,855,750	148,488,922
5.010 Operational Transfers - Out	78,834	816	1,958					
5.020 Advances - Out	732,756	367,000	596,954	590,000	500,000	500,000	500,000	500,000
5.030 All Other Financing Uses			7,415	1,500				
5.040 Total Other Financing Uses	811,590	367,816	606,327	591,500	500,000	500,000	500,000	500,000
5.050 Total Expenditure and Other Financing Uses	141,559,345	150,194,823	152,471,687	143,383,813	140,804,777	143,721,532	146,355,750	148,988,922
6.010 Excess Rev & Oth Financing Sources over(under) Exp & Oth Financing	(3,324,519)	(6,389,859)	(4,697,173)	(395,434)	105,626	(2,154,107)	(3,538,325)	(10,770,428)
7.010 Beginning Cash Balance	15,735,612	12,411,093	6,021,234	1,324,061	928,627	1,034,252	(1,119,855)	(4,658,179)
7.020 Ending Cash Balance	12,411,093	6,021,234	1,324,061	928,627	1,034,252	(1,119,855)	(4,658,179)	(15,428,607)
8.010 Outstanding Encumbrances	2,149,183	1,197,418	472,542	750,000	750,000	750,000	750,000	750,000
10.010 Fund Balance June 30 for Certification of Appropriations	10,261,910	4,823,816	851,519	178,627	284,252	(1,869,855)	(5,408,179)	(16,178,607)
11.020 Property Tax - Renewal or Replacement								4,598,930
11.300 Cumulative Balance of Replacement/Renewal Levies								4,598,930
12.010 Fund Bal June 30 for Cert of Contracts, Salary Sched, Oth Obligations	10,261,910	4,823,816	851,519	178,627	284,252	(1,869,855)	(5,408,179)	(11,579,677)
15.010 Unreserved Fund Balance June 30	10,261,910	4,823,816	851,519	178,627	284,252	(1,869,855)	(5,408,179)	(11,579,677)

Source: PCSD and ODE

Client Response

The letter that follows is the District's official response to the performance audit. Throughout the audit process, staff met with District officials to ensure substantial agreement on the factual information presented in the report. When the District disagreed with information contained in the report, and provided supporting documentation, revisions were made to the audit report.



Parma City School District

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Phone: 440.885.2324 Fax: 440.885-8492
www.parmacityschools.org/finance

March 28, 2017

David Yost
Auditor of State
88 East Broad St., 5th Floor
Columbus, Ohio 43215

Dear Auditor Yost,

The Parma City School District appreciates the time and effort by the Auditor of State’s Ohio Performance Team in providing an assessment of economy, efficiencies and/or effectiveness of the District’s operations and management. The District recognizes the methodology and analysis used by the Auditor of State is designed to assist the district in reducing expenditures and enhancing efficiencies without consideration for increasing revenues. The goal of the district is to lead ALL students to college, career, and civic readiness. In certain instances, the aim for efficiency when defined by satisfying State minimum for operating standards does not satisfy State and local standards for effectiveness. While the District appreciates the Auditor of State’s acknowledgements of one “Noteworthy Accomplishment”, the Board and Administration would like to highlight other “Noteworthy Accomplishments” that were not acknowledged in your Performance Audit. These items include our strong Nutrition Services Department that operates with a positive cash balance. The Nutrition Services Department was instrumental in our District’s implementation of our Fiscal Recovery Plan by absorbing many additional allowable costs from the general fund while remaining profitable. Another “Noteworthy Accomplishment” is our Ohio Department of Education approved Fiscal Recovery Plan. This plan was developed within three months of the District’s placement into Fiscal Caution and has prevented the District from moving into Fiscal Watch or Emergency. The following statements represent the District’s response to the Auditor of the State’s Performance Audit statements and recommendations.

Response to Performance Audit “Statements”.

- The narrative describing table 3 on page 5 of the audit implicates that reductions implemented by the District in relation to the Fiscal Recovery Plan only began in January 2017. This statement is not correct in that the District had a section listed on the Fiscal Recovery Plan of items that had already been implemented prior to January 2017.
- The narrative at the bottom of page 9 states ***“None of the three forecasts that were prepared and approved during 2016 reflect District plans to seek voter approval of any new levy money through the duration of the forecast period.”*** The District did not include new revenues on any of the forecasts because ODE would not accept a Fiscal Recovery Plan relying on new revenues. Since the adoption of the Fiscal Recovery Plan the District has placed a 5.9 mill levy on the ballot for the May 2017 election.

Finance / Treasurer’s Office Administration
David C. Crowley | Treasurer/CFO
Pam Bartkowski | Administrative Assistant
Diane Byrnes | Assistant Treasurer
Arlene Mohammadpour | Payroll Supervisor

District Administration
Carl H. Hilling | Superintendent
David C. Crowley | Treasurer/CFO
Rusty Kuse | Business Manager

Board of Education
John M. Tenerowicz | President
Rosemary C. Gulick | Vice President
Karen S. Dendorfer
Michael W. Johns
Michael R. Lewis



7. R.7 Eliminate an additional 5.0 FTE professional staffing positions

The District has already eliminated 1.35 FTEs of the originally recommended 6.03 FTE reduction. The actions of the District to reduce these positions demonstrates aggressive and proactive implementation of cost reductions. Many of the implemented reductions are referenced in the Fiscal Recovery Plan (appendix C). At this time, no further reductions will be pursued outside the Fiscal Recovery Plan. Additionally, any further reductions to the professional staffing positions would hinder support in the classrooms and negatively affect learning environments.

8. R.8 Eliminate an additional 2.0 FTE non-certificated classroom support positions

The District has already eliminated 27.0 FTEs of the originally recommended 29.3 FTE reduction. The actions of the District to reduce these positions demonstrates aggressive and proactive implementation of cost reductions. Many of the implemented reductions are referenced in the Fiscal Recovery Plan (appendix C). At this time, no further reductions will be pursued outside the Fiscal Recovery Plan. Additionally, any further reductions to the non-certificated classroom support positions would hinder support in the classrooms and negatively affect learning environments.

9. R.9 Eliminate an additional 18.0 FTE technical positions

The District has already eliminated 6.0 FTEs of the originally recommended 24.24 FTE reduction. This has resulted in decreased educational opportunities for students throughout our District. The actions of the District to reduce these positions demonstrates aggressive and proactive implementation of cost reductions. Many of the implemented reductions are referenced in the Fiscal Recovery Plan (appendix C). At this time, no further reductions will be pursued outside the Fiscal Recovery Plan. Additionally, any further reductions to the technical positions would further reduce student educational opportunities which support classroom activities, such as the elimination of Media Centers.

10. R.10 Renegotiate collective bargaining agreement provisions

Any recommendations included in this section will be taken under consideration during upcoming contract negotiations.

11. R.11 Decrease employer costs for dental and vision insurance

Any recommendations included in this section will be taken under consideration during upcoming contract negotiations.

12. R.12 Eliminate five curricular service contracts

Any recommendations included in this section will be taken under consideration during upcoming contract negotiations.

13. R.13 Conduct a citizen survey concerning CTE course offerings

Our Focus on the Future Action Teams are exploring ways to provide the District's stakeholders the opportunity for input in our CTE programming. The goal of this input is to keep programming current and relevant.



Dave Yost • Auditor of State

PARMA CITY SCHOOL DISTRICT

CUYAHOGA COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
MARCH 30, 2017**