



Dave Yost • Auditor of State

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Dave Yost • Auditor of State

To the residents, elected officials, management, and stakeholders of the Woodridge Local School District,

The Auditor of State's Office selected the Woodridge Local School District (WLSD or the District) for a performance audit based on its projected financial condition. This performance audit was conducted by the Ohio Performance Team and provides an independent assessment of operations within select functional areas. Where warranted, and supported by detailed analysis, this performance audit report contains recommendations to enhance the District's overall economy, efficiency, and/or effectiveness. This report has been provided to the District and its contents have been discussed with the appropriate elected officials and District management.

The District has been encouraged to use the 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
January 10, 2019

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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 Woodridge Local School District (WLSD or the District) pursuant to Ohio Revised Code § 3316.042. The purpose of this performance audit was to improve WLSD’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 Systems, 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. Those standards require that OPT plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. OPT believes that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

Audit Methodology

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

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

- Statutes; and
- Policies and procedures.

In consultation with the District, three sets of peer groups were selected for comparisons contained in this report. A “Primary Peers” set was selected for general, District-wide comparisons. This peer set was selected from a pool of demographically similar districts with relatively lower per pupil spending and, on average, higher academic performance. A “Local Peers” set was selected for a comparison of compensation, benefits, and collective bargaining agreements, where applicable. This peer set was selected specifically to provide context for local labor market conditions. Finally, a “Transportation Peers” set was selected for transportation operating and spending comparisons. This peer set was selected specifically for transportation operational comparability and included only those districts with a similar size in square miles and population density; two significant factors that impact transportation efficiency. **Table 1** shows the Ohio school districts included in these peer groups.

Table 1: Peer Group Definitions

Primary Peers
<ul style="list-style-type: none"> • Batavia Local School District (Clermont County) • Bath Local School District (Allen County) • Buckeye Local School District (Ashtabula County) • Elida Local School District (Allen County) • Firelands Local School District (Lorain County) • Girard City School District (Trumbull County) • Hubbard Exempted Village School District (Trumbull County) • Keystone Local School District (Lorain County) • Lexington Local School District (Richland County) • Marlington Local School District (Stark County)
Local Peers (Compensation, Benefits, and Bargaining Agreements)
<ul style="list-style-type: none"> • Copley-Fairlawn City School District (Summit County) • Norton City School District (Summit County) • Revere Local School District (Summit County) • Streetsboro City School District (Portage County)
Transportation Peers
<ul style="list-style-type: none"> • Bath Local School District (Allen County) • Buckeye Local School District (Ashtabula County) • Elida Local School District (Allen County) • Keystone Local School District (Lorain County) • Lexington Local School District (Richland 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 School and University (AS&U), National Association of State Directors of Pupil Transportation Services (NASDPTS), National Center for Education Statistics (NCES), and 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 Woodridge Local 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.

- **Financial Communication:** The District actively disseminates financial information through its website, including WLSD Board of Education (the Board) minutes, annual audited financial statements, monthly financial reports, the most recent five-year forecast, and both current and archived articles regarding different aspects of the District's finances.

Summary of Recommendations

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

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

Table 2: Summary of Recommendations

	Recommendations	Savings
R.1	Develop long-term strategic, capital, and financial plans linked to the budget	N/A
R.2	Consider reducing General Fund subsidy of extracurriculars to the local peer level	\$228,200
R.3	Eliminate 0.5 FTE central office administrator position	\$72,100
R.4	Eliminate 1.0 FTE building administrator positions	\$146,200
R.5	Eliminate 1.5 FTE career-technical teacher positions	\$199,100
R.6	Eliminate 1.0 FTE general education teacher positions	\$132,700
R.7	Eliminate 0.5 FTE K-8 art education teacher position	\$66,300
R.8	Eliminate 1.5 FTE K-8 physical education teacher positions	\$199,100
R.9	Eliminate 1.5 FTE counselor positions	\$148,600
R.10	Eliminate 2.0 FTE central office clerical positions	\$76,300
R.11	Eliminate 1.0 FTE monitor positions	\$9,300
R.12	Renegotiate collective bargaining agreement provisions	\$8,600
R.13	Reduce employer cost of health insurance	\$964,200
R.14	Reduce employer cost of dental and vision insurance	\$51,600
R.15	Develop and update formal preventive maintenance programs	N/A
R.16	Complete T-1 Forms as prescribed by ODE	N/A
R.17	Right-size the active bus fleet	\$164,200
R.18	Renegotiate to bring fuel cost in line with available market pricing	\$27,600
R.19	Develop a formal bus replacement plan	N/A
R.20	Decrease food service expenditures and/or increase revenues	N/A
	Cost Savings Adjustments ¹	(\$205,000)
	Total Cost Savings from Performance Audit Recommendations	\$2,289,100

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

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

¹ Implementation of R.3, R.4, R.5, R.6, R.7, R.8, R.9, R.10, R.11, and R.17 would reduce the savings achievable in R.13 and R.14.

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

Table 3: Financial Forecast with Performance Audit Recommendations

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Original Results of Operations	(\$3,691,121)	(\$5,422,530)	(\$7,179,960)	(\$8,520,181)
Original Ending Fund Balance	\$4,114,035	\$3,193,699	\$1,019,567	(\$2,494,786)
Performance Audit Recommendations	\$2,089,196	\$2,213,066	\$2,357,502	\$2,499,788
Cumulative Balance of Performance Audit Recommendations ¹	\$2,089,196	\$4,302,262	\$6,659,765	\$9,159,553
Revised Ending Fund Balance	\$6,203,231	\$7,495,961	\$7,679,332	\$6,664,767

Source: WLSD, ODE, and performance audit recommendations

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

¹ Cumulative savings are based on actual FY 2019-20 costs and are inflated annually to reflect projected increases associated with implementation over the forecast period.

As shown in **Table 3**, the District's October 2018 five-year forecast projects a cumulative deficit of nearly \$2.5 million by FY 2022-23. This projected deficit is a significant improvement over the more than \$13.3 million cumulative deficit projected in the May 2018 five-year forecast (see **Table 4**) with the improved financial condition directly resulting from the passage an 8.19 mil emergency levy in November 2018. This emergency levy will increase the District's revenue by approximately \$4.0 million per year over a period of five years. Even with this new revenue, the District still projects continued fiscal imbalances with increasingly negative results of operations in each year of the forecast period. **Table 3** shows that implementing the recommendations contained in this performance audit will allow the District to address the projected deficit resulting in a FY 2022-23 fund balance of more than \$6.6 million.

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

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

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

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.

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

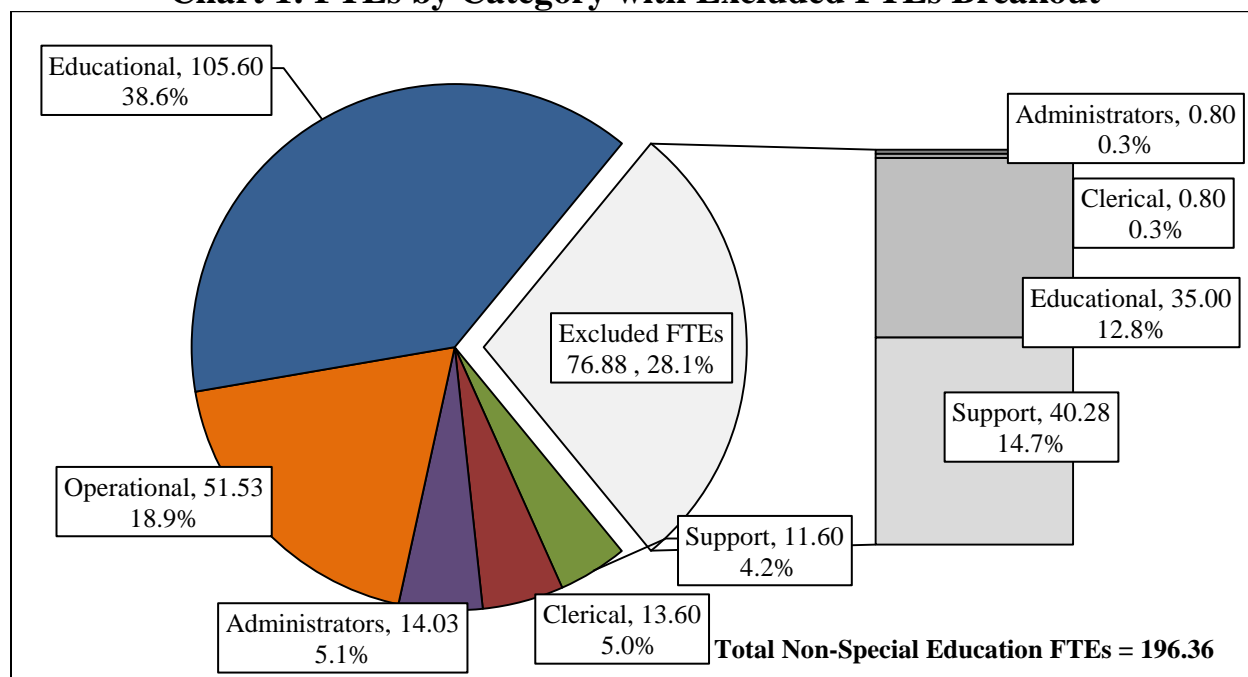
¹ IDEA Part B does not have a MOE waiver option.

District Staffing Overview

The appropriateness of staffing levels is significant to both the operational and financial conditions within school districts. Operational decisions such as classroom sizes, class offerings, and service levels collectively drive the need for staffing, which, in turn, drives the allocation of scarce resources. Specifically, personnel costs (i.e., salaries and benefits) accounted for 78.3 percent of WLS D’s General Fund expenditures in FY 2017-18, a significant impact on the District’s budget and financial condition.

Chart 1 shows WLS D’s FY 2018-19 full-time equivalent (FTE) staffing levels by category and breaks down staffing by categories that are included in this performance audit and those that are excluded from the scope of this performance audit due to association with special education or Title I funding.²

Chart 1: FTEs by Category with Excluded FTEs Breakout



Source: WLS D

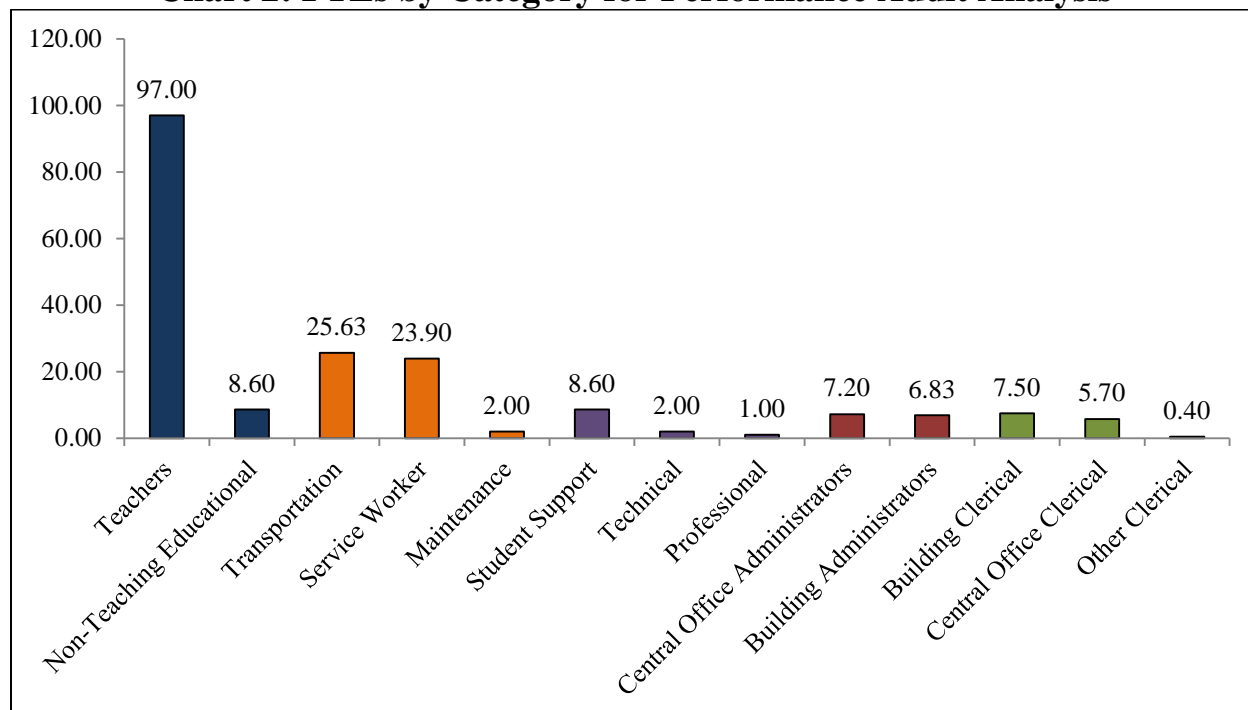
Note: Educational includes 2.0 FTE Six District Educational Compact positions

As shown in **Chart 1**, WLS D employed a total of 273.24 FTEs in FY 2018-19. Of this total, 76.88 FTEs, or 28.1 percent, were specifically dedicated to special education services or Title I funded.

² The individual positions within each staffing category are explained in detail within section 3.9 of the *EMIS Reporting Manual* (ODE, 2017).

Chart 2 shows the remaining 196.36 FTEs by category for FY 2018-19.

Chart 2: FTEs by Category for Performance Audit Analysis



Source: WLS D

Note: Teachers includes 2.0 FTE Six District Educational Compact FTEs.

As shown in **Chart 2**, WLS D's remaining 196.36 FTEs were distributed across 13 staffing categories.

Categories where staffing levels were compared to the primary peer average included administrators (see **R.3** and **R.4**), teachers (see **R.5**, **R.6**, **R.7**, **R.8**, **Table B-1**, and **Table B-2**), non-teaching educational (see **R.9** and **Table B-3**), professional (see **Table B-4**), technical (see **Table B-5**), clerical (see **R.10** and **Table B-6**), library (see **Table B-7**), classroom support (see **Table B-9**), and student support (see **R.11** and **Table B-10**). Categories where the District's staffing level per 1,000 students was higher than the primary peers include administrators, teachers, non-teaching educational, clerical, and student support. Facilities (see **Table B-14**) and transportation workers were assessed using workload measures and benchmarks, as these positions operate in areas that have industrywide gauges of efficiency and effectiveness.

Career Technical Compact

As shown in **Chart 2**, the District employed 97.0 FTE teacher positions in FY 2017-18. Included in this total are 2.0 FTE Six District Educational Compact positions.

ORC § 3313.90 requires that students have access to career technical program offerings, but the decision on how to best deliver that service is left to local decision-making. Often this is a mix of internal and external programming that may vary depending on the nature of the course offering.

For example, most school districts offer business and vocational agricultural education in-house while more highly specialized courses such as culinary arts, automotive mechanic, and criminal justice education are offered through external partnerships.

For more highly specialized career technical programming there are three common models of service provision, including through a:

- **Joint Vocational School District (JVS)** – A JVS is a separate educational entity with its own board of education, administration, and personnel; typically providing facilities at a stand-alone campus. Under this model a district may join as a member of, or may contract with, a JVS which typically provides services to multiple schools districts in the surrounding area. Property owners in a JVS district pay an additional property tax to support the program, required to be a minimum of two mills.
- **Stand-Alone Career Technical Education Program** - In accordance with ORC § 3313.90(A)(3), if a school district decides to establish and maintain its own career technical education 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 career technical education 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.
- **Career Technical Compact** – A career technical compact is similar to a JVS district in that two or more school districts share in providing career technical education, however, it is not a separate educational entity. School districts within the compact host educational programs on their campuses open to any student within the compact. A student receives core educational programs, such as English and math, at their home schools for half a day and attends career-technical educational programs for half a day at the host school district. There is no required millage assessed to property owners in a compact, but the compact may assess a levy through a vote of the residents of each participating school district.

WLSD is a founding member of Six District Compact (or the Compact), a career technical compact, established in 1970, that also includes the following five school districts:

- Cuyahoga Falls CSD (Summit County);
- Hudson CSD (Summit County);
- Kent CSD (Portage County);
- Stow-Munroe Falls CSD (Summit County); and
- Tallmadge CSD (Summit County).

As a member of the compact the District's students are able to access career technical programming and course offerings at any of the other compact member districts. Accordingly, member district students have the same access to career technical programming and course offerings at the District. Hudson CSD serves as the Compact's fiscal agent, making it responsible for collecting annual operating budget fees from each participating district to cover the cost of the salaries and benefits of the Compact director and secretary and office space rental.

As a member of the compact, the District pays an annual operating budget fee to the Compact's Fiscal Agent. The operating budget includes the Compact's Director and Secretary's salaries and benefits. Further, it includes rental for Compact office space. The annual operating budget is divided between the six member districts.

Additionally, the District either pays or receives additional money, in the form of "operating costs", based on the overall enrollment of students within the Compact. For example, if WLSD educates more students from other districts than it sends to other districts to be educated, it receives operating costs from the other districts. On the other hand, if WLSD educates fewer students than it sends to other districts to be educated, it is responsible for paying operating costs to the other member districts.

In FY 2017-18 the District paid the operating budget fee of \$45,217 and operational costs of \$79,664 (or \$6,128 per pupil educated outside the District). In FY 2017-18, there were 18.5 FTE students taking Six District Compact classes at WLSD, for a cost of \$124,881. In FY 2017-18, the District received career-technical education State foundation payments for its resident students in the amount of \$32,996.

In FY 2017-18 the District's 4.5 FTE Career-Technical Programs/Career Pathways positions included the following:

- 1.0 FTE Collision Repair and Auto Refinishing;
- 1.0 FTE Biomedical Engineering Technology;
- 0.5 FTE Career Based Intervention;
- 1.0 FTE Business and Administrative Service; and
- 1.0 FTE Family and Consumer Services.

However, not all of the District's Career-Technical Programs/Career Pathways positions are dedicated to providing services to only District students. In addition, not all students attending the District are receiving a full day of educational services or receiving educational services in a manner that would impact District-wide staffing in other administrative, educational, and support positions.

In an effort to separate Compact specific operations from the performance audit, 2.0 FTE career-tech teachers were excluded from the staffing analyses. These teachers were excluded because they only teach students that are enrolled in the Six District Compact specific career-tech courses. Furthermore, the percent time enrollment in these Compact specific career-tech courses were also removed from the staffing analyses. Finally, 2.5 FTE of other non-compact specific career-tech teachers were included in the staffing analyses, as were the students from the non-Compact specific career-tech classes.

In FY 2017-18, total Compact enrollment at WLSD was 18.5 FTE students. The staffing and enrollment adjustments are applied in **R.5** and **R.6**. They are also reflected in **Table B-1** and **Table B-2**.

Background

In May 2018, the District released its semi-annual five-year forecast which showed progressively declining year-end fund balances throughout the forecast period. This forecast served as the primary impetus of the performance audit.

Table 4 shows WLSD's total revenues, total expenditures, results of operations, beginning and ending cash balances, and ending fund balance as projected in the May 2018 five-year forecast. This information is an important measure of the financial health of the District and serves as the basis for identification of fiscal distress conditions, possibly leading to formal designation by AOS and ODE.

Table 4: WLSD Financial Condition Overview (May 2018)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Total Revenue	\$24,479,514	\$24,356,349	\$24,405,351	\$23,946,886	\$23,430,307
Total Expenditure	\$27,158,429	\$27,133,571	\$27,962,738	\$29,130,230	\$30,364,446
Results of Operations	(\$2,678,915)	(\$2,777,222)	(\$3,557,387)	(\$5,183,344)	(\$6,934,139)
Beginning Cash Balance	\$6,268,697	\$3,589,782	\$812,560	(\$2,744,827)	(\$7,928,171)
Ending Cash Balance	\$3,589,782	\$812,560	(\$2,744,827)	(\$7,928,171)	(\$14,862,310)
Cumulative Balance of Renewal Levy	\$0	\$0	\$0	\$502,914	\$1,508,742
Ending Fund Balance	\$3,589,782	\$812,560	(\$2,744,827)	(\$7,425,257)	(\$13,353,568)

Source: WLSD and ODE

As shown in **Table 4**, even when including the cumulative balance of the upcoming renewal levy, which is still subject to voter approval, WLSD projected to end FY 2021-22 with a cumulative deficit of more than \$13.3 million. This deficit condition is a direct result of expenditures continuing to outpace revenues and deplete cash balances over the forecast period. At that time, the District had planned to place a new property tax levy on the November 2018 ballot. As projected, if approved by the voters, the new levy would result in a half-year of collections, \$2.0 million, in FY 2018-19 and thereafter generate \$4.0 million per year through the duration of the forecast period. The cumulative impact of this new revenue was projected to leave the District with a cumulative fund balance of nearly \$650,000 in FY 2021-22. See **Appendix C: Five Year Forecasts, Chart C-1** for a full version of the District's May 2018 five-year forecast.

In October 2018, the District released its semi-annual five-year forecast. **Table 5** shows WLSD's total revenues, total expenditures, results of operations, beginning and ending cash balances, and ending fund balance as projected in the October 2018 five-year forecast.

Table 5: WLSD Financial Condition Overview (October 2018)

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Total Revenue	\$24,437,621	\$24,521,433	\$24,005,227	\$23,532,828	\$23,551,647
Total Expenditure	\$27,226,082	\$28,212,554	\$29,427,757	\$30,712,788	\$32,071,828
Results of Operations	(\$2,788,461)	(\$3,691,121)	(\$5,422,530)	(\$7,719,960)	(\$8,520,181)
Beginning Cash Balance	\$4,593,617	\$1,805,156	(\$1,885,965)	(\$7,308,495)	(\$14,488,455)
Ending Cash Balance	\$1,805,156	(\$1,885,965)	(\$7,308,495)	(\$14,488,455)	(\$23,008,636)
Cumulative Balance of Renewal Levy	\$0	\$0	\$502,194	\$1,508,022	\$2,513,850
Ending Fund Balance	\$1,805,156	(\$1,885,965)	(\$6,806,301)	(\$12,980,433)	(\$20,494,786)

Source: WLSD and ODE

As shown in **Table 5**, with the addition of projections for FY 2022-23, and a continuation of the trend of negative results of operations, the District projected to end the forecast period with a cumulative deficit of nearly \$20.5 million. Similar to the May 2018 five-year forecast the District projected that if a new levy were approved by voters it would significantly improve the financial position. However, due to the addition of another year of operations, the District still projected that, even with new money, there would still be a cumulative deficit of nearly \$2.5 million in FY 2022-23. See **Appendix C: Five Year Forecasts, Chart C-2** for a full version of the District's October 2018 five-year forecast.

Between the May 2018 five-year forecast and the issuance of the October 2018 five-year forecast the District took action to eliminate seven positions, resulting in FY 2018-19 cost savings of \$517,000. These actions, as well as other improvements to the FY 2017-18 ending fund balance resulted in an improvement of more than \$990,000 to the FY 2018-19 ending fund balance.

On November 6, 2018, the District's voters approved the 8.19 mill emergency levy projected to generate approximately \$4.0 million per year for a five-year period with half-year collections starting in FY 2018-19. However, as shown in **Table 3**, implementing the recommendations contained in this performance audit would allow the District to fully address deficit conditions through the duration of the forecast period.

Recommendations

R.1 Develop long-term strategic, capital, and financial plans linked to the budget

The District's Administration and Board regularly discuss operations, capital, and financial decisions at Board meetings. The District developed a strategic plan in 2011, which established goals such as community perceptions and involvement, parent involvement, meeting the individual need of all students, and handling the District's limited financial resources and capacity. The District continually updates the plan in open Board meeting sessions.

Even though the District has a strategic plan, it does not include any formal long-term financial plans that are tied to the budget. The Treasurer develops the annual budget based on the previous year's expenditures, but it is not linked to formal goals, objectives, or performance measures. Additionally, there is no capital plan ensuring capital assets and replacement efforts are being effectively managed.

The Government Finance Officers Association (GFOA) provides guidance to governmental entities in the development and maintenance on effective long-term planning. *Establishment of Strategic Plans* (GFOA, 2005) defines strategic planning as a "comprehensive and systemic management tool designed to help organizations assess the current environment, anticipate and respond appropriately to changes in the environment, envision the future, increase effectiveness, and develop commitment to the organization's mission, and achieve consensus on strategies and objectives for achieving that mission." Key steps in the strategic planning process include:

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

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

- Planning at least five to 10 years into the future;
- Considering all appropriated funds;
- Updating long-term planning activities as needed in order to provide direction to the budget process;
- Analyzing the financial environment, revenue and expenditure forecasts, debt position and affordability analysis, strategies for achieving and maintaining financial balance, and a plan for monitoring mechanisms, such as a scorecard of key indicators of financial health, and;
- Informing the public and elected officials about the long-term financial prospects of the government and strategies for financial balance.

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

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

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

R.2 Consider reducing General Fund subsidy of extracurriculars to the local peer level

In FY 2017-18, the District expended \$904,034 on student extracurricular activities, which included the salaries and benefits of directors, coaches, advisors, supplies and materials, transportation services, awards and prizes, and other miscellaneous expenditures. Furthermore, the District transferred \$111,200 from the General Fund into the District Managed Student Activity Fund. A portion of these expenditures were offset by generating revenue of approximately \$238,600 from receipts for admissions, sales, and other activities. As a result, the District subsidized student extracurricular activities using the General Fund in the amount of \$742,647.

Table 6 shows WLSD's FY 2017-18 extracurricular activities net cost, General Fund subsidy in total and per pupil compared to the local peer average and the remaining General Fund subsidy if the District's current subsidy were brought in line with the local peer average. While the net cost provides context regarding the overall size and financial position of the District's extracurricular activities, focusing on the relative General Fund subsidy provides insight into the portion of expenditures that the District has the most direct control over, as well as the portion of expenditures that actually affects the five-year forecast.

Table 6: Student Extracurricular Activity Net Cost Comparison

	WLSD			Local Peer Average ²
Students ¹	1,968			2,711
Activity Type	Revenue	Expenditure	Net Cost	
Academic Oriented	\$0	\$68,784	(\$68,784)	(\$210,624)
Occupation Oriented	\$0	\$12,471	(\$12,471)	(\$11,412)
Sport Oriented	\$23,467	\$655,434	(\$631,967)	(\$728,931)
School & Public Service Co-Curricular	\$838	\$167,345	(\$166,507)	(\$73,023)
Bookstore Sales	\$3,481	N/A	\$3,481	\$0
Other Extracurricular	\$204,973	N/A	\$204,973	\$150,179
Non-specified ³	\$5,914	N/A	\$5,914	\$94,724
Total	\$238,673	\$904,034	(\$665,361)	(\$779,087)
Total General Fund Direct Revenue			\$0	\$3,344
Total General Fund Direct Expenditures			\$631,447	\$701,455
Total General Fund Transfers ⁴			\$111,200	\$10,000
Total General Fund Subsidy of Extracurricular Activities			\$742,647	\$708,111
Total General Fund Subsidy of Extracurricular Activities per Pupil			\$377	\$261
Total Difference in General Fund Subsidy to Local Peer Average			\$228,288	
Remaining General Fund Subsidy			\$514,359	

Source: WLSD and ODE

¹ Student enrollment data is from FY 2017-18.

² Streetsboro LSD was not used as a peer in the analysis due to lack of available financial information.

³ Non-specified represents revenues and expenditures that were not coded to a specific activity type.

⁴ These transfers are from the General Fund to the District Managed Student Activity Fund.

As shown in **Table 6**, WLSD's General Fund subsidy of extracurricular activities was \$742,647 in FY 2017-18, equating to \$377 per pupil. This was \$116, or 44.4 percent, more per pupil than the local peer average. While it is common for Ohio school districts to subsidize extracurricular activities with the General Fund, doing so at a rate that exceeds the local peer average may represent an undue burden on the District's General Fund.

The District should consider implementing one or more of the following steps to reduce the General Fund subsidy to the level of local peers:

- Implement pay to participate fees for sports;
- Increase admissions and sales;
- Increase booster club funding;
- Reduce the supplemental salary schedule; and/or
- Eliminate programs.

Making these changes would help reduce the General Fund subsidy, allowing more resources to be dedicated to student instruction. It is important to note that one of the three local peers, Norton City Schools, charges pay-to-participate fees ranging from \$100 per sport to \$350 per family, while WLSD does not charge pay to participate fees. However, if the District considers establishing similar pay-to-participate fees it should do so with consideration of students' relative ability to pay any proposed fees.

Financial Implication: Reducing expenditures and/or increasing revenue to bring the General Fund subsidy of extracurricular activities in line with the local peer average would save the District an average of **\$228,200** annually.

R.3 Eliminate 0.5 FTE central office administrator position

In addition to the Superintendent and Treasurer, WLS D employed 5.2 FTE central office administrators in FY 2018-19. The titles and job duties include:

- **2.0 FTE Supervisor/Manager positions:** This includes 1.0 FTE Transportation Supervisor and 1.0 FTE Building and Grounds Supervisor. The Transportation Supervisor oversees the District's transportation operations while the Building and Grounds Supervisor oversees the District's facilities, including custodial employees, who also perform grounds keeping and maintenance duties.
- **2.2 FTE Director positions:** This includes 0.2 FTE Director of Pupil Services. 1.0 FTE Director of Academic Services and 1.0 FTE Athletic Director. The Director of Pupil Services is a full-time position and is primarily dedicated to special education functions. However, a portion of the Director of Pupil Services, 0.2 FTE, is dedicated to supervising registration and withdrawal of students, assisting with professional development, and providing administrative support District-wide. The Director of Academic Services oversees instruction and teachers in the District while the Athletic Director oversees the athletic activities and programs.
- **1.0 FTE Other Official/Administrative position:** The Technology Coordinator is the head of the Technology Department and supports the technology needs of students, faculty, and staff in the District.

Table 7 shows WLSD's FY 2018-19 central office administrators per 1,000 students compared to the primary peer average for FY 2017-18. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 7: Central Office Administrator Staff Comparison

Students and Buildings	WLSD		Primary Peer Avg.	Difference	
Students Educated ¹	1,876		1,919	(43)	
Students Educated (thousands)	1.876		1.919	(0.043)	
Position	WLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Administrative Assistant	0.00	0.00	0.10	(0.10)	(0.19)
Assistant, Deputy/Associate Superintendent	0.00	0.00	0.05	(0.05)	(0.09)
Supervisor/Manager	2.00	1.07	1.04	0.03	0.06
Coordinator	0.00	0.00	0.10	(0.10)	(0.19)
Education Administrative Specialist	0.00	0.00	0.05	(0.05)	(0.09)
Director	2.20	1.17	0.74	0.43	0.81
Other Official/Administrative	1.00	0.53	0.36	0.17	0.32
Total	5.20	2.77	2.44	0.33	0.63

Source: WLSD and primary peers

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 FTEs per 1,000 students in line with the primary peer average.

As shown in **Table 7**, WLSD's central office administrator staffing is higher than the primary peer average by 0.63 FTEs. The District would need to eliminate a 0.5 FTE position in order to achieve a staffing ratio in line with the primary peer average per 1,000 students.

Financial Implication: Eliminating a 0.5 FTE central office administrator position could save an average of **\$72,100** in salaries and benefits in each year of implementation over the forecasted period. The value of each FTE is calculated using actual salaries and benefits and projected increases of the 0.5 FTE least-tenured central office administrator position.³

³ The value of the savings from this recommendation is projected to increase by 3.0 percent annually for FY 2019-20 through FY 2022-23 to account for projected increases in salaries and benefits. These increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, life insurance, Medicare, retirement, and workers' compensation.

R.4 Eliminate 1.0 FTE building administrator positions

Building administrators are responsible for administering operations and supervising students and teachers in their respective buildings. WLSD employs 6.83 FTE building administrators including 1.0 FTE principal in each of the three school buildings, 1.0 FTE assistant principal at in each the high and middle schools, and 1.83 FTE assistant principals at the elementary school. **Table 8** shows the District's FY 2018-19 building administrators per 1,000 students compared to the FY 2017-18 primary peer average. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 8: Building Administrator Staff Comparison

Students and Buildings	WLSD		Primary Peer Avg.	Difference	
Students Educated ¹	1,876		1,919	(43)	
Students Educated (thousands)	1.876		1.919	(0.043)	
Position	WLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Assistant Principal	3.83	2.04	0.99	1.05	1.97
Principal	3.00	1.60	1.88	(0.28)	(0.53)
Total	6.83	3.64	2.87	0.77	1.44

Source: WLSD and primary peers

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 FTEs per 1,000 students in line with the primary peer average.

As shown in **Table 8**, WLSD's building administrator staffing is higher than the primary peer average by 1.44 FTEs. The District would need to eliminate 1.0 FTE positions in order to achieve a staffing ratio in line with the primary peer average per 1,000 students.

WLSD historically operated with two elementary-level buildings; Woodridge Primary School housing grades Preschool-2 (414 students in FY 2017-18) and Woodridge Intermediate School housing grades 3-5 (375 students in FY 2017-18). However, at the end of FY 2017-18 both buildings were closed and all Preschool-5 students were relocated to the new Woodridge Elementary School which opened at the beginning of FY 2018-19.

Prior to the opening of the new elementary school the District had operated both buildings with 1.0 FTE principal and 1.0 FTE assistant principal. With the opening of the new building, the District made the decision to add a 0.83 FTE assistant principal position to assist in supporting the larger student population (projected 788.5 students in FY 2018-19), resulting in a total of 2.83 FTE building administrator positions or 3.59 FTEs per 1,000 students. However, the primary peers operated elementary level buildings with an average of 562.8 students per building, 1.45 FTE administrators per building, and 2.31 FTE administrators per 1,000 students.

Financial Implication: Eliminating 1.0 FTE building administrator positions could save an average of **\$146,200** in salaries and benefits in each year of implementation over the forecasted period. The value of each FTE is calculated using actual salaries and benefits and projected increases of the 1.0 FTE least-tenured building administrator positions.⁴

R.5 Eliminate 1.5 FTE career-technical teacher positions

Member districts of the Six District Educational Compact collectively offer 26 workforce development programs designed to prepare students for college and careers. Participating students from these districts choose from the 26 programs and attend the district that offers the respective program of choice. Two of the Compact's 26 workforce development programs are offered at WLSD and include Biomedical Academy and Collision Auto Repair.

In addition to the 2.0 FTEs who teach the Compact programs offered at WLSD, the District employs 2.5 FTE career technical program/career pathway (career-technical) teachers who teach child development, culinary fundamentals, and nutrition and wellness to District students who are not participating in the Compact programs.

Table 9 shows the District's FY 2018-19 career-technical teachers per 1,000 students compared to the FY 2017-18 primary peer average. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 9: Career-Technical Teaching Staff Comparison

Students	WLSD		Primary Peer Avg.	Difference	
Students Educated ¹	1,858		1,919	(61)	
Students Educated (thousands)	1.858		1.919	(0.061)	
Position	WLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Career-Technical Programs/Career Pathways ³	2.50	1.35	0.43	0.92	1.71

Source: WLSD and primary peers

¹ Reflects students receiving educational services from the District and excludes the percent of time students are receiving educational services outside of the District. Six District Educational Compact students are also excluded when they do not receive instruction from general education teachers (see **Career Technical Compact**).

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

³ 2.0 FTEs who only instruct courses for the Six District Compact were excluded from this analysis.

As shown in **Table 9**, the WLSD's career-technical teacher staffing is higher than the primary peer average by 1.71 FTEs. The District is meeting the ORC requirements by participating in the

⁴ The value of the savings from this recommendation is projected to increase by 4.1 percent annually for FY 2019-20 through FY 2022-23 to account for projected increase in salaries and benefits. These increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, life insurance, Medicare, retirement, and workers' compensation.

Compact and therefore these additional career-technical teaching positions are not required. The District would need to eliminate 1.5 FTE positions in order to achieve a staffing ratio in line with the primary peer average per 1,000 students.

Financial Implication: Eliminating 1.5 FTE career-technical teacher positions could save an average of **\$199,100** in salaries and benefits in each year of implementation over the forecasted period. The value of each FTE reduction is calculated using actual salaries and benefits and projected increases of the 4.5 FTE least-tenured teaching positions that are recommended for elimination within this performance audit (also see **R.6**, **R.7**, and **R.8**).⁵

R.6 Eliminate 1.0 FTE general education teacher positions

General education teachers instruct students in a regular classroom environment. OAC 3301-35-05 requires the District-wide ratio of general education teachers to students to be at least 1.0 FTE classroom teacher for every 25 regular students.⁶ The District employs 83.5 FTE general education teachers. This category excludes teaching staff in other areas such as gifted, special education, art, music, and physical education.

Table 10 shows the District's FY 2018-19 general education teachers per 1,000 students compared to the FY 2017-18 primary peer average. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 10: General Education Teacher Staff Comparison

Students	WLSD	Primary Peer Avg.	Difference		
Students Educated ¹	1,858	1,919	(61)		
Students Educated (thousands)	1.858	1.919	(0.061)		
Position	WLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
General Education	83.50	44.94	44.16	0.78	1.45

Source: WLSD and primary peers

¹ Reflects students receiving educational services from the District and excludes the percent of time students are receiving educational services outside of the District. Six District Educational Compact students are also excluded when they do not receive instruction from general education teachers (see **Career Technical Compact**).

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

⁵ The value of the savings from this recommendation is projected to increase by 6.1 percent annually for FY 2019-20 through FY 2022-23 to account for projected increase in salaries and benefits. These increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, life insurance, Medicare, retirement, and workers' compensation.

⁶ In FY 2018-19, WLSD's regular student population was 1,670 with a total of 83.50 FTE general education teachers. This resulted in a District-wide ratio of 20 students per FTE. If the District were to operate at the State minimum ratio of 25:1, it would need a total of 66.80 FTEs, 16.70 FTEs less than are currently employed.

As shown in **Table 10**, WLSD’s general education teacher staffing is higher than the primary peer average by 1.45 FTEs. The District would need to eliminate 1.0 FTE positions in order to achieve a staffing ratio in line with the primary peer average per 1,000 students.

Financial Implication: Eliminating 1.0 FTE general education teacher positions could save an average of **\$132,700** in salaries and benefits in each year of implementation over the forecasted period. The value of each FTE reduction is calculated using actual salaries and benefits and projected increases of the 4.5 FTE least-tenured teaching positions that are recommended for elimination within this performance audit (also see **R.5**, **R.7**, and **R.8**).⁷

R.7 Eliminate 0.5 FTE K-8 art education teacher position

The District employs 3.0 FTE art education teacher positions including 1.0 FTE in the middle school and 2.0 FTEs in the elementary school. This position historically has been included in the educational services personnel (ESP) category, which includes teaching positions such as K-8 art, music, and physical education teachers as well as counselors, librarians and media specialists, school nurses, social workers, and visiting teachers.⁸

Table 11 shows the District’s FY 2018-19 K-8 art education teacher staffing per 1,000 students compared to the FY 2017-18 primary peer average. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 11: K-8 Art Education Teaching Staff Comparison

Students	WLSD		Primary Peer Avg.	Difference	
Students Educated ¹	1,221		1,353	(132)	
Students Educated (thousands)	1.221		1.353	(0.132)	
Position	WLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Art Education K-8	3.00	2.46	1.70	0.76	0.93

Source: WLSD and primary peers

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

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

⁷ The value of the savings from this recommendation is projected to increase by 6.1 percent annually for FY 2019-20 through FY 2022-23 to account for projected increase in salaries and benefits. These increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, life insurance, Medicare, retirement, and workers’ compensation.

⁸ Effective April 24, 2015, the Ohio Legislature revised OAC 3301-35-05 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 effectively eliminated State minimum staffing levels for the ESP staffing.

As shown in **Table 11**, WLSD's K-8 art education teacher staffing is higher than the primary peer average by 0.93 FTEs. The District would need to eliminate 0.5 FTE position in order to achieve a staffing ratio in line with the primary peer average per 1,000 students.

Financial Implication: Eliminating 0.5 FTE K-8 art education teacher position could save an average of **\$66,300** in salaries and benefits in each year of implementation over the forecasted period. The value of each FTE reduction is calculated using actual salaries and benefits and projected increases of the 4.5 FTE least-tenured teaching positions that are recommended for elimination within this performance audit (also see **R.5**, **R.6**, and **R.8**).⁹

R.8 Eliminate 1.5 FTE K-8 physical education teacher positions

The District employs 4.0 FTE physical education teacher positions serving K-8 students, including 2.0 FTEs in each the elementary and middle. This position historically has been included in the educational services personnel (ESP) category, which includes teaching positions such as K-8 art, music, and physical education teachers as well as counselors, librarians and media specialists, school nurses, social workers, and visiting teachers.¹⁰

Table 12 shows the District's FY 2018-19 K-8 physical education teacher staffing per 1,000 students compared to the FY 2017-18 primary peer average. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 12: K-8 Physical Education Teaching Staff Comparison

Students	WLSD		Primary Peer Avg.	Difference	
Students Educated ¹	1,221		1,353	(132)	
Students Educated (thousands)	1.221		1.353	(0.132)	
Position	WLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Physical Education K-8	4.00	3.28	1.85	1.43	1.75

Source: WLSD and primary peers

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

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

⁹ The value of the savings from this recommendation is projected to increase by 6.1 percent annually for FY 2019-20 through FY 2022-23 to account for projected increase in salaries and benefits. These increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, life insurance, Medicare, retirement, and workers' compensation.

¹⁰ Effective April 24, 2015, the Ohio Legislature revised OAC 3301-35-05 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 effectively eliminated State minimum staffing levels for the ESP staffing.

As shown in **Table 12**, WLSD's K-8 physical education teacher staffing is higher than the primary peer average by 1.75 FTEs. The District would need to eliminate 1.5 FTE positions in order to achieve a staffing ratio in line with the primary peer average per 1,000 students.

Financial Implication: Eliminating 1.5 FTE physical education teacher positions could save an average of **\$199,100** in salaries and benefits in each year of implementation over the forecasted period. The value of each FTE reduction is calculated using actual salaries and benefits and projected increases of the 4.5 FTE least-tenured teaching positions that are recommended for elimination within this performance audit (also see **R.5**, **R.6**, and **R.7**).¹¹

R.9 Eliminate 1.5 FTE counseling positions

The District employs 5.0 FTE counseling positions, including 2.0 FTEs at the high school, 1.0 FTE at the middle school and 2.0 FTEs at the elementary school.

Table 13 shows the District's FY 2018-19 counseling staff positions per 1,000 students compared to the FY 2017-18 primary peer average. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 13: Counseling Staff Comparison

Students	WLSD		Primary Peer Avg.	Difference	
Students Educated ¹	1,876		1,919	(43)	
Students Educated (thousands)	1.876		1.919	(0.043)	
Position	WLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Counseling	5.00	2.67	1.79	0.88	1.65

Source: WLSD and primary peers

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 FTEs per 1,000 students in line with the primary peer average.

As shown in **Table 13**, WLSD's counseling staffing is higher than the primary peer average by 1.65 FTEs. The District would need to eliminate 1.5 FTE positions in order to achieve a staffing ratio in line with the primary peer average per 1,000 students.

Financial Implication: Eliminating 1.5 FTE counseling positions could save an average of **\$148,600** in salaries and benefits in each year of implementation over the forecasted period. The

¹¹ The value of the savings from this recommendation is projected to increase by 6.1 percent annually for FY 2019-20 through FY 2022-23 to account for projected increase in salaries and benefits. These increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, life insurance, Medicare, retirement, and workers' compensation.

value of each FTE reduction is calculated using actual salaries and benefits and projected increases of the 1.5 FTE least-tenured counseling positions.¹²

R.10 Eliminate 2.0 FTE central office clerical positions

WLSD employs 5.7 FTE clerical staff in its central office that provide clerical support to the central office administrators. The central office clerical staff includes 1.0 FTE assistant treasurer, 1.0 FTE accounts payable clerk, 0.2 FTE secretary to the pupil services director, and 3.5 FTEs in the Board office performing clerical duties and support to the Superintendent and Treasurer. **Table 14** shows the District's FY 2018-19 central office clerical staff per 1,000 students compared to the FY 2017-18 primary peer average. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 14: Central Office Clerical Staff Comparison

Students and Buildings	WLSD		Primary Peer Avg.	Difference	
Students Educated ¹	1,876		1,919	(43)	
Students Educated (thousands)	1.876		1.919	(0.043)	
Position	WLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Central Office Clerical	3.70	1.97	1.51	0.46	0.86
Bookkeeping	2.00	1.07	0.26	0.81	1.52
Total	5.70	3.04	1.77	1.27	2.38

Source: WLSD and primary peers

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 FTEs per 1,000 students in line with the primary peer average.

As shown in **Table 14**, WLSD's central office clerical staffing is higher than the primary peer average by 2.38 FTEs. The District would need to eliminate 2.0 FTE positions in order to achieve a staffing ratio in line with the primary peer average per 1,000 students.

Financial Implication: Eliminating 2.0 FTE central office clerical staff positions could save an average of **\$76,300**¹³ in salaries and benefits in each year of implementation over the forecasted period. The value of each FTE reduction is calculated using actual salaries and benefits and projected increases of the 2.0 FTE least-tenured central office clerical positions.¹⁴

¹² The value of the savings from this recommendation is projected to increase by 7.3 percent annually for FY 2019-20 through FY 2022-23 to account for projected increase in salaries and benefits. These increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, life insurance, Medicare, retirement, and workers' compensation.

¹³ The financial implication includes \$17,500 annually from the Food Service Fund (see **R.20**).

¹⁴ The value of the savings from this recommendation is projected to increase by 1.6 percent annually for FY 2019-20 through FY 2022-23 to account for projected increases in salaries and benefits. These increases are included in

R.11 Eliminate 1.0 FTE monitor positions

The District employs 8.0 FTE monitor positions who supervise students in the lunchrooms and/or playgrounds. Each 1.0 FTE monitor position works 2.5 hours per day. Of the District's 8.0 FTE monitors, 5.0 FTEs are employed in a second position at the District as either a bus driver or bus attendant. **Table 15** shows the District's FY 2018-19 monitor staff per 1,000 students compared to the FY 2017-18 primary peer average. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 15: Monitor Staff Comparison

Students	WLSD		Primary Peer Avg.	Difference	
Students Educated ¹	1,876		1,919	(43)	
Students Educated (thousands)	1.876		1.919	(0.043)	
Position	WLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Monitoring	8.00	4.26	3.48	0.78	1.46

Source: WLSD and primary peers

Note: all primary peer average FTEs have been equalized on a 2.5 hours per day to 1.0 FTE basis to ensure comparability to WLSD.

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 FTEs per 1,000 students in line with the primary peer average.

As shown in **Table 15**, WLSD's monitor staffing is higher than the primary peer average by 1.46 FTEs. The District would need to eliminate 1.0 FTE monitor position in order to achieve a staffing ratio in line with the primary peer average per 1,000 students.

Financial Implication: Eliminating 1.0 FTE monitor position could save an average of **\$9,300** in salaries and benefits in each year of implementation over the forecasted period. The value of each FTE reduction is calculated using actual salaries and benefits and projected increases of the 1.0 least-tenured monitor position. ¹⁵

the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, life insurance, Medicare, retirement, and workers' compensation.

¹⁵ The value of the savings from this recommendation is projected to increase by 1.2 percent annually for FY 2019-20 through FY 2022-23 to account for projected increases in salaries and benefits. These increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, life insurance, Medicare, retirement, and workers' compensation.

R.12 Renegotiate collective bargaining agreement provisions

The District has a collective bargaining agreement (CBA) with the Woodridge Education Association (certificated CBA), effective through July 31, 2019. The District also has a CBA with the Ohio Association of Public School Employees (classified CBA), effective through June 30, 2019. An analysis of the current CBAs identified certain provisions that exceeded State minimum standards, as set forth in the Ohio Revised Code (ORC), and/or provisions in the local peer district contracts.

- **Sick Leave Accumulation and Severance Payout:** Under the certificated and classified CBAs, WLSD employees are entitled to accumulate an unlimited amount of sick leave. ORC § 3319.141 details sick leave accumulation and specifies that unused sick leave shall be cumulative to 120 days. A comparison to the local peer districts showed that all of the peer districts allow accumulation over the State minimum levels. Specifically, two of the local peers allow certificated and classified employees to accumulate an average of 273 sick days, while the remaining two local peers allow its certificated and classified employees to earn an unlimited amount of sick leave. Although the District's peers also allow sick leave accumulation over the State minimum levels, providing accumulation in excess of State minimum levels represents the potential for increased liability when sick leave is paid out to retiring employees.

In addition, the District's CBA entitles certificated employees to severance payment for accumulated sick leave upon retirement. Specifically, WLSD's certificated employees are entitled to payouts of 20 percent of unused sick leave for a maximum of 72 days, and classified employees are entitled to 25 percent of unused sick leave for a maximum of 80 days. In comparison, the local peer sick leave payout average is a maximum of 75 days for certificated employees and 67 days for classified employees. ORC § 124.39 allows school employees at retirement to be paid for 25 percent of unused sick leave up to a maximum of 30 days. Allowing employees to receive payouts in excess of State minimums becomes costly at employee retirements. See **Table B-12** for the estimated liability of providing provisions over the ORC minimum.

- **Vacation Accrual:** Under the classified CBA, employees are entitled to annual vacation accrual, whereby they can earn 525 vacation days over the course of a 30 year career. This is higher than the local peer average of 518 days and exceeds the ORC § 3319.084 minimum of 460 days. Although direct savings from reducing the vacation schedule could not be quantified, providing employees with more vacation days could increase substitute and overtime costs. Reducing the number of vacation days available would serve to increase the number of available work hours at no additional cost to the District.
- **Tuition Reimbursement:** Under the certificated CBA, a total of \$35,000 is allocated annually for tuition reimbursement. Eligible costs include tuition for courses taken at an accredited university or college. In accordance with the CBA, tuition reimbursement is distributed proportionately to all eligible bargaining unit members with an annual reimbursement maximum of \$2,000 per member. From FY 2015-16 through FY 2017-18, the District spent an annual average of \$28,614 for tuition reimbursements. In

comparison, the local peer districts had an average maximum total tuition reimbursement amount of \$20,000 per year, which was \$15,000 less than WLSD's annual appropriation and \$8,614 less than the Districts actual average expenditure. The ORC does not require school districts to reimburse tuition costs.

Financial Implication: Renegotiating the tuition reimbursement provision could save the District approximately **\$8,600** annually, based on the average of actual reimbursements paid from FY 2015-16 through FY 2017-18, in comparison to the local peer average.

R.13 Reduce employer cost of health insurance

WLSD offers single, single plus one, and family plan medical/prescription drug (health) and dental insurance coverage to all employees through two Preferred Provider Organization (PPO) plans. One plan is offered to the certificated staff and one plan is offered to the classified staff, each with different plan designs, contributions, and premiums. In addition, the District provides employees with the option to enroll in a flexible spending account (FSA).¹⁶ As of August 2018, 189 employees were enrolled in health insurance plans.¹⁷

WLSD is self-insured, but purchases insurance through the Jefferson Health Plan Consortium, which is made up of 113 members. The Jefferson Health Plan enables eligible employers to provide individually designed benefit programs to their employees. The District's health benefits are self-insured through the consortium; however, WLSD does have their own self-insurance fund that is strictly designated for the flexible spending account. While WLSD does have its own self-insurance fund, it still contributes to the Consortium's joint pool. WLSD is required to maintain a cash reserve equivalent to three months of premiums in order to take a premium holiday. Also, when the Jefferson Health Plan sets the insurance rates, WLSD must have two months of premiums in reserve at the end of February. An additional 2 percent is added to the next year's premiums if requirements are not met.

Self-insured governments are required to collect premiums sufficient to account for actual claims paid as well as to maintain a Self-Insurance Fund balance that is adequate to account for claims liability as estimated by the third-party administrator or other qualified actuarial services provider. Unlike a traditional insurance plan participant, a self-insured government entity, once an adequate Self-Insurance Fund balance is achieved, is eligible for a "premium holiday". Under a premium holiday, the self-insured government entity is able to forego a portion of premium

¹⁶ A flexible spending account allows an employee to set aside some of their salary to fund a reimbursement account to pay qualified medical or dependent care expenses with gross earnings instead of paying them with after-tax pay. This produces significant savings because every dollar redirected into a FSA escapes federal, state and social security tax forever. The plan works by setting aside the employee's chosen amount in a medical and/or dependent care account for the plan year. The employee's annual election is divided by the number of pays in the year and deducted equally from each pay before taxes are taken out. Contributions are deposited into the employee's FSA account and are returned to tax free when they use their debit card or submit reimbursement claims for qualified expenses.

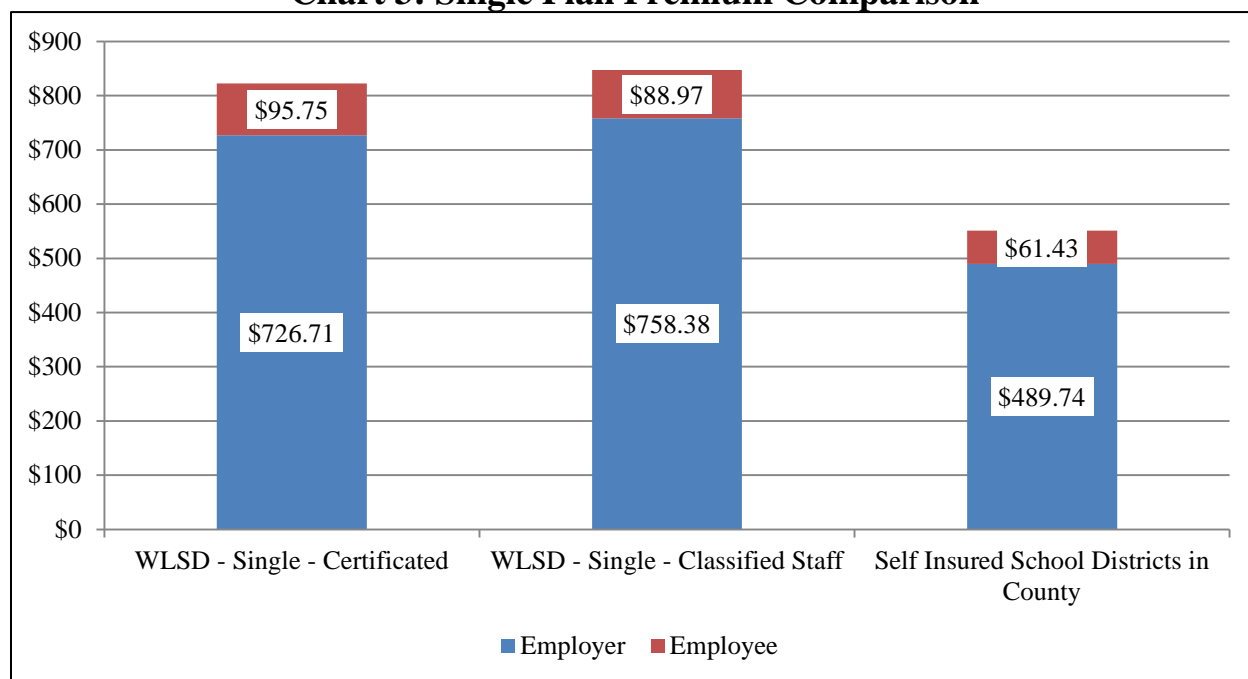
¹⁷ Of the 189 employees enrolled in health insurance plans, a total of 12 employees, or 6.4 percent, were part-time employees. This analysis focuses on full-time employees as this represented the bulk of the District's workforce. However, it is important to note that part-time employees, depending on number of hours worked per week, have employee contribution percentages that are higher than those of full-time employees. Specifically, 25 to 29 hour per week employees contributed 40 percent while 10 to 24 hour per week employees contributed 50 percent.

payments into the Self-Insurance Fund as they are unnecessary to maintain an adequate fund balance, effectively resulting in a one-time cost reduction.

As of May 2018, the District had a reserve balance in its Self-Insurance Fund of approximately \$458,000. Historically, the District has been eligible for a minimum of one monthly premium holiday per year, and according to the Administration, is expected to remain eligible in FY 2018-19 as well. In FY 2017-18, the District took a premium holiday in June, allowing it to forego approximately \$300,000 in premiums.

In gauging the relative cost of insurance, it is important to compare the costs to other school districts in the area. The Ohio State Employment Relations Board (SERB) surveys public sector entities concerning medical, dental, and vision insurance costs and publishes this information annually in *Health Insurance: The Cost of Health Insurance in Ohio's Public Sector* (SERB, 2018). **Chart 3** through **Chart 5** show WLSD's certificated and classified staff PPO single, single plus one, and family plan monthly health insurance premiums and contributions for FY 2018-19 compared to the Summit County and SERB Northeast region school district average for other self-insured plans.¹⁸

Chart 3: Single Plan Premium Comparison



Source: WLSD and SERB

¹⁸ WLSD's Single Plus One PPO plan was compared to other self-insured school districts in the Northeast SERB region due to an insufficient number of self-insured entities in Summit County offering a PPO Plan.

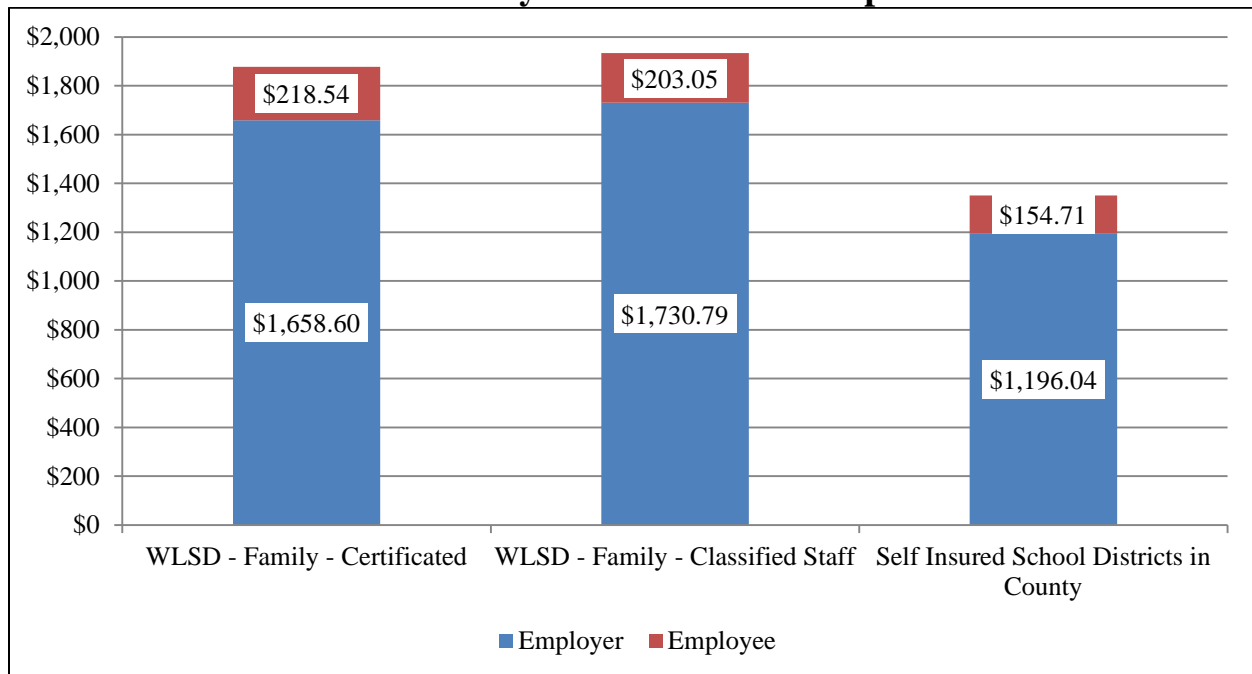
Chart 4: Single Plus One Plan Premium Comparison



Source: WLSD and SERB

Note: There were an insufficient number of entities in Summit County that reported self-insured PPO Single plus one costs; therefore, the SERB regional average was used

Chart 5: Family Plan Premium Comparison



Source: WLSD and SERB

As shown in **Chart 3** through **Chart 5**, WLSD’s single, single plus one, and family plan monthly health insurance premiums are significantly more costly than other self-insured school

districts in Summit County and the Northeast SERB Region with a PPO plan. Furthermore, with the exception of the single plus one plan, the District's share of the monthly health premiums (i.e., employer cost) alone are significantly more costly than the average of Summit County school districts' full premium cost for self-insured entities.

The District's premiums are used to pay claims as well as to ensure adequate reserves in order to address likely claims liability. As such, the higher the claims cost, the higher the premiums. There are two primary factors impacting the cost of claims; employee use of insurance, and insurance plan design, including cost sharing.

While the cost of claims is directly measurable through the performance of the Self-Insurance Fund, the cost effectiveness of plan design is able to be evaluated through comparisons to other school districts in the area. **Table 16** and **Table 17** show the District's key health insurance plan design elements for certificated and classified staff, by plan type, as compared to the Summit County average.

Table 16: PPO Health Insurance Plan Design Comparison Certificated Staff

	WLSD	County Average	Difference
Deductibles			
Single: In-Network	\$250	\$366	(\$116)
Family: In-Network	\$500	\$732	(\$232)
Single: Out-of-Network	\$375	\$652	(\$277)
Family: Out-of-Network	\$600	\$1,305	(\$705)
Out-of-Pocket Maximums			
Single: In-Network	\$1,000	\$1,083	(\$83)
Family: In-Network	\$1,000	\$2,120	(\$1,120)
Single: Out-of-Network	\$2,000	\$2,341	(\$341)
Family: Out-of-Network	\$2,000	\$4,136	(\$2,136)
Co-Payments			
Office Visit	\$0	\$6	(\$6)
Urgent Care	\$0	\$10	(\$10)
Emergency Room	\$0	\$37	(\$37)

Source: WLSD and SERB

Note: Single plus one plans fall under a family plan design for copays and deductibles.

Table 17: PPO Health Insurance Plan Design Comparison Classified Staff

	WLSD	County Average	Difference
Deductibles			
Single: In-Network	\$100	\$366	(\$266)
Family: In-Network	\$300	\$732	(\$432)
Single: Out-of-Network	\$250	\$652	(\$402)
Family: Out-of-Network	\$500	\$1,305	(\$805)
Out-of-Pocket Maximums			
Single: In-Network	\$750	\$1,083	(\$333)
Family: In-Network	\$750	\$2,120	(\$1,370)
Single: Out-of-Network	\$1,250	\$2,341	(\$1,091)
Family: Out-of-Network	\$1,250	\$4,136	(\$2,886)
Co-Payments			
Office Visit	\$0	\$6	(\$6)
Urgent Care	\$0	\$10	(\$10)
Emergency Room	\$0	\$37	(\$37)

Source: WLSD and SERB

Note: Single plus one plans fall under a family plan design for copays and deductibles.

As shown in **Table 16** and **Table 17**, WLSD's single and family in-network and out-of-network deductibles, single and family out-of-network out-of-pocket-maximums, and co-payments are lower than the Summit County average for both of the PPO plans. Lower deductibles, co-payments, and out-of-pocket maximums increase the District's costs of health insurance services. A less generous plan design, specifically focusing on increased in-network out-of-pocket maximums, deductibles, and co-payments would help the District to shift some of the current financial responsibilities to employees and may help to decrease employer cost.

Another method of reducing health insurance claims is to implement spousal restrictions to reduce the number of health insurance participants. Under a spousal restriction, an employer may require spouses of employees, who have health insurance coverage available through other means (e.g., another employer), to use other available health insurance coverage. WLSD limits insurance if both spouses are employed by the District by only paying for one plan, but does not address spouses working at other employers. According to *Health Insurance: The Cost of Health Insurance in Ohio's Public Sector* (SERB, 2018), spousal restrictions are used by 44.1 percent of public sector employers in Ohio.

Table 18 and **Table 19** show WLSD's employer cost of health insurance for the PPO plan for FY 2018-19 compared to the Summit County average for self-insured plans for certificated and classified staff. Focusing on the District's employer cost of health insurance provides context for the potential savings available through bringing its employer cost in line with the Summit County average.¹⁹

¹⁹ WLSD's Single plus One PPO plan was compared to other self-insured school districts in the Northeast SERB region due to an insufficient number of self-insured entities in Summit County offering a PPO Plan.

Table 18: PPO Health Insurance Premium Comparison for Certificated Staff

Certificated Employees Enrolled by Plan Type		
Single		24
Single plus One		19
Family		89
Plan Type	WLSD Annual Employer Costs	SERB Average ¹
Single	\$8,720	\$5,877
Single plus One	\$17,286	\$16,808
Family	\$19,903	\$14,352
Single Plan Annual Difference per Employee		\$2,843
Single plus One Annual Difference per Employee		\$478
Family Plan Annual Difference per Employee		\$5,551
Single Plan Annual Total Cost Savings		\$68,232
Single plus One Plan Annual Total Cost Savings		\$9,082
Family Plan Annual Total Cost Savings		\$494,039
Total Annual Health Insurance Cost Savings		\$571,353

Source: WLSD and SERB

¹ SERB Averages are reflective of Summit County for single and family plan comparisons and Northeast Region for single plus one due to an insufficient number of comparable plan types in Summit County.

Table 19: PPO Health Insurance Premium Comparison for Classified Staff

Classified Employees Enrolled by Plan Type		
Single		10
Single plus One		14
Family		21
Plan Type	WLSD Annual Employer Costs	SERB Averages ¹
Single ²	\$9,101	\$5,877
Single plus One ³	\$18,038	\$16,808
Family ²	\$20,770	\$14,352
Single Plan Annual Difference per Employee		\$3,224
Single plus One Annual Difference per Employee		\$1,230
Family Plan Annual Difference per Employee		\$6,418
Single Plan Annual Total Cost Savings		\$32,240
Single plus One Plan Annual Total Cost Savings		\$17,220
Family Plan Annual Total Cost Savings		\$134,778
Total Annual Health Insurance Cost Savings		\$184,238

Source: WLSD and SERB

¹ SERB Averages are reflective of Summit County for single and family plan comparisons and Northeast Region for single plus one due to an insufficient number of comparable plan types in Summit County.

As shown in **Table 18** and **Table 19**, WLSD's annual employer cost of health insurance for the PPO single, single plus one, and family plans is significantly higher than SERB averages for

self-insured school districts. In total, bringing the District's employer cost in line with the respective averages would result in cost savings of over **\$755,500** annually. Furthermore, with projected increases in the cost of health insurance, the District could save an average of **\$964,200** over the next four years of the forecast period.

WLSD's employer health insurance costs for single, single plus one, and family plans are significantly higher than the SERB averages for self-insured entities. If the District chooses to remain with the Jefferson Health Plan, it should attempt to reduce costs by controlling claim amounts or the overall cost sharing. Options to reevaluate include:

- key plan design elements, such as out-of-pocket maximums;
- the cost/benefit of wellness programs;
- implementing spousal restrictions; and
- increasing employee contributions.

However, implementation of changes to the PPO plan would not be feasible, except through negotiation, and would not be implementable until after the CBA expires on July 31, 2019.

Financial Implication: Bringing the employer cost of health insurance in line with the SERB averages for self-insured entities could save the District an average of **\$964,200** in each year of implementation over the forecasted period.²⁰

R.14 Reduce employer cost of dental and vision insurance

WLSD is self-funded for dental insurance and purchases vision insurance through Vision Service Plan Vision Care (VSP). In accordance with the CBAs, the District offers dental and vision insurance to all employees.

Dental Insurance

WLSD offers three types of dental insurance plans, including: single, single plus one, and family. As of May 2018, 200 employees were enrolled in dental plans.²¹

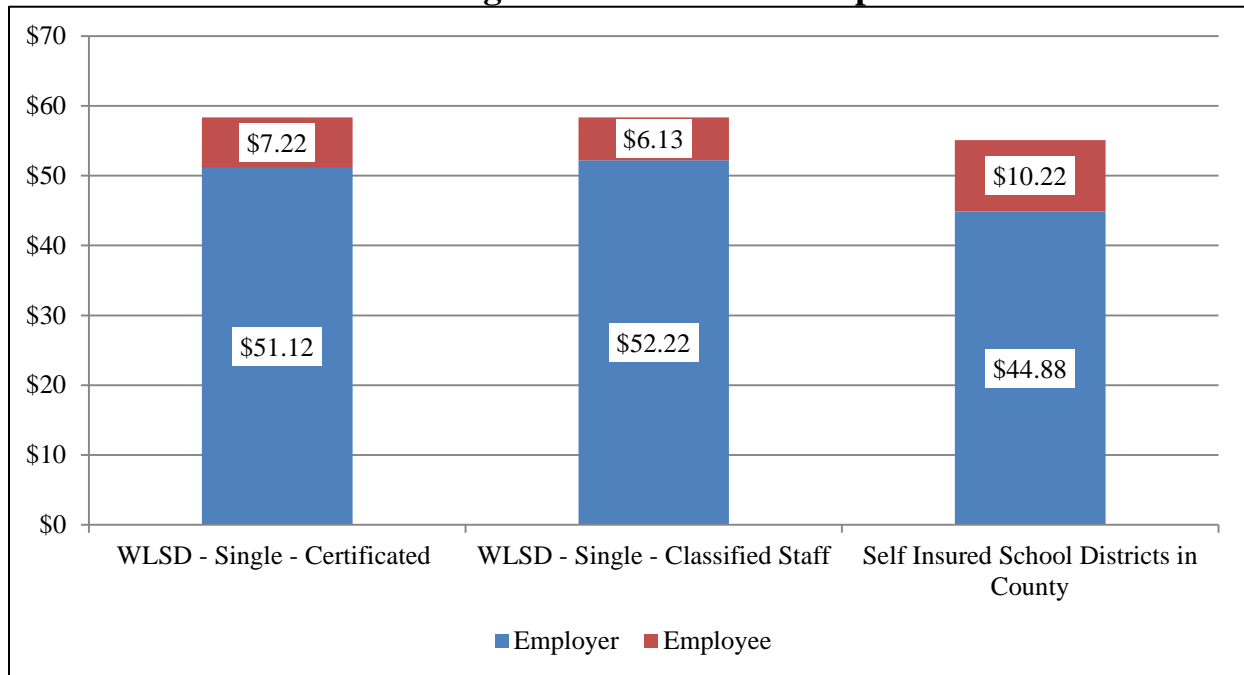
SERB surveys public sector entities concerning medical, dental, and vision insurance costs and publishes this information annually in *The Cost of Health Insurance in Ohio's Public Sector* (SERB, 2018). **Chart 6** through **Chart 8** show WLSD's certificated and classified staff PPO single, single plus one, and family plan monthly dental insurance premiums and contributions for FY 2018-19 compared to the SERB Summit County average for other self-insured plans.²²

²⁰ The District forecasts a 10.0 percent increase in insurance costs annually. As such, cost savings applied to the five-year-forecast are also inflated by 10.0 percent annually to be consistent with the assumptions.

²¹ Of the 200 employees enrolled in dental insurance plans, a total of 18 employees, or 9.0 percent, were part-time employees. This analysis focuses on full-time employees as this represented the bulk of the District's workforce. However, it is important to note that part-time employees, depending on number of hours worked per week, have employee contribution percentages that are higher than those of full-time employees. Specifically, 25 to 29 hour per week employees contributed 40 percent while 10 to 24 hour per week employees contributed 50 percent.

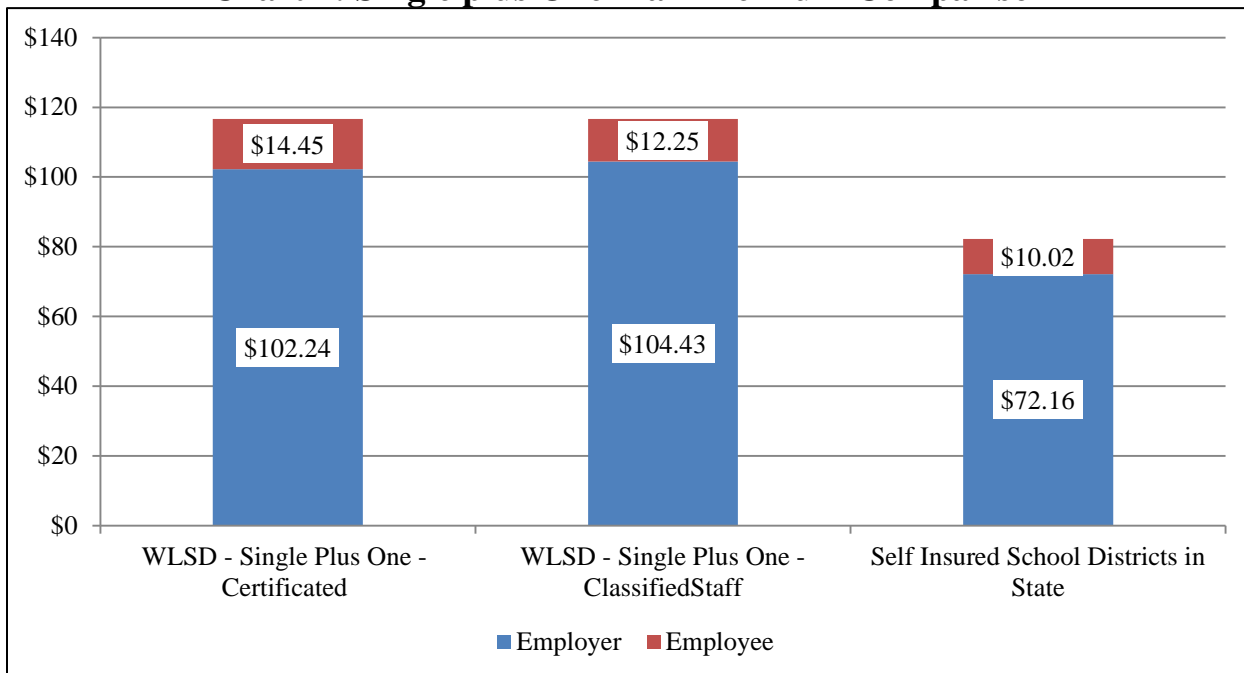
²² WLSD's Single plus One PPO plan was compared to the statewide average of self-insured school districts due to an insufficient number of Summit County or Northeast Region schools districts offering a comparable play type.

Chart 6: Single Plan Premium Comparison



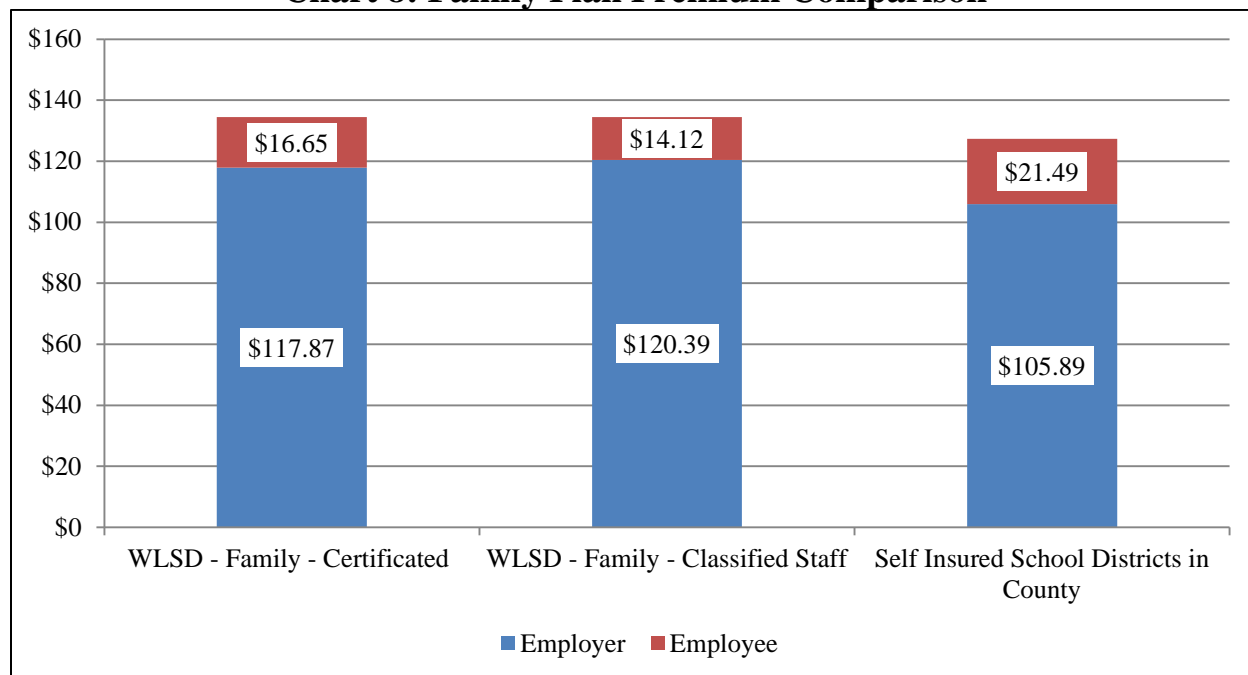
Source: WLSLD and SERB

Chart 7: Single plus One Plan Premium Comparison



Source: WLSLD and SERB

Note: There were an insufficient number of entities in both Summit County and the SERB Northeast Region that reported self-insured PPO Single plus One costs. Therefore, the State average was used for comparison.

Chart 8: Family Plan Premium Comparison

Source: WLSD and SERB

As shown in **Chart 6** through **Chart 8**, WLSD's employer cost for dental insurance was higher than the Summit County average for single and family plan types. Also, the employer cost for dental insurance was higher than the State average for the single plus one plan type.²³ Further, District employees enrolled in a single or family plan contribute less compared to the Summit County average, while District employees in a single plus one plan contribute more than the State average. Given that total premiums are higher than the Summit County and State average, the District's higher employer cost can be attributed to a combination of insufficient employee cost sharing and/or the District's selection of a more costly dental insurance plan.

Tables 20 and **21** show WLSD's employer cost of dental insurance for FY 2018-19 compared to the Summit County average for the single, single plus one, and family plan types for certificated and classified staff. These comparisons provide context as to the appropriateness of the overall cost share as well as the potential financial impact associated with implementing this change.

²³ There were an insufficient number of entities in both Summit County and the SERB Northeast Region that reported self-insured PPO Single plus One costs. Therefore, the State average was used for comparison.

Table 20: Dental Insurance Premium Comparison for Certificated Staff

WLSD Employees Enrolled by Plan Type		
Single		26
Single plus One		19
Family		91
Plan Type	WLSD Annual Employer Costs	SERB Averages ¹
Single	\$613	\$539
Single plus One	\$1,227	\$866
Family	\$1,414	\$1,271
Single Plan Annual Difference per Employee		\$74
Single plus One Plan Annual Difference per Employee		\$361
Family Plan Annual Difference per Employee		\$143
Single Plan Annual Total Cost Savings		\$1,924
Single plus One Plan Annual Total Cost Savings		\$6,859
Family Plan Annual Total Cost Savings		\$13,013
Total Annual Health Insurance Cost Savings		\$21,796

Source: WLSD and SERB

¹ SERB Averages are reflective of Summit County for single and family plan comparisons and statewide for single plus one due to an insufficient number of comparable plan types in Summit County and the Northeast Region.

Table 21: Dental Insurance Premium Comparison for Classified Staff

WLSD Employees Enrolled by Plan Type		
Single		10
Single plus One		14
Family		22
Plan Type	WLSD Annual Employer Costs	SERB Averages ¹
Single	\$627	\$539
Single plus One	\$1,253	\$866
Family	\$1,445	\$1,271
Single Plan Annual Difference per Employee		\$88
Single plus One Plan Annual Difference per Employee		\$387
Family Plan Annual Difference per Employee		\$174
Single Plan Annual Total Cost Savings		\$880
Single + 1plus One Plan Annual Total Cost Savings		\$5,418
Family Plan Annual Total Cost Savings		\$3,828
Total Annual Health Insurance Cost Savings		\$10,126

Source: WLSD and SERB

¹ SERB Averages are reflective of Summit County for single and family plan comparisons and statewide for single plus one due to an insufficient number of comparable plan types in Summit County and the Northeast Region.

As shown in **Table 20** and **Table 21**, WLSD's annual employer cost of dental insurance for the PPO single, single plus one, and family plans, is significantly higher than the Summit County

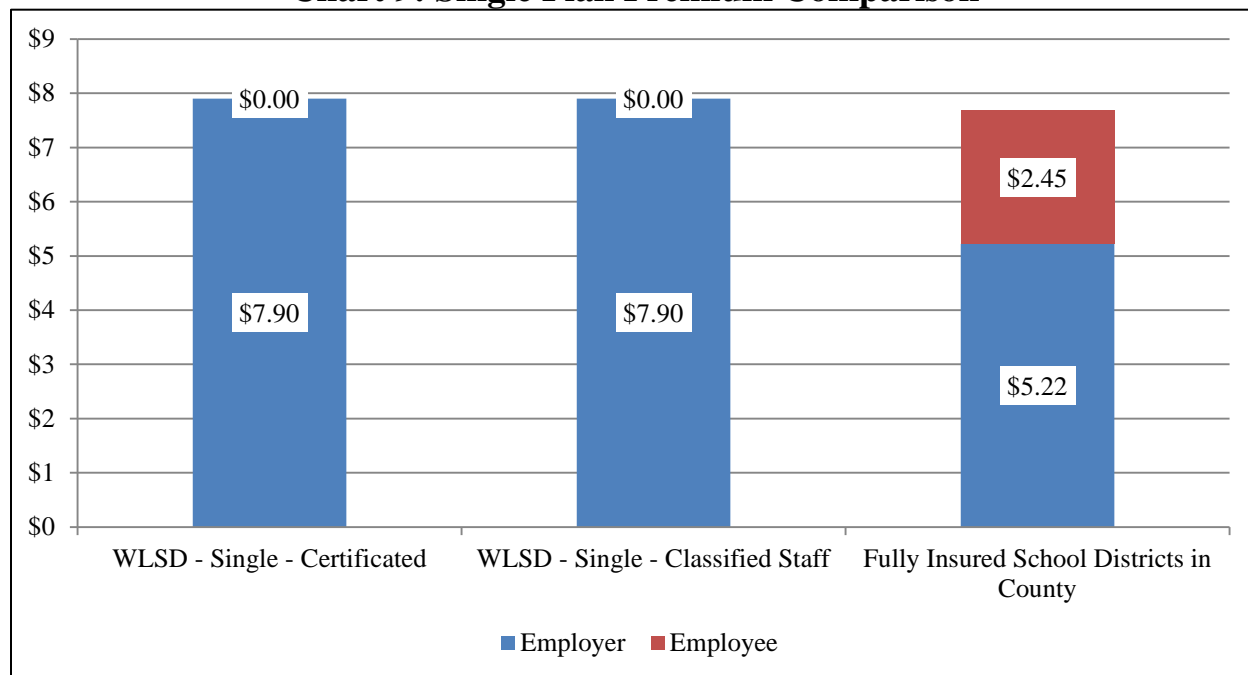
and State for self-insured entities. In total, bringing the District’s employer cost in line with the respective averages would result in cost savings of over **\$31,900** annually. It should be noted that any changes to the employer/employee cost share are subject to negotiation, and would not be implementable until after the CBA expires on July 31, 2019.

Vision Insurance

WLSD offers four types of vision insurance plans; single, single plus one, single plus child, and family, with 209 employees enrolled in FY 2018-19.²⁴

Chart 9 and **Chart 10** show WLSD’s certificated and classified staff fully-insured vision insurance premiums and contributions for single and family plans for FY 2018-19 compared to the Summit County average for other fully-insured plans. **Chart 11** and **Chart 12** show a similar comparison focusing on the single plus one and single plus child plans’ monthly vision insurance premiums compared to the SERB Northeast regional area.²⁵

Chart 9: Single Plan Premium Comparison

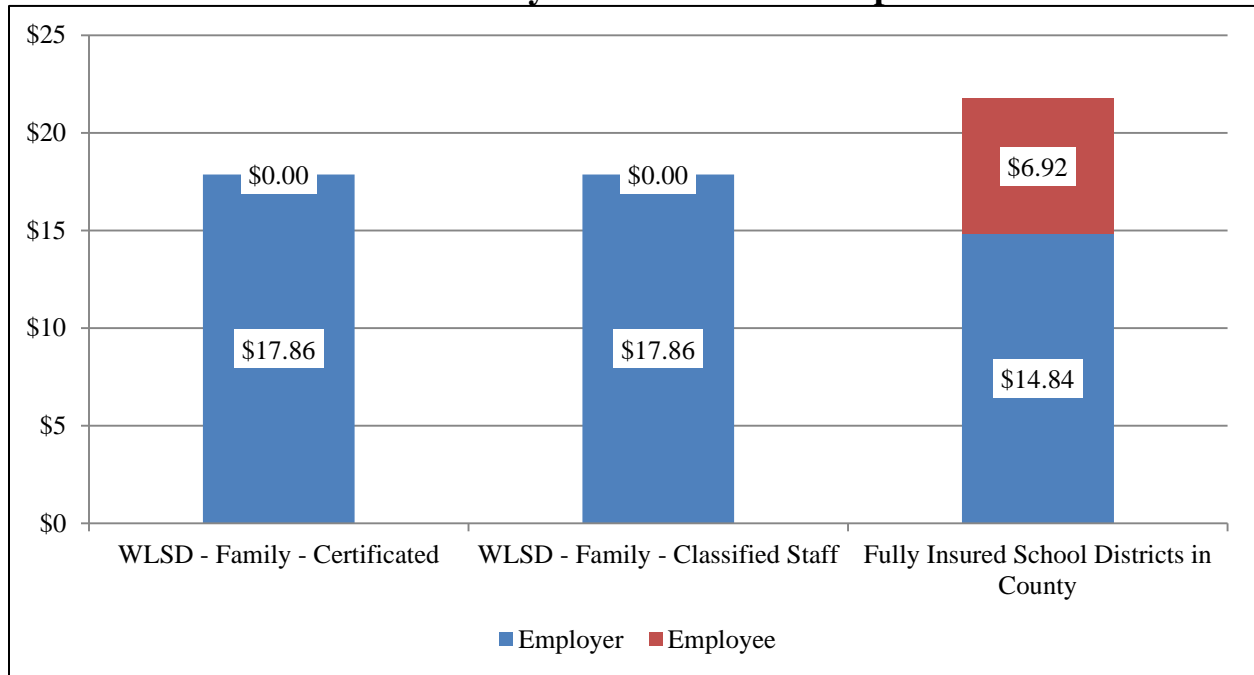


Source: WLSD and SERB

²⁴ Of the 209 employees enrolled in vision insurance plans, a total of 15 employees, or 7.2 percent, were part-time employees. This analysis focuses on full-time employees as this represented the bulk of the District’s workforce. However, it is important to note that part-time employees, depending on number of hours worked per week, have employee contribution percentages that are higher than those of full-time employees. Specifically, 25 to 29 hour per week employees contributed 40 percent while 10 to 24 hour per week employees contributed 50 percent.

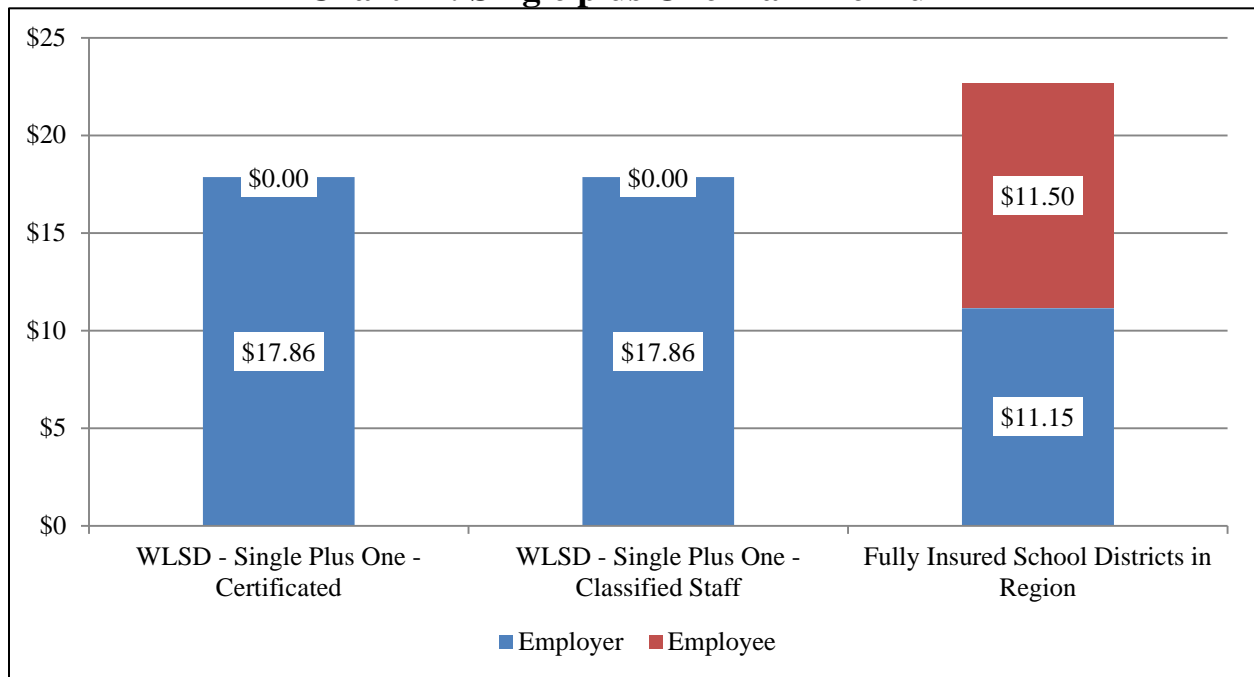
²⁵ WLSD’s single plus one and single plus child vision plans were compared to other fully-insured schools in the SERB Northeast Region because there were an insufficient number of comparable plan types in Summit County.

Chart 10: Family Plan Premium Comparison



Source: WLSLD and SERB

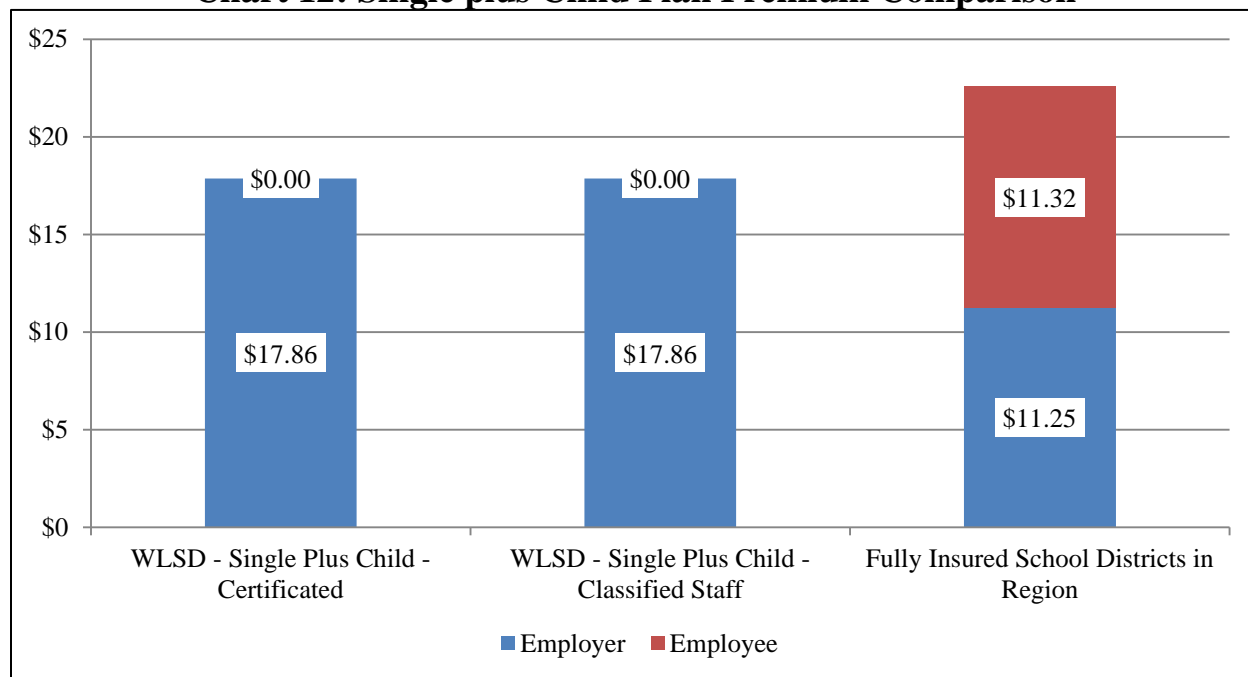
Chart 11: Single plus One Plan Premium



Source: WLSLD and SERB

Note: There was an insufficient number of school districts in Summit County reporting fully insured vision, therefore the SERB Regional Average is used

Chart 12: Single plus Child Plan Premium Comparison



Source: WLSD and SERB

Note: There was an insufficient number of school districts in Summit County reporting fully insured vision, therefore the SERB Regional Average is used.

As shown in **Chart 9** through **Chart 12**, WLSD’s employer cost for vision insurance was higher than the Summit County average for single and family plans, and higher than the SERB Northeast regional average for single plus one and single plus child plans. Unlike with dental insurance, the District’s full-time employees do not contribute toward the cost of the vision premiums.

Tables 22 and **23** show WLSD’s employer cost of vision insurance for FY 2018-19 compared to the Summit County average for single and family plans and the SERB Northeast Region average for single plus one and single plus child. These comparisons provide context as to the appropriateness of the overall cost share as well as the potential financial impact associated with implementing this change.

Table 22: Vision Insurance Cost Savings for Certificated Staff

WLSD Employees Enrolled by Plan Type		
Single		26
Single plus One		26
Single plus Child		0
Family		97
Plan Type	WLSD Annual Employer Costs	SERB Averages ¹
Single	\$95	\$63
Single plus One	\$214	\$134
Family	\$214	\$178
Single Plan Annual Difference per Employee		\$32
Single plus One Plan Annual Difference per Employee		\$80
Family Plan Annual Difference per Employee		\$36
Single Plan Annual Total Cost Savings		\$832
Single plus One Plan Annual Total Cost Savings		\$2,080
Family Plan Annual Total Cost Savings		\$3,492
Total Annual Health Insurance Cost Savings		\$6,404

Source: WLSD and SERB

¹ SERB Averages are reflective of Summit County for single and family plan comparisons and Northeast Region for single plus one and single plus child due to an insufficient number of comparable plan types in Summit County.

Table 23: Vision Insurance Cost Savings for Classified Staff

WLSD Employees Enrolled by Plan Type		
Single		7
Single plus One		9
Single plus Child		0
Family		29
Plan Type	WLSD Annual Employer Costs	SERB Averages ¹
Single	\$95	\$63
Single plus One	\$214	\$134
Family	\$214	\$178
Single Plan Annual Difference per Employee		\$32
Single plus One Plan Annual Difference per Employee		\$80
Family Plan Annual Difference per Employee		\$36
Single Plan Annual Total Cost Savings		\$224
Single plus One Plan Annual Total Cost Savings		\$720
Family Plan Annual Total Cost Savings		\$1,044
Total Annual Health Insurance Cost Savings		\$1,988

Source: WLSD and SERB

¹ SERB Averages are reflective of Summit County for single and family plan comparisons and Northeast Region for single plus one and single plus child due to an insufficient number of comparable plan types in Summit County.

As shown in **Table 22** and **Table 23**, the District could generate vision insurance savings of more than **\$8,300** annually by bringing the employer cost of single and family plans in line with the Summit County average and the single plus one and single plus child plans in line with the SERB Northeast region. It should be noted that any changes to the employer/employee cost share are subject to negotiation, and would not be implementable until after the CBA expires on July 31, 2019.

Financial Implication: Bringing the employer cost of dental and vision insurance in line with the SERB averages could save the District an average of **\$51,600** annually over the forecasted period.²⁶

R.15 Develop and update formal preventive maintenance programs

The District performs regular preventive maintenance on buses and facilities; however, it does not have a formal preventive maintenance plan for either. Maintenance and repair costs are not formally tracked and as a result, WLSD runs the risk of allocating resources ineffectively for transportation and facilities maintenance.

According to *Planning Guide for Maintaining School Facilities* (National Center for Education Statistics (NCES, 2003), a comprehensive facility maintenance program is a school district's foremost tool for protecting its investment in school facilities. An effective preventive maintenance program begins with an audit of the buildings, grounds, and equipment. Once facilities data has been assembled, structural items and pieces of equipment can be selected for preventive maintenance. After completing the audit, planners must decide on the frequency and type of inspections. After assembling this information, it must be formatted so that preventive maintenance tasks can be scheduled easily. Ideally, scheduling should be handled by a computerized maintenance management program; however, tasks can be efficiently managed using a manual system as well.

According to *Public Works Management Practices Manual* (American Public Works Association (APWA), 2014), a formal preventive maintenance program that includes scheduling, recording performance, and monitoring should be developed for all equipment. Planning preventive maintenance activities includes:

- Defining work to be performed;
- Diagnosing work to be performed prior to scheduling;
- Estimating labor hours, materials, shop space and time; and
- Documenting support maintenance action.

The District should develop a formal preventive maintenance program. The absence of such a program limits the transparency of the maintenance necessary to keep the District's facilities operating efficiently and effectively. Developing and implementing an effective preventive maintenance program would ensure that the District receives the maximum useful life of its assets and properly allocates resources for maintenance and replacement.

²⁶ The District forecasts a 10.0 percent increase in insurance costs annually. As such, cost savings applied to the five-year-forecast are also inflated by 10.0 percent annually to be consistent with the assumptions.

R.16 Complete T-1 Forms as prescribed by ODE

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

The District's FY 2017-18 T-1 Report and bus driver count sheets were reviewed for consistency and accuracy with ODE's instructions. **Table 24** shows the degree of variation between this count data and the information reported on the District's FY 2017-18 T-1 Report. This comparison is important in determining whether the District is compliant in reporting to ODE an accurate count of mileage and riders on its T-1 Form.

Table 24: T-1 Form Reporting Variation FY 2017-18

Category	Reported Amount
T-1 Form Mileage Total	1,854
Driver Count Sheet Mileage Total	1,871
Difference	(17)
% Difference	(0.9%)
T-1 Form Student Rider Total	
T-1 Form Student Rider Total	1,050
Driver Count Sheet Student Rider Total	1,203
Difference	(153)
% Difference	(14.6%)

Source: WLSLD and ODE

As shown in **Table 24**, the District's T-1 Form under-reported miles and riders when compared to the actual bus driver count sheets. This was the result of the count sheets containing mathematical errors, as well as data entry errors that occurred while transferring data from the count sheets to the T-1 Form.²⁷

²⁷ During the course of this performance audit the District completed an updated October 2018 count week. Although this information was not audited in detail to assess whether or not it was collected and recorded in accordance with ODE instructions, a cursory review was completed which identified that similar errors that were likely still occurring. However, in accordance with ODE's instructions, the District has the opportunity to correct and resubmit any T-1 Form numbers that may have been incorrectly submitted prior February 1, 2019.

The District should develop formal internal policies and procedures for acquiring and compiling T-Form data. Developing and implementing formal procedures would help ensure accuracy when compiling and submitting rider count sheets for the T-1 Form. The types of errors identified above indicate that there are deficiencies in the data collection and review process used by the District. Failure to accurately report this information could result in incorrect calculations of State pupil transportation payments to the District.

R.17 Right-size the active bus fleet

WLSD operates with a total of 27 active buses, one van, and four spare buses for FY 2018-19. In total, the District reported transporting 1,205 total riders, of which 1,121 were resident students and 84 were non-public.

The District's practice is to transport all resident riders requesting transportation, regardless of distance from their assigned schools. ORC § 3327.01 establishes state-minimum transportation requirements, including an obligation to transport all resident K-8 students living two or more miles from their assigned schools and the obligation to transport all non-public riders to their destination locations as long as the destination location is within a 30 minute drive of the otherwise assigned resident school.²⁸

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

- **Tier I** – Including 493 peak middle and high school riders and 18 routes; and
- **Tier II** – Including 625 peak elementary school riders and 19 routes.²⁹

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

However, when evaluating opportunities for improved efficiency, without significant changes to tiers, start times, and bell schedules it is important to evaluate if all routes that are underutilized are reasonably able to be improved. This can be difficult or even impossible for routes that are special purpose, such as special needs transportation.³⁰ Routes that already involve a lengthy ride time may also present a challenge as there may be few opportunities to add significant ridership without creating significantly longer ride times.

²⁸ WLSD is required to transport all non-public riders in accordance with the days, start times, and bell schedules established by the non-public schools to which those riders are being transported. Effectively, the District does not have direct control over the ability to improve the efficiency of these routes and, as such, non-public routes are excluded from this transportation efficiency analysis. However, non-public riders are included in the analysis when they are included on routes that are otherwise transporting resident students as they utilize available capacity.

²⁹ This analysis uses peak riders, which is defined as the maximum riders per route that were observed during the count week. This is different than the average ridership required to be reported to ODE and is necessary to consider to ensure that a right-sized fleet will have sufficient capacity to accommodate actual ridership fluctuations.

³⁰ Special needs transportation, defined as routes with more than 50 percent ridership categorized as special needs, are excluded from the scope of this analysis as changes to these routes may impact compliance with IDEA Part B maintenance of effort.

There is no state law that caps bus ride times. However, the District does have a formal policy in place stating that it should, “plan routes so that most children do not have to ride in excess of 45 minutes on the way to or from school.” Yet, the District already has a number of routes, primarily on Tier II, which it reports to be routed to exceed 45 minutes of student ride time. Specifically, there is one route on Tier I which the District reports to be routed at 58 minutes. On Tier II, there are eight routes which the District reports to exceed the planned threshold, with a maximum route time of 65 minutes and an average of 54 minutes. An alternative for identifying a relatively long ride time is to use the current reported ride time data to identify an 80th percentile threshold, above which it is unlikely to add significant ridership without creating significantly longer ride times. For the District’s regular transportation routes this methodology results in the exclusion of eight total routes, one on Tier I and seven on Tier II, which are reported to be 49 minutes or more.

Table 25 shows a baseline overview of Tier I and II focusing on which has the highest baseline utilization. The purpose of this analysis is to identify opportunities for improved efficiency to bring all possible routes up to the goal of 80 percent of capacity being utilized, on average. Accordingly, the tier with the higher baseline utilization is an initial indicator of which tier is most likely to be a limiting factor when analyzing opportunities for efficiency in greater detail.

Table 25: Baseline Utilization by Tier

Tier	Total Routes	Average Capacity ¹	Total Capacity	Peak Riders	Baseline Utilization
Tier I	18	51.6	929	493	53.1%
Tier II	19	79.8	1,516	625	41.2%

Source: WLSD and ODE

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

As shown in **Table 25**, Tier I has a baseline utilization of 53.1 percent while Tier II has a baseline utilization of 41.2 percent. As such, Tier I is necessary to review in detail first as it may represent a more limiting efficiency opportunity.

Table 26 shows a detailed review of Tier I routes after accounting for an excluding those routes that are currently meeting or exceeding the 80 percent utilization goal as well as those that are already at or longer than the 80th percentile threshold for reported route times. After these routes are excluded the remaining routes are reviewed for additional efficiency opportunities with a sensitivity analysis showing the capacity and utilization rates resulting from an incremental reduction of routes within the tier.

Table 26: Tier I Detailed Review

Tier	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Tier I	18	51.6	929	493
Tier I Exclusions				
Reason for Exclusion	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Already At Standard	2	53.5	107	103
80th+ Percentile Time	1	48.0	48	20
Tier I Routes Reviewed for Additional Efficiency Opportunity				
Tier	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Tier I	15	51.6	774	370
Tier I Route Elimination Sensitivity Analysis and Impact on Utilization				
Routes Eliminated	4	5	6	7
Capacity Eliminated	206.4	258.0	309.6	361.2
Adjusted Total Capacity	568	516	464	413
Adjusted Total Utilization	65.2%	71.7%	79.7%	89.6%

Source: WLSLD and ODE

As shown in **Table 26**, when only considering Tier I needs, it is possible to eliminate up to six routes without exceeding the 80 percent utilization goal. However, a similar analysis of Tier II is necessary to affirm whether this level of reduction is fully achievable. **Table 27** shows a detailed review of Tier II routes based on these same factors.

Table 27: Tier II Detailed Review

Tier	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Tier II	19	79.8	1,516	625
Tier II Exclusions				
Reason for Exclusion	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Already At Standard	N/A	N/A	N/A	N/A
80th+ Percentile Time	7	48.0	336	198
Tier II Routes Reviewed for Additional Efficiency Opportunity				
Tier II	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Tier II	12	81.4	977	427
Tier II Route Elimination Sensitivity Analysis and Impact on Utilization				
Routes Eliminated	4	5	6	7
Capacity Eliminated	325.6	407.0	488.4	569.8
Adjusted Total Capacity	651	570	489	407
Adjusted Total Utilization	65.6%	74.9%	87.4%	104.9%

Source: WLSLD and ODE

As shown in **Table 27**, factoring in Tier II needs shows that the relatively high proportion of routes that are already at or longer than the 80th percentile threshold for reported route times limits the identified efficiency opportunity to the elimination of five routes.

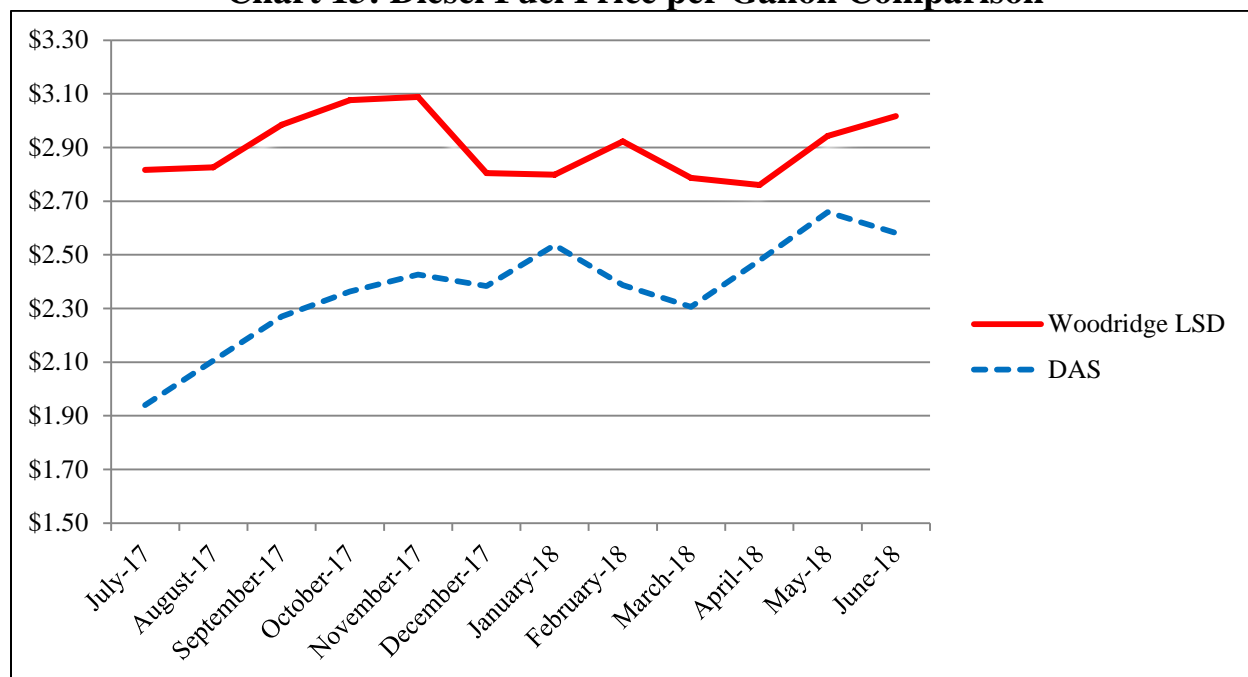
Financial Implication: Eliminating five routes on each tier would allow the District to eliminate five buses which could save an average of **\$164,200** in salaries and benefits in each year of implementation over the forecasted period. This was calculated using the actual salaries and benefits and projected increases of the least-tenured bus driver positions and the average bus insurance, per bus, in FY 2018-19. Estimated savings could increase if the reduction occurs through retirement or voluntary separation of more-tenured staff.³¹

R.18 Renegotiate to bring fuel cost in line with available market pricing

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

Chart 13 shows a comparison between the District’s cost per gallon for diesel fuel and the price offered through the CPP on the same dates during FY 2017-18. This comparison provides insight into the relative price competitiveness of the District’s actual fuel purchases.

Chart 13: Diesel Fuel Price per Gallon Comparison



Source: WLSD and DAS

³¹ The value of the savings from this recommendation is projected to increase by 3.4 percent annually for FY 2019-20 through FY 2022-23 to account for projected increases in salaries and benefits. These increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, life insurance, Medicare, retirement, and workers’ compensation.

As shown in **Chart 13**, the District paid more per gallon for diesel fuel compared to the CPP throughout FY 2017-18. Based on 57,089 gallons of diesel fuel purchased, and an average difference of \$0.48³² per gallon, the District could have saved more than **\$27,600** had it purchased its fuel from the CPP in FY 2017-18.

As previously noted, in order to take advantage of the lower cost bulk diesel fuel available through the CPP the District would need to have its own fuel tank. The purchase and installation of a bulk fuel tank and dispensing equipment presents a significant cost, but this cost can be eventually recovered through ongoing fuel savings. Wadsworth City School District (Medina County) purchased and installed a 6,000 gallon diesel fuel tank in 2012 at a reported total cost of \$114,000. This size of tank would be adequate to meet the District's bulk fuel needs and would allow it to make use of the CPP.

Table 28 shows an example cost recovery scenario including the one-time purchase and installation cost, projected annual fuel cost savings based on historical experience, and the number of years it would take to recoup the initial cost, allowing the District to accrue savings from having its own fuel tank. Also shown are the potential savings from extrapolating this model out over the 20 year estimated useful life of an aboveground fuel storage tank as estimated by DAS Asset Management Services. Both pieces of analysis are important to demonstrate the number of years necessary to achieve cost recovery as well as the total potential return on investment (ROI).

Table 28: Example Fuel Tank Cost Recovery Scenario

	Year 0	Year 1	Year 2	Year 3	Year 4	Year 5
Purchase and Installation Cost	(\$137,800)	N/A	N/A	N/A	N/A	N/A
Ongoing Fuel Cost Savings	N/A	\$27,600	\$27,600	\$27,600	\$27,600	\$27,600
Annual Net Savings/(Loss)	(\$137,800)	\$27,600	\$27,600	\$27,600	\$27,600	\$27,600
Cumulative Net Savings/(Loss)	(\$137,800)	(\$110,200)	(\$82,600)	(\$55,000)	(\$27,400)	\$200
Total Savings/(Loss) Over 20 Years						\$552,000
Total Return on Investment						4.0
Total Net Savings/(Loss) Over 20 Years						\$414,200

Source: WLSD, Wadsworth City School District, DAS, and Bureau of Labor Statistics

Note: The estimated one-time purchase and installation cost is inflated by an average of 2.74 percent annually using the Bureau of Labor Statistics producer price index for new school building construction.

As shown in **Table 28**, the up-front cost of purchasing and installing a fuel tank could be recovered within five years. In addition, total net savings over the estimated useful life of the equipment could exceed \$400,000 with a ROI of more than \$4 for every \$1 of initial investment.

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

³² The actual difference was \$0.8434 which was used for the calculation of the financial implication.

Financial Implication: Renegotiating its fuel price to be in line with the CPP could save the District an annual average of **\$27,600**.

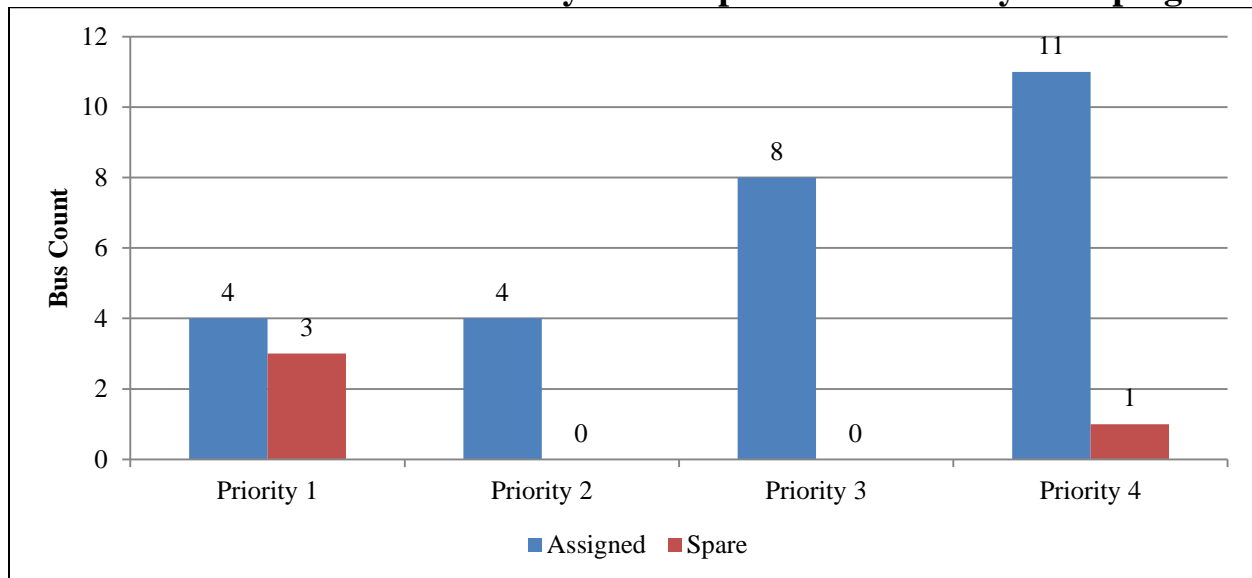
R.19 Develop a formal bus replacement plan

WLSD does not have a formal data driven bus replacement plan. An analysis of its fleet revealed that the average age of its active buses is 9.0 years. Furthermore, four of the buses are between nine and 14 years of age while eight buses are between 15 and 22 years old.

Clean School Bus (EPA, 2012) offers guidelines regarding the replacement of school buses. According to the EPA, fleets should be assessed for age and condition to determine which buses need to be replaced first. Compiling this information in advance allows districts to plan for future expenditures and to be prepared when funds become available. In addition, the EPA provides further replacement guidance by categorizing buses into four priority groups based on model year. Groups in Priority One are considered most in need of immediate replacement with Priority Four being least in need.³³ Due to advanced age, buses in the Priority One grouping often have increasing maintenance concerns, decreased fuel economy benefits, and less stringent safety equipment, making replacement a higher priority.

Chart 14 shows the District’s FY 2017-18 fleet classified by EPA priority grouping. This provides a high level indication of the extent of the District’s fleet replacement needs relative to EPA guidelines.

Chart 14: Bus Classification by EPA Replacement Priority Grouping



³³ *Clean School Bus* classifies buses by model year in the following priority groups: Priority One: pre-1998 model years; Priority Two: model years 1998 through 2003; Priority Three: model years 2004 through 2006; and Priority Four: model years 2007 and newer. For this analysis, the groupings were updated to the following priority groupings: Priority One: pre-2004 model years; Priority Two: model years 2004 through 2009; Priority Three: model years 2010 through 2012; Priority Four: model years 2013 and newer. It is important to note that the original EPA parameters also take into account emissions standards changes occurring in 2004 and 2007. There have not been significant emissions standards changes affecting school buses since that time.

Source: WLSD and EPA

Note: Assigned buses include both regular and special needs.

As shown in **Chart 14**, eleven assigned buses, or 40.7 percent, of the District's fleet falls in the lowest priority group (i.e., Priority Four) while 59.3 percent of the District's assigned buses will near replacement age in the near-term, assuming no change in fleet size. A fleet replacement plan could help the District gain visibility into the costs of the fleet in priority groupings and in determining future reductions and/or replacements, enabling it to meet EPA suggested guidelines.

According to *School Bus Replacement Considerations* (National Association of State Directors of Pupil Transportation Services (NASDPTS), 2002), the replacement of school buses should be a planned process. The plan should incorporate the maintenance data collected by the District into the decision-making process for bus replacements. The plan should also allow the District to establish its priorities with regard to safety and emissions features. Additionally, the NASDPTS recommends a combined approach to school bus replacement that considers both age and mileage in which replacement thresholds are set between 12 and 15 years, or 150,000 to 200,000 miles, respectively. WLSD should consider the full cost of bus operation, including fuel, parts, labor, and vehicle depreciation.

The District should develop a formal data driven bus replacement plan. Doing so would allow it to communicate to leadership and to the public about the needs of its bus fleet. Additionally, it would allow the District to communicate its progress in meeting its schedule of replacement and any risks posed by the current state of the fleet. Adopting a plan could reduce overall operating costs and help to avoid the need to replace a major portion of the fleet at the same time.

R.20 Decrease food service expenditures and/or increase revenues

WLSD provides food service to students from three kitchens, one in each of its school buildings. The District's food service operations are accounted for as an enterprise fund (i.e., the Food Service Fund) with the intention that the cost of operations is to be fully recovered through fees and/or charges. Any Food Service Fund loss is required to be subsidized by the General Fund which, in turn, affects the District's forecasted financial position.

Table 29 shows key financial results for the Food Service Fund each year, and on-average, for FY 2015-16 to FY 2017-18. This analysis provides context to the Fund's ability to recover cost and more directly to the extent to which a General Fund subsidy has been needed.

Table 29: Historical Food Service Fund Key Financial Results

	FY 2015-16	FY 2016-17	FY 2017-18	Three-Year Avg.
Total Revenues	\$803,189.33	\$749,476.51	\$719,644.48	\$757,436.77
Total Expenditures	\$840,324.38	\$818,745.47	\$760,853.85	\$806,641.23
Results of Operations	(\$37,135.05)	(\$69,268.96)	(\$41,209.37)	(\$49,204.46)
Beginning Cash Balance	\$24,317.25	\$1,960.37	\$48.41	\$8,775.34
General Fund Subsidy	\$14,700.00	\$67,300.00	\$41,200.00	\$41,066.67
Refund from Prior Year	\$78.17	\$57.00	\$0.00	\$45.06
Ending Fund Balance	\$1,960.37	\$48.41	\$39.04	\$682.61

Source: WLS D

As shown in **Table 29**, the Food Service Fund has consistently experienced negative results of operations requiring the need for a General Fund Subsidy. Though the exact amount of subsidy has varied, due to continued decreases in both revenue and expense, on average the District has needed a General Fund subsidy of just over \$41,000 per year. In addition, the District's October 2018 five-year forecast includes the projection that the Food Service Fund will continue to require an annual General Fund subsidy of \$46,000.

In order to prevent the need for a General Fund subsidy, school districts may need to consider a number of options to increase revenue and/or decrease expenditures. Typically, this can be achieved by implementing one or more actions, including, but not limited to:

- Increasing breakfast and lunch prices;
- Decreasing labor cost;
- Restructuring food service operations in the District (e.g., a single production kitchen);
- Decreasing food or supplies and materials cost; and/or
- Increasing participation.

However, increasing revenue through increased prices will likely have a negative impact on participation. Similarly, increasing participation is somewhat out of the District's control. Furthermore, significantly increasing participation may not be feasible without adding additional fixed labor cost as the District's primary workload indicator, meals per labor hour, is already in line with or better than industry standards (See **Table B-17**).

Table 30 shows a breakdown of the District's Food Service Fund expenditures, by line item and within categories, for each year, and on-average, from FY 2015-16 to FY 2017-18. A detailed review of expenditures is important to provide context for any potential expenditure reduction strategies.

Table 30: Historical Food Service Fund Expenditures Breakout

Expenditures	FY 2015-16	FY 2016-17	FY 2017-18	Three-Year Avg.
Personal Services	\$266,594.48	\$235,176.92	\$230,725.81	\$244,165.74
Employee Retirement and Insurance Benefits	\$200,691.49	\$149,508.68	\$148,937.67	\$166,379.28
Purchased Services	\$11,823.19	\$88,251.22	\$48,190.53	\$49,421.65
Supplies and Materials	\$361,215.22	\$345,802.65	\$332,999.84	\$346,672.57
Capital Outlay	\$0.00	\$0.00	\$0.00	\$0.00
Other Objects	\$0.00	\$0.00	\$0.00	\$0.00
Refund of Prior Years Receipts	\$0.00	\$6.00	\$0.00	\$2.00
Total Expenditures	\$840,324.38	\$818,745.47	\$760,853.85	\$806,641.23
Categorized Expenditures	FY 2015-16	FY 2016-17	FY 2017-18	Three-Year Avg.
Salaries and Benefits	\$467,285.97	\$384,685.60	\$379,663.48	\$410,545.02
Supplies and Materials	\$361,215.22	\$345,802.65	\$332,999.84	\$346,672.57
Purchased Services, Capital, and Other	\$11,823.19	\$88,257.22	\$48,190.53	\$49,423.65
Total Expenditures	\$840,324.38	\$818,745.47	\$760,853.85	\$806,641.23

Source: WLS D

As shown in **Table 30**, supplies and materials are consistently the single largest category of expenditure averaging nearly \$347,000 per year. However, the total personnel cost, inclusive of salaries and benefits, is more than \$410,000 per year. **Table 31** shows WLSD's categorized expenditures as a percent of total for each year and on average from FY 2015-16 to FY 2017-18. In addition, United States Department of Agriculture (USDA) survey data on the extent to which each of these categories typically makes up a food service program's operations is also shown to provide additional context to the relative appropriateness of each category of expenditure.

Table 31: Historical Expenditures by Category with Comparison

Category % of Total	FY 2015-16	FY 2016-17	FY 2017-18	Three-Year Avg.
Salaries and Benefits	55.6%	47.0%	49.9%	50.8%
Supplies and Materials	43.0%	42.2%	43.8%	43.0%
Purchased Services, Capital, and Other	1.4%	10.8%	6.3%	6.2%
USDA Survey %				
Salaries and Benefits	45%			
Supplies and Materials	46%			
Purchased Services, Capital, and Other	9%			
Difference Vs. USDA Survey	FY 2015-16	FY 2016-17	FY 2017-18	Three-Year Avg.
Salaries and Benefits	10.6%	2.0%	4.9%	5.8%
Supplies and Materials	(3.0%)	(3.8%)	(2.2%)	(3.0%)
Purchased Services, Capital, and Other	(7.6%)	1.8%	(2.7%)	(2.8%)

Source: WLSD and USDA

As shown in **Table 31**, WLSD's salaries and benefits consistently represented a larger proportion of total program expenses than the USDA survey.

A part of this proportional imbalance is due to WLSD's relatively high wages for food service employees. Comparisons to the local peer average identified that the District's salaries for food service employees were slightly higher over a career, a cumulative difference of \$20,854 or 3.4 percent (see **Table B-11**). However, this directly a result of the District's higher starting wage, a difference of \$3,604 in year one, closing to be in line with the local peer average by year 14 and slightly less than the local peer average by year 25.

In addition, analysis of District staffing and insurance benefits also identified opportunities to reduce Food Service Fund expenditures. Specially, implementation of **R.10**, **R.13**, and **R.14** would reduce the District's Food Service Fund expenditures by an annual average of \$38,800, thereby reducing the projected need for a General Fund Transfer to \$7,200 over the forecast period. This will allow the District to redirect these General Fund resources to address deficits or support educational needs.

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 Systems, 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. Eleven of the 22 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 the District's budgeting and forecasting practices consistent with leading practices and is the five-year forecast reasonable and supported?	N/A
Are the District's strategic planning practices consistent with leading practices?	R.1
Are the District's financial communication practices consistent with leading practices?	N/A
Are the District's open enrollment practices financially beneficial and are policies consistent with leading practices?	N/A
Is the District's General Fund subsidy of extracurricular activities appropriate in comparison to local peers and the District's financial condition?	R.2
Are the District's purchasing practices consistent with leading practices and appropriate based on the District's financial condition?	N/A
Human Resources	
Are the District's staffing levels appropriate in comparison to primary peers, state minimum standards, demand for services, and the District's financial condition?	R.3, R.4, R.5, R.6, R.7, R.8, R.9, R.10, and R.11
Are the District's salaries and wages appropriate in comparison to local peers and the District's financial condition?	N/A
Are the District's collective bargaining agreement provisions appropriate in comparison to local peers, minimums requirements, and the District's financial condition?	R.12
Are the District's insurance costs appropriate in comparison to other governmental entities within the local market and the District's financial condition?	R.13 and R.14
Facilities	
Is the District's buildings utilization appropriate in comparison to leading practices, industry standards, and the District's financial condition?	N/A
Are the District's facilities staffing levels appropriate in comparison to leading practices, industry standards, and the District's financial condition?	N/A
Are the District's facilities expenditures appropriate in comparison to primary peers, leading practices, industry standards, and the District's financial condition?	N/A

Objective	Recommendation
Are the District's facilities temporary labor expenditures appropriate in comparison to primary peers, leading practices, industry standards, and the District's financial condition?	N/A
Are the District's facilities preventive maintenance practices consistent with leading practices and industry standards?	R.15
Are the District's capital planning practices consistent with leading practices and industry standards?	N/A
Transportation	
Is the District's fleet sized appropriately and routed efficiently in comparison to leading practices, industry standards, and the District's financial condition?	R.16 and R.17
Is the District's fleet maintained efficiently and appropriately in comparison to transportation peers, leading practices, industry standards, and the District's financial condition?	R.15
Are the District's fuel procurement practices cost effective in comparison to DAS benchmarks and consistent with leading practices and industry standards?	R.18
Are the District's transportation security practices consistent with leading practices and industry standards and appropriate based on the District's financial condition?	N/A
Are the District's fleet replacement practices consistent with leading practices and industry standards and appropriate based on the District's financial condition?	R.19
Food Service	
Is the District's food service program operated in a manner that is consistent with leading practices and industry standards and appropriate based on the District's financial condition?	R.20

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. This performance audit did not identify internal control deficiencies which would have required a separate District communication to be issued.

Appendix B: Additional Comparisons

Staffing

WLSD's FY 2018-19 staffing levels by category are shown in **Chart 1** and **Chart 2**.³⁴ Analyses of staffing levels that resulted in recommendations include: eliminate 0.5 FTE central office administrative position (see **R.3**), eliminate 1.0 FTE building administrative positions (see **R.4**), eliminate 1.5 FTE career-technical teacher positions (see **R.5**), eliminate 1.0 FTE general education teacher positions (see **R.6**), eliminate 0.5 FTE K-8 art education teacher position (see **R.7**), eliminate 1.5 FTE K-8 physical education teacher positions (see **R.8**), eliminate 1.5 FTE counseling positions (see **R.9**), eliminate 2.0 FTE central office clerical positions (see **R.10**), and eliminate 1.0 FTE monitor positions (see **R.11**). Staffing comparisons where the analysis did not result in a recommendation are presented for informational purposes below. Staffing comparisons show total FTEs only when the evaluation of the category as a whole is relevant.

³⁴ The individual positions within each staffing category in **Chart 1** and **Chart 2** are explained in detail within section 3.9 of the *EMIS Reporting Manual* (ODE, 2017).

Teaching Staff

Tables B-1 and B-2 show WLSD's FY 2018-19 teaching staff per 1,000 students compared to the primary peer average for FY 2017-18. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table B-1: Teaching Staff Comparison

Students	WLSD		Primary Peer Avg.	Difference	
Students Educated ¹	1,858		1,919	(61)	
Students Educated (thousands)	1.858		1.919	(0.061)	
Position	WLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs Per 1,000 Students	Total Above/ (Below) ²
General Education	83.50	44.94	44.16	0.78	1.45
Gifted and Talented	0.00	0.00	0.31	(0.31)	(0.58)
Career-Technical Programs/Career Pathways	2.50 ³	1.35	0.43	0.92	1.71

Source: WLSD and primary peers

¹ Reflects students receiving educational services from the District and excludes the percent of time students are receiving educational services outside of the District. WLSD's students educated total was further adjusted to exclude the percent of time students are receiving educational services as part of the Compact programs, as these students would not be receiving instruction from the career-technical teachers who teach child development, culinary fundamentals, and nutrition and wellness.

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

³ 2.0 FTEs were excluded in this analysis as they are teachers explicitly instructing classes offered in the Six District Career Compact.

Table B-2: K-8 Teaching Staff Comparison

Students	WLSD		Primary Peer Avg.	Difference	
Students Educated ¹	1,221		1,353	(132)	
Students Educated (thousands)	1.221		1.353	(0.132)	
Position	WLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs Per 1,000 Students	Total Above/ (Below) ²
K-8 Art Education	3.00	2.46	1.70	0.76	0.93
K-8 Music Education	2.00	1.64	1.92	(0.28)	(0.34)
K-8 Physical Education	4.00	3.28	1.85	1.43	1.75

Source: WLSD and primary peers

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

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

As shown in **Table B-1 and B-2**, WLSD employs fewer FTE teaching staff than the primary peer average for gifted and talented, and K-8 music education. However, WLSD employs more FTE teaching staff than the primary peer average in for general education, career-technical programs/career pathways, K-8 art education, and K-8 and physical education categories.

Analyses of the teaching staff that resulted in recommendations included the elimination of 1.0 general education teaching positions (see **R.6**), 1.5 FTE career-technical teaching positions (see **R.5**), 0.5 FTE K-8 art education teaching positions (see **R.7**), and 1.5 FTE K-8 physical education teaching positions (see **R.8**).

Non-Teaching Educational Staff

Table B-3 shows WLSD's FY 2018-19 non-teaching educational staffing per 1,000 students compared to the primary peer average for FY 2017-18. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table B-3: Non-Teaching Educational Staff Comparison

Students	WLSD		Primary Peer Avg.	Difference	
Students Educated ¹	1,876		1,919	(43)	
Students Educated (thousands)	1.876		1.919	(0.043)	
Position	WLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Curriculum Specialist	0.00	0.00	0.10	(0.10)	(0.19)
Counseling	5.00	2.67	1.79	0.88	1.65
Remedial Specialist	0.00	0.00	0.48	(0.48)	(0.90)
Tutor/Small Group Instructor	3.60	1.92	0.52	1.40	2.63
Full-time (Permanent) Substitute Teacher	0.00	0.00	0.21	(0.21)	(0.39)
Teacher Mentor/Evaluator	0.00	0.00	0.05	(0.05)	(0.09)
Other Educational	0.00	0.00	0.30	(0.30)	(0.56)

Source: WLSD and primary peers

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 FTEs per 1,000 students in line with the primary peer average.

As shown in **Table B-3**, WLSD employs fewer non-teaching educational staff than the primary peer average in the curriculum specialist, remedial specialist, full-time (permanent) substitute teacher, teacher mentor/evaluator and other educational categories. Categories with higher non-teaching educational staff were counseling and tutor/small group instructor categories. Analysis of the non-teaching educational staff that resulted in a recommendation includes the elimination of 1.5 FTE counselor positions (see **R.9**).

Although the tutor/small group instructor category is higher than the primary peer average by 2.63 FTEs, WLSD also uses these positions as library curriculum instructors. As shown in **Table B-7** the District does not employ any other library staff, 2.29 FTE positions less than if it were operating with a staffing level equal to the primary peer average. Netting these two assessments out leaves the District overstaffed by 0.34 FTE, less than the 0.5 FTE threshold appropriate to warrant a recommendation. However, the District should continue to monitor the effectiveness of this staffing arrangement to ensure that necessary services are being delivered by qualified personnel at an appropriate cost.

Professional Staff

Table B-4 shows WLSD's FY 2018-19 professional staffing per 1,000 students compared to the primary peer average for FY 2017-18. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table B-4: Professional Staff Comparison

Students	WLSD		Primary Peer Avg.	Difference	
Students Educated ¹	1,876		1,919	(43)	
Students Educated (thousands)	1.876		1.919	(0.043)	
Position	WLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Dietitian/Nutritionist	0.00	0.00	0.13	(0.13)	(0.24)
Psychologist	1.00	0.53	0.27	0.26	0.49
Publicity Relations	0.00	0.00	0.03	(0.03)	(0.06)
Social Work	0.00	0.00	0.26	(0.26)	(0.49)

Source: WLSD and primary peers

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 FTEs per 1,000 students in line with the primary peer average.

As shown in **Table B-4**, WLSD is slightly higher than the primary peer average in the Psychologist category but did not warrant a recommendation. WLSD does not employ staff in the dietitian/nutritionist, public relations, or social work categories.

Technical Staff

Table B-5 shows WLSD's FY 2018-19 technical staffing per 1,000 students compared to the primary peer average for FY 2017-18. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table B-5: Technical Staff Comparison

Students	WLSD		Primary Peer Avg.	Difference	
Students Educated ¹	1,876		1,919	(43)	
Students Educated (thousands)	1.876		1.919	(0.043)	
Position	WLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Computer Operating	1.00	0.53	0.45	0.08	0.15
Other Technical	1.00	0.53	0.77	(0.24)	(0.45)

Source: WLSD and primary peers

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 FTEs per 1,000 students in line with the primary peer average.

As shown in **Table B-5**, WLSD is slightly higher than the peers in the computer operating category and is lower in the other technical category. Therefore, no recommendation is warranted.

Building Clerical Staff

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

Table B-6: Building Clerical Staff Comparison

Students and Buildings	WLSD		Primary Peer Avg.	Difference	
Students Educated ¹	1,876		1,919	(43)	
Students Educated (thousands)	1.876		1.919	(0.043)	
Position	WLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Clerical	7.50	4.00	3.63	0.37	0.69
Other Office/Clerical	0.00	0.00	0.11	(0.11)	(0.21)
Total	7.50	4.00	3.74	0.26	0.48

Source: WLSD and primary peers

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 FTEs per 1,000 students in line with the primary peer average.

As shown in **Table B-6**, WLSD employs fewer building clerical staff per 1,000 students than the primary peer average.

Library Staff

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

Table B-7: Library Staff Comparison

Students	WLSD		Primary Peer Avg.	Difference	
Students Educated ¹	1,876		1,919	(43)	
Students Educated (thousands)	1.876		1.919	(0.043)	
Position	WLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Librarian/Media	0.00	0.00	0.20	(0.20)	(0.38)
Library Aide	0.00	0.00	1.02	(1.02)	(1.91)
Total	0.00	0.00	1.22	(1.22)	(2.29)

Source: WLSD and primary peers

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 FTEs per 1,000 students in line with the primary peer average.

As shown in **Table B-7**, WLSD does not employ library staff, instead using the tutor/small group instructor position to provide these services to students (see **Table B-3**).

Nursing Staff

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

Table B-8: Registered Nursing Staff Comparison

Students	WLSD		Primary Peer Avg.	Difference	
Students Educated ¹	1,876		1,919	(43)	
Students Educated (thousands)	1.876		1.919	(0.043)	
Position	WLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Registered Nursing	0.00	0.00	0.57	(0.57)	(1.07)

Source: WLSD and primary peers

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 FTEs per 1,000 students in line with the primary peer average.

As shown in **Table B-8**, WLSD does not employ nursing staff. Instead, the District contracts for a registered nurse through Akron Children's Hospital. The contracted service equates to 1.0 FTE, resulting in a staffing level in line with the primary peer average.

Classroom Support Staff

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

Table B-9: Classroom Support Staff Comparison

Students	WLSD		Primary Peer Avg.	Difference	
Students Educated ¹	1,858		1,919	(61)	
Students Educated (thousands)	1.858		1.919	(0.061)	
Position	WLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Instructional Paraprofessional	0.00	0.00	0.83	(0.83)	(1.54)
Teaching Aide	0.00	0.00	5.01	(5.01)	(9.31)
Total	0.00	0.00	5.84	(5.84)	(10.85)

Source: WLSD and primary peers

¹ Reflects students receiving educational services from the District and excludes the percent of time students are receiving educational services outside of the District. WLSD's students educated total was further adjusted to exclude the percent of time students are receiving educational services as part of the Compact programs, as these students would not be receiving instruction from the career-technical teachers who teach child development, culinary fundamentals, and nutrition and wellness.

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

As shown in **Table B-9**, WLSD does not employ classroom support staff.

Student Support Staff

Table B-10 shows WLSD's FY 2018-19 student support staffing per 1,000 students compared to the primary peer average for FY 2017-18. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table B-10: Student Support Staff Comparison

Students	WLSD		Primary Peer Avg.	Difference	
Students Educated ¹	1,876		1,919	(43)	
Students Educated (thousands)	1.876		1.919	(0.043)	
Position	WLSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Attendance Officer	0.60	0.32	0.03	0.29	0.54
Monitoring	8.00	4.26	3.48	0.78	1.46

Source: WLSD and primary peers

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 FTEs per 1,000 students in line with the primary peer average.

As shown in **Table B-10**, WLSD employs more attendance officers per 1,000 students than the primary peer average. ORC §3321.19 states that schools are required to take action upon students that are truant. School districts have options when it comes to fulfilling this requirement, including contracting for the service through an Education Service Center (ESC). WLSD employs its attendance officer at a cost lower than what is offered at the Summit County ESC and therefore no recommendation is warranted.³⁵ **Table B-10** also shows WLSD employs more monitoring staff per 1,000 students than the primary peer average. Further analysis of this staffing category resulted in a recommendation (see **R.11**).

³⁵ The District pays its attendance officer \$49,300 per year. The attendance office works 205 days per year at a cost of \$240.28 per day. If the District wanted to contract an attendance office from the Summit County ESC it would cost \$485.00 per day.

Salaries

Table B-11 shows the District's salary schedules for certificated and classified staff employees over the course of a 30-year career in comparison to the local peers. Comparing compensation regionally is important, as it takes local factors affecting the labor market into consideration.

Table B-11: Career Compensation Comparison

Certificated				
	WLSD	Local Peer Avg.	Difference	% Difference
Bachelors	\$1,795,862	\$1,849,179	(\$53,317)	(2.9%)
Bachelors plus 24 ¹	\$1,870,947	\$2,057,188	(\$186,241)	(9.1%)
Masters	\$2,053,754	\$2,089,209	(\$35,455)	(1.7%)
PhD ²	\$2,183,135	\$2,465,364	(\$282,229)	(11.4%)
Classified Staff				
	WLSD	Local Peer Avg.	Difference	% Difference
Regular Secretary	\$1,131,132	\$1,181,587	(\$50,455)	(4.3%)
Cook	\$633,798	\$612,944	\$20,854	3.4%
Custodian ³	\$1,275,330	\$1,274,912	\$418	0.0%
Bus Driver	\$662,652	\$637,444	\$25,208	4.0%
Monitor ⁴	\$242,769	\$246,208	(\$3,439)	(1.4%)

Source: WLSD and local peers

¹ Copley-Fairlawn CSD was the only local peer to have a Bachelors plus 24 schedule for comparison.

² Revere LSD was the only local peer to have a PhD schedule for comparison.

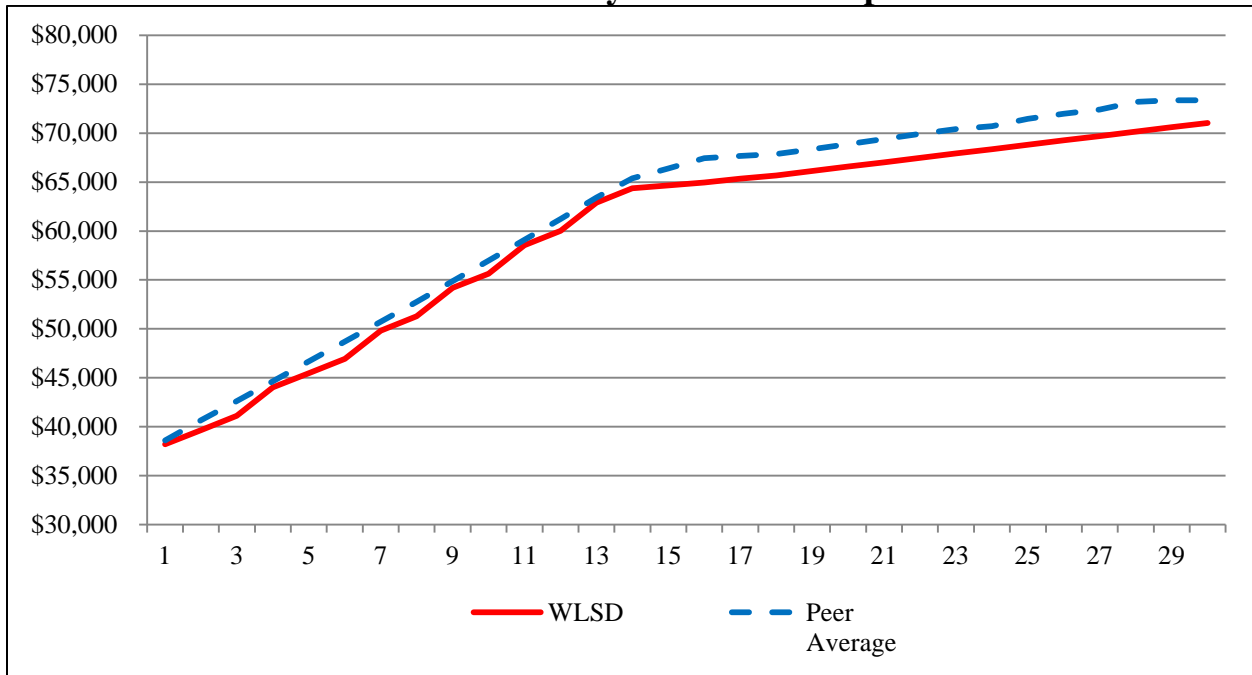
³ Revere LSD was excluded as it did not have a comparable salary schedule.

⁴ Norton CSD was excluded as it did not have a comparable salary schedule.

As shown in **Table B-11**, the District's career compensation for certificated employees is lower than the local peer average for every category. Classified staff compensation is lower or in line with the peers.

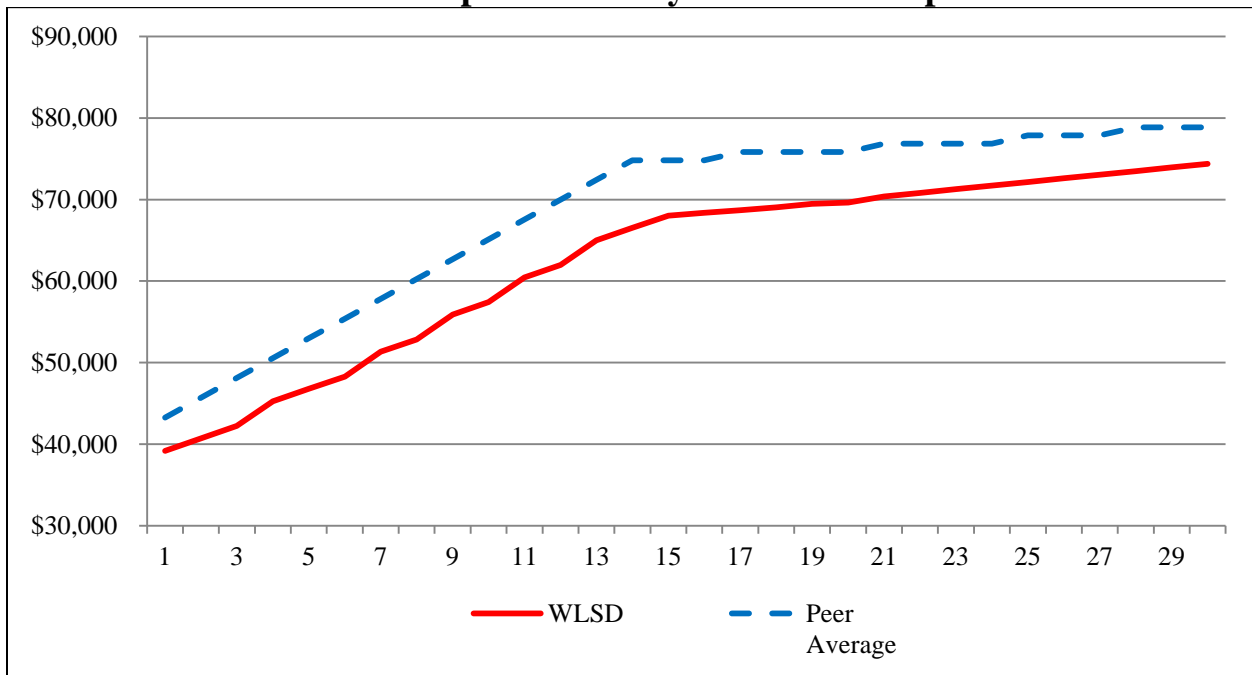
Chart B-1 through **Chart B-9** show comparisons of WLSD's certificated and classified salary schedules to the local peer averages for FY 2018-19. It is important to examine the beginning salaries and steps in the pay schedule to identify the cause of any variation relative to the local peer districts. For classified staff, total hourly rates refer to the rate of pay plus any longevity payments.

Chart B-1: BA Salary Schedule Comparison



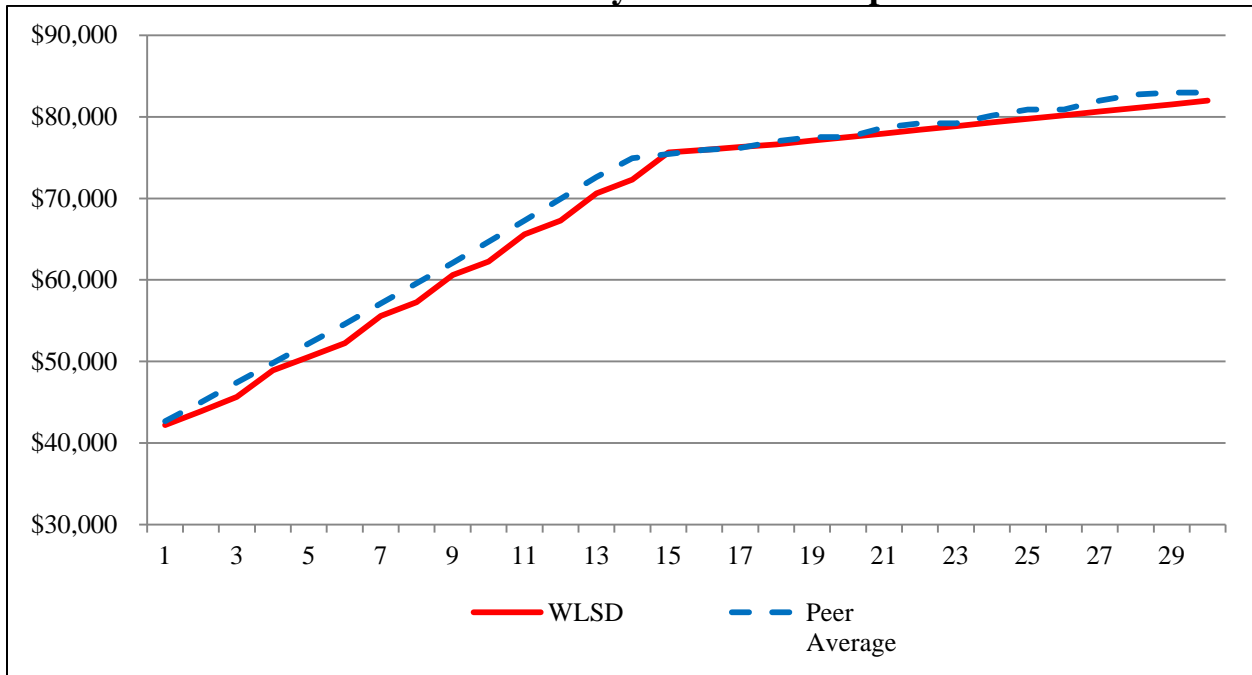
Source: WLSD and local peers

Chart B-2: BA plus 24 Salary Schedule Comparison



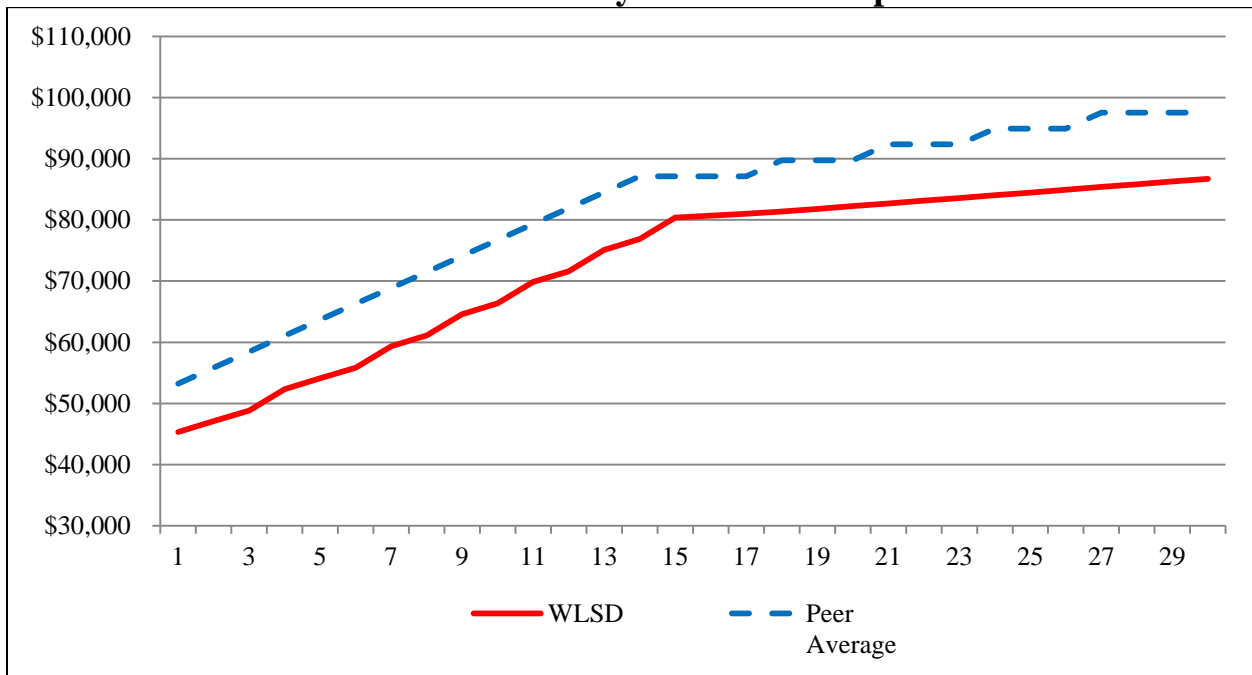
Source: WLSD and local peers

Chart B-3: MA Salary Schedule Comparison



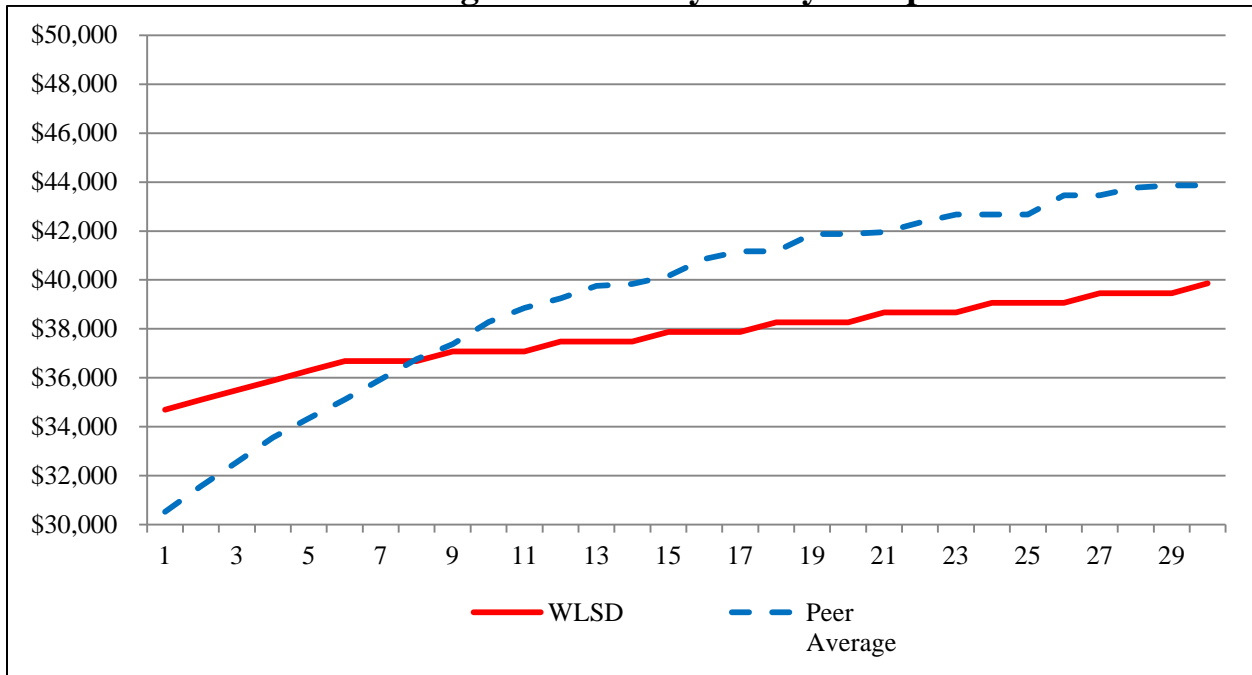
Source: WLSD and local peers

Chart B-4: PhD Salary Schedule Comparison



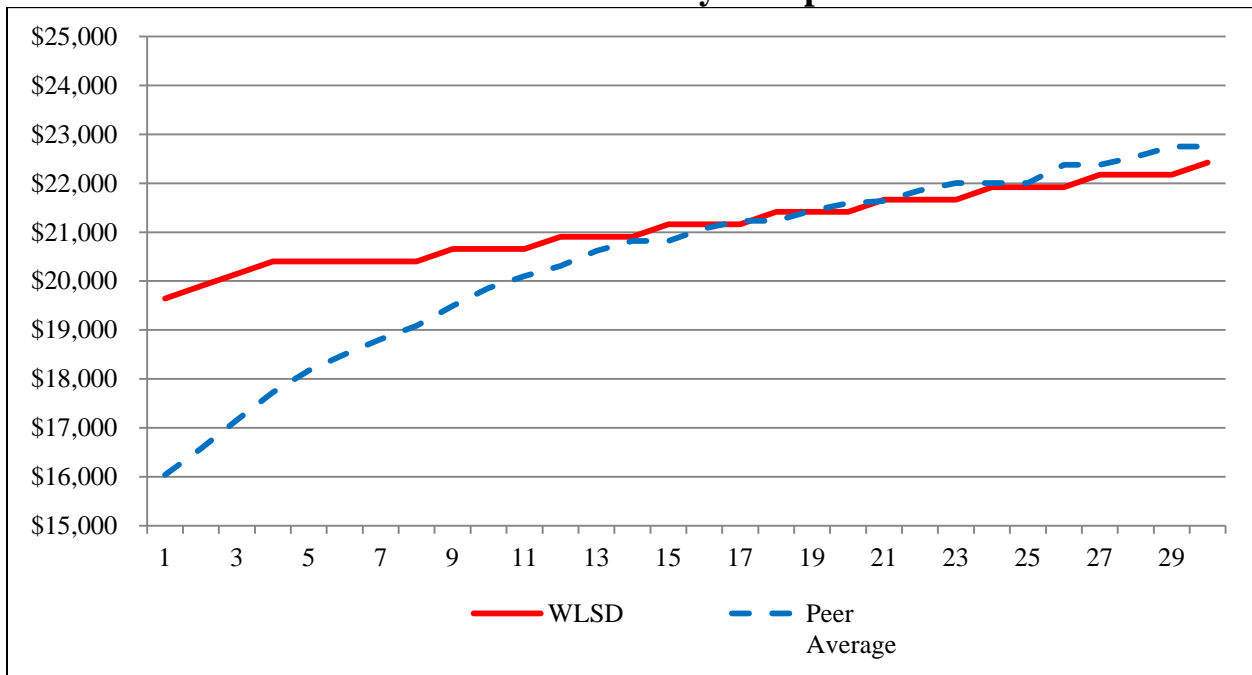
Source: WLSD and local peers

Chart B-5: Regular Secretary Salary Comparison



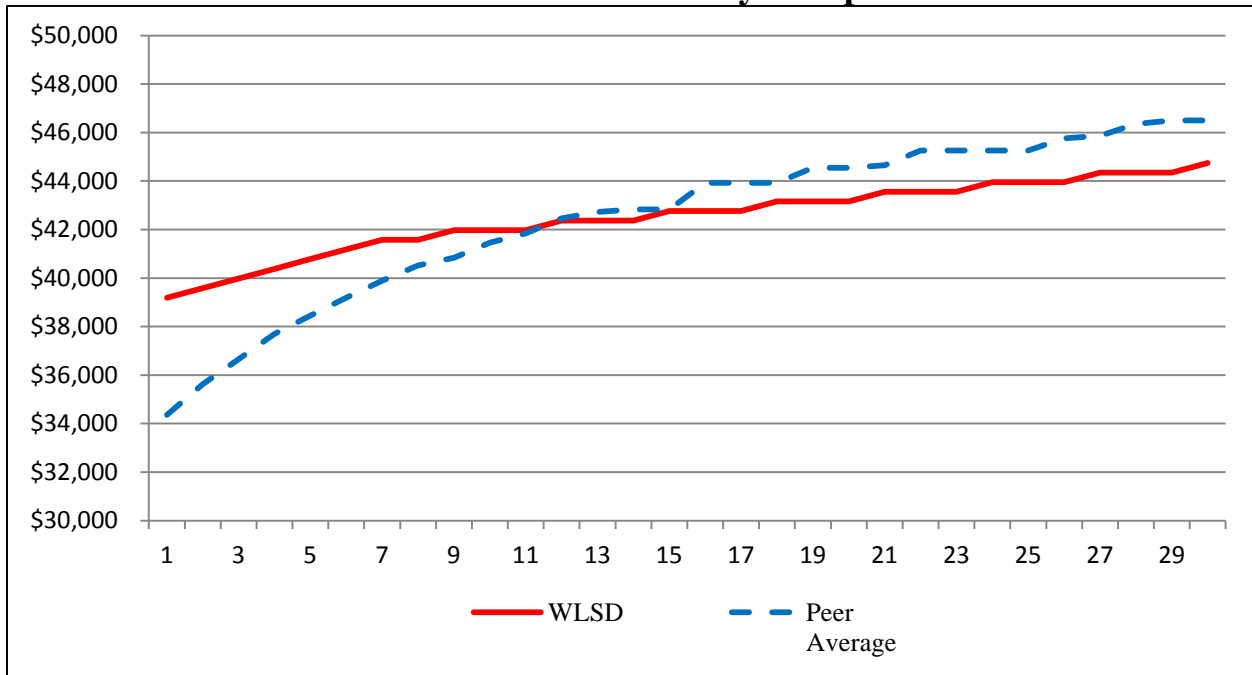
Source: WLSD and local peers

Chart B-6: Cook Salary Comparison



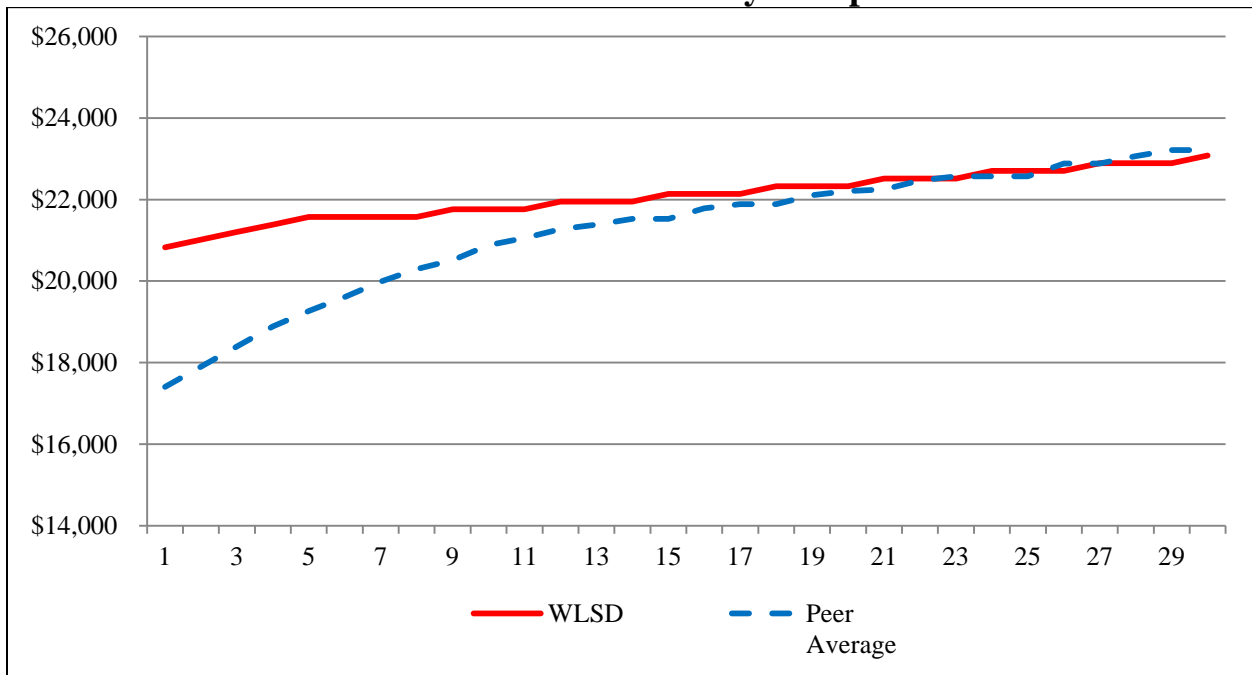
Source: WLSD and local peers

Chart B-7: Custodian Salary Comparison



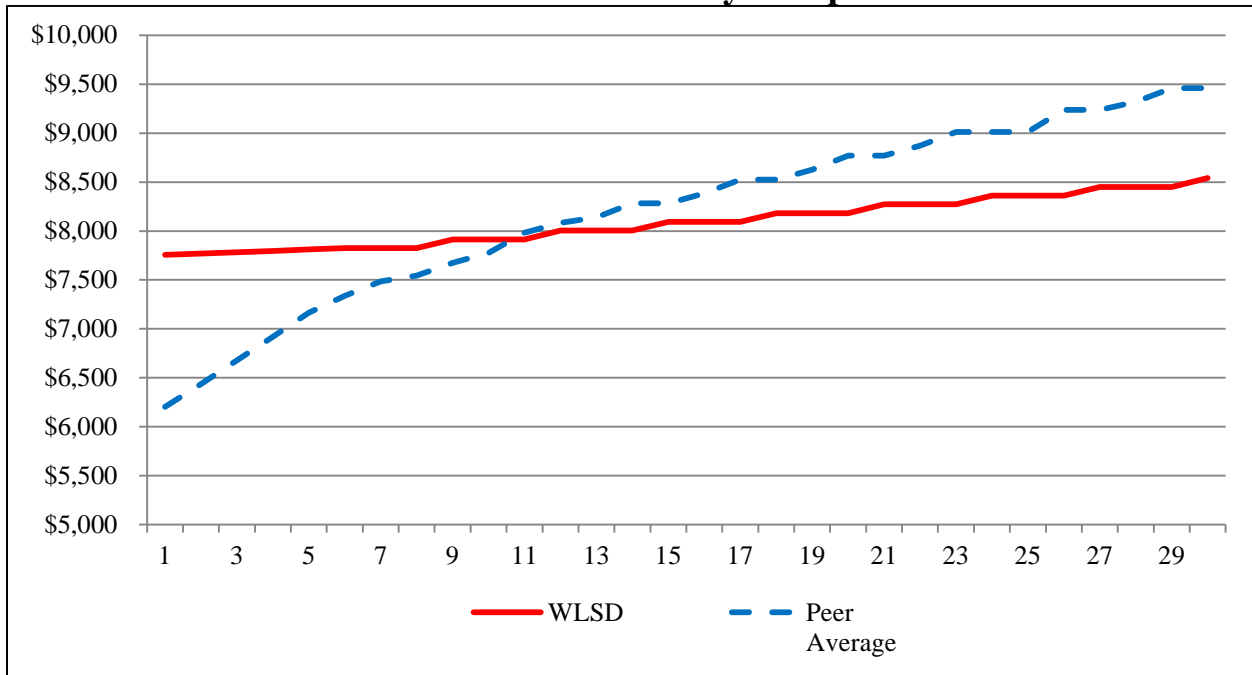
Source: WLSD and local peers

Chart B-8: Bus Driver Salary Comparison



Source: WLSD and local peers

Chart B-9: Monitor Salary Comparison



Source: WLSD and local peers

As shown in **Chart B-1** through **Chart B-4**, WLSD’s certificated salary schedules are lower than, or in line with, the local peers at every step throughout the respective 30-year careers. As shown in **Chart B-5** through **Chart B-9**, the District’s classified staff salary schedules all begin at a higher rate than the local peer average, and, with the exception of bus drivers, all end at a lower rate.

Sick Leave Severance

Table B-12 shows the District's maximum financial liability for sick leave severance by position, in comparison to its projected liability resulting from bringing its CBA provisions for sick leave payouts in line with ORC minimums (see **R.12**). This analysis provides an indication of the District's maximum sick leave severance exposure compared to the minimum levels required.

Table B-12: Difference between ORC and WLS D for Severance Liability

Certificated Employees						
	Final Daily Rate of Pay	CBA Maximum	Maximum Payout	ORC Minimum	Payout at ORC	Difference
BA	\$393.64	72	\$28,342	30	\$11,809	\$16,533
BA plus 24	\$411.71	72	\$29,643	30	\$12,351	\$17,292
MA	\$452.75	72	\$32,598	30	\$13,583	\$19,015
PhD	\$478.36	72	\$34,442	30	\$14,351	\$20,091
Average Certificated Staff Difference						\$18,233
Classified Staff Employees						
Regular Secretary	\$158.80	75	\$11,910	30	\$4,764	\$7,146
Food Service Helper	\$123.34	75	\$9,251	30	\$3,700	\$5,551
Head Custodian	\$177.52	75	\$13,314	30	\$5,326	\$7,988
Bus Driver	\$126.74	75	\$9,506	30	\$3,802	\$5,704
Monitor	\$47.33	75	\$3,550	30	\$1,420	\$2,130
Average Classified Staff Difference						\$5,704

Source: WLS D

As shown in **Table B-12**, WLS D employees are entitled to receive severance payouts for more days at retirement than the ORC minimum. Adjusting payouts to the ORC minimum could decrease the District's future severance liability.

Facilities

Table B-13 shows the District's school building utilization based on the number of students and classrooms for each building in FY 2017-18.

Table B-13: District School Building Utilization

Building Level	Buildings	Classrooms	Head Count	Capacity	Utilization
Elementary	1	36	791	900	87.9%
Middle	1	27	442	574	77.0%
High	1	36	687	765	89.8%
Total	3	99	1,920	2,239	85.8%

Source: WLSD and ODE

As shown in **Table B-13**, WLSD experienced a district-wide utilization rate of 85.8 percent in FY 2017-18.

Table B-14 shows the District's FY 2018-19 buildings and grounds staffing compared to industry benchmarks established by the NCES³⁶ and the AS&U.³⁷ It is important to compare and monitor staffing using workload measures in order to determine proper staffing levels and maintain efficiency.

Table B-14: Buildings & Grounds Staffing Comparison

Buildings & Grounds Staffing	
Facilities FTEs ¹	14.3
Grounds Keeping	
Acreage Maintained	66.9
AS&U Benchmark - Acres per FTE	40.2
Benchmarked Staffing Need	1.7
Custodial Work	
Square Footage Cleaned	357,626
NCES Level 3 Cleaning Benchmark ² - Median Square Footage per FTE	29,500
Benchmarked Staffing Need	12.1
Maintenance	
Square Footage Maintained	369,946
AS&U Benchmark - Square Footage per FTE	94,872
Benchmarked Staffing Need	3.9
Total Benchmarked Staffing Need	17.7
Total FTEs Above/(Below) Benchmark	(3.4)

Source: WLSD, AS&U, and NCES

¹ The District does not have formal grounds keeping and maintenance employees. The duties of grounds keeping and facilities maintenance is performed by the custodial employees.

² According to NCES, Level 3 cleaning is the norm for most school facilities. It is acceptable to most stakeholders and does not pose any health issues.

³⁶ The NCES is the primary federal entity for collecting, analyzing, and reporting data related to education in the US and other nations and publishes a planning guide for maintaining school facilities.

³⁷ The AS&U is a trade organization focused on school facility management which published school facility management related survey data collected during the period 2005 to 2009.

As shown in **Table B-14**, WLSD's overall facilities staffing levels and workload ratios are more efficient than the established benchmarks.

Table B-15 shows the District's facilities temporary labor and overtime expenditures in FY 2017-18 as a percent of salaries and wages. Comparing expenditures as a percent of the total normalizes the effect of district sizes on expenditure totals.

Table B-15: Temporary Labor and Overtime Percentage Comparison

Facilities Expenditures	WLSD	Primary Peer Average	Difference
Temporary Labor as % of Salaries and Wages	6.4%	8.6%	(2.2%)
Overtime as % of Salaries and Wages	10.3%	3.0%	7.3%
Temporary Labor and Overtime as % of Salaries and Wages	16.7%	11.6%	5.1%

Source: WLSD and primary peers

As shown in **Table B-15**, the District's temporary labor and overtime expenditures comprised a higher proportion of its total salaries and wages than the primary peers. However, the District attributes this cost difference to a relatively low facilities staffing level based on industry standards (see **Table B-14**).

Table B-16 shows the District's facilities temporary labor and overtime expenditures in FY 2017-18 compared to the cost of hiring 3.0 FTE custodians. This is important for determining whether the District's practice of covering staffing shortfalls with temporary labor and overtime is cost-effective compared to hiring additional staff to bring its staffing level in line with industry benchmarks.

Table B-16: Temporary and Overtime Expenditures Comparison

Expenditure Category	Amount
Temporary Labor	\$56,816
Overtime	\$90,612
Total	\$147,428
Total Cost of 3.0 FTEs ¹	\$163,075
Difference	(\$15,647)

Source: WLSD

¹Based on the salary of the most recently hired 3.0 FTE custodians.

As shown in **Table B-16**, bringing its facilities staffing level in line with industry benchmarks by hiring an additional 3.0 FTEs would exceed the District's FY 2017-18 cost for temporary labor and overtime.

Food Service

Meals per labor hour is a common indicator of food service labor efficiency and is determined by taking the number of meal equivalents served in relation to the number of food preparation hours. **Table B-17** shows the District's meals per labor hour for FY 2017-18 compared to benchmark data outlined in *School Food and Nutrition Service Management for the 21st Century* (Pannell-Martin and Boettger, 2014). It is important to compare and monitor staffing using workload measures in order to determine proper staffing levels and maintain efficiency.

Table B-17: Labor Hours Comparison to Benchmark

Building	Meal Equivalents Served per Day	Daily Labor Hours	Meals per labor hour	Industry Benchmark	Difference in Meals
Elementary Schools ¹	621	27.5	22.6	18.0	4.6
Middle School	296	16.5	17.9	15.0	2.9
High School	359	23.5	15.3	16.0	(0.7)
Total	1,276	67.5	55.8	49.0	6.8

Source: WLSD and Pannell-Martin

¹ Woodridge Primary and Intermediate Elementary schools were closed at the end of FY 2017-18 and all students were moved to the newly opened Woodridge Elementary School in FY 2018-19. This analysis reflects the District's combined operations at the elementary school level for FY 2017-18 and there has been no change in daily labor hours in FY 2018-19.

As shown in **Table B-17**, the District exceeded the benchmark by 6.8 meals per hour based on meal equivalents served per day.

Appendix C: Five-Year Forecast

Chart C-1: WLSD May 2018 Five-Year Forecast

Line	Actual			Forecasted				
	2015	2016	2017	2018	2019	2020	2021	2022
1.010 General Property (Real Estate)	17,029,989	16,505,251	16,610,007	16,622,113	16,943,814	17,043,297	16,691,542	16,333,362
1.020 Tangible Personal Property Tax	200,991	417,663	440,822	464,700	486,000	506,300	526,435	546,567
1.035 Unrestricted Grants-in-Aid	1,424,591	1,590,103	1,662,429	1,798,000	1,832,000	1,849,340	1,866,853	1,884,542
1.040 Restricted Grants-in-Aid	45,456	31,451	48,935	60,685	61,899	62,518	63,143	63,774
1.050 Property Tax Allocation	3,816,638	3,607,471	3,488,803	2,742,675	2,590,886	2,502,146	2,357,163	2,160,312
1.060 All Other Operating Revenue	1,929,278	2,096,511	2,380,260	2,313,055	2,021,750	2,021,750	2,021,750	2,021,750
1.070 Total Revenue	24,446,943	24,248,450	24,631,256	24,001,228	23,936,349	23,985,351	23,526,886	23,010,307
2.050 Advances-In	249,925	412,231	478,835	420,000	420,000	420,000	420,000	420,000
2.060 All Other Financial Sources	271,792	10,374	31,357	58,286				
2.070 Total Other Financing Sources	521,717	422,605	510,192	478,286	420,000	420,000	420,000	420,000
2.080 Total Revenues and Other Financing Sources	24,968,660	24,671,055	25,141,448	24,479,514	24,356,349	24,405,351	23,946,886	23,430,307
3.010 Personnel Services	13,373,262	13,916,341	14,255,971	14,828,985	14,613,811	15,116,844	15,661,137	16,224,943
3.020 Employees' Retirement/Insurance Benefits	5,117,415	5,344,742	5,563,114	6,275,578	6,587,716	6,807,229	7,321,657	7,881,099
3.030 Purchased Services	3,878,603	3,822,033	4,243,371	4,328,239	4,374,003	4,461,484	4,550,713	4,641,727
3.040 Supplies and Materials	800,478	775,942	722,246	736,691	561,366	572,593	584,045	595,726
3.050 Capital Outlay	78,385	51,249	118,249	75,000	75,000	75,000	75,000	75,000
4.300 Other Objects	354,665	347,058	336,368	343,936	351,675	359,588	367,678	375,951
4.500 Total Expenditures	23,602,808	24,257,365	25,239,319	26,588,429	26,563,571	27,392,738	28,560,230	29,794,446
5.010 Operational Transfers - Out	114,565	117,325	172,600	150,000	150,000	150,000	150,000	150,000
5.020 Advances - Out	256,631	423,835	379,000	420,000	420,000	420,000	420,000	420,000
5.040 Total Other Financing Uses	371,196	541,160	551,600	570,000	570,000	570,000	570,000	570,000
5.050 Total Expenditure and Other Financing Uses	23,974,004	24,798,525	25,790,919	27,158,429	27,133,571	27,962,738	29,130,230	30,364,446
6.010 Excess Rev & Oth Financing Sources over(under) Exp & Oth Financing	994,656	-127,470	-649,471	-2,678,915	-2,777,222	-3,557,387	-5,183,344	-6,934,139
7.010 Beginning Cash Balance	6,050,982	7,045,638	6,918,168	6,268,697	3,589,782	812,560	-2,744,827	-7,928,171
7.020 Ending Cash Balance	7,045,638	6,918,168	6,268,697	3,589,782	812,560	-2,744,827	-7,928,171	-14,862,310
10.010 Fund Balance June 30 for Certification of Appropriations	7,045,638	6,918,168	6,268,697	3,589,782	812,560	-2,744,827	-7,928,171	-14,862,310
11.020 Property Tax - Renewal or Replacement							502,914	1,005,828
11.300 Cumulative Balance of Replacement/Renewal Levies							502,914	1,508,742
12.010 Fund Bal June 30 for Cert of Contracts, Salary Sched, Oth Obligations	7,045,638	6,918,168	6,268,697	3,589,782	812,560	-2,744,827	-7,425,257	-13,353,568
13.020 Property Tax - New					2,000,000	4,000,000	4,000,000	4,000,000
13.030 Cumulative Balance of New Levies					2,000,000	6,000,000	10,000,000	14,000,000
15.010 Unreserved Fund Balance June 30	7,045,638	6,918,168	6,268,697	3,589,782	2,812,560	3,255,173	2,574,743	646,432

Source: ODE

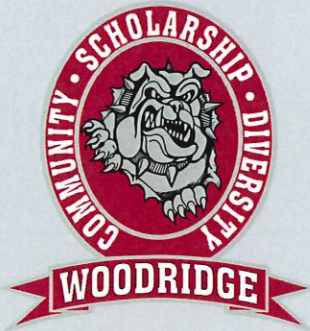
Chart C-2: WLS D October 2018 Five-Year Forecast

Line	Actual			Forecasted				
	2016	2017	2018	2019	2020	2021	2022	2023
1.010 General Property (Real Estate)	16,505,251	16,610,007	17,190,433	16,500,000	17,043,297	16,691,542	16,333,362	16,333,362
1.020 Tangible Personal Property Tax	417,663	440,822	521,580	479,700	504,800	524,900	545,000	545,100
1.035 Unrestricted Grants-in-Aid	1,590,103	1,662,429	1,829,797	1,829,912	1,847,231	1,864,723	1,882,390	1,900,234
1.040 Restricted Grants-in-Aid	31,451	48,935	62,499	85,000	85,850	86,709	87,576	88,451
1.050 Property Tax Allocation	3,607,471	3,488,803	2,751,140	2,532,657	2,430,755	2,328,853	2,176,000	2,176,000
1.060 All Other Operating Revenue	2,096,511	2,380,260	2,724,808	2,632,340	2,374,500	2,273,500	2,273,500	2,273,500
1.070 Total Revenue	24,248,450	24,631,256	25,080,257	24,059,609	24,286,433	23,770,227	23,297,828	23,316,647
2.050 Advances-In	412,231	478,835	374,000	200,800	220,000	220,000	220,000	220,000
2.060 All Other Financial Sources	10,374	31,357	112,900	177,212	15,000	15,000	15,000	15,000
2.070 Total Other Financing Sources	422,605	510,192	486,900	378,012	235,000	235,000	235,000	235,000
2.080 Total Revenues and Other Financing Sources	24,671,055	25,141,448	25,567,157	24,437,621	24,521,433	24,005,227	23,532,828	23,551,647
3.010 Personnel Services	13,916,341	14,255,971	14,742,157	14,660,873	15,166,273	15,711,310	16,276,923	16,862,898
3.020 Employees' Retirement/Insurance Benefits	5,344,742	5,563,114	6,172,838	6,315,440	6,755,613	7,265,317	7,819,578	8,422,652
3.030 Purchased Services	3,822,033	4,243,371	4,760,813	4,810,937	4,955,265	5,103,923	5,257,041	5,414,752
3.040 Supplies and Materials	775,942	722,246	656,076	578,589	590,160	601,964	614,003	626,283
3.050 Capital Outlay	51,249	118,249	11,513	15,000	15,000	15,000	15,000	15,000
4.300 Other Objects	347,058	336,368	360,834	355,243	355,243	355,243	355,243	355,243
4.500 Total Expenditures	24,257,365	25,239,319	26,704,231	26,736,082	27,837,554	29,052,757	30,337,788	31,696,828
5.010 Operational Transfers - Out	117,325	172,600	157,200	270,000	155,000	155,000	155,000	155,000
5.020 Advances - Out	423,835	379,000	380,800	220,000	220,000	220,000	220,000	220,000
5.040 Total Other Financing Uses	541,160	551,600	538,000	490,000	375,000	375,000	375,000	375,000
5.050 Total Expenditure and Other Financing Uses	24,798,525	25,790,919	27,242,231	27,226,082	28,212,554	29,427,757	30,712,788	32,071,828
6.010 Excess Rev & Oth Financing Sources over(under) Exp & Oth Financing	-127,470	-649,471	-1,675,074	-2,788,461	-3,691,121	-5,422,530	-7,179,960	-8,520,181
7.010 Beginning Cash Balance	7,045,632	6,918,162	6,268,691	4,593,617	1,805,156	-1,885,965	-7,308,495	-14,488,455
7.020 Ending Cash Balance	6,918,162	6,268,691	4,593,617	1,805,156	-1,885,965	-7,308,495	-14,488,455	-23,008,636
10.010 Fund Balance June 30 for Certification of Appropriations	6,918,162	6,268,691	4,593,617	1,805,156	-1,885,965	-7,308,495	-14,488,455	-23,008,636
11.020 Property Tax - Renewal or Replacement						502,194	1,005,828	1,005,828
11.300 Cumulative Balance of Replacement/Renewal Levies						502,194	1,508,022	2,513,850
12.010 Fund Bal June 30 for Cert of Contracts, Salary Sched, Oth Obligations	6,918,162	6,268,691	4,593,617	1,805,156	-1,885,965	-6,806,301	-12,980,433	-20,494,786
13.020 Property Tax - New				2,000,000	4,000,000	4,000,000	4,000,000	4,000,000
13.030 Cumulative Balance of New Levies				2,000,000	6,000,000	10,000,000	14,000,000	18,000,000
15.010 Unreserved Fund Balance June 30	6,918,162	6,268,691	4,593,617	3,805,156	4,114,035	3,193,699	1,019,567	-2,494,786

Source: 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.



WOODRIDGE LOCAL SCHOOL DISTRICT

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Mr. Vincent Spitali
Supervisor of Buildings and Grounds

January 21, 2019

Office of the Auditor of State
88 East Broad Street, 5th Floor
Columbus, Ohio 43215

Auditor Yost,

We appreciate the work of the Performance Audit Team on behalf of the Woodridge Local School District. As the audit began, the Board had just implemented budget reductions in the amount of \$1,200,000. Then, near the end of the audit process, voters in the district approved an emergency operating levy that will generate \$4,000,000 annually. As such, the financial condition of the district improved significantly from the time the audit began. However, challenges remain. As a district that receives very little state revenue, we are always looking for ways to minimize expenditures. As such, we will analyze the recommendations made by the audit team in an effort to increase efficiencies. In doing so, we will honor the commitments made to our community in focusing on reductions that do not have a direct impact on student programming. We have already begun the process to attempt to reduce healthcare costs. While some personnel changes are likely, we will focus our efforts on efficiencies in transportation and on savings that may be achieved through negotiations with our teaching and support associations.

Sincerely,

Walter C. Davis
Superintendent

Thomas Morehouse
Treasurer

Tammy Heffernan
Board President



Dave Yost • Auditor of State

WOODRIDGE LOCAL SCHOOL DISTRICT

SUMMIT 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
JANUARY 10, 2019