JIM PETRO
AUDITOR OF STATE

STATE OF OHIO

STRONGSVILLE CITY SCHOOL DISTRICT

PERFORMANCE AUDIT

SEPTEMBER 12, 2002

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

In July 2001, the Strongsville City School District contacted the Auditor of State to request a performance audit. The District specifically requested assistance in reviewing its financial and educational support services in an effort to identify potential areas for improvement. The five functional areas identified for assessment in the performance audit were financial systems, human resources, facilities, transportation, and technology. These areas were selected because they are important components of District operations which support its mission of educating children and to assist SCSD in its continuous improvement efforts.

Strongsville is commended for being the first school district in Ohio to request a performance audit. This step is an indication of the commitment of the Board of Education and administration to providing high quality educational services in the most efficient manner. The performance audit contains recommendations which, if implemented, would provide cost savings, revenue enhancements and/or efficiency improvements. The District has already taken many steps which are consistent with the recommendations contained in the report, and which will enhance operational efficiency.

An executive summary has been prepared which includes the project history, a district overview, and a summary of findings, commendations, recommendations and financial implications. This report has been provided to the Strongsville City School District and its contents discussed with appropriate District officials and management. The District has been encouraged to utilize the results of the performance audit as a resource in improving its overall operations and maintaining its financial stability.

Additional copies of this report can be requested by calling the Clerk of the Bureau's office at (614) 466-2310 or the toll free number in Columbus, (800) 282-0370. This performance audit can also be obtained on-line through the Auditor of State's website at http://www.auditor.state.oh.us/ by choosing the "On-Line Audit Search" option.

Sincerely,

JIM PETRO
Auditor of State

September 12, 2002

EXECUTIVE SUMMARY

Project History

In July of 2001, Strongsville City School District (Strongsville CSD) contacted the Auditor of State's Office to request a performance audit. Consistent with the District's commitment to the City of Strongsville and the residents of the Strongsville CSD, the administration sought an independent assessment of District operations both to highlight efficient and effective practices and to identify areas for improvement. Strongsville CSD's engagement of the Auditor of State's Performance Audit Department is the first such request from a school district in Ohio. Performance audits have been conducted on the State's largest 21 urban school districts as well as fiscal emergency, fiscal watch and fiscal caution districts, as required by law. Strongsville CSD's willingness to voluntarily undergo this process indicates its interest in providing quality, cost-effective educational services while constantly striving to improve overall operations.

Pursuant to discussions with Strongsville CSD administration, the following assessment areas were identified for inclusion in the performance audit:

- Financial Systems;
- Human Resources;
- Facilities;
- Transportation; and
- Technology.

Planning for the performance audit began in August 2001. To meet the administrative and operational needs of Strongsville CSD, the Human Resources section of the report was released in January of 2002, and some recommendations have already been implemented, creating some cost savings and operational efficiencies for the District. This report comprises the remaining sections as well as the Human Resources report.

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

District Overview

Strongsville CSD is located in Cuyahoga County and encompasses approximately 25 square miles. According to average daily membership (ADM) data, Strongsville CSD served approximately 6,800 students in FY 2000-01. According to Strongsville CSD's 2000 and 2001 local report cards, the District has been in the *Continuous Improvement* category for two consecutive years – meeting 22 of 27 standards each year. However, Strongsville CSD's 2002 local report card indicates 25 standards met, placing the District in the *Effective* category.

Per pupil revenues were $7,690 in FY 2000-01, which was below the peer average of $7,914 but slightly above the State average of $7,611. Per pupil expenditures exceeded per pupil revenues by $252 in FY 1998-99, $784 in FY 1999-00 and $624 in FY 2000-01. Strongsville CSD spends 86.6 percent of its operating budget to fund payroll and fringe benefit costs. In FY 2000-01, Strongsville CSD's average teacher salary was $52,134, which was 3.0 percent above the peer average. Strongsville CSD's teacher salaries are affected by the high level of experience and education of its teaching corps.

According to District personnel, Strongsville CSD has negotiated to pay its employees' share of the contributions to the State Teachers Retirement System (STRS) in lieu of pay raises for 1995 through 1997. Despite these additional costs, Strongsville CSD's Bachelor Degree base salary ranks thirteenth highest out of the 33 school districts in Cuyahoga County, and its Masters Degree maximum salary with longevity ranks twenty-second highest compared to the same districts. Strongsville CSD's salary data throughout the **executive summary** have been adjusted to reflect this benefit.

In FY 2000-01, Strongsville CSD had 774.2 full-time equivalent (FTE) employees, compared to a peer average of 620.7 and was the only district among the peers to increase staffing from FY 1999-00 by more than 3.0 percent. Strongsville's staffing per 1,000 ADM was the second highest of the peers and above the peer average in FY 2000-01, although it was the second lowest of the peers and below the peer average in FY 1999-00.

Strongsville CSD's annual insurance cost per employee was the second lowest of the peers and below the peer and State averages. Classified employees hired after 1997 are responsible for $7.07 per month towards the cost of healthcare premiums. Strongsville CSD pays the entire premium amount for all classified employees hired before 1997 and all certificated employees.

Strongsville CSD consists of 11 schools – 8 elementary, 2 middle and 1 high school – as well as the board of education and publications buildings and the support services complex. Utilities expenditures at Strongsville CSD were $1.83 per square foot in FY 2000-01, which was significantly higher than the peer districts. However, the District has taken to steps to reduce these expenditures by taking advantage of house bill (HB) 264 and implementing short-term solutions for energy

consumption. Strongsville CSD's custodial staffing levels and expenditures were higher than those of the peers, although maintenance staffing levels were in line with peer and regional averages. Additionally, purchased services expenditures were low at the District due to the performance of most maintenance tasks by in-house personnel.

Strongsville CSD's expenditure ratios for transportation were the lowest among the peers in several categories. Approximately 6,269 regular and special needs students were eligible for transportation on Strongsville CSD's 67 buses in FY 2000-01. Although Strongsville CSD transports a relatively high number of students per bus, the District could reduce its transportation expenditures by reducing the number of buses in its fleet, including both active and spare buses. Routing, maintenance and technology operations seem to operate at a relatively high level at Strongsville CSD, although reductions in staffing levels in some areas could increase the overall efficiency of the transportation operation.

Strongsville CSD's technology program is among the best in the State, both for administrative and educational purposes. The District maintains an active Technology Committee as well as an updated and accurate Strategic Technology Plan. Strongsville CSD has done some work on disaster recovery planning, although more work is needed in this area to ensure the safety of the District's systems and information. Technology personnel have made effective use of grant monies and community resources while building the technology environment at Strongsville CSD, and the District has strived to use its technology to improve the educational structure and achievement of its students.

Overall, Strongsville CSD seems to be an effectively-operated school district that consistently achieves good academic outcomes. Strongsville CSD's Board and administration have diligently worked to avoid a forecasted deficit for the current fiscal year and were assisted by the recent passage of an operational levy. Additionally, some recommendations from the Human Resources report have already been implemented, creating some cost savings and operational efficiencies for the District. More work will be needed if Strongsville CSD is to maintain its positive fund balances while providing the same high level of service to its students and the community.

The performance audit provides a series of recommendations, many of which include associated cost reductions, redirected services or efficiency improvements. Management should carefully consider these recommendations when making the important decisions necessary to maintain financial stability while improving the quality of educational services.

Summary Results

The summary results of the performance audit are contained on pages 1-4 through 1-19. The summary results are followed by overall performance audit information including a definition of performance audits, the objective and methodology of performance audits and peer district comparisons of key information.

The performance audit addresses the financial systems, facilities, transportation and technology functions of Strongsville CSD. The contents of the previously-released human resources performance audit are also included. A summary of background information, major findings, major commendations, major recommendations and financial implications is provided here, although more thorough analyses are contained throughout the report. All interested parties are encouraged to read the entire report. The results of this performance audit should not be construed as criticism of Strongsville CSD management. Rather, the performance audit should be used as a management tool by Strongsville CSD and the community to improve operations within the District.

A summary of the financial implications of the recommendations is presented on pages 1-19 and 1-20. However, the performance audit also contains a number of recommendations which may not generate estimated cost savings but will result in enhanced service delivery. If implemented, these recommendations would improve the operational efficiency of Strongsville CSD and its effectiveness in achieving its educational mission.

Financial Systems

Background:

The treasurer prepares five-year forecasts of estimated revenues and expenditures for presentation to the superintendent and the board of education which are accompanied by supporting assumptions and explanations. The forecasts allow the board to evaluate strategies to respond to potential deficits or other financial conditions through increases in revenues, decreases in expenditures, use of available debt financing or a combination of these approaches.

Local revenue can be generated through property taxes, a school district income tax or a joint city/school district income tax. Each requires voter approval. Currently, Strongsville CSD receives local revenue only from property taxes. Strongsville CSD also gets additional funding from the State Foundation Program. State allocations are based on a formula, predicated on enrollment, that guarantees each district will receive a certain amount per student. The distribution formula incorporates ADM count and millage minimums applied to Strongsville CSD's total assessed property valuation. Federal monies are awarded primarily through grant programs directed at helping economically disadvantaged students or those with special needs. Strongsville CSD does not receive any Federal funding through these grant programs.

Findings: A summary of the significant findings in the **financial systems** section is as follows:

- The treasurer's financial projections are based upon the assessment of relevant financial conditions and analysis of underlying data completed by the treasurer's office as well as input from the superintendent, director of business services and the human resources department. Despite the amount of information given to the Board, the forecast and the accompanying assumptions do not contain certain key information which would enable the Board and the community to evaluate the financial condition of Strongsville CSD.

- There are several issues which could have a negative effect on Strongsville CSD's financial condition in the near future. These issues are the failure to pass a 6.1 mill operating levy, the legislative changes in state foundation revenues, and the outcomes of contract negotiations for staff.

- Strongsville CSD has availed itself of many opportunities to inform the community of its financial state and to generate interest and involvement in its affairs. There is a very active Business Advisory Council as well as an interactive web site, continuous press releases, and televised board meetings for public viewing.

- Strongsville CSD's treasurer completes all of the financial planning which includes the appropriations, the budget and the five year forecast. The assistant to the treasurer acts as the general office manager and oversees the executive secretary, payroll, and accounts payable departments. If the treasurer is unable to fulfill his duties during the year or is on leave or a scheduled vacation, the assistant to the treasurer is not adequately prepared or trained to complete the treasurer's duties.

- Administrative functions are completed by the treasurer's office and the human resources department.   Some of these processes are inefficient or ineffective due to poor communication and coordination of duties between the offices. Current staffing levels were analyzed both by position and function for Strongsville CSD, and a comparison was completed with the selected peer districts. Administrative staffing levels were discovered to be greater than the peer districts in the human resources department at Strongsville CSD.

- Parents, teachers, and the community do not take an active role in Strongsville CSD's budgetary process. Strongsville CSD advertises a public hearing in the local newspaper prior to adopting the annual tax budget. Despite this advertisement, no parents, teachers, or community members arrive at the public hearing. Therefore, no budgetary modifications can be made to incorporate pubic comments.

- The treasurer's office provides monthly financial reports to operational units through the intranet site know as "fiscweb." This site was developed in-house for on-line inquiry and report-writing capabilities. Each building is equipped with at least one computer terminal

connected to "fiscweb." The operational unit managers are given passwords to allow access to their respective departments' accounting reports. The reports are updated by the treasurer's office.

● During the course of this audit, it was discovered that the assignment of function and object codes used for reporting purposes within the financial statements were not accurate according to the Uniform School Accounting System (USAS) manual. Function and object codes are designed to report expenditures by their nature or purpose. By not adhering to the assignment of function and object codes established by USAS, management can not accurately and timely track costs associated with various expenses in Strongsville CSD.

● Strongsville CSD has developed an automated fixed asset inventory system. The location and placement of fixed asset inventory items in Strongsville CSD can be accessed through this system. The automated system assigns unique inventory numbers to each item so that it can be located in Strongsville CSD by the inventory clerk.

● The purchasing and payroll operations at Strongsville CSD are not guided by a procedures manual. Employees in Strongsville CSD rely upon past experience to complete these activities. The development of a procedures manual would provide the necessary details for daily operations and better define the roles of employees and management throughout these processes. Proper guidance and supervision is needed within these areas to ensure that organizational functions are completed as efficiently as possible.

● Strongsville CSD is operating two separate payroll cycle end-dates: one for certificated and one for classified employees. Although checks are printed on the same day, the payroll end dates are not running concurrently. Classified employees are paid on a two week lag while certificated employees are paid for all time worked through the day that the checks are issued.

Commendations: A summary of the significant commendations in the **financial systems** section is as follows:

● Community involvement through open communication allows Strongsville CSD the opportunity to raise public awareness. The greater the public awareness, the greater the level of trust between the citizens within the community and Strongsville CSD. By expressing educational and financial concerns to the citizens, Strongsville CSD is capitalizing upon an opportunity to gain public acceptance and awareness for educational and financial situations occurring in the District.

● By providing operational units on-line inquiry and report writer capabilities, Strongsville CSD is enabling them to more closely monitor expenditure versus budget information before making a purchase. In addition, the on-line inquiry and report writer capabilities have

allowed the treasurer to stop issuing hard-copy monthly operating reports, thereby saving time and paper costs.

● The development of an automated fixed asset tracking system makes pertinent information easily accessible to operational unit managers within Strongsville CSD and simplifies the necessary tasks of the inventory clerk by streamlining the processes for acquiring, moving or discarding fixed assets. Additionally, developing the system in-house is more cost-effective and ensures that it meets the needs of those who use the system.

Recommendations: A summary of the significant recommendations in the **financial systems** section is as follows:

● While Strongsville CSD provided some explanatory detail in the accompanying assumptions to the forecast, a greater level of explanatory detail in key areas such as the impact of a failed levy, projected inflation rates and comparable external averages and benchmarks would enhance the use of this financial planning document. Strongsville CSD should also take advantage of additional available resources for forecasting revenues and expenditures.

● Strongsville CSD should consider changing the "assistant to the treasurer" position to an "assistant treasurer" position. Additional preferences should be established in regard to education, certification, and experience to reflect the additional financial responsibilities this transition would require. Based upon the budget and size of the district, an evaluation should be performed to determine if the existing assistant to the treasurer could meet the additional preferences as established by Strongsville CSD. It would be beneficial for Strongsville CSD to allow the treasurer this additional input and review for all financial calculations and assumptions.

● Various staffing concerns were addressed in both the treasurer's office and human resources department to improve communications, and create an effective and efficient working environment for administrative and financial functions completed. The following staffing changes are recommended:

  ‣ Strongsville CSD should hire a 1.0 FTE staff accountant at an annual cost of $40,000. The staff accountant should maintain fixed asset inventory as well as completing some of the administrative functions currently being completed by the assistant to the treasurer, such as bank reconciliations and managing payroll and accounts payable. Consequently, the current inventory clerk could be reallocated to te payroll department.
  ‣ Strongsville CSD should eliminate 1.0 FTE accounts payable clerk from the treasurer's office. Procedural changes to the payment process are recommended to complete this elimination.
  ‣ Strongsville CSD should eliminate the executive secretary position from the human

resources department. The payroll clerk should handle all responsibilities for benefits administration.

- ► Strongsville CSD should consider removing the time and attendance functions from the human resources department. After a review of the executive secretary position within the treasurer's office, sufficient time exists for the completion of these duties.
- ► Strongsville CSD should consider removing the responsibility of forecasting salaries and benefits from the human resources department and appropriately placing it within the treasurer's office.

● Strongsville CSD should institute a forum to involve parents, teachers and other community members in the strategic planning and budgeting process at the school level. The forum could work with building and central administrators to determine and secure the right amount of funding to fulfill program needs at individual schools.

● Strongsville CSD should analyze the assignment of function and object codes for expenditures to ensure that the accounting methodology utilized is accurate according to the Uniform School Accounting System (USAS) manual. Accurate reporting of expenditures will allow Strongsville CSD to produce comparative financial reports and allow management to monitor expenditures throughout Strongsville CSD.

● Strongsville CSD should create a formal purchasing procedure manual and a formal payroll procedure manual. Each manual should outline and explain daily activities associated with making purchases and completing payroll. By formalizing these procedures, Strongsville CSD will be capitalizing upon the opportunity to communicate desired processes to each employee.

● Strongsville CSD should merge the payroll cycles for certificated and classified employees into one cycle with a shared end date. This would result in expanding the period of time available for entering and reviewing payroll data as well as a reduction in the over time hours currently worked by the coordinator of accounting.

Human Resources

Background:

Strongsville CSD has a separate human resources department. All Strongsville CSD employees are categorized either as certificated or classified staff. Certificated staff include principals, teachers, counselors, therapists, nurses, librarians, social workers, psychologists and certain supervisors and directors. Classified staff include instructional teaching aides, library aides, maintenance personnel, custodians, food service workers, secretaries, transportation personnel and certain supervisors and directors.

Findings: A summary of the significant findings in the **human resources** section is as follows:

● During the calculation of staffing levels reported in EMIS for FY 2001, Strongsville CSD reported some employees in the wrong classifications. This resulted in incorrect information being reported to EMIS which causes the staffing levels to be improperly recorded. EMIS was developed and implemented by the Ohio Department of Education (ODE) to assist school districts in effectively and efficiently managing student and personnel demographics.

● Although Strongsville CSD's overall staffing appeared reasonable, the staffing allocation in the clerical classification is higher than the peers and the peer average. This is potentially due to clerical personnel not maximizing the use of technology in the completion of job functions.

● Strongsville CSD's staffing allocation in the teaching aide classification is higher than the peers and the peer average. Approximately 24.0 percent of all teaching aides are used to assist with special education instruction. The remaining teaching aides which are not assisting with special education instruction are either assisting in regular education classrooms or assisting with student supervision duties (recess, cafeteria and study hall).

● The majority of middle and high school teaching staff teach at least five periods a day. Middle school teachers have one team planning period and two planning/conference periods while high school teachers have two planning/conference periods. Based upon a review of previous school district performance audits, middle school teachers usually have two planning/conference periods while high school teachers have one planning/conference period.

● Strongsville CSD is responsible for the pick-up on the pick-up of the employee's retirement contribution. According to Strongsville CSD personnel, this provision was agreed to in lieu of a salary increase and was implemented over a three-year period.

- During FY 2001, the average Strongsville CSD teacher used 9.5 sick leave days which is more than the 8.4 sick leave days used by the average Brecksville-Broadview Heights teacher. While the amount of sick leave days used by teachers does not appear to be dramatically higher than Brecksville-Broadview Heights CSD, the amount is higher than has been seen in other school district performance audits.

- Strongsville CSD's average hospitalization premiums per employee are approximately $28.00 per month higher than those reported by SERB for like-sized districts, but an average of $88.00 per month lower than the peer district average. Strongsville CSD requires a fixed employee contribution from some of its employees.

- While Strongsville CSD's annual insurance cost per employee is the second lowest when compared to the peers' annual cost per employee and 10.3 percent lower than the peer average, Strongsville CSD's total dental costs are 105.2 percent higher than the peer average. This is due to the higher level of benefits offered by Strongsville CSD compared to the benefits offered by the peer districts.

- In an effort to encourage professional growth among its teachers, Strongsville CSD has implemented a voluntary professional growth program. There is no minimum time restriction limiting when teachers can receive the first voluntary professional growth reward. However, after each reward has been received, subsequent growth periods require a minimum of four consecutive years. There is no mention within the negotiated agreement as to how much time must have been spent in each activity in order to receive the eligible points. An evaluation committee was established to evaluate activities and award points; however, the evaluations take place after the activity has been completed.

Commendations: A summary of the significant commendations in the **human resources** section is as follows:

- While Strongsville CSD has a lower percentage of its teachers with a masters degree when compared to the peer average, it has a higher percentage of teachers with more than a bachelors degree (bachelors degree plus 150 hours and masters degree) when compared to the peer average. The higher level of educational attainment may have a positive impact on classroom teaching skills and may assist Strongsville CSD in meeting its educational goals. Additionally, Strongsville CSD receives additional state funding based on the experience and education level of its teachers.

- Strongsville CSD has maintained a lower annual insurance cost per employee when compared to the peers, peer district averages and SERB reports. Decreasing the annual insurance costs allows Strongsville CSD to allocate additional resources to other areas.

●   Strongsville CSD personnel have indicated that the District has an effective labor management committee. An effective labor management committee creates an avenue of open communication between employees and management. Furthermore, it assists in having a positive effect on the general morale of Strongsville CSD, informs management of potential contractual problems and involves bargaining unit members in managerial discussions when developing Strongsville CSD policies.

Recommendations: A summary of the significant recommendations in the **human resources** section is as follows:

●   Strongsville CSD should develop policies and procedures to ensure that accurate reports are prepared and reconciled before being submitted to ODE and EMIS. In addition, there should be a review process by a person that is independent of the data gathering process to ensure that policies and procedures are followed and accurate numbers are reported to ODE and EMIS.

●   Strongsville CSD should conduct a detailed analysis on the duties and responsibilities of its clerical personnel and determine if resources are being used efficiently and effectively in relation to the needs of Strongsville CSD. If Strongsville CSD were to increase the efficient use of technical resources available to clerical personnel, it may be able to reduce 11 clerical positions, creating an estimated annual cost savings of $372,000. Some of these positions are specifically identified in other areas of this report.

●   Strongsville CSD should consider increasing the number of class assignments for middle school and high school teachers to six per day. Increasing the number of classes taught by teachers to six classes per day would increase the amount of direct student contact and also may assist Strongsville CSD in using some of its teachers to perform supervisory duties or take on additional duty periods. More effective use of teachers and teaching aides could allow Strongsville CSD to reduce up to 30 teaching aide positions, for an annual cost savings of $624,000.

●   While Strongsville CSD indicated that the pick-up on the pick-up of the employee's retirement contribution was agreed to in lieu of a salary increase, Strongsville CSD should continue to monitor average salaries of its personnel within the various classifications. In addition, Strongsville CSD should monitor the financial impact of being responsible for both the District and employee shares of the employee retirement contributions, which increases salary expenses at the District by more than 10 percent.

●   Strongsville CSD should examine the use of sick leave by its teachers and seek methods to reduce the use of sick leave among its certificated personnel. The excessive use of sick leave may increase administrative costs and impact the quality of education by interrupting the

flow of a teacher's curriculum. If Strongsville CSD could reduce the use of sick leave by two days per teacher, the District could realize an annual cost savings of $74,460.

● Based upon the rising health care costs for governmental entities, the potential need for Strongsville CSD to reduce its operating costs and the employee contribution statistics reported by SERB, Strongsville CSD should require all its employees to contribute towards the monthly premium costs for health and dental insurance. Requiring an employee co-pay amount for monthly premiums could create $348,100 in annual savings. However, the contribution should be stated in terms of a percentage, rather than a fixed dollar amount, to help offset future cost increases. In addition, if Strongsville CSD were to increase its employee co-pay for prescription drugs, it could realize an annual cost savings of $214,000.

● Strongsville CSD should examine the current benefits offered under its dental insurance plan and determine if the current high level of benefits should be renegotiated. Should Strongsville CSD need to reduce its operating costs in the future, obtaining lower dental insurance benefits with lower monthly premiums could create an annual cost savings of $151,700.

● Although the concept of a voluntary professional growth program could be beneficial because it encourages involvement in the community, certain parameters of the program should be strengthened in order to meet its objectives. Provisions of the program that should be renegotiated include the relationship of the activity to Strongsville CSD's educational priorities; length of time spent in each activity to obtain the eligible points; prior approval of activity to ensure a benefit to the teacher, students or Strongsville CSD; and the number of activities that can be completed in order to accrue professional growth program points.

Facilities

Background:

Strongsville City School District (SCSD) consists of 11 schools: 8 elementary, 2 middle and 1 high school. In addition, SCSD owns the board of education and publications buildings and the support services complex. The custodial and buildings and grounds departments are responsible for the operation and upkeep of the facilities. The assistant to the director of business services is responsible for custodial operations, building security, planing and scheduling district-wide professional development training, and assisting with permanent improvement project planning and oversight. The supervisor of buildings and grounds directs the buildings and grounds staff and is responsible for ensuring the facilities are maintained and kept in a safe and serviceable condition. Six full-time general maintenance repair employees complete building repairs and maintenance, construction projects and the majority of the grounds work throughout the SCSD.

Findings: A summary of the significant findings in the **facilities** section is as follows**:**

● In December 1989, SCSD formed the Future Facilities Task Force whose primary objective was to develop a master plan of recommendations for facilities utilization and needs for the subsequent three to five years. Five subcommittees developed thoroughly-researched recommendations which were shared with the Board of Education.

● In May 2001, the Ohio School Facilities Commission (OSFC) released its district-wide assessment and master plan for SCSD after SCSD expressed an interest in participating in the School Building Assistance Expedited Local Partnership Program (ELPP). According to the data in the Facilities Assessment Report, SCSD is in need of approximately $92.7 million dollars in building renovations and additions to bring the facilities into compliance with the guidelines set forth by the OSFC.

● Building capacity is a key component when planning for future facility needs. Both the OSFC and the SCSD Future Facilities Task Force calculated building capacity as part of their assessments to determine whether there is a need for the construction of additional space. According to the methodology used by the OSFC, the total student capacity for all of SCSD's schools is 6,220 students. When the current student enrollment, 7,023 students, is used to determine overall building utilization, SCSD is operating at approximately 113 percent of capacity using the OSFC figures. However, it does not appear that SCSD's schools are currently overcrowded.

● Overall, SCSD's General Fund facilities-related expenditures per square foot ($6.20) are significantly higher than the peer district average ($4.89), and the American School & University (AS&U) Region 5 average ($3.99). SCSD's custodial salary and benefit costs as will as utility expenditures were significantly higher than the peers in FY 2000-01. In an effort to reduce custodial salary and benefit expenditures, 4.84 FTE custodial positions will be reduced effective August 1, 2002. SCSD will reduce its school building-based custodial staffing levels by 4.84 FTEs (from 46.92 to 42.08 FTEs). The average square footage per FTE custodian will increase to 19,305 square feet, although SCSD's custodians will still be responsible for maintaining less square footage than the peer districts.

● SCSD's maintenance employees are responsible for maintaining an average of 135,080 square feet per FTE, which is 2,292 square feet less than the peer district average, and 15,917 square feet (or 13 percent) more than the AS&U Region 5 average. In addition to completing building repairs and maintenance, the maintenance staff is responsible for completing new construction and installations, moving equipment, setting up for special events, and the majority of grounds work in the District.

Commendations: A summary of the significant commendations in the **facilities** section is as follows:

●   The Future Facilities Task Force developed a well-thought out and comprehensive report that addressed SCSD's facilities needs for the 1990s. The report contained the information necessary to make informed facilities-related decisions, and the task force reviewed and assessed a variety of factors which impact building utilization rates, including future enrollment projections, attendance boundaries, and building capacity.

●   Requiring vendors to provide on-site training is an inexpensive way to help ensure the cleaning products are being used properly and in the most efficient manner. Assessing the performance of new cleaning products is also a good practice. Having the custodians involved in the selection process is beneficial since the custodians know first hand what to look for in an effective product.

●   Implementing an electronic work order system has allowed SCSD to streamline its work order request process and eliminated the downtime associated with processing, approving, and delivering written requests.

Recommendations: A summary of the significant recommendations in the **facilities** section is as follows:

●   Prior to making a multi-million dollar facilities renovation and repair commitment, SCSD should reconvene the Future Facilities Task Force to develop a master plan for the District. When making decisions regarding designing new or renovating schools, careful consideration should be given to educational goals, instructional strategies and community needs that impact school design. The task force should also determine the pros and cons of participating in the OSFC's Expedited Local Partnership Program.

●   Building capacity and utilization should be reviewed periodically in conjunction with the enrollment projections to determine the appropriate amount of space needed to house the current and projected student populations. SCSD should formally adopt a building capacity calculation methodology that takes into consideration the district's needs and educational programs.

●   SCSD should immediately begin to implement an energy conservation and management program that could save the District approximately $220,000. SCSD should begin taking steps to reduce its utility expenditures by implementing short-term and long-term solutions. Short-term solutions are simple and cost-effective and can be completed quickly and generate immediate cost savings. Long-term solutions, including H.B. 264 funding, should be pursued to further reduce energy usage.

●   If SCSD's financial condition continues to worsen, it should consider making further custodial staffing reductions are the high school and middle schools. SCSD could save

approximately $185,000 in salary and benefit costs if custodial staffing levels were reduced by an additional 3.16 FTEs.

- SCSD should consider increasing its maintenance staff by 2 full-time truck driver/utility positions at an annual cost of $84,000 to assist the maintenance staff in completing preventive maintenance and building repairs. At least two members of the maintenance staff will be approaching retirement age in the next two to three years, and the District could use the next couple of years to train the two additional staff members so the impact of losing experienced building repair staff will be lessened.

Transportation

Background:

Strongsville CSD provides transportation for regular and special needs students in kindergarten through eighth grade that live more than one mile from their assigned schools. Strongsville CSD's regular needs buses traveled approximately 643,000 miles in FY 2000-01 carrying 6,119 students. The total cost of the regular needs transportation program was $2,069,471, or $338 per student transported. The special needs transportation program served 150 students at a total cost of $447,658, or $2,984 per student. Strongsville CSD received over $1,252,000 in transportation reimbursements from the State, including a bus purchase allowance, which represents 49.8 percent of total transportation expenditures.

Findings: A summary of the significant findings in the transportation section is as follows:

- Strongsville CSD has a formal transportation policy outlining the level of service provided to students. However, a significant number of students residing within one mile of their assigned schools are provided transportation services. Additionally, Strongsville CSD transports a relatively low number of students per bus (100), although this number was the second highest among the peers.

- Given the number of students transported, Strongsville CSD's transportation department seems to be appropriately staffed in most classifications. However, some clerical staff could be duplicating efforts in some areas, and Strongsville CSD's mechanics maintain significantly fewer buses per mechanic than any of the peers or the peer average.

- While some of the buses in Strongsville CSD's fleet are at or near the recommended age guidelines for replacement, the District maintains fairly low mileage on its buses and keeps them in very good condition. Strongsville CSD's transportation department maintains a large spare bus fleet, both in number and as a percentage of total bus fleet.

Recommendations: A summary of the significant recommendations in the transportation section is as follows:

- Strongsville CSD should strive to increase its students per bus ratio by reducing the total number of buses in the necessary daily fleet. This could result in annual savings of $58,000. The District may also be able to reduce its transportation expenditures by increasing the utilization of payment in lieu of transportation by non-public students.

- Strongsville CSD should consider reducing staffing levels in the transportation department, specifically in the clerical and mechanic classifications. The District should consider eliminating a part-time clerk and one full-time mechanic. The savings from eliminating the clerical position are included in the **human resources** section, while reducing a mechanic could save $42,000 annually.

- Strongsville CSD's transportation department should develop a bus replacement plan, although the low mileage of many of the District's buses should be factored into the decisions as well as the age of the buses. Additionally, reducing the number of spare buses could provide approximately $30,000 in additional revenue for the District while decreasing the workload of the mechanics.

Technology Utilization

Background:

Strongsville CSD recently created a District Technology Department (DTD) to manage and implement the technology needs of the District. The DTD has a staff of 14 employees, including the Director of Technology. The DTD supports and maintains all current technology systems and plans and installs, integrates, updates and supports software for both instructional and administrative purposes.

Findings: A summary of the significant findings in the **technology utilization** section is as follows:

- SCSD includes necessary staffing levels in its strategic Technology Plan which allows the District to fully justify staffing decisions based on the plan. The current plan outlines the staffing levels for the district, which are reflected in the current staffing levels at SCSD.

- The Strategic Technology plan is developed by SCSD's Technology Committee and ties the technology mission with the overall mission of SCSD. The plan is completely re-evaluated and changed every three years and updated on a yearly basis to ensure that all goals and objectives reflect the current situation at SCSD. The current plan is due for complete revision in the summer of 2002. While the current Strategic Technology Plan includes some

measurable outcomes for tasks associated with objectives and goals, many of the outcomes do not include specific, numeric measurements or the type of measurement that will be used. More detailed measurement statistics would aid the District in evaluating the effectiveness of the plan and its recommendations.

● SCSD does not use a formal equipment replacement schedule for upgrading technology on a regular basis. Staff report that replacement is currently done on an irregular basis when the funds become available. Additionally, hardware standards are not reflected in the Strategic Technology Plan. Standards would ensure that all hardware decisions are based on consistent criteria throughout the entire District.

● SCDC uses a pilot program to select software for classroom use. This program allows software to be tested in a limited number of classrooms before it is used throughout the District which allows the Technology director to maintain a level of control over software purchases. However, SCSD does not provide a list of recommended software to teachers. Under current policy, staff are not required to consult with the Technology Director on software purchases, only encouraged to do so. For administrative systems, SCSD contracts with LEECA for the majority of administrative software. However, SCSD is not fully utilizing all of the software available through the LEECA contract, and other supplementary reports are run from a separate UNIX system.

● Although SCSD has a disaster recovery plan, it does not include specific written procedures for the recovery of technology systems. Specific procedures would allow staff to respond quickly if one of the systems becomes inoperable.

● SCSD has effective provisions in place to ensure that only approved students and staff have access to technology applications in the District. Physical access to hardware systems in administrative buildings is also controlled. SCSD is also currently planning to move servers to a new storage area with its own heating and cooling system.

● SCSD budgets funds for the DTD every year; however, these funds are sometimes taken to replace shortfalls elsewhere in the District budget as they occur later in the school year. As a result, DTD staff often find it difficult to plan or budget very far into the future or to use the Strategic Technology Plan for this purpose.

● Both teaching and support staff are provided with a variety of internal and external training opportunities. These courses offer a range of topics including the use of the Internet and email, and SCSD tracks participation and provides courses to meet the specific needs of District personnel.

Commendations: A summary of the significant commendations in the **technology utilization** section is as follows:

● The Strategic Technology Plan developed by the SCSD Technology Committee is well presented and logically developed. It meets best practice requirements in regards to the development of measurable goals and objectives as well as the schedule for updating it on a three and one year schedule. Additionally, SCSD maintains an active Technology Committee that is responsible for updating and monitoring the Strategic Technology Plan.

● SCSD has made exceptional use of community resources in securing new, and updating existing technology in the District. The collaborative approach used by SCSD should be used as a best practice example for other districts struggling with how to supply current and useful technology to their students given constant budget constraints.

● DTD has consistently demonstrated its commitment to student achievement. SCSD's policy of piloting new educational software in a limited number of classrooms before distributing it to the District as a whole represents good control while maintaining teacher discretion and input on the best educational tools for their classrooms. Additionally, DTD goes beyond placing computers in the classrooms by working to integrate the technology into lesson plans and daily activities.

Recommendations: A summary of the significant recommendation in the **technology utilization** section is as follows:

● SCSD should continue to tie district staffing requirements to the strategic Technology Plan as it is updated yearly. In addition, the SCSD Board of Education should fund the DTD in accordance with the Strategic Plan in order to maintain the current level of technology service. In order to ensure that technology in SCSD continues to meet the needs of both students and staff, the Board of Education should use the Strategic Plan for technology budgeting in the future. Additionally, SCSD should integrate formal hardware standards into the Strategic Technology Plan. These standards should also be updated annually and should reflect the instructional and administrative needs of SCSD.

● SCSD should consider making the software pilot program mandatory for all such purchases. This would ensure consistent purchasing of educational software while maintaining teacher autonomy regarding software selection. In addition, SCSD should develop a recommended list of software for each grade level and distribute this to teachers on a regular basis and should require teachers to obtain formal approval from the Technology Director before purchasing any hardware or software for classes or school buildings. Finally, SCSD should use all appropriate software that it is paying for through LEECA and should conduct a full review of LEECA software currently in use in the District to identify any cost benefits associated with implementing additional LEECA software.

● SCSD should develop and implement a detailed disaster recovery plan specific to the DTD. This plan should include provisions for all major district and building systems including LEECA.

● SCSD and the Board of Education should try to consistently budget and deliver funds to the DTD so that staff can apply the funds according to the Strategic Technology Plan. When funding windfalls do come to the DTD, the BOE should notify staff as soon as possible to allow adequate time for planning based on the Strategic Technology Plan.

Summary of Financial Implications

The following tables summarizes the performance audit recommendations that contain financial implications. These recommendations provide a series of ideas or suggestions that Strongsville CSD should consider when making the important decisions necessary to maintain its financial stability while continuing to meet its educational needs. The financial implications are divided into two groups: those that are subject to bargaining unit negotiation and those that are not. Detailed information concerning the financial implications, including assumptions, is contained within the report.

Summary of Financial Implications Subject to Negotiation

Ref no.	Recommendation	Estimated Annual Cost Savings
R3.3	Reduction in teaching aide personnel	$624,000
R3.8	Renegotiation of dental insurance premiums	$151,700
R3.9	Increasing employee insurance co-pay	$348,100
R3.9	Increasing co-pay on generic and brand-named drugs	$214,000
R5.8	Contract for bus-washing	$30,000
Total		$1,367,800

Summary of Financial Implications Not Subject to Negotiation

Ref No.	Recommendation	Estimated Annual Cost Savings	Annual Implementation Costs
Financial Systems			
R2.8	Addition of a staff accountant		$40,000
R2.9	Reduction of accounts payable clerk	See **R3.2**	
R2.10	Reduction of executive secretary	See **R3.2**	
R2.11	Reduction of time and attendance clerk	See **R3.2**	
R2.26	Reduction of warehouse clerk	See **R3.2**	
R2.28	Change in auction services	$1,240	
Human Resources			
R3.2	Reduction in clerical personnel	$372,000	
R3.7	Reduction in certificated sick leave usage	$74,460	
Facilities			
R4.3	Implement short-term energy conservation measures	$220,000	
R4.6	Reduction of custodial personnel	$185,000	
R4.11	Increase maintenance staff		$84,000
Transportation			
R5.2	Bus reduction	$58,000	
R5.4	Reduction of part-time clerk	See **R3.2**	
R5.5	Mechanic reduction	$42,000	
R5.8	Contract for bus-washing		$8,000
Totals		**$952,700**	**$132,000**

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

Objectives and Scope

A performance audit is defined as a systematic and objective assessment of the performance of an organization, program, function or activity to develop findings, conclusions and recommendations. Performance audits are usually classified as either economy and efficiency audits or program audits.

Economy and efficiency audits consider whether an entity is using its resources efficiently and effectively. They attempt to determine if management is maximizing output for a given amount of input. If the entity is efficient, it is assumed that it will accomplish its goals with a minimum of resources and with the fewest negative consequences.

Program audits are normally designed to determine if the entity's activities or programs are effective, if they are reaching their goals and if the goals are proper, suitable or relevant. Program audits often focus on the relationship of the program's goals with the actual program's outputs or outcomes. Program audits attempt to determine if the actual outputs match, exceed or fall-short of the intended outputs. This audit was primarily designed as an economy and efficiency audit.

The objectives of performance audits may vary. The AOS has designed this performance audit with the objective of reviewing systems, organizational structures, finances and operating procedures to develop recommendations for reducing operating costs, increasing revenues or improving efficiency. Specific objectives of this performance audit include the following:

- Identify opportunities for improving district effectiveness, responsiveness and quality of service delivery which is cost beneficial;
- Identify opportunities for improving district procedures, work methods and capital asset utilization;
- Determine if the current district's organization is flexible and effectively structured to meet future demands;
- Evaluate financial policies and procedures and provide recommendations for enhanced revenue flow, expenditure reduction ideas or alternative financing techniques;
- Assure administrative activities are performed efficiently and effectively without unnecessary duplication;
- Determine if support activities are sufficient to meet educational objectives;
- Ensure education goals and objectives are supported by the administrative organization;
- Ensure the administrative hierarchy does not diminish teacher effectiveness; and
- Perform an independent assessment of the district's financial situation.

The performance audit topics focus primarily on the system/business side of school district operations. By focusing on systems, the audit provides Strongsville CSD with alternative recommendations to enable it to operate more efficiently and economically. Enhancements to these systems will assist in improving the delivery of educational services to students.

This section of the performance audit on Strongsville CSD covers district operations in the area of human resources. A subsequent report will examine district operations in the areas of financial systems, facilities, transportation and technology.

Methodology

To complete the performance audit, the auditors gathered and assessed a significant amount of data pertaining to Strongsville CSD, conducted interviews with various groups associated with Strongsville CSD and conducted interviews and assessed information from the peer districts along with other nearby school districts. The methodology is further explained as follows:

Studies, reports and other data sources

In assessing human resources functions at Strongsville CSD, the District was asked to provide any previous studies or analyses already prepared on the subject. In addition to assessing this information, the auditors spent a significant amount of time gathering and assessing other pertinent documents or information. Examples of the studies and other data sources which were studied include the following:

- Financial forecasts;
- Strongsville CSD financial and budgetary reports;
- Board policy manual and meeting minutes, including appropriation resolutions and amendments;
- Negotiated union contracts;
- Organizational charts and position descriptions;
- Various reports from the Education Management Information System (EMIS) and other reports from ODE information systems;
- Cost of Health Insurance in Ohio's Public Sector Report from the State Employee Relations Board (SERB);
- Data from the Bureau of Workers' Compensation (BWC);
- Various ODE transportation forms;
- American School and University's (AS & U) 2001 Annual Maintenance and Operating Cost Study;
- Technical architecture diagrams;
- Ohio Revised Code and Ohio Administrative Code.

Interviews, Discussions and Surveys

Numerous interviews and discussions were held with many levels and groups of individuals involved internally and externally with Strongsville CSD. These interviews were invaluable in developing an overall understanding of Strongsville CSD operations and in some cases, were useful sources in identifying concerns with Strongsville CSD's operations and in providing

recommendations to address these concerns. Examples of the organizations and individuals who were interviewed include administrators and support staff, the Ohio Department of Education and peer district administrators and support staff.

Benchmark Comparisons with Other Districts

Three school districts, Brecksville-Broadview Heights City, Kettering City and Solon City, were selected to provide benchmark comparisons with SCSD. Additional information from Mason City School District was used in the *Contractual and Employment Issues* section of the Human Resources report. Performance indicators were established to develop a mechanism for determining how effectively and efficiently Strongsville CSD is providing necessary human resources functions. The information was gathered primarily through information contained within EMIS, information provided by the selected peer districts named above, and information provided by ODE.

Certain other performance audits had information or suggested procedures which were incorporated where applicable. These suggested procedures were selected to provide benchmark comparisons with Strongsville CSD's operations.

Comparative Districts

Peer district comparisons provide information on like practices, statistics and benchmarking data. Peer school districts are selected based on a variety of factors, including demographic and educational data provided by ODE. Based on school district report card data, ODE establishes groups of similar districts, from which peers were selected for the performance audit, pursuant to discussions with Strongsville CSD administration. Peer averages exclude Strongsville CSD, unless otherwise noted. State averages include all school districts within the State of Ohio. Certain information contained within this executive summary may differ from the individual sections due to the timing of data from ODE.

ODE issues annual school district report cards that measure attainment of Statewide academic performance standards. These report cards reflect data for the school year prior to that in which the report card is issued (for example, the 2002 report cards reflect data for the 2000-01 school year).

Strongsville CSD's report card scores have been slightly below the peer average for all years shown. However, after being in the *Continuous Improvement* category for two consecutive years, Strongsville's report card score improved by three standards in FY 2000-01, placing the District in the *Effective* category.

Report Card Standards Met			
District	**FY 1998-1999**	**FY 1999-2000**	**FY 2000-01**
Strongsville CSD	22.0	22.0	25.0
Brecksville-Broadview Heights CSD	27.0	27.0	27.0
Kettering CSD	20.0	19.0	22.0
Solon CSD	26.0	27.0	27.0
Peer Average	**24.3**	**24.3**	**25.3**
Total Standards Possible	**27.0**	**27.0**	**27.0**

Source: ODE's School District Report Cards

Report Card Standards Met

Fiscal Year 2000-01
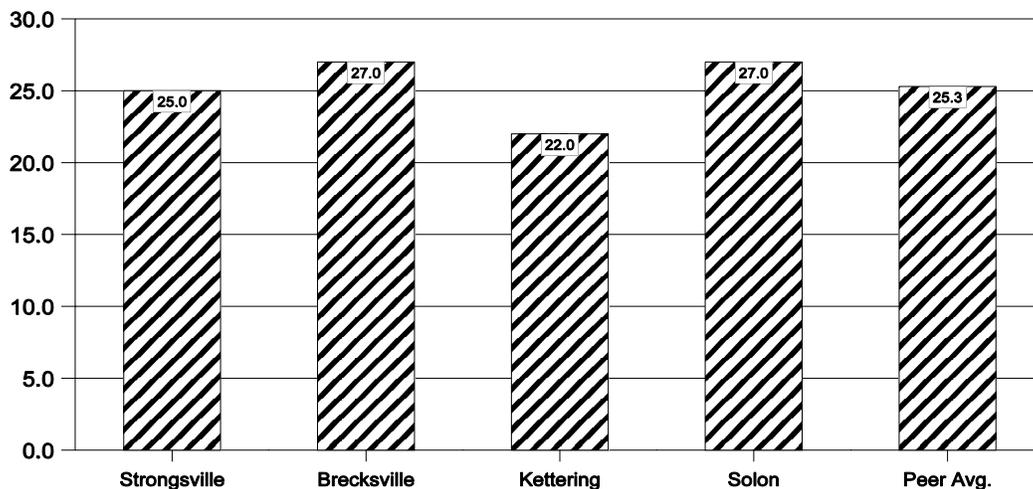
For FY 2000-01, Strongsville CSD's ninth grade proficiency test passage rate was the second lowest among the peer districts and lower than the peer average, although it was 29.4 percent higher than the State average. Over the first three years of the trend period, Strongsville CSD's passage rate declined, although the increase for the most recent year established an overall increase for all years shown.

Ninth Grade Proficiency Test Passage Rate (All Subjects)					
	FY 1997-98	**FY 1998-99**	**FY 1999-00**	**FY 2000-01**	**% Change 1998-01**
Strongsville CSD	82.5	82.4	79.6	84.4	2.3%
Brecksville-Broadview Heights CSD	87.3	89.7	90.8	90.3	3.4%
Kettering CSD	73.7	72.7	71.6	79.7	8.1%
Solon CSD	89.4	89.6	91.8	89.2	(0.2)%
Peer Average	83.5	84.0	84.7	86.4	3.5%
State Average	55.6	61.1	63.1	65.2	17.3%

Source: ODE's School District Report Cards

Ninth Grade Proficiency Test Pass Rate

Fiscal Year 2000-01
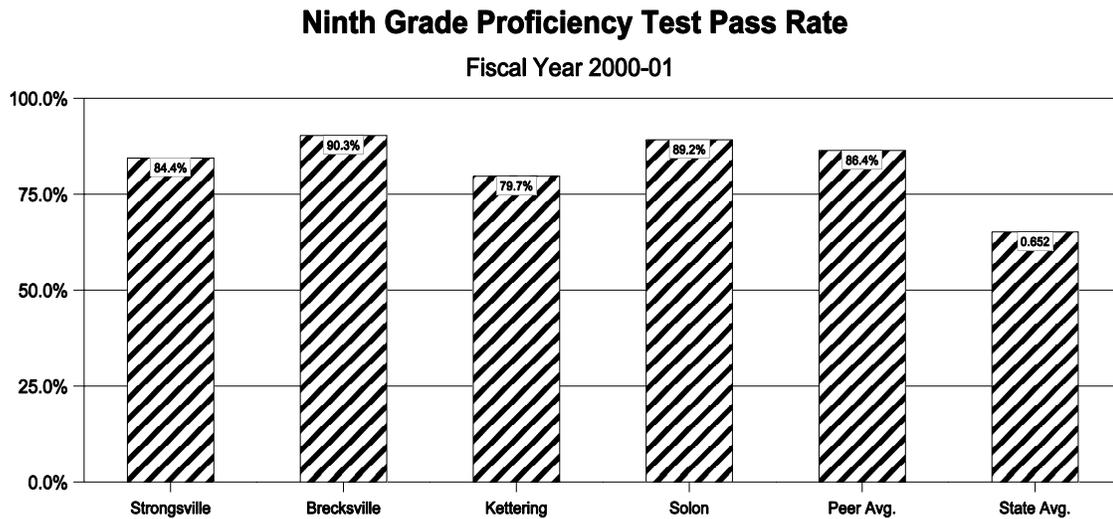
Strongsville CSD's median income of $43,943 in FY 1999-00 was the highest of the peer districts. Over the four-year trend period, Strongsville CSD's median income increased 20.0 percent, which was commensurate with the State average increase, but slightly above the peer average increase. However, Strongsville CSD's median income in FY 1999-00 was 10.2 percent above the peer average and 49.3 percent above the State average.

Median Income					
	FY 1996-97	**FY 1997-98**	**FY 1998-99**	**FY 1999-00**	**% Change 1997-00**
Strongsville CSD	$36,612	$39,760	$46,432	$43,943	20.0%
Brecksville-Broadview Heights CSD	$36,126	$39,067	$43,758	$41,961	16.2%
Kettering CSD	$29,597	$31,753	$33,552	$35,279	19.2%
Solon CSD	$36,441	$38,679	$41,926	$42,380	16.3%
Peer Average	$34,055	$36,500	$39,745	$39,873	17.2%
State Average	$24,446	$26,075	$27,244	$29,440	20.4%

Source: Ohio Department of Taxation, Personal Income Tax Return by School District(Y-2) reports

Median Income
Fiscal Year 1999-00
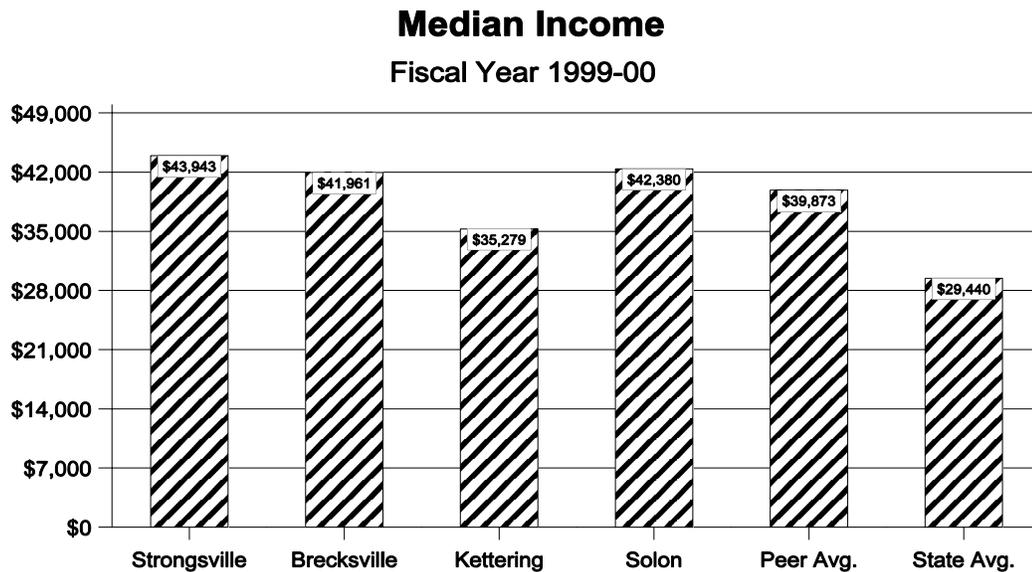
The assessed average property valuation per pupil is an important component in a school district's funding. Average property valuation is a significant factor in determining the ability of the school district to generate stable or additional income. Because school district funding in the State of Ohio is driven by local property tax revenue, a higher average property valuation indicates a greater potential to generate income for a school district.

Strongsville CSD's average property valuation per pupil was $180,315 in FY 1999-00, the second lowest among the peer districts and below the peer average, although it was 57.5 percent above the State average. Strongsville CSD's average property valuation increase of 17.4 percent over the four-year trend period was the highest among the peer districts and higher than the peer average, although it was below the State average increase.

Average Valuation Per Pupil					
	FY 1996-97	**FY 1997-98**	**FY 1998-99**	**FY 1999-00**	**% Change 1997-00**
Strongsville CSD	$153,577	$159,348	$163,631	$180,315	17.4%
Brecksville-Broadview Heights CSD	$189,615	$188,822	$186,457	$203,455	7.3%
Kettering CSD	$149,503	$158,469	$167,204	$173,863	16.3%
Solon CSD	$195,175	$197,421	$198,460	$222,312	13.9%
Peer Average	$178,098	$181,571	$180,040	$199,877	12.2%
State Average	$95,461	$99,831	$107,844	$114,498	19.9%

Source: Ohio Department of Taxation, School District Average Values per Pupil (SD-1) reports

Average Valuation Per Pupil
Fiscal Year 1999-00
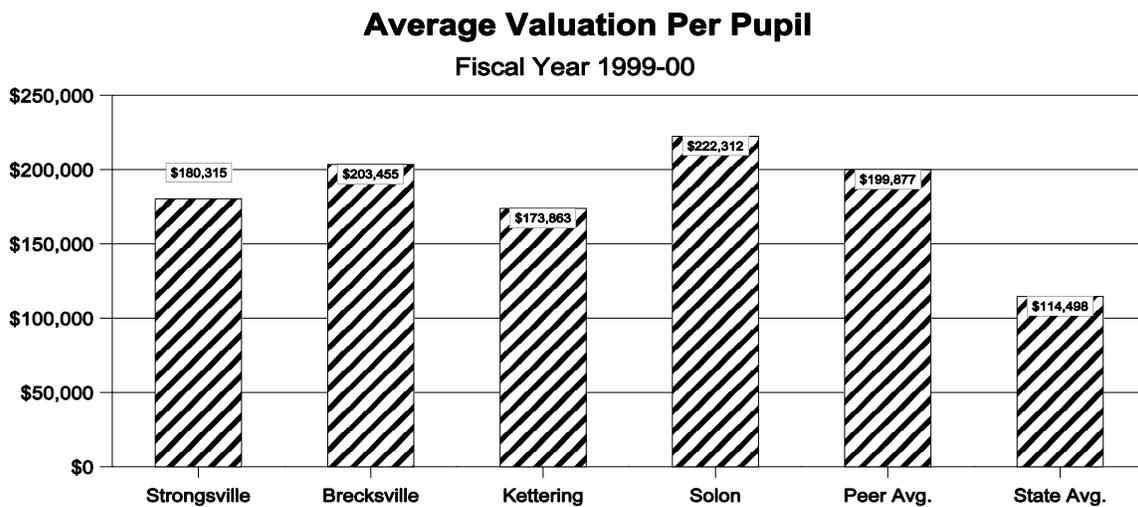
Effective millage and total millage are the measurement units of assessed local property taxes. A mill will raise $1.00 of tax revenue for every $1,000 of taxable property value it is levied against. Total millage is the voted rate assessed to the entire local tax base, while effective mills are the rates applied to real property in each school district after the application of the tax reduction factor.

Strongsville CSD's total millage was the highest of the peers, 13.1 percent higher than the peer average and 46.9 percent above the State average. All of the peers had total millage that was significantly above the State average. Strongsville CSD's total millage increased over the four-year trend period, as was the case at all but one of the peers. Strongsville CSD's percentage increase, however, was the smallest among the remaining two peers and the peer and State averages.

Total Millage					
	FY 1997-98	FY 1998-99	FY 1999-00	FY 2000-01	% Change 1998-01
Strongsville CSD	68.6	68.4	68.2	68.9	0.4%
Brecksville-Broadview Heights CSD	65.5	65.4	65.3	64.8	(1.1)%
Kettering CSD	53.1	53.1	53.1	56.3	6.0%
Solon CSD	61.2	61.7	61.7	61.6	0.7%
Peer Average	59.9	60.1	60.0	60.9	1.9%
State Average	45.7	45.9	46.3	46.9	2.6%

Source: Ohio Department of Taxation, Compilation of School District Published Data reports

Total Millage

Fiscal Year 2000-01
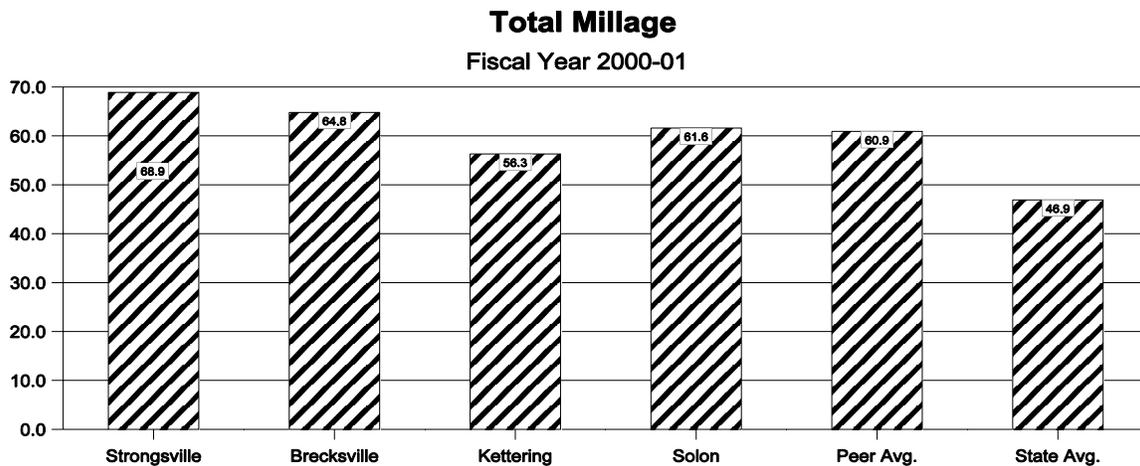
Because of the impact of H.B. 920, effective millage is a more accurate gauge for assessing the amount of revenue school districts generate from property taxes. Strongsville CSD's effective millage was 31.1 in FY 2000-01, the second highest among the peers and slightly above the peer average. Strongsville CSD and the peer districts all had effective millage amounts that were consistently above the State average. Strongsville CSD saw the smallest decline in effective millage among the peers from FY 1997-98 to FY 2000-01, while one of the peers actually increased its effective millage.

Effective Millage					
	FY 1997-98	FY 1998-99	FY 1999-00	FY 2000-01	% Change 1998-01
Strongsville CSD	33.0	32.7	32.4	31.1	(5.8)%
Brecksville-Broadview Heights CSD	32.6	32.4	32.3	29.5	(9.5)%
Kettering CSD	28.6	28.5	27.0	30.2	5.6%
Solon CSD	35.2	35.5	35.5	32.7	(7.1)%
Peer Average	32.1	32.1	31.6	30.8	(3.7)%
State Average	29.2	29.2	28.5	28.6	(2.1)%

Source: Ohio Department of Taxation, Compilation of School District Published Data reports

Effective Millage

Fiscal Year 2000-01
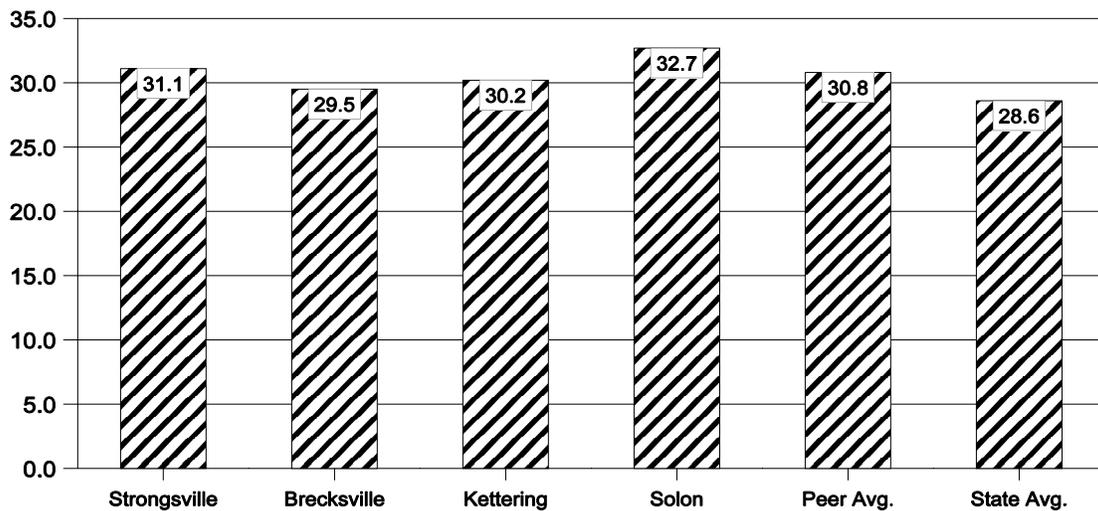
Strongsville CSD's expenditures per pupil of $8,314 for FY 2000-01 were the second highest among the peer districts. Strongsville CSD's percentage increase over the four-year trend period was the lowest among the peers and below the peer and State average increases, fueled partly by a decrease in the most recent year shown. Strongsville CSD's FY 2000-01 expenditures per pupil were approximately 1 percent below the peer average and 10 percent above the State average.

Expenditures Per Pupil					
	FY 1997-98	FY 1998-99	FY 1999-00	FY 2000-01	% Change 1997-00
Strongsville CSD	$7,133	$7,717	$8,423	$8,314	16.6%
Brecksville-Broadview Heights CSD	$6,822	$7,484	$7,935	$8,115	19.0%
Kettering CSD	$6,252	$6,591	$6,789	$7,412	18.6%
Solon CSD	$8,239	$8,530	$8,877	$9,651	17.1%
Peer Average	$7,104	$7,535	$7,867	$8,393	18.1%
State Average	$6,232	$6,642	$7,057	$7,602	22.0%

Source: ODE's School District Report Cards

Expenditures Per Pupil

Fiscal Year 2000-01
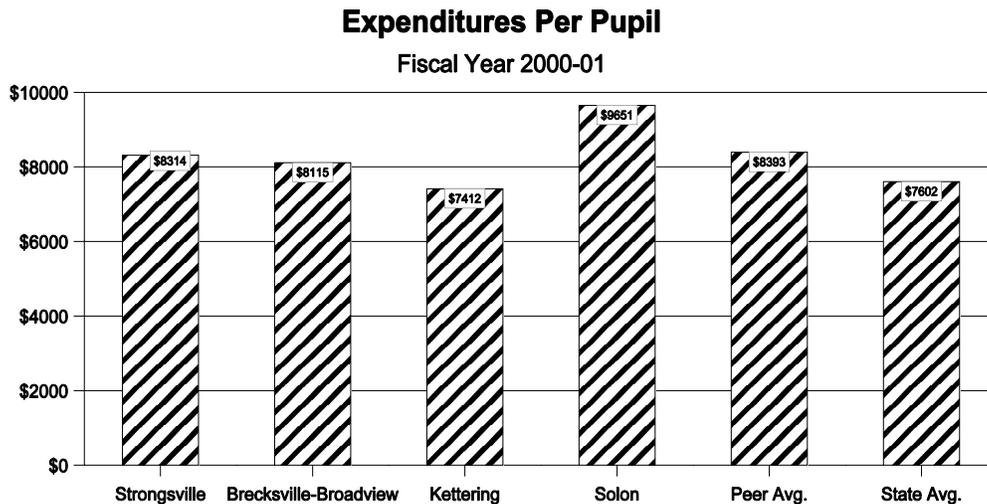
Strongsville CSD's revenues per pupil were approximately $624 less than its expenditures per pupil for FY 2000-01. Strongsville CSD's revenues per pupil were the second highest among the peers, although they were below the peer average and only slightly above the State average. Although Strongsville CSD's increase in revenues per pupil over the four-year trend period of 12.7 percent was the second highest among the peers and above the peer average, it was significantly lower than the State average increase of 23.2 percent.

Revenues Per Pupil					
	FY 1997-98	FY 1998-99	FY 1999-00	FY 2000-01	% Change 1998-01
Strongsville CSD	$6,825	$7,464	$7,639	$7,690	12.7%
Brecksville-Broadview Heights CSD	$6,536	$7,226	$7,380	$7,260	11.1%
Kettering CSD	$6,243	$6,684	$6,842	$7,554	21.0%
Solon CSD	$8,443	$8,651	$8,877	$8,928	5.7%
Peer Average	$7,074	$7,520	$7,700	$7,914	11.9%
State Average	$6,177	$6,681	$7,013	$7,611	23.2%

Source: ODE's School District Report Cards

Revenues Per Pupil

Fiscal Year 2000-01
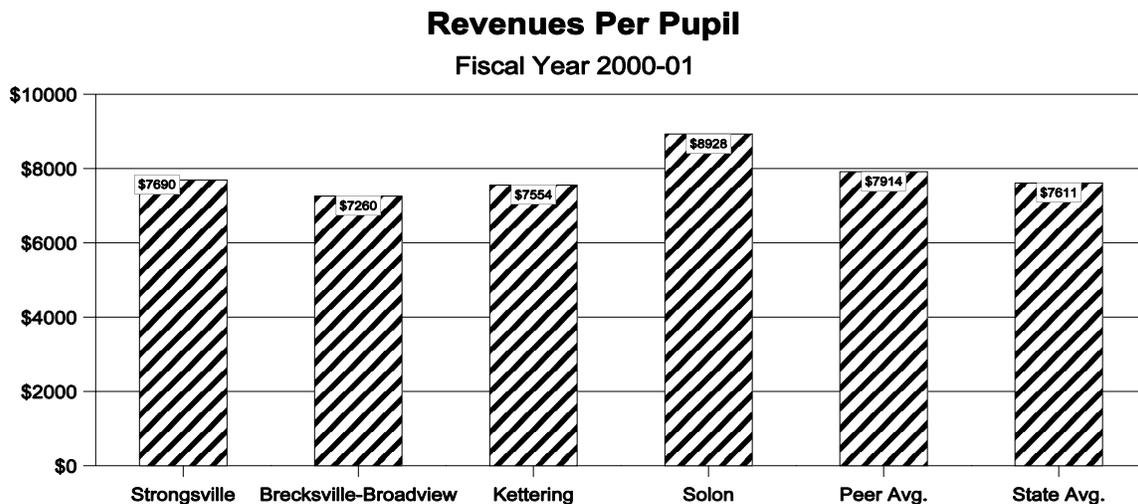
Of the four districts shown, Strongsville CSD had the lowest percentage of revenue generated from local sources. While this figure was only slightly below the peer average, it was 49.0 percent above the State average. As was the case for the peers, a vast majority of Strongsville CSD's revenues have come from local sources over the past four years. Strongsville CSD's percentage of State funding was well above the peer average but 45.2 percent below the State average. Strongsville CSD's percentage of revenue from federal sources (1.7) was also significantly below the State average (6.2), although it was commensurate with the peers' percentages.

Percentage of Revenue - Local					
	Fiscal Year 1998	**Fiscal Year 1999**	**Fiscal Year 2000**	**Fiscal Year 2001**	**% Change 1998-2001**
Strongsville CSD	74.2	75.1	75.1	74.2	0.0%
Brecksville-Broadview Heights CSD	80.7	80.6	80.4	79.5	(1.5)%
Kettering CSD	76.8	77.1	76.8	77.0	0.3%
Solon CSD	86.6	86.2	86.8	85.0	(1.8)%
Peer Average	81.4	81.3	81.3	80.5	1.1%
State Average	51.5	51.0	50.5	49.8	(3.3)%

Source: ODE's School District Report Cards

Percentage of Revenue - State					
	Fiscal Year 1998	**Fiscal Year 1999**	**Fiscal Year 2000**	**Fiscal Year 2001**	**% Change 1998-2001**
Strongsville CSD	24.6	23.6	23.1	24.1	(2.0)%
Brecksville-Broadview Heights CSD	17.7	17.9	17.8	18.5	4.5%
Kettering CSD	20.3	19.7	20.4	19.9	(2.0)%
Solon CSD	11.7	12.2	12.2	13.6	16.2%
Peer Average	16.6	16.6	16.8	17.3	4.2%
State Average	42.6	43.4	43.7	44.0	3.3%

Source: ODE's School District Report Cards

Percentage of Revenue - Federal					
	Fiscal Year 1998	**Fiscal Year 1999**	**Fiscal Year 2000**	**Fiscal Year 2001**	**% Change 1998-2001**
Strongsville CSD	1.2	1.3	1.8	1.7	41.7%
Brecksville-Broadview Heights CSD	1.6	1.5	1.8	2.0	25.0%
Kettering CSD	2.9	3.2	2.8	3.1	6.9%
Solon CSD	1.7	1.6	1.0	1.4	(17.6)%
Peer Average	2.1	2.1	1.9	2.2	4.8%
State Average	5.7	5.6	5.8	6.2	8.8%

Source: ODE's School District Report Cards

Percentage of Revenue by Source

Fiscal Year 2000-01
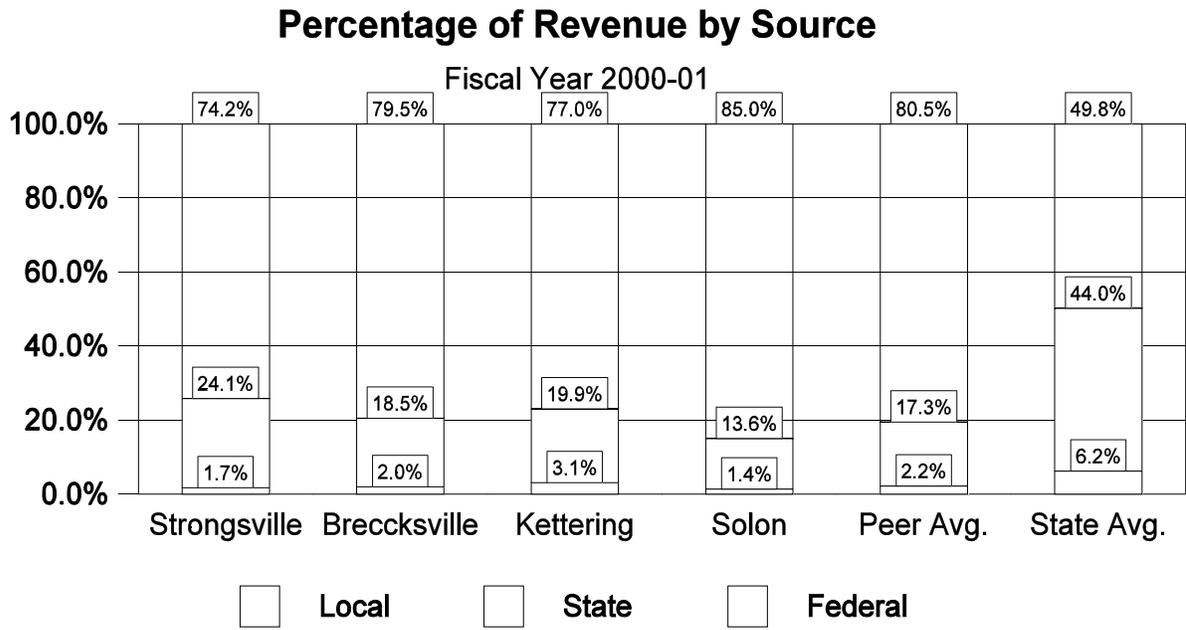
Strongsville CSD's average teacher salary of $52,134 in FY 2000-01 was slightly above the peer average and 21.3 percent higher than the State average. Strongsville CSD's increase in average teacher salary from FY 1999-00 to FY 2000-01 was the second highest of the peers, above the peer average but slightly below the State average increase.

Average Teacher Salary			
	FY 1999-00	**FY 2000-01**	**% Change 1999-01**
Strongsville CSD [1]	$50,604	$52,134	3.0%
Brecksville-Broadview Heights CSD	$51,549	$52,487	1.8%
Kettering CSD	$44,532	$45,715	2.7%
Solon CSD	$51,728	$53,644	3.7%
Peer Average	$49,270	$50,615	2.7%
State Average	$41,713	$42,995	3.1%

Source: Educational Management Information System (EMIS) Staff Summary reports
[1] Salaries were adjusted by a factor of 10.1649.

Average Teacher Salary

Fiscal Year 2000-01
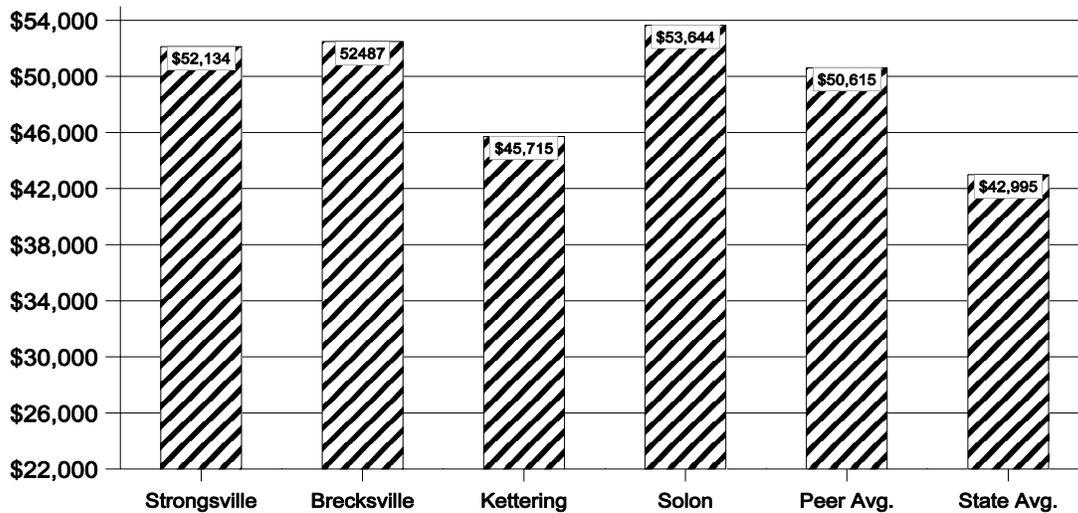
Average daily membership (ADM) differs from standard enrollment in that it makes adjustments for attendance and for enrollment in kindergarten, special and vocational education. From 1998 - 2001, Strongsville CSD's ADM increased by 9.7 percent. Strongsville CSD's reported ADM was 6,712 in FY 2000-01, which was the second highest among the peer districts and significantly above the peer average. Although Strongsville CSD had the second smallest increase over the four-year trend period, it was slightly above the peer average increase.

Average Daily Membership					
	FY 1997-98	**FY 1998-99**	**FY 1999-00**	**FY 2000-01**	**% Change 1998-01**
Strongsville CSD	6,116	6,470	6,645	6,712	9.7%
Brecksville-Broadview Heights CSD	3,578	3,866	3,914	4,045	13.1%
Kettering CSD	7,127	7,578	7,656	7,540	5.8%
Solon CSD	4,415	4,688	4,792	4,847	9.8%
Peer Average	5,040	5,377	5,454	5,477	9.6%

Source: SF-3 reports

Average Daily Membership
Fiscal Year 2000-01
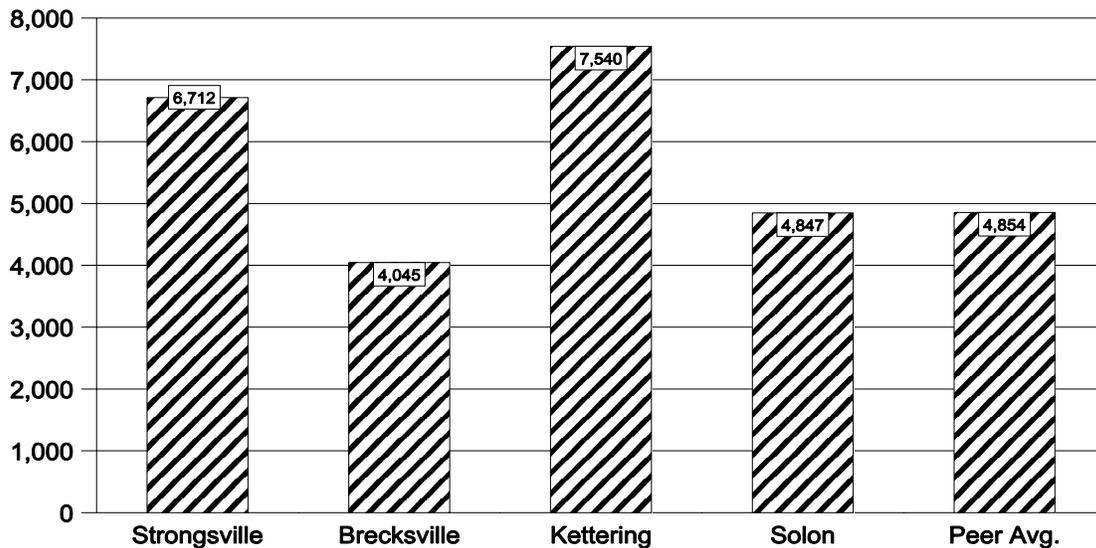
In FY 2000-01, Strongsville CSD had 774.2 employees, which was the second highest among the peer districts and significantly higher than the peer average of 620.7 employees. Strongsville CSD's staffing per 1,000 students enrolled was also the second highest of the peers and above the peer average. Strongsville CSD increased total employees by 3.2 percent from FY 1999-00 through FY 2000-01, which was the highest percentage increase among the peers, although the District has reduced staffing for subsequent fiscal years.

Total Employees			
	FY 1999-00	**FY 2000-01**	**% Change 1998-01**
Strongsville CSD	750.5	774.2	3.2%
Brecksville-Broadview Heights CSD	452.6	464.7	2.7%
Kettering CSD	799.8	816.1	2.0%
Solon CSD	578.5	581.3	0.5%
Peer Average	610.3	620.7	1.7%

Source: Educational Management Information System (EMIS) Staff Summary reports

Total Employees
Fiscal Year 2000-01
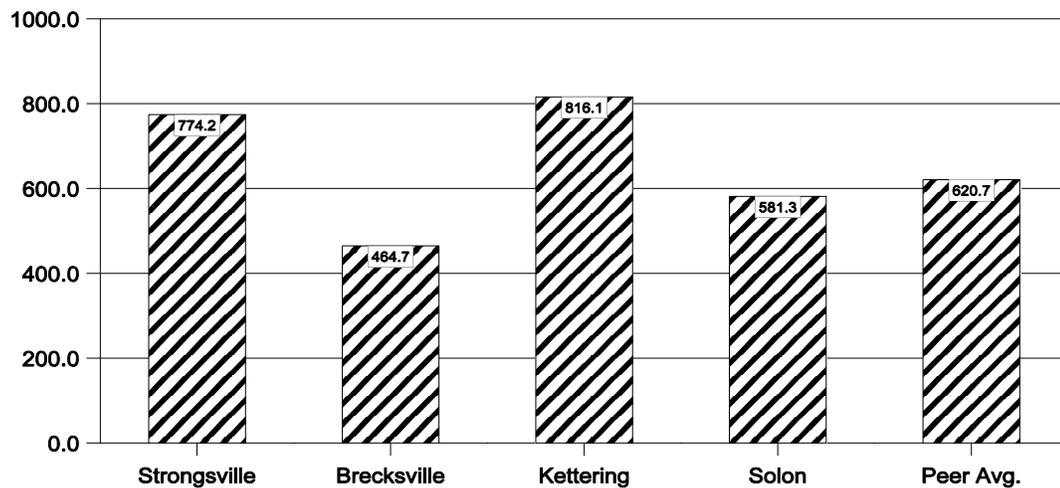
The number of employees per 1,000 students enrolled provides a means for comparing staffing levels from district to district. A higher ratio indicates higher staffing in relation to the student population, and contributes to overall costs per pupil. Strongsville CSD had 115.3 employees per 1,000 students enrolled in FY 2000-01. This figure was the second highest among the peer districts and above the peer district average. While two of the peer districts reduced staffing per 1,000 students enrolled from FY 1999-00 to FY 2000-01, the remaining peer and Strongsville CSD each increased this ratio, although Strongsville CSD increased at a slower rate than the other peer district.

Employees per 1000 Students Enrolled			
	FY 1999-00	**FY 2000-01**	**% Change 1998-01**
Strongsville CSD	112.9	115.3	2.1%
Brecksville-Broadview Heights CSD	115.6	114.9	(0.6)%
Kettering CSD	104.5	108.2	3.5%
Solon CSD	120.7	119.9	(0.7)%
Peer Average	113.6	114.3	0.7%

Source: SF-3 reports; Educational Management Information System (EMIS) Staff Summary reports

Employees Per 1000 Students Enrolled
Fiscal Year 2000-01

District	Value
Strongsville	115.3
Brecksville	114.9
Kettering	108.2
Solon	119.9
Peer Avg.	114.3
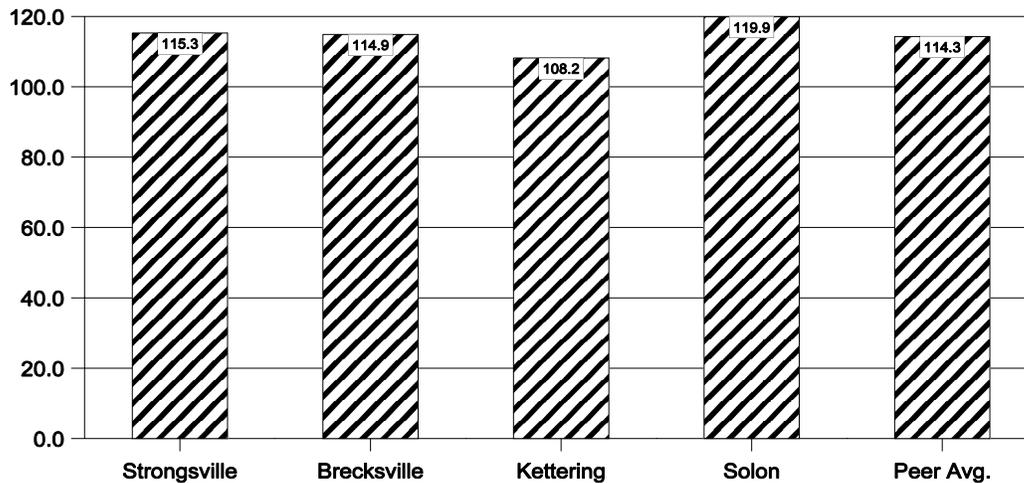
Strongsville CSD's average pupil/teacher ratio (class size) was 19.4 for FY 2000-01, the second highest among the peer districts, slightly above the peer average and 7.8 percent higher than the State average. Over the four-year trend period, Strongsville CSD's pupil-to-teacher ratio declined by 9.3 percent which was the second highest decline among the peers and 53.7 percent above the peer average.

K-12 Pupil/Teacher Ratio					
	FY 1997-98	**FY 1998-99**	**FY 1999-00**	**FY 2000-01**	**% Change 1998-01**
Strongsville CSD	21.4	19.4	19.2	19.4	(9.3)%
Brecksville-Broadview Heights CSD	22.9	21.3	21.1	21.5	(6.1)%
Kettering CSD	21.1	19.6	19.2	16.9	(19.9)%
Solon CSD	18.5	17.6	16.7	17.1	(7.6)%
Peer Average	20.8	19.5	19.0	18.5	(11.1)%
State Average	20.4	18.6	18.1	18.0	(11.8)%

Source: ODE's School District Report Cards

K to 12 Pupil to Teacher Ratio

Fiscal Year 2000-01
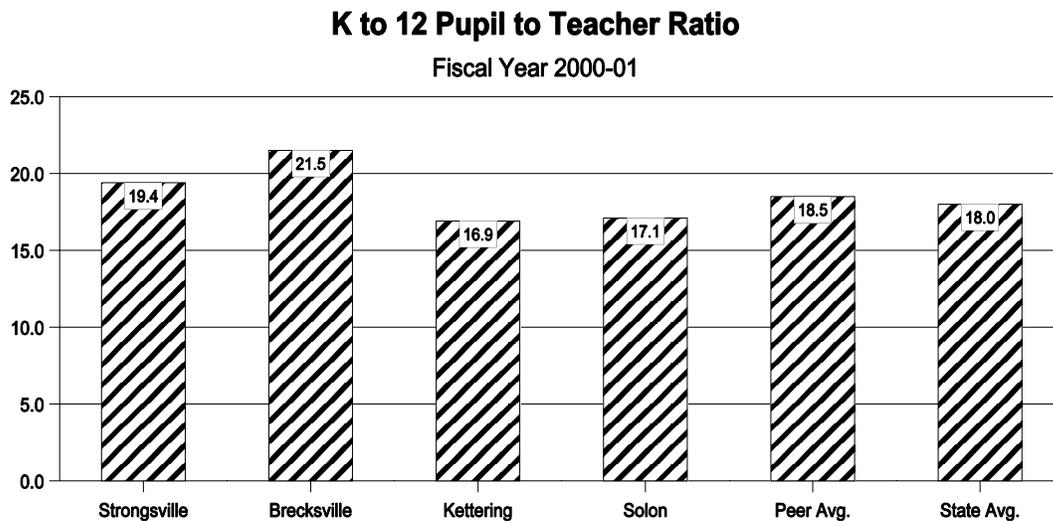
For FY 2000-01, Strongsville CSD's student absentee rate of 3.7 percent was the lowest rate among the peers and below the peer average. Further, Strongsville CSD's absentee rate was 39.3 percent below the State average. Over the four-year trend period, Strongsville CSD was the only District among the peers and the State average to experience an improvement in absentee rates, declining by 17.8 percent

Student Absentee Rate					
	FY 1997-98	**FY 1998-99**	**FY 1999-00**	**FY 2000-01**	**% Change 1998-01**
Strongsville CSD	4.5%	4.9%	3.6%	3.7%	(17.8)%
Brecksville-Broadview Heights CSD	3.7%	3.9%	4.3%	4.0%	8.1%
Kettering CSD	4.2%	5.7%	5.7%	5.5%	31.0%
Solon CSD	3.8%	3.9%	3.7%	3.7%	(2.6)%
Peer Average	3.9%	4.5%	4.6%	4.4%	12.8%
State Average	6.1%	6.5%	6.3%	6.1%	0.0%

Source: ODE's School District Report Cards

Student Absentee Rate

Fiscal Year 2000-01
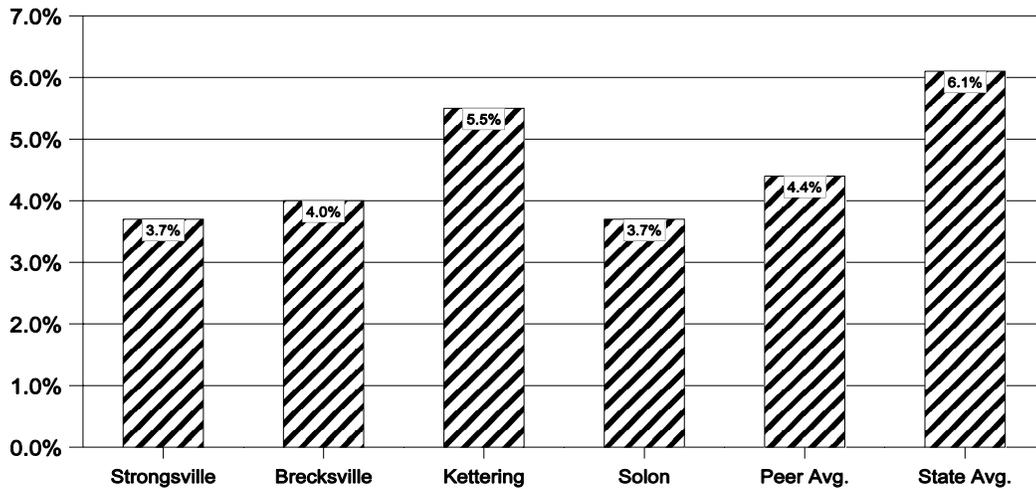
Financial Systems

Introduction

This section focuses on the financial systems within Strongsville City School District (SCSD) and is divided into four subsections: (A) Financial Planning; (B) Budgeting and Management Reporting; (C) Procurement; and (D) Payroll. The objective is to analyze each functional area, including an evaluation of the internal controls, and to develop recommendations for improvements and efficiencies. Background information and findings are addressed in each subsection. This section provides both commendations for SCSD's effective practices and recommendations for its further consideration. Peer information is also included throughout this report and comparisons are made to the following peer school districts: Brecksville-Broadview Heights City School District (Brecksville CSD) Solon City School District (Solon CSD), and Kettering City School District (Kettering CSD).

This section focuses primarily on the General Fund, which accounts for approximately 88.7 percent of the monies collected in the 30 funds used by SCSD. The General Fund is SCSD's general operating fund and is used to account for all financial resources except those required by law or contract to be accounted for in a separate fund. The General Fund is available for any purpose, provided the expenditure is made according to the laws of Ohio. SCSD's utilization of grants is also examined. Grants can be funded by the federal government, the state government, or private sources and are accounted for in separate Special Revenue Funds. See *Financial Data* under the **Budgeting and Management Reporting** subsection for a description of fund accounting.

A. Financial Planning

Background

The Strongsville Board of Education (the Board) believes that the quantity and quality of educational programs are directly dependent on the funding provided and the effective, efficient management of those funds. With the assistance of the treasurer and designated personnel, the Board acts as trustee to protect and preserve the community's investment. In this trustee capacity, the Board assigns competent personnel and establishes efficient procedures to ensure sound management of fiscal affairs.

With the assistance of the treasurer, the superintendent is expected to develop an efficient and effective procedure for fiscal accounting, purchasing and protection of plant, grounds and equipment

through prudent and economical operation, maintenance and insurance. The superintendent is the chief administrative officer of SCSD and is to act as an advisor to SCSD on educational and financial matters. The treasurer works with the superintendent in financial planning and acts as the fiscal advisor to the superintendent and the Board.

SCSD's primary funding sources are local property taxes, state foundation support, and state and federal program support. Property taxes are levied on a calendar year basis against the assessed value of real, public utility and tangible (business) personal property located within the boundaries of SCSD. Assessed values equal 35 percent of appraised values. See **Table 2-2** under the *Findings/ Recommendations/Commendations* subheading for comparative revenue information. Under the Ohio Revised Code (ORC), school districts can increase local tax contributions by means of a property tax, a school district income tax or a joint city/school district income tax. Each of these measures requires voter approval. Residents of SCSD have generally not been in favor of operating levies for SCSD.

The General Assembly determines the level of state support for schools and distributes that support through the State Foundation Program. Allocations are based on a formula which guarantees each district will receive a certain amount per student. The distribution formula is predicated upon enrollment and is intended to reward local effort with additional state monies. The formula incorporates the Average Daily Membership (ADM) count and millage minimums applied to SCSD's total assessed property valuation. The State Foundation Program also includes Disadvantages Pupil Impact Aid (DPIA) awards, which recognize the additional spending often required of a district when serving disadvantaged students.   SCSD does not receive any DPIA funding.

Federal monies are awarded predominately through grant programs directed at helping economically disadvantaged students or those with special educational needs. Districts may also be reimbursed for certain types of expenditures made for eligible students under the Medicaid program. It is imperative for SCSD to closely examine and evaluate restricted state and federal grants as potential funding sources in order to maximize its revenue.

Organization Function

Under the current organization, and in accordance with the ORC, the superintendent and the treasurer are hired by and report independently to the elected Board. Within the organizational structure, all departments, except the treasurer's office, report to the superintendent.

SCSD policies indicate that the Board, the superintendent, and the treasurer are to have significant roles in the planning function. The Board is responsible for determining the level of revenue necessary for the maintenance of an adequate educational program. The Board, in turn, relies on the superintendent and the treasurer for information and advice in making this determination. To ensure sufficient funding is available, the Board sets policies governing the District's operations, adopts

annual budgets to control the spending levels, and decides when to place a tax levy before the voters and when to borrow money.

There is no separate department responsible for preparing the financial forecast. In practice, the treasurer receives input from the director of business services and the human resources department in their areas of expertise. The director of business services provides projections for utility expenses and capital outlays. The human resources department analyzes current employment and benefit data and provides an expense summary in these areas. The treasurer compiles the data from all departments, and presents the five year forecast to the Board for final approval.

Financial Forecast

The financial forecast presented in **Table 2-1(a)** represents the treasurer's projection of SCSD's present and future financial condition in the absence of significant increases in revenues or reductions in expenditures. The forecast and accompanying assumptions are the representations of SCSD.

I.   <u>**Nature and Purpose of Presentation**</u>

This financial forecast presents SCSD's expected revenues, expenditures and fund balance of the General Fund for FY 2001-02 through FY2005-06 including historical information for FY 1998-99 through FY 2000-01.

The assumptions disclosed herein were developed by the treasurer and Board at SCSD. Because circumstances and conditions assumed in projections frequently do not occur as expected and are based on information existing at the time projections are prepared, there will usually be differences between projected and actual results.

Set-aside Requirements: These projections include the effects of legislation concerning school funding as outlined in H.B. 94, H.B. 650, H.B. 412 and H.B. 282, as well as S.B. 55, which require certain educational enhancements. The requirements under H.B. 412 for textbooks and instructional materials are incorporated into this forecast through the textbook and instructional materials account within the supplies and materials line item. The requirements under H.B. 412 for capital improvements and maintenance are satisfied by the property services account included in the materials, supplies, and textbook line item, and by expenditures from the Capital Improvement Fund.

Table 2-1(a): Five Year Forecast with Three Years' Historical Data

	Actual 1998-99	Actual 1999-00	Actual 2000-01	Forecasted 2001-02	Forecasted 2002-03	Forecasted 2003-04	Forecasted 2004-05	Forecasted 2005-06
Beginning Balance	11,177,495	12,020,353	9,892,242	7,885,757	4,695,829	361,915	(5,009,359)	(12,320,586)
Real Estate Taxes	28,450,296	28,862,194	30,145,139	31,200,218	32,292,225	33,422,452	34,592,237	35,802,965
Personal Property Taxes	6,818,409	6,735,530	7,303,269	7,091,436	6,800,850	6,740,992	6,688,264	6,636,264
Earnings on Investment	763,030	828,830	747,725	750,000	750,000	750,000	750,000	750,000
Other Local Receipts	249,735	386,782	1,015,078	300,000	300,000	300,000	300,000	300,0000
State Foundation	7,980,401	7,711,763	8,272,096	9,554,022	9,997,839	9,997,839	9,997,839	9,997,839
Rollback & Homestead	3,466,439	3,540,247	3,723,873	3,900,000	4,050,000	4,200,000	4,350,000	4,500,000
Other State Sources	143,175	94,595	516,905	150,000	150,000	150,000	150,000	150,000
Nonoperating Revenue	670,944	438,681	148,794	450,000	450,000	450,000	450,000	450,000
Operating Revenues	48,542,429	48,598,622	51,872,879	53,395,676	54,790,914	56,011,283	57,278,340	58,587,068
Salaries and Wages	28,675,326	31,513,250	32,656,714	33,933,147	36,028,861	37,468,503	39,071,310	40,867,324
Fringe Benefits	11,252,802	12,637,135	14,009,423	14,509,205	15,471,621	16,029,843	17,362,074	18,842,573
Purchased Services	2,827,431	3,139,838	3,475,969	4,104,300	4,309,515	4,524,990	4,751,240	4,988,802
Materials & Supplies	1,904,722	1,631,452	1,754,219	1,436,576	1,479,673	1,524,063	1,569,785	1,616,878
School Buses	389,440	237,552	109,849	240,000	120,000	120,000	120,000	120,000
Technology	502,966	167,905	141,344	160,000	100,000	100,000	100,000	100,000
Capital Outlay	418,337	361,508	290,534	643,377	294,945	294,945	294,945	294,945
Nonoperating Expenses	912,647	516,907	811,404	577,000	577,000	577,000	577,000	577,000
Other Expenses	815,900	521,188	629,908	981,999	743,213	743,213	743,213	743,213
Operating Expenditures	47,699,571	50,726,735	53,879,364	56,585,604	59,124,828	61,382,557	64,589,567	68,150,735
Transfers/Advances Out	815,900	521,187	809,027	981,999	743,213	743,213	743,213	743,213
Other Financing Uses	0	0	2,377	0	0	0	0	0
Net Financing	815,900	521,187	811,404	981,999	743,213	743,213	743,213	743,213
Ending Cash Balance	12,020,353	9,892,242	7,885,757	4,695,829	361,915	(5,009,359)	(12,320,586)	(21,884,253)
Outstanding Encumbrances	2,220,164	2,128,410	2,589,368	1,800,000	1,800,000	1,800,000	1,800,000	1,800,000
Reservation of Balance	366,023	368,295	0	150,188	0	0	0	0
Ending Unencumbered Cash	9,434,166	7,395,537	5,296,389	2,745,641	(1,438,085)	(6,809,359)	(14,120,586)	(23,684,253)

Source: Treasurer's five year forecast, 2/02

Major assumptions used by SCSD to develop the five year forecast were as follows:

- Real estate tax revenue is expected to generate $31,200,218 for FY 2001-02. Estimates for FY 2001-2002 are based on calculations using actual collections for the first half of FY 2001-2002 and collections for the second half of FY 2001-2002 are based on the new valuations and effective rates as provided by the Cuyahoga County Auditor. Also calendar year 2000 was the six year valuation reappraisal, effective calendar year 2001, one half of the projected increase to be collected in FY 2000-2001. A full year of collection based on the new valuations will occur FY 2001-2002 and have been estimated based on the most recent valuations and effective rates.

  2000-2001 increased $1,282, 945
  1999-2000 increased $411,898
  1998-1999 increased $1,204,292
  1997-1998 increased $1,765,673

  Due to the uncertainty of pending tax appeals and leveling of new commercial construction, FY 2002-2003 through FY 2005-2006 increased approximately 2.8% each year.

- Personal Tangible Taxes were $7,091,436 for FY 2001-2002 from the County Auditor Tax Revenue Projection. The assessment rate of personal tangible property is 25%. However, starting in January 2002, the assessment rate on the inventory portion of this tax will decrease by 1% a year until it is completely phased out. In January 2001, electric deregulation takes effect. Most electric and gas company property is currently assessed at 88% of market value. However, with deregulation transmission and distribution equipment will be assessed at the 88% level, but the generation equipment will be assessed at a 25% level. For years 1 through 5, school districts are held harmless for the tax loss and payments are based on the lost revenue calculations and will be distributed to school districts twice a year. For years 6 through 15, school districts that have a tax loss that is less than the inflation will no longer receive any hold harmless payments. After the 15th year, any money remaining in the fund each year is distributed to every school district in the state on a per pupil basis (ADM). Expectations for SCSD are that personal tangible taxes will decrease FY 2001-2002 through FY 2005-2006 returns are subject to economic change.

  2000-2001 increased $567,739
  1999-2000 decreased $82,879
  1998-1999 increased $2,158,411
  1997-1998 increased $44,229

- Earnings on Investments for FY 2001-2002 and future years were held constant.

- Other local receipts for FY 2001-2002 through 2005-2006 were held constant.

- State Foundation Revenue for FY 2001-2002 the latest Department of Education available figures were used for this forecast which is $9,554,022. For FY 2002-2003 through 2005-2006 estimated amounts were held constant at $9,997,839. These figures are highly subject to change.

- Homestead Rollback for FY 2001-2002 amounts were based upon the County Auditor Tax Revenue Projection which is $3,900,000. For FY 2002-2003 through FY 2005-2006 an increase of $150,000 per year is projected.

- Other State Sources for FY 2001-2002 through 2005-2006 were held constant.

- Non-operating Revenue for FY2001-2002 through 2005-2006 were held constant.

- Salary and Wages for certificated salaries:
     3.155% increase for FY 2001-2002
     3.75% increase for FY 2002-2003 through FY 2005-2006

  These percentages will provide an additional $245,000 in salaries and $105,000 in benefits for FY 2003-2006, although these figures are subject to change based on the actual content of the contract which is to take effect on August 1, 2002.

  Salary and Wages for non-certificated salaries:
     3.9% + step for FY 2001-2002
     3.0% + step for FY 2002-2003
     3.75% + step for 2003-2004 through 2005-2006

  Salary and Wages for certificated and non-certificated administrators
     3.15% increase for FY 2001-2002
     3.75% increase for FY 2002-2003 through FY 2005-2006

- Fringe benefit assumptions are as follows:
     Medical insurance increases are expected of 15% per year from FY 2001-2002 through 2005-2006.
     Dental Insurance increases are expected of 10% per year from FY 2001-2002 through 2005-2006.
     Life Insurance increases are expected of 5% per year for FY2001-2002 through 2005-2006.
     Surcharge is expected to increase 3% per year from FY 2002-2003 through 2005-2006.
     Early retirement incentive payments for FY 2000-2001 are to be paid during current year.

●   Purchased services are forecasted to increase by 5% for FY 2002-2003 through FY 2005-2006 to compensate for increased utility costs.

●   Materials and supplies will increase by 3% for FY2002-2003 through FY 2005-2006.

●   Buses and Technology will receive an additional $120,000 from setaside money for FY 2001-2002. The remaining years of the forecast buses will be held constant at $120,000 per year and technology will be held constant at $100,000 per year.

●   Capital Outlay will increase by $348,422 due to setaside money in FY 2001-2002, and decrease back to $294,945 for FY 2002-2003 through 2005-2006.

●   Non-operating expenses increased $250,000 during FY 2001-2002 in order to advance money to the permanent improvement fund. No additional increases are expected for FY 2002-2003 through 2005-2006.

●   Other expenditures will decrease in the early months of FY 2001-2002 due to an advance for the permanent improvement account, this advance will be returned to other expenditures later in FY 2001-2002. No increase projected for FY 2002-2003 through 2005-2006.

●   Outstanding encumbrances were projected to remain constant at $1,800,000 for FY 2001-2002 through 2005-2006.

II   Description of the School District

SCSD operates under the governance of a locally-elected five member school board, with each member serving a four-year term. SCSD provides educational services as authorized by state statute and/or federal guidelines.

Annually, SCSD serves approximately 6,500 students (formula ADM) who are enrolled in eight elementary schools, two middle schools, and one high school. SCSD also operates a bus garage, a support services building and an administration building. Currently, SCSD employs 774.2 full-time equivalents (FTEs) or 113.7 FTEs staff members per 1,000 ADM. See the **human resources** section of this report for more detailed staffing information.

A.   Basis of Accounting

The financial forecast has been prepared on the cash receipts and disbursements basis of accounting, which is the required basis (non-GAAP) of accounting used for budgetary purposes. Under this method, revenues are recognized when received rather than when earned, and expenditures are recognized when paid rather than when the obligations are incurred. Under Ohio law, SCSD is also required to encumber legally binding expenditure commitments and to make appropriations for the expenditure and commitment of funds.

B.   **Fund Accounting**

SCSD maintains its accounting in accordance with the principles of "fund" accounting. Fund accounting is used by governmental entities, such as school districts, to report financial position and the results of operations. Fund accounting is designed to demonstrate legal compliance and to aid financial management by segregating transactions related to certain district functions or activities. The transactions for each fund are reflected in a self-balancing group of accounts which present an accounting entity that stands separate from the activities reported in other funds.

The accompanying projections represent only SCSD's General Fund. The General Fund is the operating fund of SCSD and is used to account for all financial resources except those required to be accounted for in another fund. The General Fund balance is available to SCSD for any purpose provided it is disbursed or transferred in accordance with Ohio law.

Performance Measures

The following performance measures were used to analyze the financial planning process:

- Adequacy of the financial forecasting process;
- Effectiveness of the forecasting process;
- Development of a long-range strategic plan;
- Development of a long-range capital plan;
- Assessment of federal, state, and local funding;
- Involvement of members of the community; and
- Level and mix of administrative staffing.

Findings / Commendations / Recommendations

Financial Planning

F2.1   **Table 2-1(b)** reflects SCSD's actual ending unencumbered cash balance, as well as the revenue from a proposed 6.1 mill levy. The adjusted unreserved fund balance is as of June 30th and presents the effect of the passage of the proposed 6.1 mill levy.

Table 2-1(b): Potential Effects of Proposed Levy

	Forecasted 2001-02	Forecasted 2002-03	Forecasted 2003-04	Forecasted 2004-05	Forecasted 2005-06
Actual Ending Unencumbered Balance	2,745,641	(1,438,085)	(6,809,359)	(14,120,586)	(23,684,253)
Additional revenue from the levy	0	3,748,172	11,244,516	18,740,860	26,237,204
Adjusted Unreserved Fund Balance	2,745,641	2,310,087	4,435,157	4,620,274	2,552,951

Source: Treasurer

As reflected in **Table 2-1(b),** SCSD could achieve a balanced budget for all of the forecasted years if the proposed 6.1 mill levy passed. The 6.1 mill levy was defeated in February 2002. This analysis is an example of how SCSD plans for a balanced budget for all forecasted years.

F2.2   The treasurer's financial projections **Table 2-1(a)** are based upon the assessment of relevant financial conditions and analysis of underlying data completed by the treasurer's office as well as input from the superintendent, director of business services and the human resources department. The validation of these assumptions and resulting estimates is a responsibility of SCSD. The treasurer has prepared various financial projections in past years for the purpose of identifying conditions which would require SCSD to take corrective actions and the possible results of those actions. The initial projections and related scenarios are updated on an ongoing basis. Comparative forecasts similar to that presented in **Table 2-1(a)** are available for previous years.

F2.3   A forecast is a management tool developed by the treasurer of a school district. The assumptions should be detailed and disclosed at the end of the forecast. Assumptions are educated estimates developed by the appropriate management within each district and communicated to the Board. Since assumptions can change based upon economic conditions, the forecast should be considered a working document that can be changed if the ending result is considered significantly different as time progresses throughout the fiscal year.

The treasurer prepared for Board discussion a five-year financial forecast with supporting explanations and assumptions. Those key financial assumptions are presented with **Table**

2-1(a). The forecast is primarily based upon historical revenues and expenditures and incorporates local property valuations, anticipated state funding, and current staffing levels and expenditure patterns. It is intended to model SCSD's cash flow and indicate the anticipated financial condition. Revenues were projected to increase an average of $1,300,000 per year from the actual for FY2000-01. The anticipated increase in operating expenditures averaged $2,900,000 annually for the five year period.

Despite the amount of information given to the Board, the forecast and the accompanying assumptions do not contain certain key information which would enable the Board and the community to evaluate the financial condition of SCSD. To provide a greater level of explanatory detail in key areas such as the impact of a failed levy, projected inflation rates, and comparable external averages and benchmarks would facilitate the expanded use of this financial document.

R2.1 The five year forecast and the current accompanying assumptions or notes should provide more explanatory detail. When appropriate, the following factors should be considered in developing projections:

- Historic and projected inflation rates;
- Actual results of the three most recent fiscal years, for comparison, with explanation of significant variances;
- Impact of a failed levy;
- Comparable external averages and benchmarks and internal financial objectives;
- Historic and projected enrollment and Average Daily Membership;
- Information about facility utilization (anticipated building closures, the need for additional lease space or purchase of portable classroom units);
- Detailed description of the components of state foundation revenues;
- Detailed description of the components of other local receipts and non-operating revenue;
- Historic and projected staffing by position;
- Description of SCSD's efforts to control fringe benefits costs, especially those related to health care and workers compensation;
- Historic and projected expenditures for main components of purchased services, materials and supplies, and other expenditures; specifically, amounts required for fulfilling minimum state requirements;
- Description of projected capital outlay expenditures, identifying amounts related to routine maintenance, specific projects and fulfilling minimum state requirements; and
- Detail of outstanding encumbrances at year-end.
- Detail on projected increases, and step increase amounts for both certificated and non-certificated staff.

The forecast should identify the set-asides for capital maintenance, textbooks and instructional materials, and supplies. SCSD should quantify the cost of implementing programs needed to meet the educational outcomes and accountability standards established in legislation. These costs should be included as ''Additional Educational Enhancements'' and described in the accompanying notes. Further to ensure a more detailed forecast, projected increases, and step increase amounts should be used to develop additional ''what-if'' statements for alternative scenarios for SCSD.

The treasurer has taken a good first step by including assumptions and supporting explanations along with the financial data, which has improved the reader's understanding of these projections. However, inclusion of actual historical information as well as comparative state averages and peer data would further assist the reader in interpreting the forecast and drawing well-founded conclusions. The forecast should be updated during the year as situations occur that materially affect SCSD's financial situation. By providing more detail in the forecast and its supporting notes, the Board, and the public will better understand the financial condition of SCSD.

F2.4   SCSD has developed major assumptions for revenues in the five year forecast. Real estate taxes, personal property taxes and rollback homestead reimbursements account for nearly 80 percent of SCSD's total revenue and are forecasted in sufficient detail as to aid the District's financial planning. Some revenue sources, however, are not forecasted in sufficient detail. State foundation revenues, other local receipts, earnings on investments, other state sources, and non-operating revenues are held constant throughout the forecast period. Holding line items constant creates the possibility of large discrepancies in forecasted and actual revenue, preventing the financial needs of SCSD from being adequately assessed by the treasurer, the Board, or by the district.

R2.2   SCSD should consider capitalizing upon additional resources which are available for SCSD to enhance the accuracy of their forecasting technique. Additional resources are available through such agencies as ODE, the Ohio Department of Taxation and the Cuyahoga County Auditor's Office. Other additional resources should be used to address earnings on investments, other state sources, and non-operating revenues such as seminars and other outside resources which develop guidelines for these areas. SCSD should reach outwardly to take advantage of additional resources and forecasting seminars as they become available.

Earnings on investments, other local receipts, other state sources, and non-operating revenues should be throughly analyzed to ensure that the growth is truly constant for the next five years. The detail provided in the assumptions for real estate taxes, personal property taxes, and rollback homestead reimbursements should be provided for in the other revenue areas.

F2.5   Currently, there are several issues which could have a negative effect on SCSD's financial condition in the near future. These issues are the failure to pass a 6.1 mill operating levy, the legislative changes in state foundation revenues and the outcomes of contract negotiations for staff.

● A proposed 6.1 mill operating levy was placed on the ballot during several renewals and failed to pass.
● State foundation revenue estimates for the future have been fluctuating due to proposed legislative changes.
● SCSD is preparing to negotiate contracts for certificated personnel. The outcomes of these negotiations could dramatically change the salary projections for the forecast.

The treasurer develops "what-if" scenarios to capture the potential effects of any of these issues, and the Board develops subsequent contingency plans to address the issues. Based on documents provided by SCSD, it is not clear that this planning process is as proactive as it could be. While plans are developed and made available for the public, more work can be done to ensure continuity of services and maintain financial stability.

R2.3   SCSD should continue to plan for unforeseen changes in funding and other situations that could affect District operations and should work to ensure that plans can be implemented quickly and effectively when necessary. SCSD performs more detailed planning work in this area than many school districts in the State. However, the District could benefit from additional work focusing on the continuity of services and the collaborative implementation of the plans when a situation arises.

F2.6   The treasurer obtains information from multiple sources to complete the five year forecast. The superintendent provides the treasurer with enrollment information as well as textbook needs; the human resources department provides the treasurer with staffing and benefits information, and the business services office provides transportation and capital improvement needs as well as utility expense information. By obtaining the information in this manner, the treasurer is able to acquire a level of expertise from which SCSD can benefit. However, the human resources department does not have the financial expertise to develop a timely, accurate salary and benefits forecast. Due to limited knowledge and other inefficiencies, the budget information provided to the treasurer from the human resources department is not provided in a timely manner. The treasurer is forced to include values within the forecast without adequate verification. By inserting unverified values, the treasurer is jeopardizing the accuracy of the forecasting process.

R2.4   In order to complete an efficient and accurate forecast for SCSD, accountability for the completion of the five year forecast should be moved to the treasurer's office. The treasurer should complete all aspects of the forecast. Input should be obtained from the director of

business services regarding the capital improvements and transportation needs. Outside information should be researched and calculated for the savings provided by the Ohio Schools Council for the utilities expense. The human resources department should print out reports for the treasurer's use in compiling the staffing changes when needed. Once the necessary information is received by the treasurer, this information should be used to accurately and efficiently calculate the budget for the following year as well as the forecast for the next five years.

The treasurer should develop a spreadsheet similar to the one utilized by the human resources department to calculate the salaries and benefits information for the forecast. This spreadsheet can be extracted from information contained in LEECA with the help of the salary program. Creation of this spreadsheet will be time consuming for the first year of creation. For each additional year this spreadsheet is used, the accuracy and efficiency of the forecasting process will be dramatically increased.

F2.7   SCSD has availed itself of many opportunities to inform the community of its financial state and to generate interest and involvement in its affairs. There is a very active Business Advisory Council as well as an interactive web site, continuous press releases, and televised board meetings for public viewing. In addition, the treasurer and the superintendent have developed public awareness newsletters that are distributed to the community. The superintendent's newsletter is known as the "Signal" and contains a copy of the treasurer's newsletter which is known as "Treasurer Talk." These newsletters raise public awareness for issues regarding the educational and financial operations of SCSD.

C2.1   Community involvement through open communication allows SCSD the opportunity to raise public awareness. The greater the public awareness, the greater the level of trust between the citizens within the community and SCSD. By expressing educational and financial concerns to the citizens, SCSD is capitalizing upon an opportunity to gain public acceptance and awareness for educational and financial situations occurring in their district.

F2.8   SCSD developed a five year strategic plan in 1998, which was adopted by the Board. The strategies and related action plans were intended to guide SCSD's curricular and operational development through FY 2002-03. While the strategies and action plans outlined include tasks necessary to accomplish each objective, they did not include implementation guidelines nor time frames for their accomplishment. The strategy and action plan also fail to include financial implications of each plan which may limit SCSD's ability to operate within its parameters. There is no evidence that the strategic plan is tied to SCSD's budget or long-term forecast.

R2.5   SCSD should prepare a broad, comprehensive strategic plan, re-evaluating and updating the portions of the 1998 plan which were not implemented and incorporating meaningful new long-range goals and objectives. Long-range collective bargaining strategies should be

discussed and facility utilization and capital needs should be incorporated. The plan documentation should include both implementation and resource allocation schedules. Short-range plans and budgets should be developed to be consistent with these long- range parameters. The entire planning process would then be driven by a clearly articulated vision of where SCSD wants to be in the future. This is particularly important for a district which must maximize the effectiveness of its limited resources.

F2.9   SCSD has prepared a long-range capital plan. This capital plan is being used to guide SCSD in completing long-term capital improvement decisions. Improvements which have received funding are listed with the quoted amount beside the project, and the funding source. Improvements that have no funding have been listed on a priority basis and also include quoted amounts. Each improvement funded and not are listed on a priority order. Additions for future needs are placed within the plan when needed. The funded improvements within the current plan obtained the revenue from a 1 mill permanent improvement levy, and 2.27 mills of a building fund. House Bill 264 allows school districts to take out low interest loans to implement improvement projects for the existing structures and to aid in energy and utility consumption. SCSD does not take advantage of the revenue available to their district through these low interest loans. See the **Facilities** section of this report for a related recommendation in this area.

C2.2   SCSD is commended for their establishment of a clear concise long-range capital plan. SCSD is establishing accountability for the improvements provided for with the passage of their 1 mill permanent improvement levy as well as planning for anticipated future improvements.

Revenue Analysis

F2.10   **State Foundation Revenue:** Under the ORC, State Foundation payments are calculated by ODE on the basis of pupil enrollment, classroom teacher ratios, plus other factors for transportation, special education units, extended service and other items of categorical funding. On March 24, 1997, the Ohio Supreme Court (the Court) rendered a decision declaring certain portions of the Ohio school funding plan, including the State Foundation Program, unconstitutional. The Court stayed the effect of its ruling for one year to allow the State Legislature to design a plan to remedy the perceived imperfections in the system.

The Court also declared the Emergency School Loan Assistance Program (Loan Program) unconstitutional. The Loan Program allowed school districts to borrow money from commercial financial institutions with repayment going directly from the State to the lender by withholding a portion of the school district's future State Foundation payments.

In addition, the Court declared the Classroom Facilities Program unconstitutional because the program has not been sufficiently funded by the State. The Classroom Facilities Program provided money to build schools and furnish classrooms.

Since the 1997 ruling, numerous pieces of legislation have been passed by the State General Assembly in an attempt to address the issues identified by the Supreme Court. The Court of Common Pleas in Perry County reviewed the new laws and, in a decision issued February 26, 1999, determined they were not sufficiently responsive to the constitutional issues raised under the "thorough and efficient" clause of the Ohio Constitution. The State appealed the decision made by the Court of Common Pleas to the Ohio Supreme Court. On May 11, 2000, the Supreme Court rendered an opinion on the issue. The Supreme Court concluded, "...the mandate of the [Ohio] Constitution has not been fulfilled." The Supreme Court's majority recognized efforts by the Ohio General Assembly taken in response to the Supreme Court's March 24, 1997, decision, however, it found that seven "...major areas warrant further attention, study, and development by the General Assembly...", which include the following:

● the State's reliance on local property tax funding;
● the State's basic aid formula;
● the School Foundation Program;
● the mechanism for, and adequacy of, funding for school facilities; and
● the existence of the State's School Solvency Assistance Fund, which the Supreme Court found to take the place of the unconstitutional Emergency School Loan Assistance Program.

On September 6, 2001, the Ohio Supreme Court issued its latest opinion regarding the State's school funding plan. The decision identified aspects of the current plan that require modification if the plan is to be considered constitutional, including:

● Any change in the amount of funds distributed to school districts as a result of modifications to the current plan must be retroactive to July 1, 2001, although a time line for distribution is not specified; and
● Fully funding parity aid no later than the beginning of fiscal year 2004 rather than fiscal year 2006.

The Supreme Court relinquished jurisdiction over the case based on anticipated compliance with its order.

In general, it is expected that the decision would result in an increase in State funding for most Ohio school districts. Further, the State of Ohio, in a motion filed September 17, 2001, asked the Court to reconsider and clarify the parts of the decision charging that the school

districts that are used as the basis for determining the base cost support amount and the requirement that changes be made retroactive to July 1, 2001.

On November 2, 2001, the Court granted this motion for reconsideration. The Court may re-examine and redetermine any issue upon such reconsideration. This report was issued prior to a definitive change in State funding for school districts.

F2.11 **Table 2-2** shows the distribution of revenue by funding source for all funds over the past four fiscal years, on a cash basis, for SCSD, its peer districts and the peer and State averages.

Table 2-2: Percent of Revenue by Funding Source

	Strongsville CSD	Brecksville CSD	Kettering CSD	Solon CSD	Peer Average	State Average
FY 1996-97						
Local	73.7%	81.9%	78.4%	87.4%	82.5%	51.7%
State	24.9%	16.7%	18.6%	11.4%	15.6%	42.3%
Federal	1.4%	1.4%	3.0%	1.2%	1.9%	6.0%
FY 1997-98						
Local	74.2%	80.7%	76.8%	86.6%	81.4%	51.6%
State	24.6%	17.7%	20.3%	11.7%	16.5%	42.7%
Federal	1.2%	1.6%	2.9%	1.7%	2.1%	5.7%
FY 1998-99						
Local	75.1%	80.6%	77.1%	86.2%	81.3%	51.0%
State	23.6%	17.9%	19.7%	12.2%	16.6%	43.4%
Federal	1.3%	1.5%	3.2%	1.6%	2.1%	5.6%
FY 1999-00						
Local	75.1%	80.4%	76.8%	86.8%	81.3%	50.4%
State	23.1%	17.8%	20.4%	12.2%	16.8%	43.8%
Federal	1.8%	1.8%	2.8%	1.0%	1.9%	5.8%

Source: ODE Report Cards

Table 2-2 indicates that in FY 1996-97, FY 1997-98, FY 1998-99, and FY 1999-00, SCSD received a lower percentage of local revenue than the peers. However, SCSD receives more local funding than the state average. School districts' local revenue sources are primarily limited to property taxes and income taxes. All school districts receive real and personal property tax revenues. Only some collect income taxes, either through a school district or a joint city/school district income tax approved by the voters. SCSD does not receive income taxes from the community. Income taxes have never been pursued by SCSD due to the limited success other districts have had in similar funding pursuits.

F2.12 **Table 2-3** details the election results for the past ten years for various levies the District has placed on the ballot.

Table 2-3: Ten Year Levy History

Year	Type of Levy	Voted Millage	New /Renewal	Duration	Results
1992	Operating	1.5	New	4 years	Failed
1992	Bond	2.2	New	25 years	Failed
1992	Bond	2.2	New	25 years	Failed
1993	Operating	2.9	New	4 years	Failed
1993	Bond	2.1	New	25 years	Failed
1993	Operating	2.9	New	4 years	Failed
1994	Operating	4.5	New	5 years	Failed
1994	Operating	4.5	New	5 years	Failed
1994	Operating	4.5	New	5 years	Passed
1996	Bond	2.2	New	20 years	Passed
1999	Operating	4.5	Renewal	Continuing	Passed
1999	Improvements	1.0	New	5 years	Failed
1999	Improvements	1.0	New	5 years	Failed
2000	Improvements	1.0	New	5 years	Passed
2000	Bond	1.2	New	20 years	Failed
2000	Bond	0.4	New	20 years	Failed
2001	Operating	6.1	New	5 years	Failed
2001	Operating	5.1	New	5 years	Failed
2002	Operating	6.1	New	5 years	Failed

Source: Treasurer's Office

During the last 10 years, 10 operating levies have been presented for voter approval; only 3 issues out of 10 passed for a total of 8.4 mills. The last new operating funds received by SCSD was in 1994, which was subsequently renewed in 1999. Utilizing the funds from this levy, the Board of SCSD waited until 2001 to present a 6.1 mill operating issue. The voters in Strongsville defeated this issue. Another operating levy was placed on the ballot in November of 2001 for 5.1 mills. This levy was defeated by 565 votes. The millage

decreased from 6.1 to 5.1 because $1.2 million in additional state revenue was received by SCSD. In February 2002, SCSD presented a 6.1 mill levy which was also defeated by approximately 393 votes. SCSD plans to analyze its current financial condition and reduce expenditures to maintain a balanced budget.

F2.13 School districts typically obtain funding for the on-going systematic upgrading or replacement of basic capital items such as roofs, windows, plaster repair, and playground equipment, through voter-approved permanent improvement levies. The monies raised through such levies, and the associated expenditures are segregated in a capital or permanent improvement fund within the accounting system. SCSD has a one mill permanent improvement levy for FY 2000-01 through FY 2004-05.

F2.14 **Table 2-4** provides the authorized millage amounts as well as the effective mills for levies SCSD received during FY2000-01. Authorized millage includes the inside mills which are levied without the vote of the people as well as the outside mills which are voted on by the people. **Table 2-4** indicates that SCSD has a total authorized millage of 65.28 mills. The residential agricultural effective millage is 21.93 and the commercial effective millage is 27.16. (the amount currently being assessed for SCSD).

Table 2-4: Tax Millage Currently Assessed for General Fund

Year	Type of Levy	Duration	Authorized Millage	Res/Ag Effective Millage	Commercial Effective
1976	Current Expense	Continuing	31.80	6.60	11.98
1978	Current Expense	Continuing	6.70	2.20	2.61
1986	Current Expense	Continuing	9.70	5.31	5.38
1990	Current Expense	Continuing	6.98	4.41	4.03
1994/1999	Current Expense	Continuing	4.50	3.41	3.16
Inside Millage			5.600		
Totals			65.28	21.93	27.16

Source: Cuyahoga County Auditor

F2.15 SCSD receives many state and federal grants for specific programs such as Title I, Title II, Title IV, Title IV-B, Title VI, TitleVI-B, and SchoolNet. SCSD does not have a coordinated grant program to ensure that the receipt of grants is in line with its educational mission. Grants are applied for by various faculty with an approval signature required by the treasurer's office. There is no oversight stating that SCSD should not pursue a grant because it is not in line with the educational mission. There is also no guidance in the minimal amount required of a grant to ensure that the grant is financially beneficial for SCSD.

R2.6 SCSD should develop a coordinated grant program to ensure grants are consistent with the educational mission of SCSD and that pursuit of this additional funding is financially beneficial. This coordinated grant program should receive joint oversight from the superintendent and the treasurer's office. The superintendent should evaluate the grants' educational benefits while the treasurer should evaluate the net cost of administration. Staff within SCSD should make a conscious effort to be aware of continuing grant opportunities and communicate them to the superintendent and the treasurer through a formal written process prior to submitting an application.

Staffing Analysis

F2.16 SCSD's treasurer completes all of the financial planning which includes the appropriations, the budget, and the five year forecast. The assistant to the treasurer acts as the general office manager and oversees the executive secretary, payroll, and accounts payable departments. If the treasurer is unable to fulfill his duties during the year or is on leave or a scheduled vacation, the assistant to the treasurer is not adequately prepared or trained to complete the treasurer's duties. **Table 2-5** presents a comparison of SCSD and its peers in prior experience, education, and certification needed to attain the assistant to the treasurer or assistant treasurer position.

Table 2-5: Qualifications of the Assistant (to the)Treasurer

	Strongsville CSD	**Brecksville CSD**	**Kettering CSD**	**Solon CSD**
Prior Experience	Experience in accounting, business administration, economics, statistics, and arts & science	5 to 10 years of related experience	3 years of experience in accounting or finance and mainframe/PC spreadsheet processing	Secretarial, accounting, and office skills and procedures necessary for the operation and efficiency of the office
Education	High school diploma, computer training and/or experience beyond high school	High school diploma or GED and an associates degree in accounting or equivalent of a two year college or technical school	Bachelor's degree with a major in Accounting or Finance	High school diploma or equivalent
Certification	None required	None required	CPA preferred, and Ohio's Schools Treasurer's License or qualify after one year in the position	None required

Source: Treasurer's Office at SCSD, Brecksville CSD, Kettering CSD, and Solon CSD.

R2.7 SCSD should consider changing the assistant to the treasurer position to an assistant treasurer position. Based upon the size of SCSD, the position should be evaluated and the job description and preferences should be similar to the assistant treasurer position at Kettering CSD because Kettering CSD is the closest peer district to SCSD based on FTEs and financial budget for each district. A review should be completed of the current assistant to the treasurer to determine if qualifications are met for prior experience, education, and certification required by the job description for Kettering CSD. The assistant treasurer should be thoroughly trained by the treasurer to fulfill all functions of the treasurer's position. In order to complete this task, the treasurer should take the time to teach the assistant treasurer the financial duties required for completing the budget, appropriations, and forecasting functions. It would be beneficial for SCSD to allow the treasurer this additional input and review for all financial calculations and assumptions.

F2.17 The human resources department and the treasurer's office administrative staff work concurrently to complete many financial and general administrative tasks in a timely manner. **Table 2-6,** through **Table 2-9(c)** were compiled to further address staffing in SCSD's administration. These tables do not address all functions performed by each staff member at every school district; the tables are intended to address major functions and provide solutions for staffing concerns based upon these functions. The human resources office and the treasurer's office staff have been combined to accurately reflect the administrative staffing. Total human resources FTE staffing for peer districts without a human resources office represents staff from all departments that complete human resources activities.

Table 2-6: SCSD Treasurer's Office and Human Resource Personnel

	Strongsville CSD	Brecksville CSD	Kettering CSD	Solon CSD	Peer Average
Total Treasurer's Office FTEs [1]	8.0	5.0	8.5	5.0	6.2
Treasurer	1.0	1.0	1.0	1.0	1.0
Assistant Treasurer	1.0	1.0	1.0	1.0	1.0
Executive Secretary	1.0	0.0	1.0	1.0	0.7
Accounts Payable Department	3.0	1.0	2.0	1.0	1.3
Payroll Department	1.3	2.0	3.0	1.0	2.0
Inventory [1]	0.7	N/A[4]	0.5	N/A[2]	0.2
Treasurer's Office FTEs to total district FTEs	1 to 96.8	1 to 92.9	1 to 96.0	1 to 116.3	1 to 101.7
Total Human Resource Depart. FTEs	6.5	4.2	4.0	1.8	3.3
Director of Human Resources (Asst Superintendent)	1.0	0.7	1.0	0.5	0.7
Executive Secretary/Employee Benefits	1.0	0.0	1.0	0.5	0.5
Personnel Records Specialist	1.0	0.0	1.0	0.0	0.3
Administrative Secretary (Administrative Asst)	1.0	2.0	0.0	0.0	0.7
Time and Attendance Monitoring	1.0	0.0	0.0	0.0	0.0
Data and Communications Specialist (EMIS Coordinator)	1.0	1.0	0.0	0.3	0.4
Substitute Placement	0.5	0.5	1.0	0.5	0.7
Human Resource Department FTEs to total district FTEs	1 to 119.1	1 to 110.6	1 to 204.0	1 to 322.9	1 to 212.5
Total Administrative Personnel [3]	14.5	9.2	12.5	6.8	9.5
Total district FTEs	774.2	464.7	816.1	581.3	620.7
Administrative personnel FTEs to district ADM (6,611, 4018, 7423, 4908)	1 to 455.9	1 to 436.7	1 to 593.8	1 to 721.8	1 to 584.1
Admin. personnel FTEs to district FTEs	1 to 53.4	1 to 50.5	1 to 65.3	1 to 85.5	1 to 65.3

Source: Treasurer's office at Strongsville CSD, Brecksville CSD, Kettering CSD, and Solon CSD.

Note: Because information for this comparison was taken from actual job descriptions for SCSD as opposed to EMIS, titles may vary from those used in other sections of the report.

[1] For this comparison, the inventory clerk was included in the total FTEs for SCSD, Brecksville CSD, Kettering CSD, and Solon CSD. The peer districts' inventory positions are located in Business Service Offices.

[2] The fixed asset inventory function is contracted to an outside service provider. The cost of this contract is $7500.

[3] Total Administrative Personnel is a combination of the personnel in the treasurer's office and the personnel in the human resources department or performing human resource activities.

[4] The fixed asset inventory audit functions are contracted to an outside service provider, and the manual inventory system is handled by the secretary in Business Services. The responsibilities are so minimal that there was no FTE equivalent available.

As indicated in **Table 2-6**, SCSD's staffing is significantly higher than two of three peers and the peer average. The treasurer's office and the human resource departments were further analyzed in **Table 2-7** through **Table 2-9(c)** to analyze the overall staffing and the placement of functions between these two departments.

F2.18 **Table 2-7** presents staffing within the treasurer's office at SCSD and the peer school districts.

Table 2-7: Treasurer's Office Staffing (FTEs)

	Strongsville CSD	Brecksville CSD	Kettering CSD	Solon CSD	Peer Average
Treasurer	1.0	1.0	1.0	1.0	1.0
Assistant Treasurer	1.0	1.0	1.0	1.0	1.0
Executive Secretary	1.0	0.0	1.0	1.0	0.7
Accounts Payable	3.0	1.0	2.0	2.0	1.7
Payroll	1.3	2.0	3.0	1.0 [2]	2.0
Inventory [1]	0.7	N/A [4]	0.5	N/A [3]	0.2
Total Treasurer's Office Personnel	8.0	5.0	8.5	5.0	6.2
Treasurer's Office FTEs to total district FTEs	1 to 96.8	1 to 92.9	1 to 96.0	1 to 116.3	1 to 101.7
Treasurer's Office FTEs to district ADM (6,611, 4018, 7423, 4908)	1 to 826.4 [1]	1 to 803.6	1 to 873.3	1 to 981.6	1 to 886.2.

Source: Information received from treasurer's office at Strongsville CSD and peer districts.

[1] Inventory for the peer districts is handled as a function of the director of business services unless otherwise noted. They were included in the analysis to provide an accurate assessment of SCSD.

[2] The payroll department at Solon is assisted by the assistant treasurer.

[3] The fixed asset inventory function is contracted to an outside service provider. The cost of this contract is $7500.

[4] The fixed asset inventory audit functions are contracted to an outside service provider, and the manual inventory system is handled by the secretary in Business Services. The responsibilities are so minimal that there was no FTE equivalent available.

As shown in **Table 2-7**, departments within the treasurer's office should be analyzed for staffing changes. For example the payroll department is understaffed when compared to the peers as well as the peer average. (See **R2.38**.) There is a 0.7 FTE devoted to fixed assets inventory at SCSD within the treasurer's office that was included within this analysis. (See **R2.8**.) In contrast, the accounts payable department is overstaffed when compared to the peers and to the peer average by 1.3 FTEs. (See **R2.9**.)

F2.19 The Board of Education assigned the duties and responsibilities of fixed asset inventory to the treasurer's office at SCSD. When the inventory clerk position moved from the business services building to the treasurer's office, the position was only assigned a 0.7 FTE. The treasurer has expressed concerns that not enough time is spent with inventory because more time is required for the payroll clerk portion of this position. The tagging of fixed assets is

done by the operational managers (or an appointee) at each building. Each building is required to assist in the performance of a yearly audit of fixed assets. In addition to the yearly audit, the treasurer and the inventory clerk are auditing the fixed assets of SCSD by visiting each building and examining the fixed asset tags within each building.

R2.8   The inventory clerk in the treasurer's office should be replaced with a 1.0 FTE staff accountant under the supervision of the treasurer. Provided that SCSD increases the payroll department to include the remaining 0.7 FTE inventory clerk (See **R2.38**), SCSD should actively pursue a 1.0 FTE qualified staff accountant. The staff accountant should maintain fixed asset inventory as well as completing some of the administrative functions currently being completed by the assistant to the treasurer such as bank reconciliations, and managing payroll and accounts payable. Other functions of this position should be to assist the treasurer with the preparation and publication of the recommended Comprehensive Annual Financial Report (CAFR) and the Popular Annual Financial Report (PAFR). (See **R2.8**)

Financial Implication: Based on the current industry standard, the salary and benefits for a full-time staff accountant should be approximately $40,000. This financial implication can be justified by savings diverted from the clerical staff reductions recommended throughout SCSD by this report.

F2.20   SCSD's accounts payable office appears to be overstaffed when compared to the peers. When evaluating the accounts payable function at SCSD, an analysis was performed on the number of FTEs, the checks written and the purchase orders processed. (See **Table 2-16**.) SCSD has 1.3 more FTEs dedicated to the accounts payable function than the peer average. SCSD's accounts payable personnel processed 8,575 checks, which was below the peer average of 8,700. The average checks per FTE for SCSD was 2,858 which is well below the peer average of 5,650. SCSD's vendor contact list is greater than 500 pages which creates additional check writing and vendor files in the accounts payable department. The number of purchase orders processed by SCSD was 8,227 while the peer average was 8,277. Additional tracking and monitoring efforts are required by the current staff to attempt to pay vendors within 30 days to avoid incurring late fees. Staff in the accounts payable office are processing less purchase orders and less checks per FTE than the peers. By overstaffing this department, SCSD is expending funds which could be utilized to provide additional financial or educational needs.

R2.9   SCSD should eliminate 1.0 FTE accounts payable clerk from the treasurer's office. Kettering CSD utilizes the accounts payable department only to complete basic payment and purchase order functions, follow up of payments is completed by the operational unit managers signing off on a copy of the purchase order when supplies are received. The purchase order is then returned to the accounts payable department. There is no additional follow up for shipping and handling charges. The follow up memo is an additional control which needs a procedural change to provide SCSD with greater efficiency during this

process. **R2.27** addresses procedural changes that would help SCSD address the tracking and monitoring efforts that are decreasing the efficiency of this department.

Financial Implication: The financial implication associated with this recommendation is reflected in the **human resources** section of this report.

F2.21 **Table 2-8** illustrates SCSD's total human resources FTEs compared to the peers. In Brecksville CSD and Solon CSD, there were no human resources departments. Analysis for these two districts was performed for FTEs in other departments dedicated to completing human resources department activities.

Table 2-8: Human Resources Personnel Ratio Comparison

	Strongsville CSD	Brecksville CSD[1]	Kettering CSD[1]	Solon CSD[1]	Peer Average
Total Human Resource Department FTEs	6.5	4.2	4.0	1.8	3.3
Director of Human Resources (Assist. Superintendent)	1.0	0.7	1.0	0.5	0.7
Executive Secretary [2]	1.0	0.0	1.0	0.5	0.5
Personnel Records Specialist	1.0	0.0	1.0	0.0	0.3
Administrative Secretary	1.0	2.0	0.0	0.0	0.7
Time and Attendance Monitoring	1.0	0.0	0.0	0.0	0.0
Data and Communications Specialist	1.0	1.0	0.0	0.3	0.4
Substitute Placement	0.5	0.5	1.0	0.5	0.7
Human Resource Department FTEs to total district FTEs [1]	1 to 119.1	1 to 110.6	1 to 204.0	1 to 322.9	1 to 212.5
Human Resource FTEs to district ADM (6,611, 4018, 7423, 4908)	1 to 1,017.0	1 to 956.7	1 to 1,855.8	1 to 2,726.7	1 to 1,846.4

Source: Director of Human Resources or Assistant Superintendent's Office
[1]There is no human resource department within Brecksville CSD, and Solon CSD. Staffing numbers reflect personnel responsible for human resources activities.
[2] The executive secretary at SCSD completes benefits functions. See **R2.10**.

As **Table 2-8** illustrates, SCSD's staffing for human resources functions is higher than two of three peers and the peer average. In order to perform a comparison of the human resources department personnel and their function to the peers, further inquiry from the peer districts was performed.   A list of duties and functions performed by SCSD personnel was compared to the duties and responsibilities being accomplished by personnel at the peer districts. The results are contained within **Table 2-9(a)** through **Table 2-9(c)**. **R2.10**

through **R2.12** represents areas where functions could be more efficiently located in other departments.

F2.22 **Tables 2-9(a) through 2-9(d)** illustrate the total number of FTEs the peer districts have dedicated to completing various major human resources department activities, and allows for a comparison of human resources department personnel and peer FTEs performing similar duties.

Table 2-9(a): Strongsville CSD Human Resources Personnel

Personnel title or description	Functions Performed	FTE
Executive Secretary	1. Benefits - handles new employee enrollment, changes, daily questions, and billing. 2. Substitute contract maintenance.	1.0
Substitute Service Clerk	1. Substitute placement and record keeping.	0.5
Records Specialist	1. Employee personnel record maintenance - certificated and classified. 2. Issues contracts and salary notices for all employees.	1.0
Data Input Specialist	1. Time and attendance.	1.0
Administrative Secretary	1. Answers phones. 2. Handles walk-ins and interviewees. 3. Completes fingerprinting of new hires. 4. Accepts letters of interest.	1.0
Data and Communications Specialist	1. Sets up and maintains email accounts. 2. Conducts computer training sessions for new users. 3. Maintains all non-certificated employee's computers in the Board Building. 4. Maintain WebCheck. (Fingerprinting program) 5. Maintain EMIS database. 6. Completes the appropriations and forecast for salaries and benefits. 7. ERI Program. 8. Salary matrix. 9. Various other activities.	1.0
Total Administrative Staff FTE		5.5
Director of Human Resources		1.0
Total Human Resources Personnel FTEs		6.5

Source: Director of Human Resources

Table 2-9(b): Brecksville CSD Human Resources Personnel

Personnel title or description	Functions Performed	FTE
Administrative Assistant 1	1. Assist with all certificated personnel issues. Includes contract updates, background checks, etc. 2. Files and codes all applications.	1.0
Administrative Assistant 2	1. Assists with all classified personnel. Includes contract updates, background checks 2. Files and codes all applications	0.6
Administrative Assistant to the Superintendent	1. Maintains all personnel files. 2. Updates certificates and licenses	0.4
EMIS Input	1. Handles all EMIS data	1.0
Substitutes Placement	1. Receives all call off information 2. Locates and places substitutes in positions	0.5
Total Administrative Staff FTE		3.5
Assistant Superintendent		0.7
Total Human Resources Personnel FTEs		4.2

Source: Assistant Superintendent

Table 2-9(c): Kettering CSD Human Resources Personnel

Personnel title or description	Functions Performed	FTE
Executive Secretary	1. Answers phones, handles correspondence 2. Maintains personnel files for all substitute teachers 3. Tracks all aids such as classroom aids, and playground aids. 4. Prepares labor contracts during negotiation periods	1.0
Records Clerk	1. Maintains all active teacher personnel files and contracts 2. Updates licenses and certifications 3. Maintains seniority lists 4. Contracts subs for long term use 5. Maintains communication link to payroll department	1.0
Substitute Placement	1. Collects messages from the answering machines for call offs. 2. Locates and assigns substitutes for all call offs	1.0
Total Administrative Staff FTEs		3.0
Director of Human Resources		1.0
Total Human Resources Personnel FTEs		4.0

Source: Director of Human Resources

Table 2-9(d): Solon CSD Human Resources Personnel

Personnel title or description	Functions Performed	FTE
Executive Secretary	1. Assists in all non-teaching functions such as hiring, health insurance and life insurance, finger printing and background checking. [2] 2. Maintains all personnel files.	.5
EMIS Input	1. Completes and updates all EMIS data 2. Upgrades software packages and updates the phone system. 3. Handles all district enrollment	.3
Substitute placement	Two supplemental contracts for the placement of substitutes. Cost $3600 [1]	.5
Total Administrative Staff FTEs		1.3
Assistant Superintendent		.5
Total Human Resources Personnel FTEs		1.8

Source: Assistant Superintendent

[1] Substitute placement at Solon CSD is contracted out to two employees on a part time basis. These employees are paid a flat rate of $1800 per person or $3600 annually for the service.

[2] The executive secretary assists the treasurer's office with health and life insurance forms.

According to the analysis performed in **Tables 2-9(b) through Table 2-9(d)**, the human resources major functions performed by the peer districts do not include benefits, time and attendance, and forecasting. These three areas are performed by the treasurer's offices with the existing staff. In contrast, SCSD does complete data and communications functions which would require additional staffing in their human resources department.

F2.23 Benefits administration at SCSD is completed by the executive secretary in the human resources department. The executive secretary obtains information from new employees for the selection of the benefits package, prepares communications to the payroll department of needed changes, and completes the medical billing process. Communications between the payroll department and the human resources department within SCSD has been strained. Benefits information is obtained in human resources and written on a form to communicate the changes to the payroll department, and a copy is placed within the employee's personnel file. The potential for errors being input into the payroll for each employee for benefits is greatly increased by operating this process in this manner. There is no verification between the benefits selected by the employee and the payroll expense assigned to the employee at SCSD.

R2.10 SCSD should eliminate the executive secretary position from the human resources department. The payroll clerk should handle all responsibilities for benefits administration. Communication in the payroll department is more effective and efficient than the current communication between the human resources department and the payroll department. At the point that benefits are administered to new or existing employees, changes can be input into the payroll system for immediate recognition. A comparison should then be completed between the actual medical bill, the selected medical plan assigned by payroll, and the

appropriations amount for benefits for the year. Substitute contract responsibilities should be completed by the contract specialist. The other minor duties of this position could be analyzed and distributed to the remaining personnel.

Financial Implication: The financial implication associated with this recommendation is reflected in the **human resources** section of this report

F2.24   Time and attendance gathering at SCSD is equivalent to 1.0 FTE position within human resources. When attendance information is obtained by the district, the information is input into two different systems for tracking purposes. By requiring information to be input into multiple systems, the resulting information will contain numerous errors. Communication barriers exist between the time and attendance function performed by the human resources department and the payroll department. Multiple entry points and lack of communication are compounding the simplicity of this position. Open communication and entry only into the payroll system would eliminate potential errors in the payroll department.

R2.11   SCSD should consider removing the time and attendance functions from the human resources department. After a review of the executive secretary position within the treasurer's office, sufficient time exists for the completion of these duties. To efficiently approach time and attendance, input should be limited to LEECA for payroll purposes which would decrease the responsibilities of this position by approximately 0.5FTE. Further streamlining of communications and other extraneous activities could be accomplished by using an automated time and attendance system, which would further aid in the transfer of the duties to the treasurer's office. (See **R2.33** for recommendation regarding automated time and attendance.)

Financial Implication: The financial implication associated with this recommendation is reflected in the **human resources** section of this report.

F2.25   The data and communications specialist position is performing aspects of forecasting related to salaries and benefits. Multiple system reports are combined in excel spreadsheets to provide the treasurer with the budget and appropriations. Excess time is expended completing this function because of communication difficulties between the human resources department and treasurer's office. There has been no financial training of the data and communications specialist to complete this extensive financial responsibility. Financial data for salary and benefits compilation should be maintained on one system. Analysis of this data should be performed by an individual with financial training and expertise.

R2.12   SCSD should consider removing the forecasting function from the human resources department and appropriately placing it with the treasurer. The treasurer has the financial expertise and can take advantage of training opportunities to complete all aspects of the forecasting process with the precision demanded by the Board. Use of the salary program

offered through LEECA will also streamline this process. (See **R2.4** and **R2.12** for recommendations regarding forecasting technique to be used.)

Staffing after Recommended Changes

Staffing in administrative functions were analyzed in **R2.8** through **R2.12**. In order to summarize the proposed staffing levels within the treasurer's office and the human resources offices, **Table 2-9(e)** was prepared.

Table 2-9(e): Proposed Administrative Staffing Levels

	Strongsville CSD	Brecksville CSD	Kettering CSD	Solon CSD	Peer Average
Total Treasurer's Office FTEs	8.0	5.0	8.5	5.0	6.0
Treasurer	1.0	1.0	1.0	1.0	1.0
Assistant Treasurer	1.0	1.0	1.0	1.0	1.0
Executive Secretary-Benefits	1.0	0.0	1.0	1.0	0.7
Accounts Payable Department	2.0	1.0	2.0	1.0	1.3
Payroll Department	2.0	2.0	3.0	1.0	2.0
Staff Accountant - Fixed Asset Inventory , and CAFR preparation	1.0	N/A	0.5	N/A	N/A
Treasurer's Office FTEs to total district FTEs	1 to 96.8	1 to 92.9	1 to 96.0	1 to 116.3	1 to 103.7
Total Human Resource Department FTEs	4.5	4.2	4.0	1.8	3.3
Director of Human Resources (Asst Superintendent)	1.0	0.7	1.0	0.5	0.7
Executive Secretary	0.0	0.0	1.0	0.5	0.5
Personnel Records Specialist	1.0	0.0	1.0	0.0	0.3
Administrative Secretary (Administrative Asst)	1.0	2.0	0.0	0.0	0.7
Time and Attendance Monitoring	0.0	0.0	0.0	0.0	0.0
Data and Communications Specialist (EMIS Coordinator)	1.0	1.0	0.0	0.3	0.4
Substitute Placement	0.5	0.5	1.0	0.5	0.7
Total Administrative Staff	12.5	9.2	12.5	6.8	9.3
Human Resource Department FTEs to total district FTEs	1 to 172.0	1 to 110.6	1 to 204.0	1 to 322.9	1 to 212.5
Administrative personnel FTEs to district ADM (6,611, 4018, 7423, 4908)	1 to 528.9	1 to 436.7	1 to 593.8	1 to 721.8	1 to 592.4
Administrative FTEs to district FTEs	1 to 61.9	1 to 50.5	1 to 65.3	1 to 85.5	1 to 68.0

Source: Auditor of State's Office
Note: All titles inside of parenthesis are peer district titles of staff performing an equivalent function to the position description at Strongsville CSD.

B. Budget and Management Reporting

Background

The Board is required under the ORC to adopt an annual budget. Each year, two budgets are prepared by SCSD; a tax budget and an operating budget. No separate capital budget is prepared. The budgeting process identifies the adequacy of financial resources for the educational programs and provides a basis of accountability in fiscal management. The tax budget serves as a legal basis for the establishment of tax rates.

There is no separate department responsible for the budgeting process within SCSD. The budgetary function is centralized in the offices of the superintendent and the treasurer. The superintendent and the Board establish the overall fiscal objectives for SCSD, while the actual budget preparation, presentation and subsequent management reporting falls under the authority of the treasurer.

Organization Function

The treasurer and the superintendent prepare spending forecasts.   The treasurer also prepares the tax budget and the annual appropriation resolution. The treasurer's office files required forms and reports with the County Auditor and ODE; monitors compliance with appropriation spending levels and initiates, reviews and processes budget adjustments and modifications. The treasurer is also responsible for establishing and overseeing a system of internal controls in SCSD to ensure accuracy of financial information and to protect SCSD's assets.

The superintendent and treasurer work together to establish anticipated expenditures for use in preparing the annual budget. Examples of anticipated expenditures include the costs of planned educational initiatives, textbook replacements, capital projects and major purchases and the financial impact of changes in staffing levels. Together, the superintendent and the treasurer evaluate the sufficiency of estimated revenue to support projected spending and recommend appropriate action of the Board.

The general duties of the Board are to oversee an educational program that supports and achieves SCSD's goals and objectives. The following are the Board's stated fiscal management goals:

- Engage in thorough advance planning in order to develop budgets and guide expenditures to achieve the greatest educational returns for expended funds.
- Establish levels of funding which will provide high quality education for SCSD's students.
- Use the best available techniques for budget development and management.
- Provide timely and appropriate information to all staff with fiscal management responsibilities.

- Establish effective procedures for accounting, reporting, payroll, payment of vendors and contractors and all other areas of fiscal management.
- Oversee SCSD's investments, ensuring protection of principal, while obtaining competitive return.

The Board, the superintendent and the treasurer share the responsibility for seeking all funds which may be available to SCSD in a manner which will ensure the daily operation of the schools within the limits of the law. However, it is the Board's sole responsibility to determine the level of revenue necessary for the maintenance of an adequate educational program. The Board also has the ultimate authority and responsibility to approve SCSD's budgets**.**

Summary of Operations

The preparation process is similar for both the tax budget and the annual appropriation measure. In general, the budgetary process begins nine months prior to the start of the fiscal year. Revenues are obtained from the most recent Amended Certificate of Estimated Resources certified by the County Auditor. The treasurer bases expenditure estimates on historical results; and debt service payments and cash balances are projected for the ensuing fiscal year. The human resources department prepares the salaries and benefits portion of the budget. This department utilizes a spreadsheet model to provide staffing levels and enrollment figures by individual building. The human resources department also adjusts the initial budgeted expenditures to reflect known and anticipated increases and decreases in areas such as salaries and benefits, overtime, substitutes, severance payments, and retirement. The treasurer uses the human resources figures as well as information provided by the director of business services in the area of facility needs and transportation costs. Additional adjustments are made in the other budgeted expenditures to reflect known and anticipated increases and decreases in areas such as textbooks, educational supplies and audit costs.

SCSD uses a "maintenance" budget approach, meaning the budget is designed to maintain only the present level of programs and services. The "maintenance" budget approach was selected by the treasurer because of the financial uncertainty that SCSD is confronting. Departments and buildings receive a per-pupil allocation for materials and supplies which is typically similar to that of prior years. For FY 2001-02, the per-pupil allocation, excluding field trips, media and computer supplies, was $61.70 for elementary school students, $56.69 for middle school students and $68.17 for high school students. On or about March 1, the treasurer's office distributes a packet of budget instructions, time lines and related information to all building principals, administrators, and supervisors. Budget allocation worksheets are made available by mid March, allowing the principals and department heads to indicate how the allocation should be divided among their line item accounts. Department and building administrators can reference their respective budget accounts through the three year history that accompanies the budget allocation worksheet. The budget packets are to be returned to the treasurer's office at the end of March.

The following is an example of the general ledger hierarchy and account structure used by SCSD:

<u>Fund</u>   001   General
<u>Function</u>   1000   Instruction
<u>Department</u>   1100   Regular Instruction
<u>Activity</u>   1110   Elementary Grades
<u>Object</u>   500   Supplies and Materials
<u>Subobject</u>   510   Classroom Supplies
<u>Operational Unit</u>   360   Strongsville City High School

As currently defined, budgeted functions within the General Fund are instruction, supporting services, operation of non-instructional services, extracurricular activities and other uses of funds.

In the appropriations resolution, budgeted functions are further divided into departments. Instruction is split into regular, special, vocational, and other instruction. Supporting services includes pupils, instructional staff, board of education, administrative, fiscal services, business services, operation and maintenance of plant, pupil transportation and central office. Non-instructional services include food services, community services, and other non-instructional services. Extracurricular activities include academic and subject-oriented, occupational-oriented, sports-oriented and co-activities. Other uses of funds includes contingencies, transfers out and advances out.

Budgeted objects are salaries and wages, employee retirement and insurance benefits, purchased services, supplies and materials, capital outlay, capital outlay-replacement equipment, miscellaneous expenditures and other uses of funds. Operational units are optional codes used by SCSD to identify buildings, departments and other meaningful designations.

Once the appropriation resolution is adopted by the Board, employees can request that purchases be made. See the **Procurement** subsection for an explanation of the requisition and purchasing processes. While principals and department heads have the authority to adjust line item allocations within a budgeted object classification, Board approval is required for adjustments that allocate dollars between object classifications, funds or functions.

The treasurer files an Amended Certificate of Estimated Resources with the County Auditor approximately once a month or ten times during the year. Due to the intentionally conservative resource estimates established by SCSD, the Amended Certificates typically reflect additional resources. However, if actual revenues are lower than estimated, the treasurer and the superintendent review the year-to-date and planned expenditures and formulate an appropriate recommendation to the Board adjusting the budgeted appropriation. At this point, an Amended Certificate of Estimated Resources is filed with the County Auditor reflecting a decrease in estimated resources.

Special management reports can be designed to extract specific information from the accounting, payroll, pupil reporting and other systems within the state software framework provided by Lake Erie Educational Computer Association (LEECA). SCSD is utilizing the Safari software program to extract information for report generation. Information can be extracted by fund, function or object code to compile a custom report for the user. Safari also allows information to be extracted and placed into a spreadsheet or database software program for manipulation. Other reports are available through LEECA, including monthly revenue and expense reports. The monthly revenue and expense reports are also available by fund, function, and object codes.

The treasurer's office is responsible for the preparation and issuance of various financial reports in accordance with state and federal guidelines and requirements. The general purpose financial statements are prepared in accordance with generally accepted accounting principles (GAAP) and are submitted to the Auditor of State to fulfill filing requirements. SCSD utilizes state software provided by the LEECA, and in-house software developed by the district for the collection and manipulation of information. See the **technology utilization** section of this report for more information on the LEECA.

Financial Data

SCSD uses funds and account groups to report its financial position and outcomes of operations. Each fund is considered a separate accounting entity with its own set of self-balancing accounts. The General Fund is SCSD's general operating fund and is used to account for all financial resources, except those required by law or contract to be accounted for in a separate fund. Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. The Debt Service Fund is used to account for the accumulation of resources for, and the payment of, general long-term principle, interest and related costs. Capital Projects Funds are used to account for financial resources to be used for the acquisition or construction of major capital assets or facilities. Proprietary Funds are used to account for ongoing activities which are similar to those found in the private sector. These goods or services can be provided to either external (Enterprise Funds) or internal (Internal Service Funds) customers. Fiduciary Funds, such as Expendable Trust and Agency Funds, are used to account for assets held by SCSD in a trustee capacity or as an agent for individuals, private organizations, other governmental units or other funds.

SCSD establishes appropriations for all funds. **Table 2-10** shows the total appropriations approved by the Board for the last three years, and the dollar and percent changes from year to year.

Table 2-10: Total Dollar Appropriations with Percent

	FY 1998-99	FY 1999-00	FY 2000-01
Total Appropriations - All Funds	$63,351,466	$62,413,585	$67,151,292
Amount of Change from Prior Year	N/A	$(937,881)	$4,737,707
Percent Change from Prior Year	N/A	(1.5%)	7.6%

Source: Final Appropriations Resolutions FY 1998-99, 1999-00, 2000-01.

Table 2-11 compares total appropriations for the General and Debt Service Funds, ADM and appropriations per pupil for SCSD and its peer districts for the past three fiscal years. The decrease in appropriations from FY 1998-1999 to FY 1999-2000 was due to a decrease in revenue from property taxes with SCSD. The result was a decrease in spending 10 percent for materials, supplies, and equipment.

Table 2-11: Appropriation Statistics

	Strongsville CSD	Brecksville CSD	Kettering CSD	Solon CSD	Peer Average
FY 1998-99					
Total Appropriations	$50,467,754	$30,125,996	$48,520,261	$42,641,700	$40,429,319
ADM	6,544	3,888	7,617	4,623	5,376
Appropriations per pupil	$7,712	$7,748	$6,370	$9,224	$7,781
FY 1999-2000					
Total Appropriations	$53,943,041	$32,525,540	$50,773,103	$42,716,000	$42,004,881
ADM	6,472	4,025	7,578	4,705	5,436
Appropriations per pupil	$8,335	$8,081	$6,700	$9,079	$7,953
FY 2000-01					
Total Appropriations	$57,790,775	$35,649,578	$55,269,372	$55,701,300	$48,873,417
ADM	6,611	4,018	7,423	4,908	5,450
Appropriations per pupil	$8,742	$8,872	$7,446	$11,349	$9,222

Source: Final Appropriations Resolutions FY 1998-99, 1999-00, 2000-01. Pupil count is taken from ODE district report cards.

According to **Table 2-11**, SCSD's total appropriations was the highest among the peer districts for the last three fiscal years. For FY 2000-01 the appropriations per pupil was the second lowest when compared to the peers and lower than the peer average.

Performance Measures

- Adequacy of community involvement;
- Extent to which goals and priorities are incorporated in the budget;
- Extent to which policies and procedures are utilized for development and adoption of the budget;
- Appropriateness of budget allocation for instruction, support, and administrative costs;
- Adequacy of policies and procedures for monitoring and modifying the budget;
- Relevance and timeliness of financial and management reports; and
- Extent, adequacy and accuracy of automated systems.

Findings / Commendations / Recommendations

Budget and Management Reporting

F2.26 Parents, teachers, and the community do not take an active role in SCSD's budgetary process. SCSD advertises a public hearing in the local newspaper prior to adopting the annual tax budget. Despite this advertisement, no parents, teachers, or community members arrive at the public hearing. Therefore, no budgetary modifications could be made to incorporate pubic comments.

R2.13 SCSD should institute a forum to involve parents, teachers and other community members in the strategic planning and budgeting process at the school level. The purpose of this forum is distinctly different from that of a typical parent teachers organization, home and school, or booster organization. The council would work with building and central administrators to determine and secure the right amount of funding to fulfill program needs at individual schools.

F2.27 The budget is primarily built on projections using historical information and contractual commitments, however SCSD does incorporate the strategic plan objectives in the budgeting process whenever applicable. The budget and appropriations resolutions are prepared, published, and circulated. These documents are available through SCSD's website, the public library, or by attending Board of Education meetings.

F2.28 There is not a formal Board policy outlining the significant steps required for the budgeting process within SCSD. The treasurer, superintendent, and the Board jointly establish a beginning and ending point to this process, and the treasurer has developed a budget package that is distributed to the heads of operational units. However, without the guidance of a formal Board policy, there appears to be a disjointed process. This process has created discrepancies in the timing of budget data from operation units, which affects the overall budgeting process.

R2.14 SCSD should establish a formal budget procedure outlining the significant steps required for the completion of the budgeting process.   Significant steps should be detailed and a date should be assigned for each step of the process. The budget procedure should be prepared to address both the tax budget and the operating budget processes from beginning to end. Other details should describe the assigned responsibilities of each department for the completion of the budgeting spreadsheets. These details should also contain time expectations established by treasurer, superintendent, and the Board. If necessary, the treasurer should work with operational unit heads to ensure that budget information is provided in a timely manner.

F2.29 **Table 2-12** depicts the FY 2000-2001 General and Debt Service Fund revenues by source and expenditures by object as a percent of total revenues and expenditures for those funds for SCSD and the peers.

Table 2-12: Revenue by Source and Expenditure by Object

	Strongsville CSD	Brecksville CSD	Kettering CSD	Solon CSD	Peer Average
Intergovernmental Revenues	73.3%	77.3%	75.7%	82.7%	78.6%
Property Taxes	24.5%	19.2%	20.2%	13.0%	17.5%
Other Revenues	2.2%	3.5%	4.0%	4.3%	3.9%
Total Revenues	**$51,084,094**	**$29,021,888**	**$55,072,793**	**$42,514,715**	**$42,203,132**
Wages	60.6%	64.7%	66.2%	63.9%	64.9%
Fringe Benefits	26.0%	19.1%	17.5%	21.0%	19.2%
Purchased Services	6.5%	7.7%	8.6%	8.2%	8.2%
Supplies & Textbooks	3.3%	2.8%	3.6%	3.4%	3.3%
Capital Outlays	.7%	.1%	.7%	.9%	.6%
Miscellaneous	.3%	.6%	.6%	.6%	.6%
Debt Services	1.1%	1.3%	.8%	1.2%	1.1%
Other Financing Uses	1.5%	3.7%	2.0%	.8%	2.2%
Total Expenditures	**$53,879,366**	**$31,920,115**	**$51,914,351**	**$45,213,345**	**$43,015,937**

Source: FY 2000-01 District Report 4502, Exhibit 2 and Statement P

As reflected in **Table 2-12**, SCSD had the highest total expenditures for FY 2000-2001. Even though **Table 2-12** shows that SCSD has the lowest percentage of wages as an expenditure, SCSD offers additional retirement benefits to attract new staff and retain current staff. Fringe benefits are the highest when compared to the peers and peer average. As established by the **human resources** section of this report, SCSD health care benefits are the least expensive among the peers. **Table 2-12** reflects a fringe benefit total which include the payment of the employee portion of the Public Employee Retirement System (PERS) contributions. SCSD has the lowest percentage of purchased services at 6.5 percent which is lower than all of the peers and the peer average. Miscellaneous expenditures are also the lowest among the peers at .3 percent.

F2.30 The allocation of resources between the various functions of a district is one of the most important aspects of the budgeting process. Given the limited resources available, functions must be evaluated and prioritized. Analyzing the spending pattern between the various functions should indicate where the priorities of the Board and management are placed.

Table 2-13 shows the amount of expenditures posted to the various Uniform School Accounting System (USAS) function codes for SCSD and the peer districts for FY2000-01. Function codes are designed to report expenditures by their nature or purpose. **Table 2-13** shows the operational expenditures per pupil and percentage of operational expenditures by functions for all funds which are classified as governmental fund types. Governmental funds are used to account for SCSD's governmental-type activities.

Table 2-13: Governmental Funds Operational Expenditures by Function

USAS Function Classification	Strongsville CSD ADM: 6611		Brecksville CSD ADM: 4018		Kettering CSD ADM: 7423		Solon CSD ADM: 4908		Peer Average ADM: 5450	
	$ per pupil	% of exp	$ per pupil	% of exp	$ per pupil	% of exp	$ per pupil	% of exp	$ per pupil	**% of exp**
Instruction Expenditures	$5,163	64.3%	$4,361	57.0%	$4,041	58.5%	$5,615	61.4%	$4,592	**59.2%**
Regular Instruction	$4,608	57.4%	$3,729	48.7%	$3,138	45.4%	$4,733	51.8%	$3,762	**48.5%**
Special Instruction	$388	4.8%	$489	6.4%	$483	7.0%	$754	8.3%	$566	**7.3%**
Vocational Instruction	$55	0.7%	$78	1.0%	$201	2.9%	$92	1.0%	$138	**1.8%**
Adult/Continuing Inst	$0	0.0%	$0	0.0%	$5	0.1%	$0	0.0%	$2	**<0.1%**
Other Instruction	$112	1.4%	$65	0.9%	$214	3.1%	$36	0.4%	$124	**1.6%**
Support Services Exp.	$2,839	35.4%	$3,158	41.3%	$2,742	39.7%	$3,357	36.7%	$3,029	**39.0%**
Pupil Support	$310	3.9%	$657	8.6%	$482	7.0%	$487	5.3%	$527	**6.8%**
Instructional Support	$364	4.5%	$172	2.3%	$297	4.3%	$317	3.5%	$272	**3.5%**
Board of Education	$4	0.0%	$11	0.1%	$6	0.1%	$8	0.1%	$8	**0.1%**
Administration	$401	5.0%	$556	7.3%	$590	8.5%	$495	5.4%	$553	**7.1%**
Fiscal Services	$631[1]	7.9%[1]	$161	2.1%	$166	2.4%	$192	2.1%	$173	**2.2%**
Business Services	$82	1.0%	$86	1.1%	$96	1.4%	$176	1.9%	$117	**1.5%**
Plant Operation/Maint	$621	7.7%	$876	11.5%	$735	10.6%	$1,094	12.0%	$878	**11.3%**
Pupil Transportation	$379	4.7%	$586	7.7%	$254	3.7%	$479	5.2%	$403	**5.2%**
Central Support Services	$47	0.6%	$53	0.7%	$116	1.7%	$109	1.1%	$98	**1.3%**
Non-instructional Services Expenditures	$0	0.0%	$0	0.0%	$0	0.0%	$0	0.0%	$0	**0.0%**
Extracurricular Activities Expenditures	$24	0.3%	$132	1.7%	$125	1.8%	$169	1.9%	$141	**1.8%**
Total Operational Expenditures	$8,027	100.0%	$7,651	100.0%	$6,908	100.0%	$9,141	100.0%	$7,762	**100.0%**

Source: FY 2000-01 4502, Exhibit 2
[1] After further inquiry, it was discovered that the 2500 account for fiscal services contains expenses which would best be accounted for within various departmental codes. See **R2.9**.

Table 2-13 details SCSD's governmental funds' operational expenditures for FY2000-01 by function, as captured and reported by each district's 4502s. SCSD's per pupil expenditures were the higher than the peer average. SCSD's percentage of governmental fund operational expenditures spent on instruction (64.3 percent) was also the higher than the peer average. Extracurricular activities was the lowest expenditure for SCSD. Total Governmental Fund Operational Expenditures was higher than the peer average of $7,762. The total support service expenditures was the second lowest among the peers with administrative services only accounting for 5.0 percent. Even though support services was the second lowest, fiscal services accounts for $631 per pupil which is above the peer

average by 265 percent. As discussed in **F2.31**, there were some discrepancies in the assigned object codes used by SCSD.

F2.31 During the course of this audit, it was discovered that the assignment of function and object codes by SCSD is not accurate according to the USAS manual. Function and object codes are designed to report expenditures by their nature or purpose. By not adhering to the assignment of function and object codes established by USAS, management can not accurately and timely track costs associated with various expenses in SCSD. For example, classified substitute wages, overtime, merit pay, severance pay, medicare, retirement, insurances, and worker compensation are placed within the fiscal services function. These classified expenditures would best be accounted for within the departmental USAS function code corresponding to the expenditure. SCSD also does not use object codes 151, 152, and 153 to track how much is paid each year for vacation, sick, and personal leave. These object codes were designed to track custodians and maintenance employees' leave.

R2.15 SCSD should analyze the assignment of function and object codes for expenditures to ensure that the accounting methodology utilized is accurate according to the Uniform School Accounting System (USAS) manual. Accurate reporting of expenditures will allow SCSD to produce comparative financial reports, and allow management to monitor expenditures throughout SCSD.

F2.32 **Table 2-14** shows the total expenditures for governmental funds, including facilities acquisition and construction, and debt service.

Table 2-14: Total Governmental Expenditures by Function

USAS Function Classification	Strongsville CSD		Brecksville CSD		Kettering CSD		Solon CSD		Peer Average	
	$ Per Pupil	% of Exp	$ Per Pupil	% of Exp	$ Per Pupil	% of Exp	$ Per Pupil	% of Exp	$ Per Pupil	% of Exp
Total Operational Expenditures	$8,027	100%	$7,651	100%	$6,908	100%	$9,141	100%	$7,762	100%
Facilities Acquisition & Construction Expenditures	$0	0%	0%	0%	$8	<0.1%	$0	0%	$3	<0.1%
Debt Service Expenditures	$0	0%	$0	0%	$0	0%	$0	0%	$0	0%
Total Governmental Funds Operational Expenditures	$8,027	100%	$7,651	100%	$6,916	100%	$9,141	100%	$7,765	100%

Source: District 4502's, Exhibit 2

Table 2-14 shows the per pupil operational expenditures, facility acquisition and construction, and debt service for all governmental funds, as well as the percentage of these categories to total governmental fund expenditures. SCSD operational expenditures are higher than the peer average.

F2.33 SCSD uses three separate systems to gather data on employees working for the district. These three systems operate concurrently and in most cases provide SCSD with the same information.

Table 2-15: Financial Information/Reports and System Utilized

Report Name	UNIX	LEECA	Excel Spreadsheet	Recommendations
Medical and Dental Benefits Report			Yes	Report is handwritten then input into Excel during the budgeting process. See **R2.16**.
Time and Attendance Report	Yes			Information is now available through LEECA. See **R2.18**.
Seniority Report (certification, level within that certification for SCSD)	Yes			LEECA is working on developing a human resource package. HR director could use Excel or Access to generate this report. See **R2.20**.
Appropriation reports used to calculate salaries	Yes			Reports are available through LEECA; however, they are not available in the same format. See **R2.19**.
Payroll reports		Yes		Reports are produced on LEECA. This is the best method for producing these reports.
Salary notices	Yes			LEECA offers a salary program. Further discussed in **R2.17**.
All other financial reports		Yes		These reports are available through a module called FISCWEB for the whole district.

Source: Treasurer and Human Resources Offices

The UNIX operating system stores all employee information, including salary information, time and attendance, and educational qualifications. State software offered through LEECA is used to perform the payroll functions within the treasurer's office. The payroll functions require some of the same information that is tracked in UNIX to be entered into LEECA.

F2.34 Benefit information used for budgetary purposes is maintained in an excel spreadsheet by the human resources department . Each employee personnel file is reviewed for changes to benefit coverage, and these changes are noted by the records specialist on a benefits spreadsheet and communicated to the data and communications specialist. An excel spreadsheet is created to represent each of the employees and their current benefit information according to their personnel file. At the time of completion, this information is not verified with the payroll information for accuracy of the data input between the

human resources department (personnel files) and the payroll department. If there are any inaccuracies, the inaccurate benefit information is used to develop the benefits portion of the treasurer's forecast.

R2.16 SCSD should verify benefit information between the benefits billing and administration and the payroll department. At this time all information for this calculation is maintained in the human resources department; however as proposed by **R2.10**, benefits administration should be relocated to the payroll department. The excel spreadsheet used for appropriations should be updated to include changes at the time of open enrollment for benefits or when a newly hired employee chooses a health plan. This would allow for greater efficiency within this function. Once this spreadsheet is complete or updated and the budget process is beginning, this information should be forwarded to the treasurer's office for use in the budgetary projection process.

F2.35 Information in UNIX is used to produce annual salary notifications for employees. The human resources department prints the salary notices without verifying the UNIX data to the actual payroll data expense from LEECA. Employees are expected to verify the salary notice and inform the human resources department of incorrect information.

LEECA offers a salary program in which the actual salary expense can be extracted to produce exact salary notices. Current payroll information is downloadable for the accurate and timely completion of each salary notification. When the salary notifications are complete, the information can then be transferred into an excel spreadsheet. This spreadsheet can then be manipulated to represent the staffing expected for the following year. Another advantage to using one system to complete this task is that the actual expense can be integrated into the planning for budgetary functions. The salary program is currently offered in the financial package that SCSD has purchased from LEECA at no additional charge.

R2.17 SCSD should consider utilizing all of the financial applications offered through LEECA. The salary program can improve the accuracy and efficiency of the salary notification process completed. The actual expense can be easily compared to the budget for the previous year. This will assist SCSD in improving the accuracy of the budgetary function.

F2.36 Time and attendance is input twice within the human resources department for the monitoring of employees within SCSD. One point of entry is in the UNIX system and another point of entry is in LEECA. Multiple entry points duplicates effort for the current staff as well as increases SCSD's risk of error during entry. Time and attendance information is being input into UNIX for the production of a daily report for all operational units. Time and attendance information is entered into LEECA for communication to the payroll department. At the time of this audit, SCSD began working with LEECA to develop

a custom time and attendance report. During the course of the audit, the report has been completed and is available to operational unit managers through FISCWEB.

R2.18 The inputting of time and attendance and other payroll information should be limited to the LEECA system. Since this information is extracted for multiple purposes in SCSD, the accuracy of the data used is imperative for financial planning and reporting.

F2.37 Information in UNIX is also used to develop a budgetary resolution which is presented to the treasurer. The UNIX data is input at the time each employee is hired. A consolidated report is printed to begin the budgetary process. The human resources department extracts information from the UNIX printouts develops an excel spreadsheet which contains staffing by position and building, and each position is coded to include where the funding is paid from, either the General Fund or a specific Special Revenue Fund. This budgetary resolution is presented to the treasurer for input into the final appropriations. There is no process in place to reconcile the information in the UNIX operating system with the information in the LEECA system.

R2.19 All information used for budgetary purposes that is available in LEECA should be utilized. The actual expense for salaries and benefits should be compared to the budgetary amount during this process to ensure that the information is accurate and complete. As discussed in **R2.10**, the portion of the budgetary process that is completed in the human resources department should be moved to the treasurer's office.

F2.38 The human resources department in SCSD utilizes UNIX for the compilation of a seniority report. The seniority report contains information that is entered into UNIX such as the educational background, certification, classification, step, seniority with the district, and seniority with the current department. All this background information is maintained for situations in which seniority is a consideration such as when SCSD is promoting or laying off personnel. UNIX information can not be downloaded into any other program. The seniority report is not currently available through LEECA, nor is there a comparable report. However, LEECA is working on offering an HR package which would include a similar report. This is still in the early planning stages and was not considered an alternative method for generating this report.

R2.20 SCSD should consider an alternative method for producing this report. Excel or Access spreadsheet programs could produce the same informational reports once the information is entered into one these software packages. One of the benefits of converting the UNIX data into Excel or Access is the ability to manipulate the information to produce a custom report. Excel and Access are both compatible with other software packages so the information could be easily transferred into other programs if needed in the future.

F2.39 The treasurer's office provides monthly financial reports to operational units through the intranet site know as "fiscweb". This site was developed in house for on-line inquiry and report writing capabilities. Each building was equipped with at least one computer terminal networked into "fiscweb". The operational unit managers were given passwords to allow access to their departments accounting reports. The reports are updated through the treasurer's office.

C2.3 By providing operational units on-line inquiry and report writer capabilities, SCSD is enabling them to more closely monitor expenditure versus budget information before making a purchase. In addition, the on-line inquiry and report writer capabilities has allowed the treasurer to dispense issuing monthly operating reports, thereby saving time and paper costs.

F2.40 As required by the Ohio Administrative Code, SCSD issues audited financial statements prepared in accordance with GAAP. SCSD prepares its GAAP basis financial statements in-house, thereby saving the expense of an outside accounting firm and more effectively utilizing district resources. While complying with the requirement to issue GAAP financial statements, SCSD does not prepare a Comprehensive Annual Financial Report (CAFR) as recommended by the GFOA, although the District does issue an annual report detailing general activities as well as current and historical statistics for the year.

C2.4 SCSD is commended for the broad scope and level of detail generally found in its reporting. The treasurer provides upper management with a complete and informative picture of SCSD's financial activities, while administrators and staff have on-line access to their budgetary allocations and menu driven reports. By preparing its GAAP basis financial statements in-house, SCSD saves the expense of an outside accounting firm and better utlizes district staff and resources. Additionally, SCSD's annual report provides a user-friendly and valuable tool to involve the community in the District's affairs.

R2.21 SCSD should prepare and issue its annual financial statements in the CAFR report format recommended by the GFOA. This expanded report format will provide more information about SCSD's environment, past spending decisions and future commitments, as well as budgetary basis statements and supplemental statistical information. The CAFR should be submitted to the Auditor of State to fulfill filing requirements, to the GFOA and the Association of School Board Officials (ASBO) for consideration of awards, and to financial rating services, banks, the chamber of commerce and the public library to provide general information about SCSD's financial condition.

SCSD should also publish and circulate a simplified, or "popular" version of the CAFR which is a PAFR. The PAFR should supplement the CAFR, and would describe SCSD's financial condition and results of operations in a consolidated, aggregated or condensed format. The PAFR should be aimed at providing objective information to the local citizens in a clear and concise manner, using narrative, charts, and graphs to interpret financial data

and to help identify trends. The GFOA and ASBO administer award programs for these types of reports. SCSD should be able to produce both of these reports using in-house accounting staff. Any costs associated with the production of the reports should be limited to minor printing and production.

C. Procurement

Background

This section focuses on the purchasing and vendor payment functions within SCSD. SCSD operates a central warehouse for general office supplies storage, one warehouse for food services, and a receiving site at each building for supply deliveries.

Organizational Chart and Staffing

Chart 2-2 depicts the reporting relationship for those employees who have primary responsibility for the purchasing and vendor payment functions.

Chart 2-2: Strongsville City School District Procurement Operation

```
                        ┌──────────────────┐
                        │      Board       │
                        └──────────────────┘
                ┌────────────────┴────────────────┐
        ┌───────────────┐                  ┌───────────────┐
        │   Treasurer   │                  │ Superintendent│
        │     1 FTE     │                  │     1FTE      │
        └───────────────┘                  └───────────────┘
                │                                  │
        ┌───────────────────┐              ┌───────────────┐
        │ Assistant to the  │              │Business Manager│
        │    Treasurer      │              │     1 FTE     │
        │      1FTE         │              └───────────────┘
        └───────────────────┘                     │
          ┌─────────┴─────────┐          ┌──────────────────┐
    ┌──────────────┐  ┌──────────────┐   │  Assistant to the│
    │Inventory Clerk│ │Accounts Payable│  │ Business Manager │
    │    .7 FTE     │ │     3FTE      │   │      1FTE        │
    └──────────────┘  └──────────────┘   └──────────────────┘
                          ┌───────────────────┼───────────────────┐
              ┌──────────────┐      ┌──────────────────┐   ┌──────────────┐
              │Executive     │      │Data Input        │   │Purchasing    │
              │Secretary     │      │Specialist        │   │Clerk         │
              │   1FTE       │      │    1FTE          │   │   1FTE       │
              └──────────────┘      └──────────────────┘   └──────────────┘
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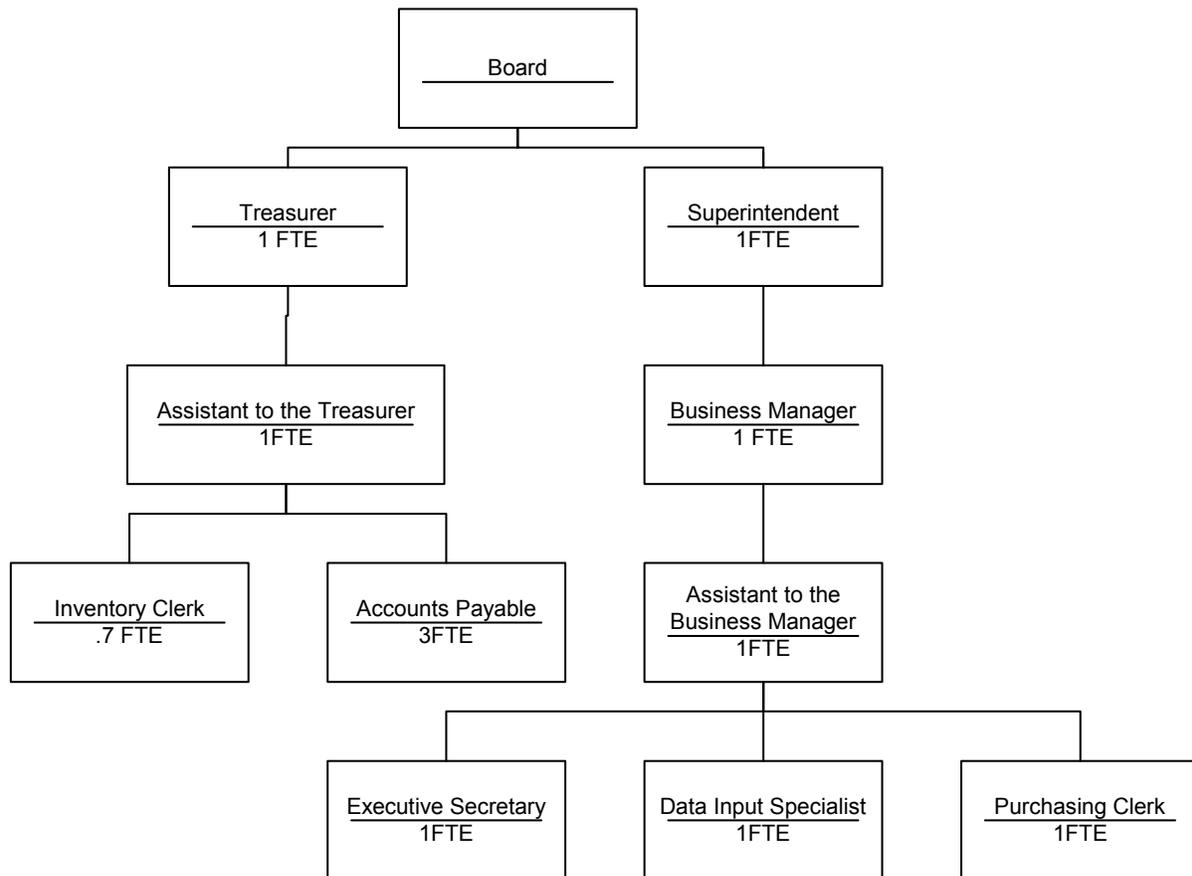
In addition to the employees represented in the organizational charts, there are support staff at each operational unit who complete requisitions and who receive inventory.

Organization Function

The functions performed by the treasurer's office include the following:

- Assign purchase order numbers;
- Process vendor payments;
- Issue IRS Form 1099 to appropriate vendors;
- Maintain vendor files;
- Maintain the automated fixed asset tracking system;
- Receive and process purchase requisitions; and
- Certify the availability of funds.

The following functions are performed by the operational unit:

- Input necessary fields into the purchase requisitions;
- Acquire supervisory signature on purchase requisition;
- Select the appropriate fund, function, and object code within the system so that funds can be certified by the system;
- Receive, inspect, and store all supplies, food, and equipment delivered to the site;
- Maintain an inventory of supplies; and
- Place orders for timely replenishment of supplies.

The functions performed by the Business Services Department include the following:

- Prepare bid specifications and oversee the bidding process;
- Negotiate prices with vendors; and
- Maintain an inventory of supplies.

The Business Services Department is responsible for preparing a yearly purchase order for items for SCSD through its membership in the Ohio Schools Council. Other items are purchased on an as needed basis by operational unit managers. The assistant superintendent and the director of instruction is responsible for ordering textbooks, workbooks and other instructional supplies and materials directly from the publisher, as well as from book resellers.

Summary of Operations

The support services department facilitates the educational program by providing necessary supplies, equipment and nonprofessional services, ensuring purchases are made competitively and without

prejudice and attempting to maximize the educational value of every dollar expended. The support services department interacts with every department and school in SCSD.

Under ORC § 3313.46, school districts must solicit bids to build, repair, enlarge, improve or demolish a school building whenever the cost exceeds $25,000. Items covered by the competitive bid rules include capital projects and school buses. The support services department is responsible for soliciting such bids on behalf of SCSD.

Currently each operational unit completes an automated purchase requisition form for purchases within its budgetary control. The operational unit selects the vendor, fund, function, and object code to which the purchase is charged. If sufficient funds are not available within the automated system, the purchase requisition will not be created. The requisition must be approved by the principal or department head and is then forwarded to the accounts payable department within the treasurer's office where it is reviewed for proper authorization, account coding and supporting documentation. As a requisition is entered into the system, a daily requisition report is compiled for printing the next day.

The accounts payable department prints a requisition report daily. This requisition report is used to create individual purchase orders. The individual purchase orders are created from information that is captured during the electronic requisition process. Once the purchase order is created and assigned a system generated number, the purchase order is filed in a pending folder until the requisition is turned into the accounts payable office with the appropriate supervisory signatures. Once the purchase order is matched with a requisition, it is given to the treasurer for a supervisory signature.

Completed purchase orders are distributed by the accounts payable office as follows:

- White - vendor;
- Blue - home school;
- Green - receiving department;
- Yellow - accounts payable; and
- Pink - treasurer's office.

When orders are filled, the items are delivered to the individual buildings. Packing slips are matched with the purchase order at the building that the supplies are shipped to. Vendor invoices are delivered to the accounts payable office. The accounts payable office recalculates the invoices to verify pricing and the vendor total with shipping and handling charges. When a department/building receives a delivery, the green copy of the purchase order is sent to the accounts payable office to authorize payment. If the accounts payable office receives an invoice from a vendor, but does not receive a copy of the purchase order from the receiving department, a memo is sent to the department to verify that the delivery was received. A memo is also sent when the invoice amount is more than the original purchase order amount. When a potential problem with

the payment amount or quantity occurs, the operational unit manager notifies accounts payable that the payment is not to be made. Payment refusals are noted on the verification memo and returned to the accounts payable department.

Each purchase order remains open for 90 days. If a purchase order remains open for close to 90 days, the accounts payable department will notify the origination point of the purchase order of the impending expiration.   This allows the origination department to complete the purchase without having to repeat the paperwork.

In instances where the vendors require advanced payment, the operational unit manager must notify the accounts payable department. There is an advanced payment request form that the operational manager will complete and return to the accounts payable department. This form allows the accounts payable department to issue a check for advance payment.

Table 2-16 presents FY 2000-2001 information pertaining to the procurement process for SCSD and its peer districts. In SCSD, the director of business services organizes and manages discount purchasing through Ohio Schools Council. Additional purchases are completed by support services office, superintendent's office, treasurer's office, and operational units when needed. SCSD also operates a central warehouse for office supplies and for food service. However, only a few office supply items are stored by SCSD.

Table 2-16: Purchasing, Warehouse, and Accounts Payable Statistics

	Strongsville CSD	Brecksville CSD	Kettering CSD	Solon CSD	Peer Average
Purchasing: **Number of purchase orders**	8,227	6,600	11,600	6,600	8,277
Warehouse: **Department Staffing (FTE)**	2.0	2.0	1.0	2.0	1.7
Accounts Payable **Department Staffing (FTE)** **Number of checks processed** **Number of checks per FTE**	3.0 8,575 2,858	1.0 7,800 7,800	2.0 10,500 5,250	2.0 7,800 3,900	1.7 8,700 5,650

Source: Treasurer at Strongsville CSD, Brecksville CSD, Kettering CSD, and Solon CSD.

According to **Table 2-16** the number of purchase orders produced by SCSD is the second highest among the peer districts but below the peer average. The warehouse is staffed appropriately at SCSD based on the peer average. For a detailed analysis of the warehouse see **F2.45**.

Performance Measures

The following performance measures were used to analyze the purchasing and vendor payment functions:

● Adherence to purchasing policies and procedures;
● Appropriateness of level of decentralized purchasing;
● Effectiveness of internal controls for purchasing;
● Assessment of elapsed time between submission of requisition and issuance of purchase order;
● Appropriateness of level and mix of staff;
● Adequacy of purchasing system;
● Existence of tracking system for inventory and fixed assets; and
● Efficiency of procedures for receiving inventory in a decentralized environment.

Findings / Commendations / Recommendations

Procurement

F2.41 **Table 2-17** displays selected discretionary expenditures by account from SCSD's FY 2000-2001 General Fund. The expenditures are also shown as a percentage of total General Fund expenditures and compared with similar spending by the peer districts.

Table 2-17: Discretionary Expenditures

	Strongsville CSD	Strongsville CSD	Brecksville CSD	Kettering CSD	Solon CSD	Peer Average
Prof. and Technical Services	507,348	0.9%	1.8%	0.9%	1.3%	1.3%
Property Services	290,505	0.5%	1.2%	1.6%	1.8%	1.5%
Mileage/Meeting Expense	115,150	0.2%	<0.1%	0.3%	0.2%	0.2%
Communications	189,960	0.4%	0.4%	0.4%	0.2%	0.3%
Tuition	491,891	0.9%	0.8%	3.1%	2.1%	2.0%
Pupil Transportation Services	85,612	0.2%	<0.1%	0.1%	0.2%	0.1%
Other Purchased Services	273,355	0.5%	0.0%	0.1%	0.0%	0.3%
General Supplies	484,853	0.9%	0.8%	1.4%	1.4%	1.2%
Textbooks	470,155	0.9%	0.4%	0.8%	0.6%	0.6%
Plant Maintenance and Repair	286,864	0.5%	0.7%	0.6%	0.5%	0.6%
Fleet Maintenance and Repair	337,030	0.6%	0.8%	0.6%	0.5%	0.6%
Buildings	0	0.0%	0.0%	0.0%	0.0%	0.0%
Equipment	431,878	0.8%	<0.1%	0.4%	0.9%	0.5%
Buses/Vehicle	599,034	1.1%	0.5%	0.2%	0.5%	0.4%
Dues and Fees	19,963	<.1%	<0.1%	1.5%	1.2%	0.9%
Total	4,583,598	8.4%	9.2%	12.0%	11.4%	10.7%

Source: FY2000-01 4502 Reports, Statement P

Table 2-17 shows SCSD's percentage of discretionary spending exceeds its peers in two out of nineteen categories. These two categories include buses/vehicles, and textbooks. SCSD bids annually for buses with an informal goal of replacing each bus once every 10 years. Board policy is to replace textbooks every 5 years. Due to recent economic conditions, the text book purchases have been pushed back to more than 5 years.

F2.42 **Table 2-18** shows FY 2000-01 purchased items (other than utilities) by category within the General Fund, compared with FY 1999-00.

Table 2-18: SCSD Purchases

	FY 1999-00	FY 2000-01	Increase (Decrease)
Purchased Services:			
Professional and Technical Services	$460,082	$507,348	10.3%
Property Services	232,132	290,505	25.1%
Mileage/Meeting Expense	105,322	115,150	9.3%
Communications	185,860	189,960	2.2%
Tuition	56,178	36,784	(34.5%)
Contracted craft or trade	440,030	491,891	11.7%
Pupil Transportation Services	78,236	85,612	9.4%
Other Purchased Services	328,918	273,355	(16.9%)
Total Purchased Services	**$1,886,758**	**$1,990,605**	5.5%
Materials and Supplies:			
General Supplies	$434,149	$484,853	11.7%
Textbooks	467,543	470,155	.6%
Library Books	46,742	52,720	12.8%
Periodicals and Films	7,435	10,462	40.7%
Food and Related Supplies & Mat	2,852	2,557	(10.3%)
Maintenance and Repair to Plant	266,935	286,864	7.5%
Maintenance and Repair to Fleet	291,447	337,030	15.6%
Other Supplies and Materials	114,349	109,579	(4.2%)
Total Materials and Supplies	**$1,631,452**	**$1,754,220**	7.5%

Source: FY 1999-00 and FY 2000-01 4502 Reports, Statement P.

The following highlights significant increases: (A significant increase is one in which the increase was greater than 15 percent)

- *Property Services:* Equipment and outside repair costs increased during FY2001 due to the renewal of the lease on equipment and the modular classroom, as well as the rising cost of maintenance and outside repairs.
- *Periodicals and Films:* Increases are due to additions to the periodicals and films maintained by SCSD.
- *Maintenance and Repair to Fleet:* SCSD is in the process of replacing the tires on the fleet to the next larger size. Other costs were increasing due to the economy, and the rising cost of fuel.
- *Tuition:* SCSD quit having developmentally disabled or learning disabled (DLD) students bused into their district from surrounding districts which caused a decrease in their tuition reimbursement.
- *Other purchased services:* The director of business services decreased the amount of spending on purchased services.

F2.43   SCSD has implemented strategies for purchasing and asset management. **Table 2-19** depicts national best practices and SCSD's status in these activities. Information from this table is presented in **F2.44** through **F2.55**, in **C2.5,** and in **R2.22** through **R2.28**.

Table 2-19: National Best Practices for Purchasing and Asset Management

Best Practices	SCSD's Response
1.) Volume purchases are annually negotiated for discounts.	SCSD does not negotiate purchases for supplies because the District participates in the Ohio Schools Council, a cooperative organization offering prices at volume discounts for a membership fee. See **R2.22**.
2.) Vendor performance is monitored.	SCSD does not monitor vendor performance. See **R2.25**.
3.) A list of recommended or preferred vendors (including minority vendors) is compiled.	SCSD does not have a preferred vendor list. All yearly purchases are made through the Ohio Schools Council. Purchases that are made throughout the year are made through any vendor provided the funds are appropriated to that department. See **R2.23**.
4.) Vendor catalogs - containing item numbers, descriptions and prices - are maintained and accessible.	The warehouse clerk maintains vendor catalogs for purchases made throughout the year. However, purchases do not have to be made through these vendors. See **R2.23**.
5.) Auctions of surplus furniture and equipment are conducted.	Auctions are organized by the warehouse clerk and held when needed after hours at the support services office. Each auction is open to the public for bidding for approximately 3 days. See **R2.28**.
6.) Procurement policies and procedures are summarized with processes of how to get goods and services, how to prepare requisitions, and an explanation on the approval process.	SCSD's does not have purchasing procedures which detail how to get goods and services, how to prepare requisitions, or how to gain management approval. See **R2.24**.
7.) Time between purchase order submission and issuance is assessed.	At the beginning of this process, the requisitions are prepared. Requisitions are turned into purchase orders within one day. Once the requisition is returned to the accounts payable department, the purchase order is issued to the vendor. See **F2.49**.
8.) Cycle time for vendor payments is assessed.	Once an invoice has been received, the accounts payable department will notify the operational unit manager for payment approval. See **R2.27**.
9.) Warehouses are used effectively	SCSD does not operate the warehouse effectively; warehouse space is not utilized. See **R2.26**.
10.) Information transmitted between purchasing and accounting/finance are efficient and effective.	SCSD does not have a purchasing department. Information flow needs some improvement between the operational units and the accounts payable department. See **R2.27**.

11.) Inventory and fixed assets are appropriate.	SCSD has developed an automated fixed asset inventory system. The location and placement of fixed asset inventory items within SCSD can be accessed through this system. When new purchases are made, the accounts payable system automatically updates the inventory tracking system. See **C2.4**. Fixed assets are disposed of when obsolete or otherwise not needed. They are either sold, auctioned, relocated, or disposed of. See **R2.28**.

Source: GAO Statement for Contract Management, "Trends and Challenges in Acquiring Services; Preliminary Assessment of Functional Area: Financial Systems, pp:25, 26; City of San Antonio Performance Review.

F2.44   SCSD belongs to Ohio Schools Council. The Ohio Schools Council is a consortium of school districts and several cities located in the greater Cleveland area. Vendors are selected by a committee based on submitted quotes. Commodities purchased through the Ohio Schools Council include custodial supplies, office supplies and paper products. SCSD has also entered into a discount agreement for electricity usage through the Ohio Schools Council. The district does not have to purchase through Ohio Schools Council if it can obtain better pricing elsewhere.

R2.22 As SCSD is currently receiving better prices through local vendors for supplies, SCSD should consider formally bidding the commonly used category of items annually and compare the prices obtained to those of the Ohio Schools Council. By evaluating prices offered through Ohio Schools Council, SCSD can fully take advantage of their purchasing power.

F2.45   When items are not available through Ohio Schools Council, each operational unit must research potential vendors and products for just in time delivery to SCSD. Additional effort is expended by management and staff to locate a vendor to supply the product needed. Instances were observed of items that were purchased from a vendor without regard to savings available from other vendors or other negotiable terms such as shipping and handling and early payment incentives. SCSD's purchasing procedures lack coordination and supervision that would help to control pricing of products. Additional financial resources are being expended to purchase routine items without regard to pricing.

R2.23 SCSD should perform an analysis of the routine purchases outside of the Ohio Schools Council made by the operational unit managers. Once a product list is compiled, SCSD should consider notifying vendors to submit a competitive bid to supply the items to SCSD. When vendor contracts are formed, each contract should include parameters such a maximum amount of supplies desired from the vendors, and an agreed upon delivery period and price. Contracts negotiations could also stipulate supplying inventory items directly to the operational units. A preferred vendor list and catalog for each vendor should be distributed to all operational units to be used throughout the contract period. Compilation of departmental needs, management of vendor competitive bids and contracts should be

completed by the director of business services. These techniques would save SCSD's operational units considerable time researching supply items, locating vendors and negotiating purchasing terms as well as allowing SCSD the opportunity to fully take advantage of SCSD's purchasing power.

F2.46 SCSD does not have a purchasing procedure manual which provides the details for acquiring goods and services, preparing requisitions, and gaining the appropriate level of management approval. Employees in SCSD rely upon past experience to complete these activities. Proper guidance and supervision is needed within this area to ensure that purchases made are in line with SCSD's educational mission. Since purchases are completed at the operational unit, this procedures manual should detail how to get goods and services, how to prepare requisitions, and how to gain management approval.

R2.24 SCSD should create a purchasing procedures manual outlining and explaining the activities associated with making purchases that could be referenced by all employees. By including details of this portion of the purchasing process, this manual can be used as a reference tool for employees throughout SCSD. New employees and current employees could become familiar with these activities and gain a basic understanding of what is required to perform purchasing activities. The details of this procedures manual should include SCSD's preferred practices for the purchasing process such as the use of the Ohio Schools Council to make purchases.

F2.47 The director of business services does not have a procedure in place to guide inspection and quality assurance. Deliveries of general supplies and food inventory to each operational unit are not monitored for quality or completeness. With each shipment, the inventory and supplies are entering the building without a level of assurance that the items are satisfactory. Monitoring in this area is instrumental to ensure the quality of the purchasing and delivery process. Without a formal inspection or review process, SCSD is relying on the vendor to ensure that the quality of the goods or services is satisfactory for the school district.

R2.25 SCSD should draft a formal procedure which develops guidelines to be followed by each operational unit for the inspection of goods and services from vendors. This formal procedure should include ramifications of delivery of poor quality goods and services. By providing a formal inspection and review process, SCSD could ensure that goods and services received meet the standards of the district. Any comments both positive or negative could be tracked and available for the rest of SCSD through the proper use of the USAS software. This software provides a field within the vendor master file for recording comments about vendor performance. SCSD should encourage operational units to utilize this field.

F2.48 SCSD maintains an office supply warehouse that provides office supplies to departments when requisitioned, and provides a service of locating supplies at a discount by contacting

multiple vendors. Vendor catalogs are maintained to assist the warehouse clerk in researching prices and maintaining vendor contacts. The purchasing functions of this building are not clearly defined. Lack of coordination and supervision from the director of business services have allowed the office supply warehouse operations to dwindle. Each operational unit in SCSD does not request stock available within the warehouse before purchasing identical items from a vendor. The only bulk merchandise delivered to the supply warehouse are orders placed by the clerk, or orders that were too large for delivery to the operational unit. Minute and outdated quantities of office supplies remain in the warehouse, and little contact from departments occur for the vendor search services.

The items stocked in the warehouse are rarely physically counted with no records of the inventory maintained. SCSD was unable to provide inventory records and other warehouse operational detail to provide for an adequate assessment of operation.

R2.26 SCSD should eliminate the warehouse for office supplies. Since SCSD was unable to provide inventory records of the physical count or the items currently in the warehouse, operations could not be adequately assessed for this audit, or by management at SCSD. Proper inventory records and analysis of stock available should be used to provide efficient service to SCSD.

Elimination of the warehouse should result in the elimination of the warehouse clerk position from the operations of the support services department. The minor duties and responsibilities of this position can be absorbed by other staff in the support services office. Efficient and effective operations should be considered the priority of SCSD so that financial resources can be better allocated to other departments.

Financial Implication: The financial implication associated with this recommendation is reflected in the **human resources** section of this report.

F2.49 SCSD uses an electronic purchase order system provided through state software. When a requisition is input into the system, the purchase order is created the next day by the accounts payable department. Each requisition must have a supervisor's signature as authorization to complete the purchase order process. Once the appropriate signature is on the requisition, the requisition can be turned into the accounts payable department so that the purchase order can be sent to the appropriate vendor. By utilizing the latest technology combined with adequate internal controls, SCSD effectively manages the requisition and purchase order process. The cycle time for a requisition to be turned into a purchase order is 1 day.

F2.50 Once an invoice has been received, the accounts payable department will recalculate the invoice and verify the merchandise with a copy of the original purchase order that is sent from the receiving department to authorize payment. If the accounts payable department

receives an invoice without receiving a copy of the original purchase order from the receiving department, a memo is sent to verify that the delivery was received. Also, if the final invoice amount is greater than the original purchase order amount, a memo is sent to the receiving department to approve any additional charges. If there is a dispute about supplies received, the pricing, or the total, this memo is the opportunity for the operational unit to refuse payment to the vendor. The memo must state a reason why payment is refused. There is a potential for late payments by SCSD to the vendors due to a delay in the submission of the memo to this department. Potential ramifications from not submitting prompt vendor payments include loss of vendor discounts for prompt payment, strained relations between the vendors and SCSD, and the incurrence of late fees.

R2.27 SCSD should consider establishing an on-line memo for the payment approval process. This memo could either be sent through the email system to the department where the purchase order originated or coordination may be possible with the current purchasing program to establish an on-line memo format for use by the accounts payable department to gain payment approval for the total of the invoice. By establishing a different format for this internal control, the process can greatly be expediated.

F2.51 The Board has established a policy to ensure that textbooks are replaced on a five-year cycle. Text book replacement is a two-year process. During the first year, a representative group of elementary, middle, and high school faculty assemble to update the curriculum. To update the curriculum, various sources of data are examined, including data from standardized tests and other achievement tests. At the end of the first year, all major topics from the updated curriculum are sent to the publishers along with the protocol for sending samples to the school. The publishers are selected from a list produced by the State. SCSD usually receives about seven different books to be reviewed for each replacement. During the second year, a review of the sample is performed. Community members are invited to participate in this review along with the representative faculty from the first year. Reviewers are asked to evaluate how well each of the samples received meets the new curriculum criteria. There is a sheet to fill out for the best choice which is completed by the community and the representative faculty. Once a textbook is selected, there is a negotiation process between the superintendent and the publisher regarding prices. Additions and routine textbook purchases are usually made during the summer with competitive pricing from wholesalers.

F2.52 SCSD has developed an automated fixed asset inventory system. The location and placement of fixed asset inventory items in SCSD can be accessed through this system. The automated system assigns unique inventory numbers to each item so that it can be located in SCSD by the inventory clerk. The inventory clerk also has the ability to supervise and audit the inventory in each building to determine where items are located and if they have the appropriate inventory tag. SCSD performs yearly inventory audits and whenever feasible spontaneous audits are performed by the inventory clerk with the assistance of the

treasurer. Due to staffing issues, the periodic audits performed by the clerk and the treasurer were postponed.

C2.5   SCSD has streamlined its fixed asset inventory tracking operations by developing a tracking system in-house. This system was developed by a committee within SCSD to aid in the tracking of fixed asset inventory. The fixed asset inventory tracking system produces a pending report which allows the inventory clerk to view all additions that are processed through the accounts payable system. Other features of this system include a monitoring application that allows for the audit function to occur with a greater ease.

F2.53   Auctions of old and obsolete items are organized by the purchasing clerk. Auctions occur in October and April each year with the cost continually increasing. Each auction is staffed by the warehouse clerk and 2 or 3 maintenance personnel. All the hours worked are overtime hours.   According to ORC section 3313.41, the board of education only has to offer auction services if the value of real or personal property exceeds ten thousand dollars. The items are placed on display for up to three days and the maintenance staff are on hand for approximately three hours per day. The sealed bids are collected, opened, and tallied by the purchasing clerk. At the time of this analysis, the cost associated with the auctions averaged $1340 which far outweighed the amount of the bids for the auction which averaged approximately $720.

R2.28   SCSD should reduce the number of times an auction of obsolete property is performed. The current procedure is a costly process in which SCSD incurs indirect costs which exceed the amount of the bids for the property.   SCSD should also consider establishing minimum thresholds for the retention of property for auction so that the storage of the items does not outweigh their value at the time of auction. All items should be examined and properly disposed of if the value of the item is not worth storing for the next auction. SCSD should still maintain all inventory records for the disposed of property to comply with ORC requirements.

Financial Implication: Assuming an estimated cost of $1340 per auction, SCSD is paying an additional $2680 dollars for a service that is not required. The revenue generated by the auctions is approximately $1440. The net cost savings is $1240 per year.

F2.54   The Board of SCSD has established a purchasing policy that states the Board's authority for the purchase of materials, equipment, supplies and services is extended to SCSD administration through the detailed listing of such items compiled as part of a budget-making process and approved by the Board through its adoption of the annual appropriation resolution. The purchase of items and services on such lists requires no further Board approval, except in those instances in which, by law or Board policy, the purchases or services must be put to bid. The ORC established a bid threshold of $25,000 for purchases of equipment, and supplies. Various purchases made in SCSD could be less than $25,000

yet bidding would not be required by the ORC, or SCSD. By not competitively bidding these purchases or services, the best price available may not be sought by SCSD.

R2.29 SCSD should revisit its current purchasing policy. A purchasing policy and procedure should be established to govern the purchases made from vendors outside of the Ohio Schools Council. Purchases which are made throughout the year from vendors outside of Ohio Schools Council require no further approval as long as they are on the list of appropriations. There is no detailed policy for number of vendors to contact about pricing, or purchasing items from a preferred vendor listing. By not requiring all purchases to be comparatively priced, purchases are often made from numerous vendors without regard to price or other negotiable terms such as early payment incentives, or shipping and handling. See **R2.23** for recommendations governing the purchase of items using preferred vendors.

SCSD should also consider lowering the dollar threshold for bids for purchases and services from $25,000 to a threshold that would allow more items purchased to be purchased in a competitive environment. The treasurer's office should devise a threshold, attempting to cover a majority of expenditures. The threshold should not be too cumbersome for operating units but have more items subject to price quotations. This will assure that SCSD buys more goods at the best price possible and that vendor selection is made objectively on more items. In addition, the board policy should state whether vendor quotes are to be written or verbal.

F2.55 SCSD uses requests for proposals on a limited basis for purchased services. Purchased services include but are not limited to professional and technical services such as lawyers, nurses, engineers and consultants, as well as property services such as snow plowing, garbage removal and cleaning services. Requests for proposal should be used by school districts to control the expense for services. Services provided can be a costly expenditure that can be controlled through requests for proposals.

R2.30 SCSD should expand the use of request for proposals for purchased services. The Board should adopt a request for proposal policy for purchased services. The policy should address dollar thresholds and types of purchases that would be subject to competitive pricing. The treasurer's office should gather statistics to devise these thresholds, attempting to cover a majority of annual purchase service expenditures through request for proposals. The request for proposals should be written in a way that allows the vendor flexibility and creativity in alternative proposals to the base proposal. More frequent solicitation of request for proposals for purchased services will help ensure that SCSD buys services at the best possible price and vendor selection is made objectively.
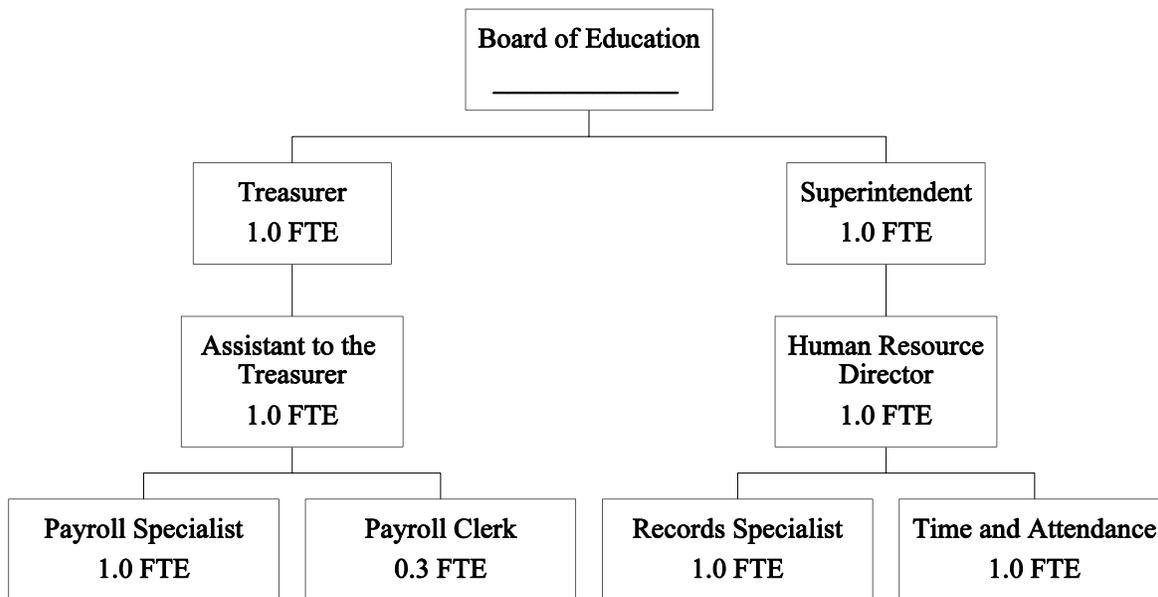
D. Payroll

Background

This sections focuses on time and attendance reporting, payroll transaction processing, paycheck generation and distribution, required external reporting and benefits administration.

Organizational Chart and Staffing

Chart 2-2 illustrates the organizational structure and reporting relationships for the employees who are primarily involved in collecting time and attendance information, processing payroll, distributing paychecks, tracking leave balances and administering benefits.

Chart 2-2: Strongsville City School District Payroll Organization

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                        ┌─────────────────────┐
                        │ Board of Education   │
                        │ ─────────────        │
                        └──────────┬──────────┘
              ┌────────────────────┴────────────────────┐
     ┌────────┴────────┐                        ┌────────┴────────┐
     │   Treasurer     │                        │ Superintendent  │
     │   1.0 FTE       │                        │   1.0 FTE       │
     └────────┬────────┘                        └────────┬────────┘
     ┌────────┴────────┐                        ┌────────┴────────┐
     │ Assistant to the│                        │ Human Resource  │
     │   Treasurer     │                        │   Director      │
     │   1.0 FTE       │                        │   1.0 FTE       │
     └────────┬────────┘                        └────────┬────────┘
        ┌─────┴─────┐                              ┌──────┴──────┐
 ┌──────┴─────┐ ┌───┴────────┐         ┌───────────┴──┐ ┌────────┴────────────┐
 │  Payroll   │ │  Payroll   │         │   Records    │ │ Time and Attendance │
 │ Specialist │ │   Clerk    │         │  Specialist  │ │     1.0 FTE         │
 │  1.0 FTE   │ │  0.3 FTE   │         │   1.0 FTE    │ │                     │
 └────────────┘ └────────────┘         └──────────────┘ └─────────────────────┘
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In addition to the payroll staff, two staff members from the human resources department are also involved in the gathering of payroll information. The time and attendance secretary (1.0 FTE) is responsible for processing, posting and tracking hours worked and leave hours used; tracking and monitoring merit pay increases; and finding substitutes for absences that are known in advance. The records specialist (1.0 FTE) maintains all personnel files, teacher certifications, transcripts of employees, supplemental contracts and salary notices. See the **human resources** section of this report for further details.

Various departments throughout SCSD are responsible for tracking time and attendance exceptions and forwarding this information for processing. These tasks occur within the food services department, operations and maintenance department and the superintendent's office. Once all data is gathered by these departments, it is forwarded to the human resources department. SCSD has a separate payroll department that works in conjunction with the human resources department. For the purpose of this report, the term "payroll department" will be used to refer to only those individuals who work for the treasurer's office, which includes one full time coordinator of accounting and a .3 FTE payroll clerk.

Organization Function

The operation of SCSD's payroll department falls under the authority of the treasurer. The following functions fall within the parameter of the payroll department:

- Issue accurate payroll checks or direct deposits to employees;
- Produce statements of employee compensation;
- Accurately withhold and remit payroll taxes and other deductions;
- File required reports with external entities such as the Internal Revenue Service, the State of Ohio, retirement systems and various municipalities; and
- Comply with unemployment, workers compensation and COBRA requirements.

Benefit administration within the payroll office is limited to ensuring payroll deductions are input in the LEECA payroll system. See the **human resources** section of this report for duties and responsibilities related to benefits administration.

Summary of Operations

SCSD employees are designated as either certificated or classified and are paid on a bi-weekly basis. Pay dates are scheduled on the last day of the pay period for certificated employees and 14 days after the end of the pay period for classified employees. Certified personnel include principals, assistant principals, teachers, counselors, therapists, nurses, librarians, coaches, social workers, psychologists and certain supervisors and directors. Classified personnel include instructional assistants, maintenance workers, custodians, maintenance personnel, food service workers, secretaries and certain classified supervisors and administrators.

Payroll information is accumulated similarly for certificated and classified employees. Certificated and classified employees are compensated based upon a yearly salary amount, and daily arrival and departure times are not recorded unless there is an exception to their contractual hours (i.e. sick time, extra duty) which would affect their pay. This method is known as payroll by exception. Exceptions include, but are not limited to, a change in scheduled hours, classroom supervision by personnel other than those assigned, overtime worked, or payment due to a supplemental contract. An exception could occur for other situations detailed within the contracts.

Information on exceptions is gathered by two separate methods. When an employee is unexpectedly absent, there is a call-in line to notify SCSD administration. These absences are recorded in the UNIX system to generate a daily attendance sheet for operational unit managers to review. To monitor this process, classified staff absence information is also gathered on weekly time sheets which are signed by the employee and approved by the supervising principal or department head. Certified unexpected absences are recorded in the human resources department when a call is placed to the call-in line. All unexpected absence forms are due to the human resources department within two weeks of an absence to get included in the appropriate payroll period. Planned absences such as vacations and scheduled appointments are communicated two weeks in advance by filling out a personnel sheet and returning it to the human resources department.

SCSD is operating under one payroll cycle, which ends differently for certificated employees and for classified employees. Classified employee payroll running is on a two week lag, and the certificated employees are being paid for current hours. **Table 2-20** and **Table 2-21** outline SCSD's payroll cycles to establish the payroll end dates for certificated and classified employees.

Table 2-20: Payroll Cycle for Classified Employees

Week 1:	
Saturday	Current payroll cycle ends.
Monday - Thursday	Payroll data from substitute attendance forms, and time and attendance forms are entered by the payroll department for all hourly individuals. There is a four-day lag to input data prior to checks being printed. The data being input is for hours worked over the previous two weeks. Edit reports are run and payroll is payroll reports are reviewed before payroll checks can be printed.
Friday	Payroll checks are printed.
Week2:	
Monday - Tuesday	Payroll is reviewed by coordinator of accounting and the payroll clerk.
Wednesday	Payroll checks are stuffed and placed in the mail. Direct deposits are sent to the bank.
Friday	Classified employees receive all payroll checks as well as direct deposit notifications. This payroll cycle runs on a two week lag.

Source: Treasurer's Office SCSD.

Table 2-21: Payroll Cycle for Certificated Employees

Week 1:	
Sunday	Current payroll cycle begins.
Monday - Thursday	Payroll data from substitute teacher attendance forms, period substitute forms, and time and attendance forms are entered by the payroll department for all certificated individuals. Edit reports are run, and payroll is reviewed before checks are printed.
Friday	Payroll checks are printed for all hours worked through the following Friday.
Week2:	
Monday - Tuesday	Payroll is reviewed by the coordinator of accounting and the payroll clerk.
Wednesday	Payroll checks are stuffed and placed in the mail. Direct deposits are sent to the bank.
Friday	Certificated employees are paid for all hours worked through the current day.

Source: Treasurer's Office SCSD. Interviews with coordinator of accounting.

Currently, a computerized master payroll file is maintained for each employee. Only the payroll department has the ability to change the master files and the department is responsible for updating all master file information. Informational changes are given to the human resources department to be input into the UNIX system, and changes are forwarded to the treasurer's office to be input by the payroll department in LEECA for payroll processing.

An executive secretary in the human resources department administers fringe benefits. The benefit responsibilities include informing new employees about available benefits, reviewing insurance billings, determining benefits eligibility based on employee or union contracts and coordinating the Bureau of Workers' Compensation program. Changes to benefits are recorded in the individual personnel files and then forwarded to the treasurer's office to be input by the coordinator of accounting. See the **human resources** section of this report for additional information about types of benefits offered.

Performance Measures

The following performance measures were used to analyze the payroll functions:

- Cost effectiveness of time collection;
- Accuracy of attendance reporting;
- Effectiveness and efficiency of payroll transaction processing;
- Cost efficiency of check distribution;
- Effectiveness of payroll system; and
- Adequacy of payroll policies and procedures.

Findings / Commendations / Recommendations

Payroll

F2.56 The payroll department has a USPS manual which outlines steps to follow when using the software application. There is no separate manual which describes the procedures used within the payroll department to generate payroll. The lack of a manual could lead to difficulties in accomplishing responsibilities in an efficient manner when there is a change in payroll department personnel.

R2.31 SCSD should compile a formal procedure manual containing district specific procedures, detailed explanations of the expectations of the position, as well as a daily schedule of activities to be performed by this position. Areas of concern about the level of communication between the payroll department and the human resource department should be addressed within this manual. By providing the framework of the expectations of this department, as well as expectations of the communications between the payroll department and other departments, the treasurer's office would ensure effective and efficient practices are maintained. A procedures manual would also be a useful reference when the coordinator of accounting is on vacation or leave. This procedure manual should contain detailed explanations of procedures as well as a time line for the completion of daily activities.

F2.57 Time and attendance is tracked on a payroll by exception basis. Payroll by exception means that all certificated and classified employees are paid by a salary amount divided by the total number of pay periods within one year. If an absence occurs, the employee is required to fill out a time and attendance form and forward this form immediately to the human resource department. Time and attendance is monitored in both the UNIX system within the human resources department and the LEECA system in the payroll department.

Both the human resources department and the payroll department enter and monitor time and attendance. One point of input is the UNIX system by a full-time employee within the human resources department so that operational managers can receive a daily time and attendance report. Another point of input is in the LEECA system to be input into payroll by the coordinator of accounting.

R2.32 To provide for efficient and accurate collection of data, time and attendance should only be input into the LEECA system. One potential reason for the continued operation of the UNIX system is the availability of a custom report for the operational managers for time and attendance that LEECA does not produce. LEECA has completed developing a daily time and attendance report that is available to Strongsville's operational managers. By eliminating the UNIX system for the entry of absences, the time and attendance position should be evaluated by the HR department. See further staffing recommendations **R2.8**.

F2.58 Several classified employees who should have been inactivated because of termination were not and resulted in these employees being paid for time that was not worked. Consequently, payroll staff spent time and effort adjusting payroll and pension records for the overpayment and invoicing the employee for monies that were overpaid. The overpayments were due to either lack of communication of the department responsible for the employee or the payroll department mishandling the paperwork. The payroll department is taking the necessary steps to improve future communication between their department and the other departments.

R2.33 SCSD should investigate installing an automated time and attendance system at various buildings throughout SCSD given the significant amount of staff hours required to monitor, manually capture and report time and attendance data related to the approximately 775 employees. Automation would increase the accuracy of the time capture process. Some of the benefits of an automated time and attendance system include the following:

- Provides a method for capturing time and attendance that would be consistent throughout SCSD
- Reduces the time building and department secretaries and clerical staff spend capturing and reporting time and attendance data
- Increases the accuracy of time capture process, thereby reducing the time spent on error correction by the building and department secretaries and clerical staff and the payroll department
- Allows managers to more easily control payroll costs and justify staffing decisions
- Document employee work history on-line, making information more readily accessible
- Provides an objective mechanism for payment for time actually worked and no payments are made for lost minutes due to tardiness, long lunches and breaks, or leaving early
- Automated docking and rounding minimizes overtime and enforces attendance policies

There would be a one-time implementation cost for the purchase of hardware and software at each location. In addition, there would be annual maintenance costs for the time clocks. Due to the complexity involved in defining each location's needs, the costs were not estimated.

R2.34 If SCSD does not implement an automated time and attendance system, the payroll department should take an active role in designing and implementing procedures that would make time and attendance gathering process more efficient. SCSD should consider the use of a payroll worksheet for collecting time and attendance data. The payroll department, with the aid of the DAS site, should create a payroll worksheet by pay group and building location that would be distributed to the schools and departments. The payroll worksheet would contain the names of the employees by pay group that work in that school or department.

The building or department staff would enter employee hours worked as well as absence data onto the payroll worksheet. In essence, the payroll worksheet would serve as a complete summary of time and attendance for all employees at that school or department.

In addition, the payroll department should work with LEECA to develop a method which would allow operational units to submit time and attendance data electronically using the wide area network. The information could be sorted in a database, verified by the payroll department and then uploaded into the payroll system. The payroll department could use the payroll worksheet to verify that the data submitted is complete and accurate before it is uploaded. This would reduce the large number of duplicate entries currently being performed each pay period.

F2.59   The human resources department enters the attendance exceptions into LEECA. Other exception data is entered into USPS by the payroll department. The payroll system calculates total pay amounts based on an hourly rate or daily rate. Leave without pay is deducted on a straight hourly or daily rate, whichever is appropriate. The payroll department will print the leave balances on one payroll check every month so that the employees in SCSD can verify the leave taken and the leave balance. Any difference are investigated and rectified by the human resources and payroll departments.

R2.35   SCSD should establish additional management controls since payroll and related benefits are a majority of SCSD's expenditures. The district should consider the following:

- Reviewing employees who receive large pay outs for the payroll period.
- Reviewing employees who are being paid for hours in excess of their regular hours by a certain amount.
- Reviewing employees who have used leave for which they have no leave available.
- Reviewing employees who were not paid in the previous payroll run.

These types of control procedures are designed to ensure payroll is processed efficiently and effectively prior to any expenditures being made. All variances noted in conjunction with these control procedures should be compared to source documentation to ensure accuracy of payroll prior to issuing payments to employees and posting to the general ledger.

F2.60   The payroll system is integrated with the general ledger. Once the payroll information is verified by the payroll department, the assistant to the treasurer automatically posts the payroll distribution in the general ledger each pay period. The system is capable of spreading an employees salary over more than one fund. Separate account codes are charged for regular and overtime hours worked. Separate account codes are not used for time taken for the various leave categories. All classified leave is recorded in one account.

R2.36 SCSD should implement separate USAS account codes for the time taken for the various leave categories. USAS requires and provides coding for various leave types. Proper coding will allow management to be able to track more accurately and timely the costs associated with the various leave categories. The use of USAS codes would also provide vital management information to enable SCSD to effectively monitor and manage leave used by their employees.

F2.61 SCSD is operating two separate payroll cycle end-dates one for certificated and one for classified employees. Although checks are printed on the same day, the payroll end dates are not running concurrently. Classified employees are paid for hours on a two week lag, while the certificated employees are being paid for all time worked through the day that they receive their payroll check. This may not be the most efficient way to process payroll. Any certificated employees unplanned absences are not recorded until the payroll department receives their absence form from the HR department which is after the payroll check has been received by the employee.

R2.37 To address the two payroll cycles within SCSD, management may want to discuss merging the payroll cycles into one. This would result in expanding the period of time available for entering and reviewing payroll data as well as a reduction in the over time hours currently worked by the coordinator of accounting. This would mean that a negotiation process would have to be completed with the bargaining units to allow for a slow merger of the payroll cycles so that the impact on employees is negligible.

F2.62 **Table 2-22** presents FY 2000-01 payroll statistics for SCSD and its peer districts. Payroll department expenditures include costs associated with processing payroll.

Table 2-22: Payroll Statistics

	Strongsville CSD	**Brecksville CSD**	**Kettering CSD**	**Solon CSD**	**Peer Average (B15.4)**
Payroll Department Expenditures	$63,491	$78,300	$367,575	$102,000	$182,625
Staffing (FTE)	1.3	2.0	3.0	1.5 [1]	2.2
Regular Runs Per Year	26	26	26	26 Classified 24 Certificated	26
Average Checks Processed per Run	335	255	244	260	253
Average Direct Deposits per Run	727	395	844	440	560
Average Dollar Value per Run	$1,538,848	$839,562	$1,416,927	$1,222,000	$1,159,496
Percent of Direct Deposits	69%	61%	78%	63%	67%

Source: Payroll Departments in Strongsville CSD, Brecksville CSD, Kettering CSD, and Solon CSD.

1 The payroll department is assisted by the Asst. to the Treasuer at Solon CSD, the estimated FTE is 0.5 for the duties performed.

According to **Table 2-22**, SCSD has the lowest payroll department expenditures of $63,491 and the lowest amount of staffing within the payroll department at 1.3 FTE which is 1.0 FTE below the peer average. SCSD had the second highest number of combined checks and direct deposits at 1,062 documents. However, SCSD has the second highest percentage of direct deposits among the peer districts at 69 percent. The high direct deposit percentage indicates that SCSD is adequately implementing direct deposit within the payroll cycle which contributes to the cost efficiency of check distribution.

F2.63   **Table 2-23** presents FY 2000-2001 payroll processing statistics for SCSD and its peer districts.

Table 2-23: Payroll Processing Statistics

	Strongsville CSD	Brecksville CSD	Kettering CSD	Solon CSD	Peer Average
Number of FTEs	1.3	2.0	3.0	1.5	2.2
Average Checks and Direct Deposits Processed per Run	1062	650	1088	700	813
Average Checks and Direct Deposits Processed per FTE	817	325	363	467	385

Source: Payroll Departments in SCSD
1 The payroll department at Solon is assisted by the Asst. to the Treasurer the estimated FTE equivalent is 0.5.

Based upon **Table 2-23,** it appears that SCSD is understaffed within the payroll department. The average checks and direct deposit notifications are higher than 2 out of 3 peers as well as the peer average. The average checks and direct deposits processed per FTE is more than twice the peer average.

F2.64   The payroll department in SCSD is staffed with 1.3 FTE's. The coordinator of accounting is processing all payroll checks and direct deposits, completing all tax deposits, and filing all tax forms with the assistance of a 0.3 FTE payroll clerk. The peer average for staffing in the payroll departments is 2.0 FTEs. The payroll clerk position is only 0.3 FTE because the position has shared duties to complete the fixed asset inventory management for SCSD. Fixed asset inventory management accounts for 0.7 FTE.

The processing of payroll includes issuing accurate payroll checks or direct deposits to employees, producing statements of employee compensation, accurately withhold and remit payroll taxes and other deductions, filing required reports with external entities such as the Internal Revenue Service, the State of Ohio, retirement systems and various municipalities; and complying with unemployment, workers compensation and COBRA requirements.

Communication between the human resources department for time and attendance tracking, employee benefits or bonuses, and specific union contract considerations is not efficient, or effective. Special payroll check runs have been completed by the payroll department due to miscommunication between these two departments.

R2.38 SCSD should consider increasing the payroll department staff to 2.0 FTEs. The part time payroll clerk should be increased to a full time payroll clerk with no responsibility for inventory.   Since payroll is one of SCSD's largest expenses, the processing of payroll should be considered of ultimate importance. Payroll is an area which requires open communication between all departments to allow the process to flow smoothly from beginning to end. To overcome the communication difficulties associated with SCSD's payroll department, other staffing changes were proposed. See **R2.10** for further discussion of proposed changes to the payroll department.

Financial Implications Summary

The following table represents a summary of the annual cost savings for the recommendations SCSD should consider in this section of the report. For the purpose of this table, only recommendations with quantifiable financial impacts are listed.

Summary of Financial Implications

Recommendations	Implementation Costs	Estimated Annual Cost Savings
R2.8 **Addition of a staff accountant**	$40,000	
R2.9 **Reduction of accounts payable clerk**		See the **human resources** section
R2.10 **Reduction of executive secretary**		See the **human resources** section
R2.11 **Reduction of time and attendance clerk**		See the **human resources** section
R2.26 **Reduction of warehouse clerk**		See the **human resources** section
R2.28 **Change in auction services**		$1,240
Totals	**$40,000**	**$1,240**

Conclusion Statement

While SCSD's financial systems meet the basic needs of the District, some inefficient procedures have developed, predominantly as a result of communication and technology problems. The forecasting function is performed to some extent in three separate offices with inadequate planning and oversight governing the process. Consolidating the forecasting process in the treasurer's office could establish more consistency and effectiveness, although this would require department heads and administrators to provide the treasurer with detailed staffing information on an annual basis. Some areas within the forecast are completed by administrative personnel without proper financial training, and administrative positions within the treasurer's office and human resources department use multiple technological resources leading to duplicate data entry and cumbersome financial functions. Streamlining this function could lead to potential staffing reductions.

The use of multiple technology systems unnecessarily complicates some management and budgetary functions at SCSD. Additionally, SCSD is not fully utilizing all administrative computing systems for which it is paying. Using the guidelines established in the Uniform School Accounting System manual could ensure that SCSD's financial records are accurately portraying cost centers and resource allocations, although this does not affect the District's aggregate financial situation. The preparation of a Comprehensive Annual Financial Report (CAFR) should be considered to communicate financial position and additional financial analysis to the general public for accountability of revenues received.

The procurement process at SCSD is fragmented. Operational units purchase from vendors outside of the Ohio Schools Council without regard to discount pricing or past performance. The warehouse is neglected, which leads to an inefficient use of storage space and unnecessarily high quantities of purchase orders. Policies and procedures need to be revamped to establish guidelines for employees performing purchasing functions. Streamlining this function could also lead to the potential reduction of administrative and clerical positions within SCSD.

While changes in SCSD's payroll department have improved overall operations, the department needs formal procedures to circumvent communicative difficulties and allow for greater efficiency. Payroll processing is a complex process in which accuracy and precision are demanded daily. To accomplish payroll with accuracy, additional staffing needs should be addressed.

In recent years, SCSD's financial stability has become uncertain. SCSD has taken actions to control and, where possible, reduce operating expenditures, although additional actions can and should be taken to ensure the continued viability of the District. Maintaining a balanced budget will require that important management decisions be made to ensure available resources are allocated and accounted for in a manner which supports educational goals, financial demands, and established objectives. SCSD is encouraged to evaluate the recommendations contained within this performance audit, as well as other cost saving possibilities, to facilitate decision making in the future.
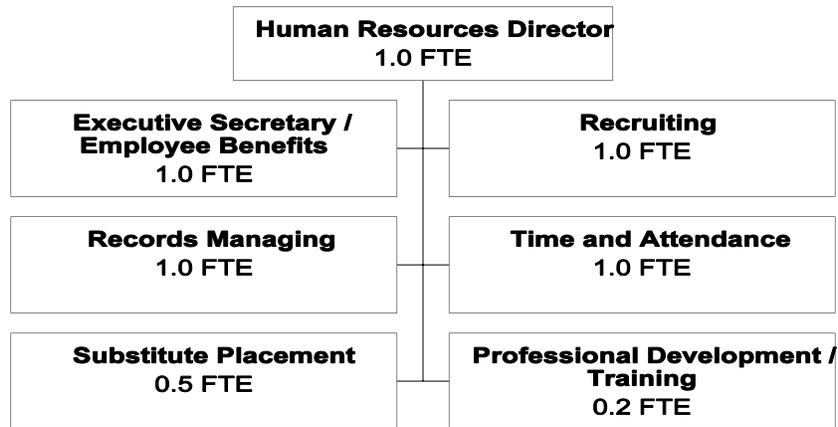
Human Resources

This section of the report focuses on the human resources operations within Strongsville City School District (Strongsville CSD). Comparisons will be made throughout this section of the report to the following peer school districts: Brecksville-Broadview Heights City School District (Brecksville-Broadview Heights CSD) and Solon City School District (Solon CSD). Mason City School District (Mason CSD) will be used as an additional peer district comparison during the certificated and classified employee contractual analysis. Strongsville CSD's peers were identified based upon comparable districts identified by the Ohio Department of Education, review of various demographic information and input from the Strongsville CSD personnel. Furthermore, these peer districts also demonstrated report card standards equal or greater than those of Strongsville CSD.

Organizational Function

Strongsville CSD has a separate department dedicated to performing human resources functions. The primary responsibilities of the human resources department include the following: coordinating the activities and programs for the recruitment and selection of employees; monitoring compliance with employment standards (criminal background checks and teaching certifications); facilitating employee performance evaluations; administering and monitoring grievance policies and procedures; negotiating and administering union contracts; conducting disciplinary hearings; maintaining personnel files; placing selected substitutes and participating in new employee orientations. In addition, the human resources department assists the treasurer's office in sending salary notices to all employees and developing appropriations for salaries and benefits. **Chart 3-1** illustrates the organizational structure for the human resources department which was created based upon interviews with Strongsville CSD personnel.

Chart 3-1: Strongsville CSD Human Resources Organizational Chart

Human Resources Director
1.0 FTE

Executive Secretary / Employee Benefits 1.0 FTE	Recruiting 1.0 FTE
Records Managing 1.0 FTE	**Time and Attendance** 1.0 FTE
Substitute Placement 0.5 FTE	**Professional Development / Training** 0.2 FTE

Summary of Operations

All Strongsville CSD employees are categorized as either certificated or classified employees. Certificated personnel include principals, assistant principals, teachers, counselors, therapists, nurses, librarians, coaches, social workers, psychologists and certain supervisors and directors. Classified personnel include instructional assistants, maintenance workers, custodians, maintenance personnel, food service workers, secretaries and certain classified supervisors and administrators.

All human resources functions are carried out by 5.7 full-time equivalents (FTEs) within the human resources department at Strongsville CSD. The human resources director (1.0 FTE) is responsible for managing, planning, supervising and directing the operations of the human resources department. This includes, but is not limited to, managing the administration of employee benefits; overseeing recruitment activities; managing the maintenance of personnel files; facilitating employee performance evaluations; responding to complaints from employees and overseeing the negotiation and administration of union contracts. All employees within the human resources department report directly to the human resources director.

The benefits secretary (1.0 FTE) is responsible for the administration of employee benefits and the Bureau of Workers' Compensation program. In addition, this individual also serves as the executive assistant to the human resources director. The recruiting secretary (1.0 FTE) is responsible for coordinating all recruitment activities, posting vacant positions, conducting special projects and coordinating the voluntary professional growth program.

The records managing secretary (1.0 FTE) maintains all personnel files, teacher certifications, transcripts of employees, supplemental contracts and salary notices. The time and attendance secretary (1.0 FTE) is responsible for processing, posting and tracking hours worked and leave hours used; tracking and monitoring of merit pay increases; and finding substitutes for absences that are known in advance. The human resources department also has a substitute secretary (0.5 FTE) who is responsible for locating substitutes each morning and a secretary (0.2 FTE) who is responsible for coordinating the professional development and training of Strongsville CSD employees. The remaining 0.8 FTE for this position is divided between technology responsibilities and forecasting/appropriation responsibilities.

All vacancies within Strongsville CSD are first reviewed by the human resources director and various personnel to determine if the position is needed before it is filled. When it is determined that the position will be filled, the job is posted by the human resources department. The human resources director is responsible for the pre-screening of all resumes based upon the skills and qualifications of the individuals in relation to the job requirements. The human resources director then holds an initial interview with the candidates and normally recommends three individuals for second interviews.

Second interviews take place at the building level by an interviewing team. The interviewing team is made up of key individuals based upon the position that is vacant and includes any of the following: principals, assistant principals, directors, supervisors and teachers. The interviewing team makes a recommendation to the human resources director who will then check references. A recommendation will then be made to the superintendent and upon approval of the recommendation, the candidate will be offered the job and a recommendation will be made to the Strongsville City School District Board of Education (Board) for final approval.

Performance Measures

The following performance measures were used to review Strongsville CSD's human resources department:

- Obtain information to understand the historical and background information regarding its human resources operations;
- Assess the staffing levels of Strongsville CSD in FTEs compared to the peer districts;
- Assess the teacher's workday and the student-to-teacher ratios within the elementary, middle and high school levels;
- Assess the salary structure, as well as the supplemental payments and contracts;
- Assess the staffing levels within the vocational education program;
- Assess the staffing levels within the special education program;
- Analyze substitute payments within Strongsville CSD and the use of leave by personnel;
- Assess benefits administration of employees and workers' compensation; and
- Analyze key contractual and employment issues for certificated and classified employees.

Findings / Recommendations / Commendations

Staffing Analysis

F3.1   **Table 3-1** presents the staffing levels of full-time equivalents (FTEs) per 1,000 students enrolled as reported in the Educational Management Information System (EMIS) in FY 2001 for Strongsville CSD and the peer school districts.

Table 3-1: Peer District Staffing Patterns (FTE Staff per 1,000 Students)

Category	Strongsville	Brecksville-Broadview Heights	Solon	Peer Average
Average Daily Membership (ADM)	**6,800**	**4,083**	**4,935**	**4,509**
Administrators: Subtotal	**4.2**	**5.2**	**5.9**	**5.6**
Central Based	0.4	1.8	0.8	1.3
Site Based	3.8	3.2	5.1	4.2
Other Administrators	0.0	0.2	0.0	0.1
Professional Education: Subtotal	**65.0**	**61.8**	**72.5**	**67.3**
Curriculum Specialists	0.4	0.2	0.0	0.1
Counseling	2.1	2.1	3.2	2.7
Librarian Media	1.2	1.2	1.4	1.3
Remedial Specialists	0.0	0.0	1.4	0.7
Regular Education Teachers	46.1	42.4	51.6	47.0
Special Education Teachers	5.4	5.8	8.7	7.3
Vocation Education Teachers	0.9	1.2	0.2	0.7
Tutors / Small Group Instructors	3.4	3.2	1.2	2.2
Educational Service Personnel	5.1	5.7	4.8	5.3
Supplemental Service Teacher	0.2	0.0	0.0	0.0
Other Professional Education Personnel	0.2	0.0	0.0	0.0
Professional - Other	**2.6**	**3.2**	**2.9**	**3.1**
Technical: Subtotal	**0.8**	**1.7**	**2.6**	**2.2**
Computer Operator	0.0	0.0	0.4	0.2
Computer Programmer	0.0	0.0	0.0	0.0
Printer	0.0	0.0	0.4	0.2
Library Aide	0.4	1.4	1.8	1.6
Other Technical Personnel	0.4	0.3	0.0	0.2
Office / Clerical: Subtotal	**21.2**	**16.1**	**12.5**	**14.4**
Bookkeeping	0.0	0.7	0.2	0.5
Clerical	8.6	6.6	7.4	7.0
Messenger	0.0	0.1	0.0	0.1
Records Managing	0.2	0.0	0.0	0.0
Teaching Aides	12.3	8.7	4.7	6.7
Parent Mentor	0.1	0.0	0.2	0.1
Other Office / Clerical	0.0	0.0	0.0	0.0
Crafts / Trades	**1.9**	**2.0**	**3.0**	**2.5**
Transportation	**6.6**	**7.7**	**5.2**	**6.5**
Custodial	**7.1**	**10.0**	**7.4**	**8.7**
Food Service	**4.3**	**6.2**	**2.7**	**4.5**
Other Service Worker / Laborer	**0.0**	**0.0**	**3.0 [1]**	**1.5**
Totals (FTE per 1,000 ADM)	**113.7**	**113.9**	**117.7**	**116.3**

Source: FY 2001 staff summary report and FY 2001 EMIS school enrollment reports for Strongsville CSD and peer school districts; interviews
[1] The "other service worker / laborer" classification includes 2.6 FTEs per 1,000 ADM dedicated to the "monitoring" classification and 0.4 FTEs per 1,000 ADM dedicated to the "other service worker / laborer" classification.

During the calculation of staffing levels to be reported in EMIS for FY 2001, Strongsville CSD reported some employees in the wrong classifications. This resulted in incorrect information being reported to EMIS which causes the staffing levels to be improperly recorded. All tables within this report, including **Table 3-1**, illustrate the revised and corrected staffing levels.

The Ohio Department of Education (ODE) developed and implemented EMIS to assist school districts in effectively and efficiently managing student and personnel demographics. All schools are required to provide specific student, staff and financial data to ODE for processing. Prior to FY 2001, staff demographic information entered into EMIS was not verified on a regular basis. However, the human resources director has indicated that new control procedures were developed and implemented prior to the start of the performance audit to ensure the accuracy of data entered into EMIS.

A review of Strongsville CSD staffing levels per 1,000 ADM compared to other school districts in Cuyahoga County revealed that Strongsville CSD's staffing levels per 1,000 ADM ranks 27 out of 30 school districts. This would indicate that Strongsville CSD's staffing levels are lower than the majority of the school districts in Cuyahoga County.

R3.1 Strongsville CSD should develop policies and procedures to ensure that accurate reports are prepared and reconciled before being submitted to ODE and EMIS. In addition, there should be a review process by a person that is independent of the data gathering process to ensure the policies and procedures are followed and accurate numbers are reported to ODE and EMIS. The individual responsible for gathering and compiling EMIS information should use the *EMIS Definitions, Procedures and Guidelines* report which is produced annually by ODE to assist school districts in entering information into EMIS. If it is needed, Strongsville CSD should seek the necessary training and assistance to meet these objectives.

During the course of this audit, the human resources director indicated that new policies and procedures have been developed to ensure that accurate information is gathered and compiled before being submitted to ODE and EMIS. In addition, control procedures have been put in place to ensure accurate review of the information, and the *FY 2002 EMIS Definitions, Procedures and Guidelines* report is being used by the appropriate personnel.

F3.2 **Table 3-2** compares the total number of FTEs to the total administrators responsible for supervising and coordinating staff for Strongsville CSD and the peer districts.

Table 3-2: FTEs to Administrator Comparison

	Strongsville	**Brecksville-Broadview Heights**	**Solon**	**Peer Average**
Total FTE Administrators	29.0	21.3	29.0	25.2
Total FTE Employees [1]	745.2	443.4	552.3	497.9
FTE Employees per Administrator	**25.7 to 1**	**20.8 to 1**	**19.0 to 1**	**19.8 to 1**
Total FY 2001 ADM	6,800	4,083	4,935	4,509
Administrators per 1,000 ADM	**4.2**	**5.2**	**5.9**	**5.6**

Source: FY 2001 EMIS Staff Summary Report
[1] The total number of FTEs excludes the FTE equivalent for the administrators.

Table 3-2 indicates that Strongsville CSD has the highest FTE per administrator ratio when compared to the peer districts and a higher ratio when compared to the peer average. This would indicate that Strongsville CSD administrators, on average, are responsible for a larger number of FTEs. Based upon the ratios indicated in **Table 3-2**, it does not appear that staffing reductions in the administrator area are justified.

F3.3   **Table 3-1** indicates that Strongsville CSD had 8.6 FTEs per 1,000 ADM (58.7 FTEs) in the clerical personnel classification in FY 2001 compared to 6.6 FTEs per 1,000 ADM (27.0 FTEs) and 7.4 FTEs per 1,000 ADM (36.7 FTEs) at Brecksville-Broadview Heights CSD and Solon CSD, respectively. The human resources director at Strongsville CSD indicated that this could potentially be due to clerical personnel not maximizing the use of technology in the completion of job functions. **Table 3-3** illustrates some key ratios in regards to the clerical personnel at Strongsville CSD and the peer districts. All staffing numbers are illustrated in FTEs.

Table 3-3: Clerical Personnel Ratio Comparisons

	Strongsville	Brecksville-Broadview Heights	Solon	Peer Average
Total clerical personnel	58.7	27.0	36.7	31.9
Clerical personnel per 1,000 ADM	8.6	6.6	7.4	7.0
Total administrative personnel	29.0	21.3	29.0	25.2
Clerical personnel to administrative personnel	**2.0 to 1**	**1.3 to 1**	**1.3 to 1**	**1.3 to 1**
Total district personnel	774.2	464.7	581.3	523.0
Total district personnel to clerical personnel	**13.2 to 1**	**17.2 to 1**	**15.8 to 1**	**16.4 to 1**

Source: FY 2001 EMIS Staff Summary Report

Table 3-3 indicates that Strongsville CSD maintains more FTEs per administrative FTEs than the peer districts as well as the peer average. In addition, **Table 3-3** illustrates that the ratio between total district personnel and clerical personnel is lower than the peer districts and the peer average. A lower ratio of total district personnel to clerical personnel would indicate that Strongsville CSD could be overstaffed in its clerical personnel classification. This is further supported by the clerical personnel per 1,000 ADM analysis conducted in **Table 3-1**.

R3.2 Strongsville CSD should conduct a detailed analysis on the duties and responsibilities of its clerical personnel and determine if resources are being used efficiently and effectively in relation to the needs of Strongsville CSD. Considering Strongsville CSD's current financial position and its possible future financial situation, Strongsville CSD may need to seek savings in certain areas in order to have additional resources which can be allocated to the direct instruction of students. If Strongsville CSD can obtain a staffing level per 1,000 ADM in the clerical personnel classification similar to the peer average, it could potentially reduce 11.0 FTEs from its clerical personnel.

Financial Implication: Assuming an estimated annual salary of $26,000 per clerical position and benefits equal to 30 percent of annual salaries, Strongsville CSD could generate an estimated annual cost savings of $372,000 as a result of reducing its clerical personnel. As a result, these cost savings would be able to be reallocated to other operational areas within Strongsville CSD.

F3.4 As stated in **Table 3-1**, Strongsville CSD maintained 12.3 FTEs per 1,000 ADM during FY 2001 in the teaching aides classification. This equates to a total of 83.5 FTE teaching aides.

Brecksville-Broadview Heights CSD and Solon CSD maintained 35.4 FTEs and 23.3 FTEs, respectively, in the teaching aides classification.

Strongsville CSD personnel indicated that approximately 20.0 FTEs are responsible for assisting with special education students as a result of an IEP assessment. Of the remaining 63.5 FTEs, approximately 50 percent are responsible student supervision duties (recess, cafeteria and study hall) while the remaining are responsible for assisting teachers in the classroom. An assistant superintendent at Brecksville-Broadview Heights CSD indicated that all teaching aides are used for student supervision duties. **F3.8** illustrates a detailed analysis on the average teacher day for middle school and high school teachers while **F3.9** provides a detailed analysis of the class sizes for regular education teachers. **R3.3** is a recommendation addressing the teacher workday, class sizes and use of teaching aides.

F3.5 Strongsville CSD's total FTEs for FY 2001 were divided into six personnel classifications as defined in **Table 3-4**. The position descriptions were obtained from the FY 2001 EMIS staff summary report. The six personnel classifications identified in **Table 3-4** are used in further assessments in **F3.6** and **F3.12**.

Table 3-4: Personnel Classifications and Position Descriptions

Classification	Position Descriptions
Administrative Employees	Administrative Assistant, Assistant Superintendent, Superintendent, Assistant Principal, Principal, Supervisor/Manager/Director, Treasurer, Coordinator, Curriculum Specialists
Teachers	Remedial Specialists, Regular Education Teachers, Special Education Teachers, Vocational Education Teachers, Tutor/Small Group Instructors, Educational Service Personnel, Supplemental Service Teacher
Pupil Services	Counselors, Librarian/Media, Dietitian/Nutritionist, Psychologist, Registered Nurse, Social Worker, Speech and Language Therapist, Educational Interpreter
Support Services	General Maintenance, Mechanic, Foreman, Transportation, Custodian, Food Services
Other Classified Employees	Personnel, Library Aide, Clerical, Records Managing, Teaching Aide, Parent Mentor
Technical	Other Technical [1]

Source: The position descriptions are the same as those found on the FY 2001 EMIS staff summary report. However, the classifications are AOS-defined.

[1] Within the FY 2001 EMIS report, there are many position descriptions within the technical classification including Computer Operating, graphic arts and computer programming. However, at Strongsville CSD, all technical personnel are classified in the "other technical" position description.

F3.6   **Table 3-5** illustrates the number of FTEs within the AOS-defined personnel classifications for Strongsville CSD and the peer school districts. In addition, **Table 3-5** states the percentage of FTEs within each classification when compared to the total number of FTEs at each of the school districts.

Table 3-5: Breakdown of Total FTE Employees and Percentages of Total Employees

Classification	Strongsville		Brecksville-Broadview Heights		Solon		Peer Average	
	FTEs	**Percent**	**FTEs**	**Percent**	**FTEs**	**Percent**	**FTEs**	**Percent**
Administrative	32.0	4.1%	22.3	4.8%	29.0	5.0%	**25.7**	**5.0%**
Teachers	416.6	53.8%	237.9	51.2%	334.6	57.6%	**286.3**	**54.7%**
Pupil Services	37.7	4.9%	26.5	5.7%	37.5	6.4%	**32.0**	**6.1%**
Support Services	136.0	17.6%	105.3	22.6%	92.4	15.9%	**98.9**	**18.9%**
Other Classified	148.9	19.2%	71.4	15.4%	83.8	14.4%	**77.6**	**14.8%**
Technical	3.0	0.4%	1.3	0.3%	4.0	0.7%	**2.7**	**0.5%**
Total	**774.2**	**100.0%**	**464.7**	**100.0%**	**581.3**	**100.0%**	**523.2**	**100.0%**

Source: FY 2001 Staff Summary Report from Strongsville CSD and the peer school districts

Strongsville CSD has the lowest percentage of staff in the administrative and pupil services classification when compared to the peers. When compared to the peer average, Strongsville CSD maintains a lower percentage of staff in the administrative, teachers, pupil services and support services classification. However, the 19.2 percent of total FTEs maintained in the other classified classification is higher than the peer districts and higher than the peer average. The higher number of FTEs maintained in the other classified classification is due to the high number of teaching aide and clerical personnel at Strongsville CSD (**F3.3** and **F3.4**). The 53.8 percent in the teachers classification is second highest when compared to the peers.

F3.7   **Table 3-6** compares the number and percentage of FTEs categorized as direct instructional personnel and educational support personnel for Strongsville CSD and the peer districts for FY 2001.

Table 3-6: Personnel Classifications and Position Descriptions

Classification [1]	Strongsville		Brecksville-Broadview Heights		Solon		Peer Average	
	FTEs	Percent of Total	FTEs	Percent of Total	FTEs	Percent of Total	FTEs	Percent of Total
Direct Instructional	454.3	58.7%	264.4	56.9%	372.1	64.0%	318.2	60.8%
Educational Support	319.9	41.3%	200.3	43.1%	209.2	36.0%	204.8	39.2%
Total	**774.2**	**100.0%**	**464.7**	**100.0%**	**581.3**	**100.0%**	**523.0**	**100.0%**

Source: FY 2001 EMIS staff summary reports from Strongsville CSD and the peer districts
[1] Direct instructional personnel are teachers and pupil services personnel as defined in **Table 3-4**. Educational support personnel are administrative, support services, other classified and technical personnel as defined in **Table 3-4**.

As shown in **Table 3-6**, 454.3 FTEs or 58.7 percent of Strongsville CSD's total FTEs are made up of direct instructional personnel which is a lower percentage than the peer average. Direct instructional personnel are those staff which are dedicated to classroom teaching and other instructional functions. Consequently, **Table 3-6** indicates that Strongsville CSD has allocated a lower percentage of its total FTEs toward classroom teaching and other instructional areas.

F3.8 The negotiated agreement between Strongsville CSD and its certificated personnel stipulates the length and make-up of the teacher workday. **Table 3-7** illustrates an average workday for regular education teachers at the middle schools and high school as defined by the average minutes taught and other variables identified below.

Table 3-7: Analysis of Teachers' Work Day

Description of Activity	Average Middle School Teacher	Average High School Teacher
Length of Day (based on the negotiated agreement)	450 minutes or 7 hours, 30 minutes	450 minutes or 7 hours, 30 minutes
Number of Periods in Day	10 periods	8 periods
Breakdown by Minutes:		
Time prior to start of class	25 minutes	15 minutes
Home room	0 minutes	0 minutes
Planning and preparation	86 minutes (2 periods)	102 minutes (2 periods)
Duty-free lunch	30 minutes (1 period)	25 minutes (1 period)
Team planning period	45 minutes (1 period)	0 minutes
Instructional minutes	215 minutes (5 periods)	255 minutes (5 periods)
Student outreach	29 minutes (1 period)	0 minutes
Time after school	20 minutes	8 minutes
Time in-between classes	0 minutes	45 minutes
Total actual minutes (on average)	**450 minutes**	**450 minutes**
Balance of minutes (or periods) not accounted	0 minutes	0 minutes
Average length of Student day	6 hours, 45 minutes	7 hours, 5 minutes

Source: Strongsville CSD negotiated agreements

As indicated in **Table 3-7**, middle school teachers are required to teach no more than five periods per day (215 minutes) and also receive two planning/conference periods, one team planning period and one outreach period. High school teachers are also required to teach no more than five periods per day (255 minutes) and also receive two planning/conference periods. A review of the master teacher schedules for the regular education teachers in the middle school and high school indicates that all full-time teachers are teaching the five periods per day which are required by the negotiated agreement. Brecksville-Broadview Heights CSD middle and high school teachers have six class assignments. Solon CSD middle school teachers have five or six class assignments (depending upon if the teacher has a duty period) and the high school teachers have five class assignments.

F3.9   As indicated in **F3.19**, Strongsville CSD uses the inclusion model when educating special education students. As a result, there can be both regular and special education students in a regular education classroom. **Table 3-8a** presents a review of the FY 2001 middle school

master teacher schedule for all students (regular and special education) enrolled in regular education classes.

Table 3-8a: Middle School Enrollment Analysis (All Students)

Number of Students	17 or fewer	18	19	20	21	22	23	24	25 or more
Number of Periods at Albion Middle School	4	6	0	4	5	10	12	11	84
Percentages at Albion Middle School	2.9%	4.4%	0.0%	2.9%	3.7%	7.4%	8.8%	8.1%	61.8%
Number of Periods at Center Middle School	15	0	1	1	2	5	3	3	101
Percentages at Center Middle School	11.5%	0.0%	0.8%	0.8%	1.5%	3.8%	2.3%	2.3%	77.1%
Number of Periods (Both Middle Schools)	19	6	1	5	7	15	15	14	185
Percentages (Both Middle Schools)	7.1%	2.2%	0.4%	1.9%	2.6%	5.6%	5.6%	5.3%	69.3%

Source: Albion Middle School and Center Middle School FY 2001 master teaching schedules

As indicated in **Table 3-8a**, 69.3 percent of all middle school, regular education classes have at least 25 students. However, **Table 3-8a** includes both regular and special education students enrolled in these classes. **Table 3-8b** presents a review of the same master teacher schedules for the middle schools; however, it analyzes only regular education students within each class.

Table 3-8b: Middle School Enrollment Analysis (Regular Students)

Number of Students	7 or fewer	8	9	10	11	12	13	14	15 or more
Number of Periods at Albion Middle School	14	5	4	5	6	14	18	13	57
Percentages at Albion Middle School	10.3%	3.7%	2.9%	3.7%	4.4%	10.3%	13.2%	9.6%	41.9%
Number of Periods at Center Middle School	19	4	5	2	2	4	4	7	84
Percentages at Center Middle School	14.5%	3.1%	3.8%	1.5%	1.5%	3.1%	3.1%	5.3%	64.1%
Number of Periods (Both Middle Schools)	33	9	9	7	8	18	22	20	141
Percentages (Both Middle Schools)	12.4%	3.4%	3.4%	2.6%	3.0%	6.7%	8.2%	7.5%	52.8%

Source: Albion Middle School and Center Middle School FY 2001 master teaching schedules

Table 3-8b shows that 47.2 percent of the regular education classes consist of 14 or fewer regular education students. Furthermore, 12.4 percent of the regular education classes consist of 7 or fewer regular education students. While **Table 3-8a** indicates that there are a high percentage of middle school classes consisting of at least 25 students, **Table 3-8b** illustrates that regular education teachers are teaching a higher percentage of classes with 14 or fewer regular education students.

Table 3-9a presents a review of the high school master teacher schedules for all students within the regular education classes during FY 2001.

Table 3-9a: High School Enrollment Analysis (All Students)

Number of Students	17 or fewer	18	19	20	21	22	23	24	25 or more
Number of Periods at the High School	53	30	22	15	18	22	25	24	180
Percentages at the High School	13.6%	7.7%	5.7%	3.8%	4.6%	5.7%	6.4%	6.2%	46.3%

Source: High School FY 2001 master teaching schedules

Table 3-9a illustrates that 46.3 percent of high school regular education classes consist of 25 or more students. This is a lower percentage when compared to the analysis conducted on the middle school master teacher schedules (**Table 3-8a**). However, 13.6 percent of the high school regular education classes consist of 17 or fewer students. **Table 3-9b** presents a review of the same master teacher schedules for the high school; however, it analyzes only regular education students within each class.

Table 3-9b: High School Enrollment Analysis (Regular Students)

Number of Students	7 or fewer	8	9	10	11	12	13	14	15 or more
Number of Periods at Strongsville High School	78	8	18	15	16	29	24	23	178
Percentages at Strongsville High School	20.0%	2.1%	4.6%	3.9%	4.1%	7.4%	6.2%	5.9%	45.8%

Source: High School FY 2001 master teaching schedules

Within the high school regular education classes, 54.2 percent of the classes have 14 or fewer regular education students. Furthermore, 20.0 percent have class sizes with 7 or fewer regular education students. **Table 3-9a** and **Table 3-9b** indicates that teachers are not educating higher class sizes when compared to what has been illustrated in other school district performance audits.

R3.3 Although the number of teachers (**Table 3-1**) and the student-to-teacher ratio appear to be comparable with the peer districts, Strongsville CSD's student-to-teacher ratio is above the State average of 18.1. Strongsville CSD teachers are provided with two planning/conference periods in the middle school and the high school. Furthermore, teachers are not required to perform additional supervisory duties. As stated in **F3.4**, duty periods are supervised by teaching aides. Strongsville CSD should negotiate changes that would allow it to redistribute the teachers' workload and possibly reduce operating costs. In future negotiations, Strongsville CSD should pursue increasing the number of class assignments to six periods per day. Two planning/conference periods in middle schools and one planning/conference period in high schools is the normal trend among other school district performance audits. Decreasing the number of planning/conference periods and increasing the number of class assignments for each teacher would allow Strongsville CSD to increase the amount of student contact time spent in the classroom educating students.

While increasing the number of classes taught by its teachers to six classes per day would increase the amount of direct student contact, Strongsville CSD may also be able to use some of this additional teacher time to perform supervisory duties which are currently being performed by teaching aides. As stated in **F3.4**, Strongsville CSD has indicated that approximately 30.0 FTEs of all teaching aides are performing supervisory duties. These duties could potentially be addressed by Strongsville CSD teachers. This would allow Strongsville CSD to potentially reduce the number of teaching aides which would, in turn, allow the District to redirect these financial resources toward additional regular teachers. Strongsville CSD would need to hire 19 additional teachers to attain the State average student-to-teacher ratio of 18.1.

Financial Implication: Assuming that Strongsville CSD is able to reduce the number of teaching aides by approximately 30.0 FTEs, Strongsville CSD could potentially reduce

operating expenditures by approximately $624,000. Estimated savings assume an average annual salary for teaching aides of $16,000, and benefits equal to 30 percent of salary amounts. According to Strongsville CSD personnel, during the FY 2002 school year, approximately 5.5 FTEs were reduced in the teaching aide classification which resulted in an estimated annual cost savings of $108,000.

If Strongsville CSD were to hire 19 additional teachers, which would put the District in line with the State average student-to-teacher ratio of 18.1, the total annual cost would be approximately $697,000. A portion of these funds could potentially be redirected from the reduction in teaching aides.

F3.10 Ohio Administrative Code (OAC) 3301-35-05(A)(5) states that "the ratio of teachers to students district-wide shall be at least one full-time equivalent teacher for each 25 students in the regular student population." **Table 3-10** compares the student-to-teacher ratio for Strongsville CSD with the peer districts in three different calculations.

Table 3-10: Comparison of Student-to-Teacher Ratios

	Strongsville	Brecksville-Broadview Heights	Solon	Peer Average	FY 2000 State Average [1]
Regular Students to Regular Teachers [2]	19.2 to 1	21.6 to 1	17.3 to 1	19.0 to 1	18.1 to 1
Total ADM to Regular Education Teachers	21.7 to 1	23.6 to 1	19.3 to 1	21.1 to 1	18.1 to 1
Total ADM to Regular and Special Teachers	19.4 to 1	20.8 to 1	16.6 to 1	18.3 to 1	18.1 to 1

Source: FY 2001 EMIS School Enrollment Reports; FY 2001 Staff Summary Reports; 2000 Report Cards
[1] Because the 2002 report cards have not been released by the ODE, the State average was obtained from Strongsville CSD's 2001 report card which encompasses FY 2000. The report card does not distinguish how this is calculated.
[2] Calculations are based upon the FY 2001 ADM and the percentage of handicapped students reported in the 2000 report cards for each district (see **F3.19** and **Table 3-19**).

As stated in **Table 3-10**, Strongsville CSD's regular student to regular teacher ratio and total ADM to regular teacher ratio are the second highest when compared to the peers and are higher than the peer average. The total ADM to regular and special teacher ratio is calculated because Strongsville CSD educates its special education students in the regular classroom as well as in special settings when required (**F3.19**). Strongsville CSD's student-to-teacher ratios are higher than the FY 2000 State average in all three calculations. As discussed in **R3.3**, Strongsville CSD could potentially reduce staffing in its teaching aides classification and reallocate those funds to hire 19 additional teachers. This would put Strongsville CSD's student-to-teacher ratio in line with the FY 2000 State average.

Salaries and Supplementals

F3.11 **Table 3-11** compares the average salaries within each EMIS classification between Strongsville CSD and the peer districts. As indicated in the certificated and classified negotiated agreements (**Table 3-31** and **Table 3-34**), Strongsville CSD is responsible for the pick-up on the pick-up of the employee's retirement contribution. Strongsville CSD indicated this provision was agreed to in lieu of a salary increase and was phased in from 1995 to 1997. As a result, the salaries in **Table 3-11** have been adjusted to reflect the additional benefit received by employees at Strongsville CSD. If a revised average salary for Strongsville CSD is bolded, then it is the highest average salary in comparison to the peer districts. However, if a revised average salary for Strongsville CSD is underlined, then it is a higher average salary than the peer average.

Table 3-11: Average Salary by EMIS Classification

	Strongsville			Brecksville-Broadview Heights		Solon		Peer Average	
	FTEs	Average Salary	Revised Average Salary [1]	FTEs	Average Salary	FTEs	Average Salary	FTEs	Average Salary
Official / Administrative	29.0	$67,593	$74,464	21.3	$71,840 [1]	29.0	$78,295 [1]	25.2	$75,068
Professional Education	441.6	$46,801	$51,558	252.4	$51,983	357.6	$54,182	305.0	$53,083
Professional Other	17.7	$46,294	$51,000	13.0	$35,408	14.5	$52,873	13.8	$44,141
Technical [2]	5.8	$37,478	**$41,288**	6.8	$18,597	13.0	$29,314	9.9	$23,956
Office / Clerical	144.1	$20,311	$22,376	65.9	$22,700	62.0	$22,902	64.0	$22,801
Crafts / Trades	13.0	$40,330	**$44,430**	8.0	$43,263	15.0	$42,072	11.5	$42,668
Transportation	45.1	$23,173	**$25,529**	31.3	$23,025	25.8	$21,798	28.6	$22,412
Custodians	48.5	$31,776	**$35,006**	40.9	$26,151	36.3	$34,434	38.6	$30,293
Food Service	29.4	$16,194	**$17,840**	25.1	$16,749	13.3	$15,535	19.2	$16,142
Other Service Worker	0.0	$0	$0	0.0	$0	14.8	$17,316	7.4	$8,658

Source: FY 2001 EMIS staff summary report from Strongsville CSD and peer districts
[1] Salaries were adjusted by a factor of 10.1649.
[2] Strongsville CSD technical personnel include 2.8 FTEs classified as library/media aides. Brecksville-Broadview Heights CSD has 5.5 FTEs classified as library/media aides while Solon CSD has 9.0 FTEs classified as library/media aides. As a result of the higher number of positions classified as library/media aides, the average salaries at the peer districts are lower than Strongsville CSD.

As illustrated in **Table 3-11**, when salaries were adjusted for the pick-up on the pick-up of the employee's retirement contribution, Strongsville CSD has the highest average salary in 6 of the 10 classification when compared to the peer districts. When compared to the peer district average, Strongsville CSD has a higher average salary in 5 of the 10 classifications.

R3.4 While Strongsville CSD indicated that the pick-up on the pick-up was agreed to in lieu of a salary increase, Strongsville CSD should continue to monitor average salaries of its personnel within the various classifications. In addition, Strongsville CSD should monitor

the financial impact of being responsible for the pick-up on the pick-up of the employee's retirement contribution. Because the pick-up on the pick-up was given in lieu of a salary increase, Strongsville CSD should consider the benefit received by employees during future salary negotiations since Strongsville CSD pays their portion of retirement benefits.

F3.12 **Table 3-12** illustrates the percentage of employees salaries in the various AOS-defined classifications to total district salaries for Strongsville CSD and the peer districts. **Table 3-4** defines the AOS-defined classifications.

Table 3-12: Percentage of Total FTEs and EMIS Salaries by AOS-Defined Classification

Classification	Strongsville		Brecksville-Broadview Heights		Solon		Peer Average	
	Percent of total FTEs	Percent of total salaries	Percent of total FTEs	Percent of total salaries	Percent of total FTEs	Percent of total salaries	Percent of total FTEs	Percent of total salaries
Administrative	4.1%	7.1%	4.8%	7.7%	5.0%	7.7%	**4.9%**	**7.7%**
Teachers	53.8%	63.8%	51.2%	64.1%	57.6%	67.1%	**54.4%**	**65.6%**
Pupil Services	4.9%	6.6%	5.7%	6.3%	6.4%	7.7%	**6.0%**	**7.0%**
Support Services	17.6%	11.9%	22.6%	13.4%	15.9%	10.1%	**19.3%**	**11.8%**
Other Classified	19.2%	10.1%	15.4%	8.4%	14.4%	6.8%	**14.9%**	**7.6%**
Technical	0.4%	0.5%	0.3%	0.1%	0.7%	0.6%	**0.5%**	**0.3%**
Total	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**	**100.0%**

Source: FY 2001 Staff Summary Report from Strongsville CSD and the peer districts

In comparison to the peer district averages, Strongsville CSD has a lower percentage of salaries dedicated in the administrative, teachers and pupil services classifications. Strongsville CSD has a higher percentage of salaries when compared to the peer averages dedicated in the support services, other classified and technical classifications.

F3.13 **Table 3-13** compares the average years of experience and educational backgrounds for certificated personnel at Strongsville CSD and the peer districts.

Table 3-13: Average Teachers' Experience and Background for FY 2000

	Strongsville	Brecksville-Broadview Heights	Solon	Peer Average
Average Teacher's Salary	$50,604	$51,549	$51,728	$51,639
Average years of experience	13.8 years	12.9 years	13.4 years	13.2 years
Percent with no degree	0.0%	0.9%	0.3%	0.6%
Percent with bachelors	20.5%	17.2%	34.8%	26.0%
Percent with bachelors + 150 hours	31.0%	36.0%	0.3%	18.2%
Percent with masters	48.3%	45.5%	64.3%	54.9%
Percent with doctorate	0.2%	0.4%	0.3%	0.3%

Source: FY 2000 ODE Average Experience of Teachers report

[1] The average salary as reported by ODE is $45,935. However, the salary was adjusted for the pick-up on the pick-up of the employee's retirement contribution.

As shown in **Table 3-13**, the average years of experience for teachers at Strongsville CSD is higher than the peer districts. However, 79.5 percent of teachers in FY 2000 had either a bachelors degree plus 150 hours of education or a master degree compared to a peer average of 73.1 percent for the same educational degrees. While educational attainment directly affects salaries, it could also have a positive impact on classroom teaching skills. In addition, districts who have a highly experienced teaching corps that are above the State average in education and experience, receive additional State funding. Strongsville CSD received an additional $74,500 in FY 2000 and $28,800 in FY 2001 according to the respective SF-3 reports.

C3.1 While Strongsville CSD has a lower percentage of its teachers with a masters degree when compared to the peer average, Strongsville CSD has a higher percentage of teachers with more than a bachelors degree (bachelors degree plus 150 hours and masters degree) when compared to the peer average. The higher level of educational attainment may have a positive impact on classroom teaching skills and may assist Strongsville CSD in meeting its educational goals. Additionally, Strongsville CSD has received additional State funding based upon the experience and educational level of its teachers.

F3.14 **Table 3-14** ranks the bachelors degree base teacher's salaries and maximum teacher's salaries for the school districts in Cuyahoga County (County). All salaries included in this table were in effect in October 2001.

Table 3-14: Rank of Teacher's Bachelors Degree Salaries, Effective October 2001

Bachelor Degree Base Salary			Bachelor Degree Maximum Salary		
Rank	District	Salary	Rank	District	Salary
1	Beachwood CSD	$34,895	1	Cuyahoga Heights LSD	$67,335
2	Orange CSD	$33,601	2	Rocky River CSD	$60,383
3	Shaker Heights CSD	$33,418	3	Polaris JVSD	$58,247
4	Solon CSD	$33,209	4	Orange CSD	$57,122
5	Polaris JVSD	$33,001	5	Beachwood CSD	$55,835
6	Independence LSD	$32,793	6	Warrensville Heights CSD	$54,566
7	Berea CSD [1]	$32,494	7	Cleveland Heights-University Heights CSD	$54,500
8	Cuyahoga Valley Career Center	$32,345	8	Shaker Heights CSD	$54,487
9	Mayfield CSD	$32,109	9	North Royalton CSD	$54,444
10	Cleveland Heights-University Heights CSD	$31,700	10	Independence LSD	$54,436
11	Brecksville-Broadview Heights CSD	$31,690	11	Brecksville-Broadview Heights CSD	$54,193
12	North Royalton CSD	$31,254	12	Cuyahoga Valley Career Center	$53,886
13	**STRONGSVILLE CSD** [1]	**$31,095**	13	Mayfield CSD	$53,596
14	Cleveland Municipal School District	$31,081	14	Westlake CSD	$53,206
15	Richmond Heights CSD	$31,032	15	Richmond Heights CSD	$52,733
16	Rocky River CSD	$31,002	16	Solon CSD	$52,618
17	Chagrin Falls EVSD	$30,894	17	East Cleveland CSD	$52,444
18	Bedford CSD	$30,347	18	Chagrin Falls EVSD	$51,902
19	North Olmsted CSD	$29,993	19	Berea CSD [1]	$51,687
20	Westlake CSD	$29,975	20	Bedford CSD	$51,590
21	South Euclid-Lundhurst CSD	$29,971	21	North Olmsted CSD	$51,534
22	East Cleveland CSD	$29,968	22	Cleveland Municipal School District	$51,230
23	Bay Village CSD	$29,903	23	Brooklyn CSD	$50,710
24	Fairview Park CSD	$29,781	24	Euclid CSD	$50,429
25	Garfield Heights CSD	$29,636	25	South Euclid-Lundhurts CSD	$50,351
26	Euclid CSD	$29,629	26	Fairview Park CSD	$49,874
27	Brooklyn CSD	$29,551	26	Parma CSD	$49,874
28	Warrensville Heights CSD	$29,495	28	Bay Village CSD	$49,791
29	Cuyahoga Heights LSD	$29,231	29	Garfield Heights CSD	$49,788
30	Parma CSD	$28,779	30	Olmsted Falls CSD	$49,535
31	Lakewood CSD	$28,540	31	**STRONGSVILLE CSD** [1]	**$49,427**

Bachelor Degree Base Salary			Bachelor Degree Maximum Salary		
Rank	District	Salary	Rank	District	Salary
32	Olmsted Falls CSD	$28,534	32	Lakewood CSD	$46,663
33	Maple Heights CSD	$27,936	33	Maple Heights CSD	$44,991

Source: Cuyahoga County Teachers' Salary Information
[1] The amount reported in the published document has been adjusted due to the board of education's responsibility for the pick-up on the pick-up of the teacher's State Teacher Retirement System (STRS) share.

Strongsville CSD's bachelors degree base salary is actually $28,226 while the maximum salary is $44,866. These are both the second lowest within the County. However, because Strongsville CSD is responsible for the pick-up on the pick-up of the teachers' STRS share, annual salaries were adjusted. With the adjustment, Strongsville CSD's bachelors degree base salary is the 13th highest in the County while the maximum salary is the third lowest.

F3.15 **Table 3-15** ranks the masters degree maximum teacher's salaries without longevity and masters degree maximum teacher's salaries with longevity for the school districts in Cuyahoga County. All salaries included in this table were in effect in October 2001.

Table 3-15: Rank of Teacher's Masters Degree Maximum Salaries, Effective October 2001

Masters Degree Maximum Salary, without Longevity			Masters Degree Maximum Salary, with Longevity		
Rank	District	Salary	Rank	District	Salary
1	Cuyahoga Heights LSD	$70,715	1	Orange CSD	$74,258
2	Beachwood CSD	$68,791	2	Cuyahoga Heights LSD	$70,717
3	Orange CSD	$67,202	3	Shaker Heights CSD	$70,195
4	Shaker Heights CSD	$66,836	4	Independence LSD	$68,865
5	Rocky River CSD	$66,421	5	Beachwood CSD	$68,791
6	Independence LSD	$65,586	6	Garfield Heights CSD	$67,985
7	Cuyahoga Valley Career Center	$65,216	7	Polaris JVSD	$67,817
8	Polaris JVSD	$64,683	8	Berea CSD [1]	$66,718
9	Cleveland Height-University Heights CSD	$64,500	9	Rocky River CSD	$66,421
10	Mayfield CSD	$64,218	10	North Royalton CSD	$65,827
11	Warrensville Heights CSD	$64,181	11	Mayfield CSD	$65,718
12	Berea CSD [1]	$62,686	12	Cuyahoga Valley Career Center	$65,216
13	North Royalton CSD	$62,508	13	Bay Village CSD	$64,671
14	Solon CSD	$61,796	14	Cleveland Heights-University Heights CSD	$64,500
15	**STRONGSVILLE CSD** [1]	**$61,686**	15	Cleveland Municipal School District	$64,433
16	Richmond Heights LSD	$60,922	16	Olmsted Falls CSD	$64,408
17	Brecksville-Broadview Heights CSD	$60,696	17	Warrensville Heights CSD	$64,181

Masters Degree Maximum Salary, without Longevity			Masters Degree Maximum Salary, with Longevity		
Rank	**District**	**Salary**	**Rank**	**District**	**Salary**
18	Chagrin Falls EVSD	$60,552	18	Brecksville-Broadview Heights CSD	$64,014
19	East Cleveland CSD	$60,385	19	Richmond Heights LSD	$63,522
20	Westlake CSD	$59,950	20	Westlake CSD	$62,948
21	Bay Village CSD	$59,791	21	East Cleveland CSD	$62,574
22	Garfield Heights CSD	$59,572	22	**STRONGSVILLE CSD** [1]	**$62,574**
23	North Olmsted CSD	$59,518	23	Solon CSD	$61,796
24	Cleveland Municipal School District	$59,491	24	Fairview Park CSD	$61,766
25	South Euclid-Lyndhurst CSD	$58,743	25	Bedford CSD	$61,271
26	Olmsted Falls CSD	$58,630	26	Brooklyn CSD	$60,905
27	Parma CSD	$58,508	27	Chagrin Falls EVSD	$60,552
28	Brooklyn CSD	$58,245	28	South Euclid-Lyndhurst CSD	$60,043
29	Lakewood CSD	$57,936	29	Euclid CSD	$59,582
30	Bedford CSD	$57,811	30	North Olmsted CSD	$59,518
31	Euclid CSD	$57,332	31	Parma CSD	$58,508
32	Fairview Park CSD	$58,843	32	Lakewood CSD	$57,936
33	Maple Heights CSD	$54,196	33	Maple Heights CSD	$56,431

Source: Cuyahoga County Teachers' Salary Information
[1] The amount reported in the published document has been adjusted due to the board of education's responsibility for the pick-up on the pick-up of the teacher's State Teacher Retirement System (STRS) share.

Strongsville CSD's masters degree maximum salary without longevity is actually $55,931 while the masters degree maximum salary with longevity is $56,800. These are both the second lowest within the County. When the adjustments are made for the pick-up on the pick-up of the teachers' STRS share, Strongsville CSD's annual salaries are the 15th highest and 22nd highest, respectively.

F3.16 **Table 3-16** indicates the gross earnings paid to full-time, regular education teachers at Strongsville CSD in calendar year 2000. According to ODE, the average teacher's salary for FY 2000 at Strongsville CSD was $45,935. When adjusted for the pick-up on the pick-up of the employee's retirement contribution, the average teacher's salary was $50,604. Based upon the analysis for **Table 3-16**, the average gross earnings was $54,429 for calendar year 2000. The differences between the adjusted average teacher's salary and the average gross earnings are attributable, in part, to supplemental contracts (**F3.17**) and the voluntary professional growth program (**F3.35**).

Table 3-16: Range of Actual Teacher Gross Earnings for CY 2000

Range	Number of Teachers [1]	Percentage
$27,364 - $29,999	6	2.2%
$30,000 - $39,999	48	17.3%
$40,000 - $49,999	47	17.0%
$50,000 - 59,999	63	22.7%
$60,000 - $66,929	35	12.6%
$66,930 +	78	28.2%
Total	**277**	**100.0%**

Source: FY 2001 EMIS staff demographics report; CY 2000 W-2s

[1] Represents only regular education teachers in the elementary schools, middle schools and high school whose earnings were greater than the FY 2001 base salary of $27,364.

As illustrated in **Table 3-16**, there is a high number of employees (approximately 40.8 percent) who received compensation in excess of $60,000 in CY 2000. However, as stated in **Table 3-13**, Strongsville CSD 48.3 percent of its teachers had a masters degree. According to the negotiated agreements, the base salary for a masters degree (after adjustment for the pick-up on the pick-up) was $35,083 while the maximum salary for a masters degree with longevity was $62,574. These base salaries do not include supplemental contracts (**F3.17**) or the voluntary professional growth program (**F3.35**).

F3.17 **Table 3-17** compares the total amount paid in supplemental contracts at Strongsville CSD with the peer districts during FY 2001.

Table 3-17: Total Supplemental Payments

	Strongsville	Brecksville-Broadview Heights CSD	Solon	Peer Average
FY 2001 ADM	6,800	4,083	4,935	4,509
Total Supplemental Payments	$807,085	$444,743	$992,490	$718,617
Supplemental Expenditures per ADM	$119	$109	$201	$159

Source: FY 2001 EMIS Staff Summary Report, interviews

Table 3-17 indicates that Strongsville CSD's total supplemental payments are higher than the peer average and the second highest when compared to the peers. However, Strongsville CSD's supplemental expenditure per ADM is the second lowest when compared to the peers and lower than the peer average. Supplemental contracts are used to help school districts

offer programs outside the scope of regular classroom instruction. **Table 3-18** compares the amounts paid for some common supplemental contract positions for Strongsville CSD and the peer districts.

Table 3-18: Comparison of Selected Supplemental Contract Amounts [1]

	Strongsville	Brecksville-Broadview Heights	Solon	Peer Average
Head Varsity Basketball Coach (Boys)	$5,473	$4,278	$4,818	$4,548
Head Varsity Basketball Coach (Girls)	$5,473	$4,278	$4,818	$4,548
Head Varsity Track Coach (Boys)	$3,831	$3,803	$3,854	$3,829
Head Varsity Baseball Coach	$3,831	$3,803	$4,175	$3,989
Head Varsity Softball Coach	$3,421	$3,803	$4,175	$3,989
Head Varsity Cheerleader Advisor	$1,642	$2,852	$3,212	$3,032
Junior Class Advisor	$1,478	$634	$1,606	$1,120
Senior Class Advisor	$1,478	$634	$964	$799
Total number of eligible positions	344	194	N/A	N/A
Total FY 2001 Payments	$807,085	$444,743	$992,490	$718,617
Average per eligible position	$2,346	$2,292	$2,931 [2]	$2,612

Source: Strongsville CSD and peer school district negotiated agreements and supporting documentation
[1] All amounts indicated are the base amounts for each positions. The payments for some positions may increase the longer an individual is in the same position.
[2] Since the number of eligible positions was not available, the average was calculated based upon the sample positions looked at within Solon CSD.

As illustrated in **Table 3-18**, the average supplemental payment per eligible position is the second highest when compared to the peers and is lower than the peer average. The number of eligible positions at Strongsville CSD is higher than Brecksville-Broadview Heights CSD and is higher than the number of eligible positions which have been seen in other performance audits.

R3.5 Strongsville CSD should review the number of eligible supplemental positions offered to determine if there is an excessive number of positions being offered. If Strongsville CSD were to experience financial problems in the future, decreasing the number of supplemental positions could assist Strongsville CSD in allocating financial resources to other areas within its operations.

Special Education

F3.18   Ohio pre-school and school-aged children are placed in a special education program when they meet various conditions identified through a multi-factored assessment process conducted in accordance with State and federal regulations. Children with disabilities may be identified from birth through 2 ½ years old, but are typically identified at the pre-school (ages 3 to 5) or school-age level. The MFE Team forms to assess and determine eligibility. Once a student is identified as being eligible for the special education program, an individualized education planning team is formed. Typically, the individualized education planning team will consist of any of the following: building principal, special education teacher, regular education teacher, psychologist, therapist, nurse and child's parents. The individualized education planning team meets at least annually to develop an individualized education plan (IEP), identifying the goals for educating the child and specifying how those goals are to be achieved. Like regular education students, special education students must meet the 20-unit requirement in order to graduate. However, special education students are given 22 years to achieve this requirement and the intensity of the education varies in accordance with the student's IEP. The program includes a transition component for students age 14 and older.

Strongsville CSD in FY 2002 has 864.5 resident students between the ages of 3 and 22 with IEPs, each of which must be reviewed at least annually. Under all circumstances, Strongsville CSD is responsible for assessing, developing and maintaining a student's IEP, even when another agency or school district is responsible for servicing the student. This occurs when the IEP dictates that a student attends school district or agency, when a student resides in a foster home outside of Strongsville CSD, when a student receives home schooling or is educated in another setting outside Strongsville CSD. Strongsville CSD is currently responsible for educating all of the 864.5 special education students for which it maintains IEPs.

F3.19   **Table 3-19** compares Strongsville CSD's ratio of handicapped students to special education FTEs to the peer districts' ratios for FY 2001.

Table 3-19: Comparison of Special Education Students per Special Education FTE

School District	ADM	Total Handicapped	Percent Handicapped [1]	Special Education FTE	Ratio of Special Education Students to FTEs
Strongsville	6,800	775	11.4%	37.0	20.9 to 1
Brecksville-Broadview Heights	4,083	351	8.6%	23.7	14.8 to 1
Solon	4,935	528	10.7%	42.8	12.3 to 1
Peer Average	**4,509**	**440**	**9.7%**	**33.3**	**13.2 to 1**

Source: FY 2001 EMIS School Enrollment Reports; FY 2001 Staff Summary Reports; 2000 Report Cards
[1] Because the 2002 report cards have not been released by the ODE, the percentages were obtained from the 2001 report cards for each of the school districts.

As shown in **Table 3-19**, Strongsville CSD's special education student-to-teacher ratio is higher than both the peer districts and higher than the peer average. ODE requires each school district to develop a district-wide special education plan to meet the needs of its special education students. ODE establishes recommended student-to-teacher ratios by handicap, but the recommendations allow school districts to deviate from the ratios based on the adopted special education plan.

Strongsville CSD developed a plan to educate its special education students through a Model IV Alternative Service Delivery Options (ASDO) program. In a Model IV ASDO program, services may be provided in a regular classroom environment with the regular education teacher (inclusion), in a special class or learning center (resource room). The role of the special educator varies based upon the needs of the student. Special education teachers may provide services to students in the regular classroom, in a self-contained special education class or on an as-needed basis in a resources room. The Model IV ASDO program allows Strongsville CSD more flexibility in the use of staff and provides special needs students the opportunity to be educated in a regular classroom. To further assist in the education of special education students, Strongsville CSD uses small group instructors. The small group instructors are used exclusively in the special education program and assist teachers in enforcing what is being taught in the classroom. The IEP developed for each student identifies the use of small group instructors.

Based upon the analysis conducted in **F3.10** on student-to-teacher ratios for Strongsville CSD and the analysis in **Table 3-19** on student-to-teacher ratios in special education, it does not appear that staffing reductions in the special education area are justified.

Substitutes

F3.20   **Table 3-20** compares Strongsville CSD and the peer district substitute costs. The categories in **Table 3-20** represent key indicators in determining efficiency of substitute use in a school district.

Table 3-20: Comparison of Substitute Hourly Rates

	Strongsville	Brecksville-Broadview Heights	Solon
Auto/Manual Substitute Placement	Manual	Manual	Manual
Daily Cost of Teacher Substitutes	0-6 days: $85/day 6-19 days: $90/day 20-59 days: $112/day 60+ days: first step of agreement and eligible for benefits Permanent: $125/day	0-5 days: $80/day 5-41 days: $85/day 41+ days: first step of agreement 40 non-consecutive days: $90 day Retired Brecksville-Broadview Heights Teachers: $95/day	0-30 days: $95/day 31-59 days: $100/day 60+ days: first step of agreement
Small Group Instructors	½ day: $40.00 Full day: $80.00	$11.00 per hour	N/A
Hourly Cost of Teaching Aides	$7.21 per hour	$8.28 per hour	$10.93 per hour
Hourly Cost of Bus Drivers	$11.73 per hour	$12.70 per hour	$11.76 per hour
Hourly Cost of Cafeteria Personnel	$6.75 per hour	$6.83 per hour	$7.00 per hour
Hourly Cost of Clerical Personnel	$7.53 per hour	$9.00 per hour	$11.44 per hour
Hourly Cost of Custodians	$9.35 per hour	$8.16 per hour	$9.40 per hour
Hourly Cost of Maintenance	$9.61 per hour	N/A	$9.15 per hour
Hourly Cost of Mechanics	$9.87 per hour	N/A	$13.82 per hour

Source: Strongsville CSD and peer school district documentation, interviews

As shown in **Table 3-20**, the hourly substitute rates for teachers at Brecksville-Broadview Heights CSD are higher than those at Strongsville CSD because substitute teachers are eligible to be placed on the salary scheduled sooner. Retired Brecksville-Broadview Heights CSD teachers are also used as substitute teachers and they receive a higher daily rate than other substitutes. Retired teachers are used by Strongsville CSD, but they do not receive a higher rate of pay. The hourly costs for substitutes in the teaching aide, bus driver, cafeteria personnel, clerical personnel and mechanics are lower when compared to the peer districts. High hourly or daily substitute rates could increase the overall costs to a district. However, low hourly or daily substitute rates could make it difficult for a district to locate substitutes when needed. Strongsville CSD has indicated that it does not normally have a problem finding substitutes.

R3.6   If Strongsville CSD begins to have difficulties in obtaining substitute teachers, it should consider placing an emphasis using retired teachers at substitutes. While Strongsville CSD has indicated that it does not normally have a problem finding teaching substitutes, this may be a problem which it may encounter in the future. In addition to placing an emphasis on using retired teachers as substitutes, it may be necessary to follow the lead of other school districts and increase the rate of pay for retired teachers who function as substitute teachers. This will allow Strongsville CSD to use teachers who are familiar with its educational goals as well as its curriculum. Furthermore, it may assist Strongsville CSD in adding to its available substitute teaching pool.

F3.21   **Table 3-21** shows the substitute payments made by Strongsville CSD and the peers during FY 2001. As illustrated, teaching substitutes constituted 61.5 percent of the total substitute costs for FY 2001 which was the lowest when compared to the peers. However, the substitute costs paid in FY 2001 in the "other classified personnel" classification were the highest when compared to the peers.

Table 3-21: Substitute Payments for FY 2001

Classification	Strongsville		Brecksville-Broadview Heights		Solon	
	Amount Paid	Percent of Total	Amount Paid	Percent of Total	Amount Paid	Percent of Total
Teachers	$446,948 [1]	61.5%	$442,937	74.4%	$508,831	77.3%
Food Service	$11,738	1.6%	$15,852	2.7%	$11,618	1.8%
Special Education Interpreter	$2,783	0.4%	$0	0.0%	$0	0.0%
Transportation Personnel [2]	$74,193	10.2%	$66,509	11.1%	$77,487	11.8%
Other Classified Personnel	$191,633	26.3%	$70,214	11.8%	$59,960	9.1%
Totals	**$727,295**	**100.0%**	**$595,512**	**100.0%**	**$657,896**	**100.0%**

Source: Strongsville CSD and peer school district documentation
[1] Total substitute costs for teachers includes $425,707 paid from the General Fund and $21,241 paid from other funding.
[2] Substitute costs for transportation personnel include bus monitors, bus drivers and field trip pay for bus drivers.

Leave Usage

F3.22   ORC §3319.141 stipulates that "Each person who is employed by any board of education in this state shall be entitled to 15 days sick leave with pay, for each year under contract, which shall be credited at the rate of 1.25 days per month." Based upon documentation submitted by Strongsville CSD, the average teacher used 9.5 sick leave days and 1.6 personal leave days during FY 2001. Assuming all sick leave days used by a Strongsville CSD teacher are covered by a substitute, 5.3 percent of all periods taught in FY 2001 were taught by a substitute. Brecksville-Broadview Heights CSD reported that during FY 2001, the average

teacher used 8.4 sick leave days and 1.5 personal leave days. Information is not available for Solon CSD since all leave balances are tracked manually. While the amount of sick leave days does not appear to be dramatically higher than Brecksville-Broadview Heights CSD, the amount is higher than what has been seen in other school district performance audits. A review of three other urban/suburban school district performance audits conducted by the Auditor of State (Parma CSD, Cleveland Heights-University Height CSD and Canton CSD) indicated sick leave usage by certificated employees of 8.7 days, 7.5 days and 6.9 days, respectively.

F3.23 **Table 3-22** illustrates the number of days of leave used by Strongsville CSD's classified staff for FY 2001 which could have required either a substitute or another staff member to cover for the vacancy.

Table 3-22: Classified Staff Leave Days Taken During FY 2001

Classification	Sick Leave	Personal Leave	Professional Leave	Vacation Leave	Total Days Taken	Number of Employees	Average Sick & Personal Leave per Employee	Average per Employee (All Leave)
Aides	992.0	146.0	130.0	0.0	1,268.0	131	**8.7**	**9.7**
Clerical/Office	448.0	49.0	67.0	330.0	894.0	56	**8.9**	**16.0**
Custodians	529.0	53.0	23.0	454.0	1,059.0	52	**11.2**	**20.4**
Food Service	203.0	34.0	25.0	0.0	262.0	46	**5.2**	**5.7**
Classified Leadership	167.0	17.0	125.0	246.0	555.0	19	**9.7**	**29.2**
Maintenance	52.0	5.0	6.0	96.0	159.0	9	**6.3**	**17.7**
Mechanics	74.0	3.0	5.0	75.0	157.0	6	**12.8**	**26.2**
Transportation	630.0	90.0	46.0	0.0	766.0	73	**9.9**	**10.5**
Totals	**3,095.0**	**397.0**	**427.0**	**1,201.0**	**5,120.0**	**392**	**8.9**	**13.1**

Source: Strongsville CSD
Note: Strongsville CSD indicated that it does not get substitutes for the following: some clerical positions, classified leadership positions, some maintenance positions and mechanic positions.

The total average number of leave days used per classified employee is 13.1 which does not appear to be excessive based upon previous school district performance audits. The average amount of sick leave used per classified employee at Strongsville CSD is 7.9 days compared to 7.4 days per classified employee at Brecksville-Broadview Heights CSD. Information was not available from Solon CSD.

While the average number of sick leave days used by classified employees appears to be significantly less than sick leave days used by teachers, the custodial employees and maintenance employees at Strongsville CSD appear to use a high number of sick leave days

per employee. During FY 2001, the average custodial employee used 10.2 sick days while the average maintenance employee used 12.3 sick days. Excessive use of sick leave within these classifications or any other employee classification of the classified employees could limit Strongsville CSD's resources, disrupt daily routines and weaken the quality of education.

R3.7 Strongsville CSD should examine the use of sick leave by its teachers and seek methods to reduce the use of sick leave among its certificated employees. The use of sick leave by teachers has a direct impact on school district costs as both the teacher's regular salary and the substitute cost must be paid by the district. In addition, the excessive use of sick leave may increase administrative costs and impact the quality of education by interrupting the flow of a teacher's curriculum. Strongsville CSD may need to develop and implement policies to assist with the reduction of sick leave which may include the following:

- Implementing a sick leave abuse policy such as a rolling year occurrence policy where employees are held accountable for the number of times taken off rather than the length of time taken off.

- Requiring sick leave to be a component of the employee's evaluation.

During FY 2001, Strongsville spent $446,948 in teaching substitute costs. **Table 3-23** illustrates estimated annual cost savings for Strongsville CSD should it be able to reduce the number of sick leave days per teacher based upon the $85 daily teacher substitute cost.

Table 3-23: Annual Savings Calculated for Reducing the Usage of Teacher's Sick Leave

Estimated Annual Cost Savings		
Reduction of 1 day per teacher	**Reduction of 2 days per teacher**	**Reduction of 3 days per teacher**
$37,230	$74,460	$111,690

In addition to the sick leave usage by teachers, Strongsville CSD should continue to monitor the use of sick leave by its classified employees. While the overall use of sick leave among the classified employees does not appear to be excessive, the average custodial employee and the average mechanic used 10.2 days and 12.3 days, respectively. Excessive use of sick leave by classified employees could limit Strongsville CSD's resources, disrupt daily routines and weaken the quality of education.

Financial Implication: Reducing the number of sick leave days by one day per teacher would bring Strongsville CSD in line with Parma CSD and would produce an estimated annual cost savings of $37,230. Reducing the number of sick leave days by two days per teacher would bring Strongsville CSD in line with Cleveland Heights-University Heights CSD and would produce an estimated annual cost savings of $74,460. However, reducing

sick leave usage by three days per employee would bring Strongsville CSD in line with Canton CSD and would produce an estimated annual cost savings of $111,690.

Benefits Administration

F3.24   A report on the *Cost of Health Insurance in Ohio's Public Sector* was completed by the State Employee Relations Board (SERB). Based on the 2000 study, approximately 65 percent of the responding employers required employees to pay a portion of the cost of a family medical plan. Fifty-one percent required employees to share the cost for the single medical plan. The average monthly employee contribution is $23.41 for the single medical plan and $66.88 for the family medical plan. These rates amount to 10.8 percent of the cost of the single medical plan and 12.1 percent of the cost of the family medical plan. Other findings from the study include the following:

- The estimated cost of medical and other health care benefits was $6,352 per covered employee in 2000.

- Monthly medical insurance premiums currently average $215.60 for a single medical plan and $549.41 for a family medical plan.

- The average total monthly cost of employee health care benefits is $262.65 for single coverage and $632.24 for family coverage.

- Approximately 91 percent of public employers offer some level of dental coverage, 56 percent provide some level of vision coverage and 94 percent offer life insurance.

- Dental coverage costs an average of $29.99 per month for a single plan and $53.52 per month for a family plan. The cost of vision insurance averages $8.41 per month for a single plan and $16.08 per month for a family plan.

- Medical premiums in 2000 rose an average of 10.7 percent for both single and family plans compared to the 1999 levels. This represents the first double-digit increase in health insurance rates since 1992.

F3.25   The SERB report *Cost of Health Insurance in Ohio's Public Sector* also reports numerous findings specifically for school districts. This information is important because it allows school districts to compare information based on a school district average as well as a like-sized school districts. Some of the key information contained within the report includes the following:

- The average medical premium for school districts is $215.80 for a single plan and $537.90 for a family plan. The average medical premium for school districts with an enrollment between 2,500 and 9,999 is $214.17 for a single plan and $530.77 for a family plan.

- The average employee contribution for school districts is $11.63 for a single plan and $45.23 for a family plan. The average employee contribution for school districts with an enrollment between 2,500 and 9,999 is $10.05 for a single plan and $33.40 for a family plan.

- The average total premium per employee for all insurance costs for school districts is $274.17 for a single plan and $633.00 for a family plan. The average total premium per employee for all insurance costs for school districts with an enrollment between 2,500 and 9,999 is $273.62 for a single plan and $626.58 for a family plan.

- The average annual cost of insurance per employee for a school district in 2000 was $6,429. The average annual cost of insurance per employee for a school district with enrollment between 2,500 and 9,999 in 2000 was $6,385.

- The average contribution per employee at a school district is $21.22 for a single plan (9.8 percent of premium costs) and $63.66 for a family plan (11.8 percent of premium costs). The average contribution per employee at a school district with enrollment between 2,500 and 9,999 is $18.40 for a single plan (8.8 percent of premium costs) and $52.34 for a family plan (9.8 percent of premium costs).

F3.26 **Table 3-24** provides selected medical insurance information for Strongsville CSD and the peer districts. Employees hired after 1999 are required to contribute $20.00 per month towards the monthly premium cost of the family Medical Mutual Major (PPO) plan. However, Strongsville CSD pays 100 percent of all monthly premiums for all other personnel and medical insurance plans.

Table 3-24: Hospitalization Insurance Premium Comparisons

District	Provider(s)	Single Plan Monthly Premium	Full-time Employee Share	Family Plan Monthly Premium	Full-time Employee Share	FY 2001 Average Enrollment per plan	Self Insured
Strongsville	Medical Mutual Major (PPO)	$245.91	$0.00	$616.19	$20.00 [1]	58/298	No
	Medical Mutual Select	$235.48	$0.00	$590.30	$0.00	79/211	No
	Kaiser Health (HMO)	$212.65	$0.00	$561.40	$0.00	4/10	No
Brecksville-Broadview Heights [2]	Medical Mutual (PPO)	$281.37	$0.00	$727.69	$0.00	76/153	No
	Kaiser	$239.93	$0.00	$606.85	$0.00	6/7	No
Solon	Medical Mutual [3]	$272.88	$0.00	$758.07	$0.00	26/190	Yes
	Medical Mutual (PPO) [3]	$229.38	$0.00	$637.16	$0.00	50/91	Yes
	Medical Mutual [4]	$339.05	$0.00	$941.89	$0.00	20/100	Yes
	Medical Mutual (PPO) [4]	$283.57	$0.00	$787.74	$0.00	36/33	Yes

Source: Strongsville CSD and peer school district schedule of benefits
[1] An employee at Strongsville CSD is only responsible for a portion of the monthly premium on a family plan if the employee was hired after 1997.
[2] Only those plans which are currently available are illustrated. Brecksville-Broadview Heights CSD also has an additional health care plan which is no longer offered. In addition, the hospitalization plans have been adjusted to include the cost of the prescription plan for comparison with the Strongsville CSD.
[3] These two medical plans are for the certificated personnel at Solon CSD.
[4] These two medical plans are for the classified personnel at Solon CSD. The premiums have been adjusted to include the cost of the prescription plan for comparison with Strongsville CSD.

In comparison to the SERB study (**F3.24** and **F3.25**), the average cost of Strongsville CSD's single medical plans ($231.35 a month) is higher than SERB's average reported monthly medical premium cost and the average reported monthly medical premium cost for school districts of like-size ($215.60 and $214.70, respectively). The average cost of the family medical plans ($589.30) is also higher than SERB's average reported monthly medical premiums and the average reported monthly medical premium cost for school districts of like-size ($549.41 and $530.77). However, while the costs are higher than those reported by SERB, the average costs are lower than the peer districts.

F3.27 Benefits offered as components of a medical insurance plan may impact the cost of the plan and should be considered when conducting a cost/benefit analysis. Typically, the level of benefits, including co-pays, annual deductibles and the inclusion of prescription plans is included in the bargaining agreements. **Table 3-25** compares certain benefits of Strongsville CSD and the peer districts.

Table 3-25: Key Medical Plan Benefits [1]

	Strongsville **Medical Mutual Major (PPO)** **Medical Mutual Select (POS)** **Kaiser (HMO)**	**Brecksville-Broadview Heights** **Super Med Plus** **Kaiser (HMO)**	**Solon** **Medical Mutual** **Medical Mutual (PPO)** **Medical Mutual** **Medical Mutual (PPO)**
Office visits	$8 co-pay, then 90% $10 co-pay, then 100% 100%	100% 100%	100% 100% 100% 100%
Employee annual deductible	$100 (S) $200 (F) None None	$100 (S) $200 (F) None	$50 (S) $100 (F) $50 (S) $100 (F) $50 (S) $100 (F) $50 (S) $100 (F)
Out-of-pocket maximum	$200 (S) $400 (F) None None	$500 per covered person None	None None None None
Prescription plan included	Yes Yes Yes	No No	Yes Yes No No
Need to choose primary physician	No Yes Yes	No Yes	No No No No
Maternity	90% 100% 100%	100% 100%	100% 100% 100% 100%
Well-child care	0-9 years: 90%; $500 max $10 co-pay, then 100% 100%	0-9 years: 100%; $500 max $100%	0-9 years: 100%; $500 max 0-9 years: 100%; $500 max 0-9 years: 100%; $500 max 0-9 years: 100%; $500 max
Inpatient hospital care	90% 100% 100%	100% 100%	100% 100% 100% 100%

Source: Strongsville CSD and peer school district benefit books
[1] For all health care plans, information presented is assuming that the employee chooses an authorized provider within the network, if applicable.

As stated in **Table 3-25**, the premium costs for medical insurance at Strongsville CSD are lower than the premium costs at the peer districts. An analysis of some of the key medical plan benefits indicates many similarities in the benefits between the medical insurance plans at Strongsville CSD and the peer districts. However, one key difference is that the employee annual deductible for the Medical Mutual PPO when compared to the similar plan offered at Solon CSD. In addition, the amount of employee contributions, as illustrated in **Table 3-25** is greater than the employee contribution at the peer districts.

F3.28 **Table 3-26** provides selected dental insurance information for Strongsville CSD and the peer districts. Classified employees hired after 1995 are required to contribute $7.07 per month towards the monthly premium cost of the single and family dental insurance plans. However, Strongsville CSD pays 100 percent of all monthly premiums for all other personnel.

Table 3-26: Dental Insurance Premium Comparisons

District	Provider	Single Plan Monthly Premium	Full-time Employee Share	Family Plan Monthly Premium	Full-time Employee Share	FY 2001 Average Enrollment per plan	Self Insured
Strongsville	CoreSource	$82.07	$0.00 [1] $7.07 [1]	$82.07	$0.00 [1] $7.07 [1]	121/607	No
Brecksville-Broadview Heights	CoreSource	$26.56	$0.00	$72.31	$0.00	41/119	No
Solon	Medical Mutual	$28.02	$0.00	$77.85	$0.00	120/412	Yes

Source: Strongsville CSD and peer school district schedule of benefits
[1] All certificated employees and all classified employees hired before 1995 do not have to contribute any portion of the monthly premium cost associated with dental insurance. However, all classified employees hired after 1995 are responsible for $7.07 per month towards the monthly contribution of dental premium costs.

In comparison to the SERB study (**F3.24**), the cost of Strongsville CSD's single and family dental insurance plans ($82.07 a month) is higher than SERB's average reported monthly dental premium cost for single and family plans ($29.99 and $53.52 per month, respectively). In addition, the monthly dental premiums at Strongsville CSD are higher than the monthly dental premiums at the peer districts. As indicated in **Table 3-26**, Strongsville CSD and Brecksville-Broadview Heights CSD have the same dental insurance provider. **Table 3-27** compares key dental insurance benefits received by employees at Strongsville CSD and Brecksville-Broadview Heights CSD.

Table 3-27: Comparison of Dental Insurance Benefits

Description	Strongsville	Brecksville-Broadview Heights
Maximum benefit each calendar year for class 1, 2 and 3	$2,500	$1,500
Lifetime maximum for orthodontic services, per person	$1,500	$1,000
Annual Deductible	$25 (S) $50 (F)	$25 (S) $50 (F)
Percentages for Covered Dental Procedures: **Class 1 - Preventive and Diagnostic** **Class 2 - Basic Restoration** **Class 3 - Major Restoration** **Class 4 - Orthodontia**	 100% 80% 80% 60%	 100% 80% 60% 60%

Source: Dental insurance benefit books from Strongsville CSD and Brecksville-Broadview Heights CSD

As illustrated in **Table 3-27**, the dental benefits offered at Strongsville CSD are better than the benefits offered by Brecksville-Broadview Heights CSD under the same dental provider. This level of dental benefits is the primary reason for the higher monthly premiums at Strongsville CSD.

R3.8   Strongsville CSD should examine the current benefits offered under its dental insurance plan and determine if the current high level of benefits should be renegotiated. Strongsville CSD's dental costs are the highest among the peers and the peer average and are above the State average costs reported by SERB for like-sized districts. Should Strongsville CSD need to reduce its operating costs in the future, obtaining lower dental insurance with lower monthly premiums could assist in reducing costs. In order to do this, Strongsville CSD may need to find a new dental insurance provider or decrease the benefit level of its dental insurance plan.

Financial Implication: Assuming Strongsville CSD can obtain monthly dental premiums comparable to the Brecksville-Broadview Heights CSD and assuming enrollment levels comparable to the FY 2001 enrollment, Strongsville CSD could save an estimated $151,700 annually as a result of renegotiating its dental premiums.

F3.29   Strongsville CSD's total annual healthcare costs are affected by the total insurance premiums and the employees' share of the monthly premiums. **Table 3-28** compares the annual cost for certain benefits for FY 2001 for Strongsville CSD and the peer districts.

Table 3-28: Yearly Total of All Insurance Costs

District	Healthcare Costs	Dental Costs	Prescription Costs	Life Insurance Costs	Vision Costs	Totals	Annual Insurance Cost per Employee [1]
Strongsville	$3,787,995	$647,182	N/A [2]	$137,705	N/A	$4,572,882	**$5,907**
Brecksville-Broadview Heights	$1,967,294	$252,372	$405,964	$57,439	N/A	$2,683,069	**$5,774**
Solon	$3,317,873	$378,407	$309,003 [3]	$47,519	$154,575	$4,207,377	**$7,238**
Peer Average	**$2,642,584**	**$315,390**	**$357,484**	**$52,479**	**$77,288**	**$3,445,225**	**$6,587**

Source: Documentation provided by Strongsville CSD and the peer districts
[1] Average insurance cost per employee is calculated based upon the total FTEs within the district.
[2] Costs are included within the healthcare costs.
[3] Prescription costs are only for classified employees. Prescription costs for certificated employees are included in the healthcare costs.

Strongsville CSD's annual insurance cost per employee is the second lowest when compared to the peers' annual cost per employee and 10.3 percent lower than the peer average. Strongsville CSD's low cost per employee is due, in part, to the employee contributions by some of its employees as indicated in **Table 3-24**. However, while the annual insurance cost

per employee is lower than the peers and the peer districts, the total dental costs for Strongsville CSD are 105.2 percent higher than the peer average.

Strongsville CSD's annual cost per employee is lower than the State average and the average for like-sized school districts. SERB survey results indicated that the State average cost per employee for school districts was $6,429 or 8.8 percent higher than Strongsville CSD (**F3.24**). Similarly, the average annual cost of insurance per employee for a school district with enrollment between 2,500 and 9,999 in 2000 was $6,385 or 8.1 percent higher than Strongsville CSD (**F3.25**).

C3.2   Strongsville CSD has maintained a lower annual insurance cost per employee when compared to the peers, peer averages and SERB responses. Decreasing the annual insurance costs allows Strongsville CSD to allocate additional resources to other areas.

R3.9   Based upon rising health cares costs for governmental entities (**F3.24**), the potential need for Strongsville CSD to reduce its operating costs and the employee contribution statistics reported by SERB (**F3.24** and **F3.25**), Strongsville CSD should require all its employees to contribute towards the monthly premium costs for health and dental insurance. Although Strongsville CSD's total insurance costs are the second lowest of the peers and below the State average, they are higher than the State average reported by SERB for like-sized districts. As stated in **Table 3-24** and **Table 3-26**, some employees are required to contribute a fixed dollar amount. However, not all employees are required to do so. If Strongsville CSD decides to require all employees to pay a portion of monthly premium costs, it should state the employee contribution in a percentage rather than a fixed dollar amount. This will assist Strongsville CSD in offsetting annual increases in health care costs.

Strongsville CSD should also consider possibly renegotiating its prescription plan co-pay. Under the current agreement, Strongsville CSD's employees pay $0 for generic drugs and $5 for brand-named drugs. However, the District retained the services of a consultant to review its health insurance provisions. Documentation provided by the consultant indicates that if the District requires a co-pay of $10 for generic drugs and $20 for brand-named drugs it could save approximately $214,000 per year.

Financial Implication: Assuming Strongsville CSD requires an employee contribution of 10 percent for health and dental insurance, Strongsville CSD would save an estimated $348,100 annually. The savings illustrated is net of current employee contributions received by Strongsville CSD. Strongsville CSD could save an additional $214,000 per year if it modifies its co-pay on its generic and brand-named drugs.

Workers' Compensation

F3.30 Ohio employers can apply for group workers' compensation coverage and potentially achieve lower premium rates than they could individually. Strongsville CSD is in a group experience rating plan, and based on its claims history, should be able to maintain its group experience rating status. **Table 3-29** illustrates workers' compensation benefits for Strongsville CSD and the peer districts for calendar year 2000.

Table 3-29: Comparison of Workers' Compensation Benefits for 2000

District	Total FTEs [1]	Number of Medical Claims	Number of Lost Time Claims	Claims per FTE	Premium	Premium per FTE	Experience Modifier	Program
Strongsville	774.2	16.0	6.0	0.03	$174,589	$226	0.51	Group
Brecksville-Broadview Heights	464.7	22.0	2.0	0.05	$198,656	$427	1.10	EXP
Solon	581.3	9.0	3.0	0.02	$198,897	$342	0.69	Group
Peer Average	**523.0**	**15.5**	**2.5**	**0.03**	**$198,777**	**$380**	**0.90**	**N/A**

Source: Bureau of Workers' Compensation; FY 2001 EMIS staff summary reports
[1] The total FTEs were obtained from the FY 2001 EMIS staff summary reports.

As shown in **Table 3-29**, Strongsville CSD had an experience modifier of 0.51 which is 43.3 percent less than the peer average. The experience modifier is based upon factors such as the number of total claims in any previous time period, the severity of those claims and the extent that lost time claims went into effect. An experience modifier greater than 1.0 is a penalty and may result in higher premiums. Strongsville CSD also had the lowest premium cost per employee when compared to the peers and the peer average despite having a higher number of medical claims and lost time claims compared to the peer average. **Table 3-30** shows Strongsville CSD's number of medical claims, number of lost time claims, premium costs and experience modifiers since 1996.

Table 3-30: Number of Workers' Compensation Claims

Year	Number of Medical Claims	Number of Lost Time Claims	Premium Costs	Experience Modifier
1996	17.0	6.0	$193,301	0.65
1997	22.0	6.0	$156,637	0.47
1998	17.0	8.0	$187,740	0.51
1999	22.0	7.0	$178,237	0.49
2000	16.0	6.0	$174,589	0.51

Source: Bureau of Workers' Compensation

As shown in **Table 3-30**, Strongsville CSD's medical claims, lost time claims, premium costs and experience modifiers have remained relatively stable. Based upon this analysis, it would appear that Strongsville CSD will be able to maintain its group status rating which will allow it to maintain its group experience rating status.

Contractual and Employment Issues

Certain contractual and employment issues that have been assessed and compared to the peer districts are illustrated on the following pages. Because contractual and employment issues directly affect the operating budget, many of the issues have been assessed to show the financial implication on Strongsville CSD. The implementation of any of the following recommendations would require union negotiations.

F3.31   The certificated staff are represented by the Strongsville Education Association (SEA). The current negotiated agreement is set to expire July 31, 2002. **Table 3-31** compares some key contractual issues for the certificated staff at Strongsville CSD and the peer districts.

Table 3-31: Strongsville CSD Certificated Contractual Comparison with Peers

	Strongsville	Brecksville-Broadview Heights	Mason	Solon
Length of work day	7 ½ hours (includes a 30-minute duty free lunch)	Not specifically stated in the contract	7 ½ hours (includes a 30-minute duty free lunch	7 3/4 hours (includes a 30-minute duty free lunch
Maximum class size	Not stated in contract	Not specifically stated in the contract	Not specifically stated in the contract	Not specifically stated in the contract
Number of contract days **Instructional days** **In-service days** **Parent/teacher conferences** **Professional development**	186.5 days 180.0 days 3.5 days 2.0 days 1.0 day	186.0 days 180.0 days 5.0 days 1.0 day 0.0 day	185.0 days 180.0 days 4.0 days 1.0 day 0.0 day	186.0 days 182.0 days 3.0 days 1.0 days 0.0 day
Maximum number of sick days accrued	Unlimited	Unlimited	220 days	Unlimited
Maximum number of sick days paid out at retirement (percentage of payout)	Retirement: 30% of accumulated sick leave up to 115 days Resignation: 30% of accumulated sick leave up to either 115 or 135 days, depending up years of service [1]	28% of accumulated sick leave up to 77 days and either a $1,000 lump-sum payment or $1,000 tax-sheltered annuity	Less than 10 years of service - prorated percentage based upon the number of years After 10 years of service - 25% of accumulated sick leave up to 55 days	100% of accumulated sick leave up to 75 days
Number of years required for severance pay	Retirement: Eligibility under STRS Resignation: Minimum of 15 years (10 years with Strongsville CSD) [1]	Eligibility requirements under STRS	Eligibility requirements under STRS	Eligibility requirements under STRS
Number of personal days	3 days	3 days	3 days	2 days
Notice required	72 hours notice must be given to use any personal leave	120 hours notice must be given to use any personal leave	48 hours notice must be given to use any personal leave	Written notice must be submitted as soon as possible

Number of leave days for association business	7 days per year for OEA/NEA meetings; 4 days for SEA meeting or association business [2]	19 days each year for meetings and association business [3]	3 days total for annual association meeting and 5 days for the association president	No maximum number of days stated in contract
Sabbatical/Professional leave	May receive one year without pay after five years of service and must return to the district for one year	May receive one year with partial pay after five years of service and must return to the district for one year	May receive one year with partial pay after five years of service and must return to the district for one year	May receive one year with partial pay after five years of service and must return to the district for one year
Number of days to file a grievance	30 calendar days	20 calendar days	30 calendar days	30 school days
Voluntary Professional Growth Program	Yes	No	No	No
Pick-up of Employee STRS Portion by District	Yes	No	No	No
Cost of living increases each year of the contract	FY 1997: 0.00% FY 1998: 3.90% FY 1999: 2.90% FY 2000: 2.90% FY 2001: 3.90% FY 2002: 3.15%	FY 2002: 3.20% FY 2003: 3.30%	FY 2001: 3.00% FY 2002: 3.60% FY 2003: 4.00% FY 2004: 5.00%	FY 2000: 2.50% FY 2001: 3.20% FY 2002: 3.40%
Past practice clause	None stated	None stated	None stated	None stated

Source: Strongsville CSD and peer school district negotiated agreements, interviews and documentation
[1] A certificated employee can also receive a lump-sum severance payment upon resignation if the certificated employee has a minimum of 15 years of service (10 years with Strongsville CSD). See **F3.33** for further information regarding the percentages paid upon resignation for a certificated employee's severance pay.
[2] In addition, the association can receive an additional three days of leave for association business if it uses all of the seven days and four days already allotted; however, the association is responsible for paying all related substitute costs.
[3] In addition, the association can receive an additional five days of leave for association business; however, the association is responsible for paying all related substitute costs.

F3.32 According to the negotiated agreement between Strongsville CSD and the certificated employees, teachers may use sick leave in a variety of circumstances when the circumstance impacts either the teacher or the teacher's immediate family. The negotiated agreement defines the teacher's immediate family as the following: spouse, son (in-law), daughter (in-law), sister (in-law), brother (in-law), father (in-law), mother (in-law), grandparent (in-law), grandchild, any individual who raised the teacher in lieu of natural parents and any individual living in the teacher's house who is related by blood or by marriage. Under the definition, a teacher may use sick leave if a circumstance impacts the teacher or if it impacts one of 20 other relations through blood or marriage.

In comparison, the negotiated agreement with the teachers at Brecksville-Broadview Heights CSD does not include any brothers, sisters, in-laws or grandparents in the immediate family definition. However, it permits its employees to use up to five days of sick leave in any one school year for these additional individuals.

R3.10 During future negotiations, Strongsville CSD should consider renegotiating the number of individuals which are included in the immediate family definition. As stated in **F3.22**, the certificated employees appear to use a higher number of sick leave days than Brecksville-Broadview Heights CSD and other school districts which have had performance audits. An excessive number of sick leave days used by employees impacts the operations of an

organization as well as increases administrative costs. Decreasing the number of individuals in the immediate family definition could decrease sick leave usage within Strongsville CSD, thereby increasing operational efficiencies and decreasing administrative costs. See **R3.7** for a financial implication for the reduction in sick leave.

F3.33 Certificated employees who retire from Strongsville CSD receive severance pay in the amount of 30 percent of total accumulated but unused sick leave at the time of retirement up to a maximum of 115 days. The number of days paid out at the time of retirement is greater than the number paid out by the peer school districts and the minimum standards stated in Ohio Revised Code (ORC) §124.39.

Certificated employees who terminate their employment with Strongsville CSD after 10 years of service with Strongsville CSD and a minimum of 15 years of overall teaching experience will receive severance payment equal to 30 percent of accumulated but unused sick leave up to a maximum of 115 days. However, certificated employees who terminate their employment with a minimum of 15 years of service with Strongsville CSD will receive 30 percent of accumulated sick leave days up to a maximum of 135 days which is more than an employee who retires from Strongsville CSD receives. The peer school districts only give severance pay to those employees who retire.

While ORC §124.39 allows a public entity to pay severance at percentages greater than 25 percent, for more than 30 days and for years of service to be less than 10 at the time of retirement, there is no requirement for a public entity to pay severance pay to an employee who has terminated their employment without retiring.

R3.11 Because the severance pay of a retired employee has a significant effect on a district's overall budget, Strongsville CSD should seek to renegotiate the maximum number of days paid out at retirement for its certificated employees. According to the negotiated agreement, Strongsville CSD employees who retire will receive up to 115 days of severance payment which is greater than the minimum standards stipulated in ORC §124.39 (30 days). Decreasing the number of days could lessen the financial burden on Strongsville CSD. During future negotiations, Strongsville CSD should also negotiate the elimination of the clause which provides severance pay to employees who terminate their employment with Strongsville CSD without retiring.

F3.34 The negotiated agreement between certificated employees and Strongsville CSD includes an early retirement incentive (ERI). Under this program, a teacher can request that Strongsville CSD purchase service credit in the amount of one-fifth of the individual's total service credit or three years of service, whichever is less. The negotiated agreement was offered in the previous four years prior to FY 2002. The **financial systems** section of this report will examine the estimated costs to Strongsville CSD for offering these ERIs.

Under the terms of the ERI, Strongsville CSD must determine if it is "financially feasible" to offer the ERI based upon the number of individuals who want to take part in it. However, the negotiated agreement does not define what is financially feasible, and Strongsville CSD personnel state that it also has not defined what is financially feasible.

R3.12 During future negotiations, Strongsville CSD should consider eliminating any ERI language. While ERIs may generate long-term savings for school districts, districts are often required to expend significant cash outlays at times when they can least afford them.

However, should Strongsville CSD decide to include an ERI in future contracts, it should define what constitutes financially feasible. A clear and concise definition of financial feasibility will ensure that there are no differing opinions between Strongsville CSD and the Strongsville Education Association. In addition, it will assist Strongsville CSD in assessing the costs and benefits and ensuring sufficient financial resources are available for future operations.

F3.35 In an effort to encourage voluntary professional growth among its teachers, Strongsville CSD has implemented a voluntary professional growth program. According to the assistant superintendent, the voluntary professional growth program was first introduced in Strongsville CSD in 1969. The following is the purpose of the voluntary professional growth program, as stated in the negotiated agreement:

> "The Voluntary Professional Growth Program seeks to encourage all teachers of the Strongsville City Schools to advance in professional growth beyond those standards set by the State and local school system in ways that provide a benefit to the educational program and students of Strongsville City Schools."

There is no minimum time restriction which limits when a teacher can receive the first voluntary professional growth reward. However, after each reward has been received, subsequent growth periods require a minimum of four consecutive years. No employee can be eligible for more than five professional growth rewards. In order for an employee to receive a professional growth reward, an employee must receive nine points in any one calendar year. **Table 3-32** details the ways which an employee can obtain the professional growth points, a brief description of the area and the maximum number of points which can be obtained within each area.

Table 3-32: Professional Growth Point Activities

Activity	Description	Maximum Points
Professional growth courses, workshops, seminars and meetings	These courses, workshops, seminars and meetings can not be taken for college credit and must be of direct professional benefit to the teacher, students or the school system.	6 points
Professional growth and/or civic activities	Points may be awarded for responsible activities in a professional and/or civic organization if the activities are of direct professional benefit to the teacher or the school system. Civic activities must be undertaken in the City of Strongsville or have demonstrable benefit to the City of Strongsville.	3 points
Instructional and curriculum improvement	No description given within the negotiated agreement.	6 points
Professional writing and individual research	Points may be awarded for published professional writing or for individual research which has been published or has been put to professional use by the school system.	3 points
Educational travel	Points may be awarded for educational travel if it is of substantial and direct benefit to the teacher in the teacher's subject area.	3 points
Student teacher supervision	One point will be awarded for the supervision of each full-time student teacher.	2 points
Other activities	Points may be awarded if the activities are of direct professional benefit to the teacher, students or the school system.	6 points

Source: Strongsville CSD certificated negotiated agreement

The negotiated agreement indicates that one point is awarded for 15 or more hours spent in approved activities. An evaluation committee was established to evaluate activities and award points; however, the evaluations take place after the activity has been completed. According to Strongsville CSD personnel, the committee only makes approval based upon whether the activity meets the outlined criteria, not based upon if there is any value received by Strongsville CSD from the activity.

Once a professional growth award has been received, the employee continues to receive that reward and any additional rewards for as long as the individual is an employee at Strongsville CSD. During FY 2001, a total of 131 employees received voluntary professional growth rewards. The total amount of compensation paid for voluntary

professional growth in FY 2001 was $385,141 which is an average of $2,940 per employee who received a reward.

R3.13 Although the concept of a voluntary professional growth program could be beneficial because it encourages involvement in the community, there are certain parameters of the program which should be strengthened in order to meet its objectives. During future negotiations, Strongsville CSD should seek to renegotiate the voluntary professional growth program.

While the purpose of the voluntary professional growth program is to provide a benefit to Strongsville CSD, there appears to be no mechanism in place to ensure that the activities are providing a benefit since the activities are being approved after the fact. Therefore, employees who are wanting to participate in an activity towards credit in the voluntary professional growth program should be required to submit an application for approval. The application should detail a description of the activity; the proposed benefit to the teacher, Strongsville CSD or students; and the estimated length of time spent in each activity. After the activity has been completed, the teacher should be required to submit a report to the evaluation committee detailing the benefit obtained from participation in the activity as well as how involvement in this activity will assist the teacher, Strongsville CSD or students. Should Strongsville CSD renegotiate the voluntary professional growth program, the make-up of the evaluation committee may also need to be addressed to give Strongsville CSD personnel more representation.

Strongsville CSD should also limit the number of activities which can be completed in order to obtain professional growth program points. Activities which should not be considered include, but are not limited to the following:

● Continuing education credit classes or seminars which would qualify for renewal of a teachers' licence but does not qualify for teachers to move on the salary schedule;

● Community or civic activities that do not align with the educational goals of Strongsville CSD; and

● Educational travel.

Limiting the number of activities which can be completed will increase the likelihood that a direct benefit will be received by teachers, Strongsville CSD and students.

F3.36 **Table 3-33** indicates the contractual provisions pertaining to the evaluation process for Strongsville CSD and the peer districts.

Table 3-33: Peer Comparison of Evaluation Processes

	Strongsville [1]	Brecksville-Broadview Heights [2]	Mason [1]	Solon
Frequency of Evaluations				
Limited Contract Teachers	Annually	Annually	Each year when the teachers contract expires	Annually
Continuing Contract Teachers	Every other year	Annually	Every three years	Annually
Is there a process for poor performing teachers other than the steps required by the ORC as part of the non-renewal process?	No formal process	No formal process	No formal process	No formal process
Are unannounced observations permitted?	Yes	Not stated in the contract	No	Not stated in the contract
Are evaluation forms included in the contract?	Yes	Yes	Yes	Yes

Source: Strongsville CSD and peer district negotiated agreements; interviews
[1] Each evaluation process at Strongsville CSD and Mason CSD includes at least two observed evaluations.
[2] Each evaluation process at Brecksville-Broadview Heights CSD includes a combination of observations and written evaluations.

While Strongsville CSD appears to have adequate procedures in place for evaluating its certificated employees, there is no formal process in place to assist poor performing teachers. Springfield Local School District in Summit County has developed and implemented a program called Teacher Performance Assistant Procedures (TPAP). The TPAP program is a tool that is used by Springfield Local School District to help teachers with areas where they have deficiencies. It consists of a volunteer group of teachers and an administrative staff member who will assist the teacher in the areas where they need improvement.

R3.14 Strongsville CSD should consider developing and implementing a program such as the TPAP program at Springfield Local School District. Not only does this type of program let a teacher now know where their deficiencies exist, but it also assists them in correcting the deficiency. Strongsville CSD should also consider contacting personnel at Springfield Local School District for assistance in developing, implementing and using the TPAP program in order to gain the optimal benefits.

F3.37 Article 14 (K) in the certificated negotiated agreement states that a teacher may be required to serve as a substitute during the planning/conference period for no more than two times per year. After the first two occurrences of serving as a period substitute, the teacher will be compensated at the rate of .0027 of the bachelors degree base salary for each 20 minute increment or portion thereof.

R3.15 During future negotiations, Strongsville CSD should clarify the intent of the language within Article 14 (K). Based upon the language of the contract, it is difficult to understand if a "period" is a class period or if a "period" is each 20 minute increment. The current language could lead to confusion between Strongsville CSD management and certificated personnel.

F3.38 Article 14 (L) states that "all teachers will be required to have their classrooms open and ready to receive pupils" at least 15 minutes prior to the start of the school day. The contract further states that teachers may leave at the conclusion of their regular day. If all teachers were to leave at the end of the regular school day, Strongsville CSD may not have adequate adult supervision after school.

R3.16 Strongsville CSD should review the language within Article 14 (L) and determine if it should be addressed during future negotiations. Failure to require teachers to stay for a period of time at the end of the day could result in Strongsville CSD not having adequate adult supervision for those students who are still at school.

F3.39 In Article 14 (N), Strongsville CSD has the right to assign teachers to supervisory duties. Article 14 (N) specifically states certain times of the day when a teacher cannot be assigned supervisory duties; however, the current language does not specifically state when a teacher can be assigned the additional supervisory duties.

R3.17 During future negotiations, Strongsville CSD should address and clarify the language within Article 14 (N). The language of this article should be clarified to state when a teacher can be assigned supervisory duties and ensure that the language precludes a teacher's regular classroom duties from being interrupted.

F3.40 Strongsville CSD offers an attendance incentive to its certificated employees for having "exemplary attendance" during each quarter. According to the negotiated agreement, "exemplary attendance" is defined as no use of sick leave or personal leave. For each quarter which a certificated employee has perfect attendance, the employee will receive a merit incentive award of $150. A part-time employee who has perfect attendance will receive a merit-incentive award of $75 for each quarter.

R3.18 Strongsville CSD should perform an analysis on the costs and benefits of continuing its current attendance incentive. As illustrated in **F3.22**, the leave usage for certificated employees is higher than the leave usage of certificated employees at Brecksville-Broadview

Heights CSD which would indicate that the attendance incentive is not effective. Strongsville CSD should ensure that the attendance incentive offered to its certificated employees provides a savings to Strongsville CSD while continuing to provide an incentive to the employees to limit their leave usage. Strongsville CSD should use the information from the cost-benefit analysis as part of the negotiation process for renewal of the negotiated agreement with its certificated employees.

F3.41 The classified staff are represented by the Ohio Association of Public School Employees (OAPSE), Local 290 and Local 028. The current negotiated agreement is set to expire July 31, 2002. **Table 3-34** compares some key contractual issues for classified staff at Strongsville CSD and the peer districts.

Table 3-34: Strongsville CSD Classified Contractual Comparison with Peers

	Strongsville	Brecksville-Broadview Heights	Mason [1]	Solon
Evaluations required	No	Yes	Yes	No
Minimum call-in hours paid to employees for emergencies	Minimum of 2 hours	Minimum of 2 hours	Not stated in contract	Minimum of 2 hours
Vacation time to accumulate	1-6 years: 10 days 7-12 years: 15 days 12-19 years: 20 days 20+ years: 25 days	1-4 years: 10 days 5-9 years: 15 days 10-11 years: 17 days 12-14 years: 19 days 15-17 years: 21 days 18-19 years: 22 days 20-21 years: 23 days 22-23 years: 24 days 24-29 years: 25 days 30+ years: 30 days	1-9 years: 10 days 10-19 years: 15 days 20+ years: 20 days	10 months: 10 days 57 months: 15 days 141 months: 20 days 237 months: 25 days
Sick/personal leave incentive	$100 per quarter that an employee has perfect attendance	An employee will receive a semi-annual attendance incentive based upon the hours worked and the number of sick days used per 6-month period.	None	An employee who uses three sick leave days or less each calendar year will receive one day of unrestricted personal leave
Maximum number of sick days accrued	320 days	Unlimited	224 days	Unlimited
Maximum number of sick days paid out at retirement (percentage of payout)	30% of accumulated days up to 96 days plus a retirement incentive	28% of accumulated sick leave up to 83 days and either a $1,000 lump sum payment or a $1,000 tax-sheltered annuity	25% of accumulated days up to 56 days	100% of accumulated days up to 100 days plus an additional 25% of accumulated days up to a maximum of 150 days
Number of years required for severance pay	Eligibility requirements of SERS	Eligibility requirements of SERS	10 or more years with the district	Eligibility requirements of SERS

	Strongsville	Brecksville-Broadview Heights	Mason [1]	Solon
Number of personal days	3 days	3 days	3 days	3 days
Notice required	72 hours notice must be given to use any personal leave	120 hours notice must be given to use any personal leave	48 hours notice must be given to use any personal leave	120 hours notice must be given to use any personal leave
Number of holidays paid for 12-month employees	11 holidays [2]	12 holidays	11 holidays	13 holidays
Number of holidays paid for less than 12-month employees	8 holidays	9 holidays	7 holidays	10 holidays
Number of days to file a grievance	14 calendar days	No minimum number of days stated in contract	No minimum number of days stated in contract	5 work days after informal meeting with supervisor
Labor-Management Committee	Yes	Yes	No	No
Pick-up of Employee SERS Portion by District	Yes	No	No	No
Cost of living increases each year of the contract	FY 1998: 3.1% FY 1999: 3.9% FY 2000: 2.9% FY 2001: 2.9% FY 2002: 3.9%	CY 2000: 3.0% [3] CY 2001: 3.0% [3] CY 2002: 4.0% [3] CY 2003: 4.0% [3]	FY 2000: 3.0% FY 2001: 3.0% FY 2002: 4.0% FY 2003: 4.0% FY 2004: 5.0%	FY 2000: 2.7% FY 2001: 2.7% FY 2002: 2.7%

Source: Strongsville CSD and peer school district negotiated agreements, interviews and documentation
[1] Mason CSD had a classified staff handbook rather than a negotiated agreement with its classified personnel.
[2] Strongsville CSD pays its 11- and 12-month employees 11 paid holidays each year.
[3] The negotiated agreement for the classified employees at Brecksville-Broadview Heights CSD is for calendar years rather than fiscal years.

F3.42   The negotiated agreement between the classified employees and Strongsville CSD does not require evaluations to be conducted on the classified employees. However, Strongsville CSD personnel stated that evaluations are conducted on all classified employees while they are on probation as well as on an annual basis for all other classified employees.

F3.43   As indicated in **Table 3-34**, Strongsville CSD offers an attendance incentive to its classified employees for having "exemplary attendance" during each quarter. According to the negotiated agreement, "exemplary attendance" is defined as no use of sick leave or personal leave and no occurrences of unpaid absences. For each quarter which a classified employee has perfect attendance, the employee will receive a merit incentive award of $100. A part-time employee who has perfect attendance will receive a merit-incentive award of $50 for each quarter.

R3.19   Strongsville CSD should perform an analysis on the costs and benefits of continuing its current attendance incentive. As illustrated in **F3.23**, the leave usage among classified employees appears to be comparable with the leave usage at Brecksville-Broadview Heights CSD. However, Strongsville CSD should ensure that the attendance incentive offered to classified employees provides a savings to Strongsville CSD while continuing to provide an

incentive to classified employees to limit their leave usage. Strongsville CSD should use the information from the cost-benefit analysis as part of the negotiation process for renewal of the negotiated agreement with its classified employees.

F3.44   According to the negotiated agreements, Strongsville CSD classified employees receive 30 percent of total accumulated and unused sick leave days. The total number of accumulated, unused sick leave days which a classified employee can accumulated is 320 days. Therefore, assuming an employee retires with an accumulated basis of 320 days, a Strongsville CSD classified employee would receive 96 days of severance pay. This is the second highest when compared to the maximum number of days paid by the peer districts. Furthermore, ORC §124.39 stipulates that the minimum number of days which a public entity should pay for severance should be 30 days.

R3.20   Because the severance pay of a retired employee has a significant effect on a district's overall budget, Strongsville CSD should seek to renegotiate the maximum number of days paid out at retirement for its classified employees. According to the negotiated agreement, Strongsville CSD employees who retire will receive up to 96 days of severance payment which is greater than the minimum standards stipulated in ORC §124.39 (30 days) and greater than the maximum number of days paid at Brecksville-Broadview Heights CSD and Solon CSD. Decreasing the number of days could lessen the financial burden on Strongsville CSD.

F3.45   The negotiated agreement with the classified employees establishes a labor management committee to meet on a monthly basis to "discuss matters of common interest." Strongsville CSD personnel have indicated that the labor management committee meets every month and is very effective in functioning as a problem-solving committee.

C3.3   An effective labor management committee creates an avenue of open communication between employees and management. Furthermore, it assists in having a positive effect on the general morale of Strongsville CSD, informs management of potential contractual problems and involves bargaining unit members in managerial discussions when developing Strongsville CSD policies.

F3.46   In addition to the contractual issues for classified staff which were identified in **Table 3-34**, there are certain contractual issues which apply specifically to facilities personnel and transportation personnel. **Table 3-35a** compares some key contractual issues for the facilities personnel at Strongsville CSD and the peer districts.

Table 3-35a: Comparison of Custodial and Maintenance Contract Provisions

Issue	Strongsville	Brecksville-Broadview Heights	Mason	Solon
Work Day Schedule	Monday-Friday; Start and end times determined by district management. Net work hours: 8	Monday-Friday; Supervisor determines the start and end times. Net work hours: 8	Schedule of working hours and days determined by Supervisor. Net work hours not available	Monday-Friday; Contract states times for each shift. Net work hours: 7.5 - 8, depending on shift
Lunch and Breaks	Contract silent	Lunch: unpaid 30 minutes. Breaks: 2 paid 15 minute breaks	Handbook silent.	Lunch: unpaid 30 minutes if start time is before 12 noon. After 12 noon, 30 minute paid lunch. Breaks: contract silent
Calamity Day Work Requirement	Yes	Yes	Yes	Yes
Calamity Day Compensation	8 hours at regular rate of pay plus straight time for all hours worked	regular hourly rate plus an additional amount equal to 1.5 times the regular hourly rate for hours worked.	Regular rate of pay	Time and one-half plus the hourly rate.
Overtime Eligibility	Hours worked in excess of 40 hours/week.	All hours worked in excess of 8 hours/day OR 40 hours/week	Hours worked in excess of 40 hours/week.	Hours worked in excess of 40 hours/week.
Overtime Rates	Weekdays and Saturday: 1.5 times regular hourly rate. Sunday: 1.5 times regular hourly rate paid whether or not the employee exceeds 40 hours in that week	Week days and Saturday: 1.5 times regular hourly rate. Sunday: 2 times regular hourly rate. Holidays: 1.5 times regular hourly rate plus pay received for the holiday	1.5 times the hourly wage for overtime worked anytime	Week days and Saturday: 1.5 times regular hourly rate. Sundays: 2 times the regular hourly rate. Holidays: 2 times the regular hourly rate
Minimum Call In Pay	2 hours paid at applicable rate except for building checks (1 hour at the applicable rate)	2 hours pay at straight time, unless eligible for overtime pay	Handbook silent	2 hours paid at the appropriate rate.
Filling Vacancies and Granting Promotions	The most senior and most qualified employee applicant: final decision reserved to administration	Superintendent makes the final decision. Consideration is based on qualifications, skills, ability to perform work and prior job performance	Position will be filled with the most qualified applicant	Seniority, qualifications
Ability to Subcontract	Contract silent	Contract Silent	Handbook silent	Yes

Source: Strongsville CSD and peer district negotiated agreements; interviews

F3.47   Based on **Table 3-35a**, there does not appear to be any contractual provisions in place that would have significant, adverse effects on custodial and maintenance operations at Strongsville CSD. Many of the negotiated terms are in line with the peers, while some contractual provisions augment Strongsville CSD's ability to appropriately manage its workforce, including the following:

●   **Overtime:** Two of the three peer districts award overtime compensation in a manner consistent with Strongsville CSD. Awarding overtime compensation only for hours worked in excess of 40 per week ensures that special circumstances such as department meetings or custodial/maintenance emergencies do not necessarily incur additional expenses.

●   **Filling Vacancies:** Although seniority is a factor in filling vacancies, final hiring decisions are reserved to Strongsville CSD's administration, which allows for informed decisions based on qualifications in relation to job requirements.

●   **Calamity Day Work Requirement:** Strongsville CSD requires its custodial and maintenance employees to work on calamity days, which ensures that appropriate custodial and preventive maintenance tasks can be performed when school buildings are not occupied by teachers and students. However, Strongsville CSD pays straight time on top of an automatic eight hours of pay for employees working calamity days. This may incur additional costs for Strongsville CSD.

Although it appears that no provisions of the contract would have significant, adverse effects on custodial and maintenance operations at Strongsville CSD, the District should be cognizant of potentially problematic areas. For example, Strongsville CSD requires its custodial and maintenance employees to work on calamity days, which ensures that appropriate custodial and preventive maintenance tasks can be performed when school buildings are not occupied by teachers and students. However, Strongsville CSD pays straight time on top of an automatic eight hours of pay for employees working calamity days, which may incur additional costs. Strongsville CSD should consider establishing all custodial and maintenance personnel as essential employees and only paying straight time for actual hours worked on calamity days.

F3.48   In addition to the contractual issues for classified staff which were identified in **Table 3-34**, there are certain contractual issues that apply specifically to transportation personnel. **Table 3-35b** compares some key contractual issues for the transportation personnel at Strongsville CSD and the peer districts.

Table 3-35b: Comparison of Transportation Contract Provisions

	Strongsville	Brecksville-Broadview Heights	Mason	Solon
Number of Guaranteed Hours				
Bus Drivers	2-2.5 hours per run, depending on seniority [1]	4 hours; 6 hours for drivers with midday run	Not stated	4 hours; 6 hours for drivers with midday run
Monitors/Aides	2 hours per run	2 hours per run	Not stated	None
Substitutes	2 hours per run	None	Not stated	None
Pre-trip, fueling and cleaning	15 minutes plus 10 minutes per additional session (morning, afternoon, midday)	15-30 minutes, included in guaranteed hours	Not stated	15 minutes, included in guaranteed hours
Overtime	Hours worked in excess of 40 hours week	Hours worked in excess of 8 per day or 40 per week	Hours worked in excess of 40 hours week	Hours worked in excess of 40 hours week
Route Bidding				
Annual	Seniority	Seniority	Seniority	Seniority
Vacancy	Seniority	Seniority	Seniority	Seniority
Trips	Rotating based on seniority	Rotating based on seniority	Not stated	Rotating based on seniority
Number of Guaranteed Benefit Hours				
Sick Leave	1.25 days per month, prorated on hours worked per week	1.25 days per month	1.25 days per month, prorated on hours worked per week	1.25 days per month, prorated on hours worked per week
Personal Leave	3 days	3 days	3 days	3 days
Vacation	None	None	None	None
Miscellaneous				
Use of Vans	Teachers or coaches can drive 1 van to an event. If more than 1 van is required, a bus will be used.	Can be used for 7 or fewer passengers, no more than 1 van	Not stated	Can be used for 7 or fewer passengers, no more than 1 van
Probation Period	12 months	6 months	90 days	90 days
Employment Forum	Transportation Advisory Council, Labor Management Committee	Communications Forum	None	Labor Management Committee
Ability to Sub-contract	Not stated	Not stated	Not stated	No

Source: Strongsville CSD and peer district negotiated agreements; interviews
[1] Regular drivers with seniority in the top 50 percent are guaranteed 2.5 hours. Regular drivers with seniority not in the top 50 percent are guaranteed two hours. All midday routes are guaranteed 2 hours regardless of seniority.

F3.49 Based on **Table 3-35b**, there are no contractual provisions in place that would have a significant, adverse effect on transportation operations at Strongsville CSD. Most of the provisions in the classified contract governing transportation are directly in line with the peers. Some of the provisions in the contract allow Strongsville CSD to appropriately manage its workforce, including the following:

- **Overtime:** Two of the three peer districts award overtime compensation in a manner consistent with Strongsville CSD. Awarding overtime compensation only for hours worked in excess of 40 per week ensures that special circumstances such as department meetings and field trips do not necessarily incur additional expenses.

- **Probation Period:** Strongsville CSD's classified contract establishes a longer probationary period for new employees than the peer contracts. A longer probationary period provides ample time for new employees to learn job functions while allowing management to adequately assess the performance of new employees.

- **Employment Forum:** Strongsville CSD's use of the Transportation Advisory Council to address non-contractual employee issues in transportation allows management to foster better relations with bargaining unit staff while developing and maintaining consensus on problems and solutions.

Although no provisions of the contract have significant, adverse effects on transportation operations, Strongsville CSD should be cognizant of potentially problematic areas within the contract. For example, although the average bus driver at Strongsville CSD works approximately 5.8 hours per day, which is more than the guarantee for most drivers, the practice of guaranteeing hours could potentially incur additional costs. Transportation managers should continue to monitor actual hours worked by bus drivers and aides to ensure that employees are not inappropriately compensated.

Another area of potential concern is the time allotment for fueling and cleaning. Strongsville CSD bus drivers receive between 25 - 35 minutes for fueling, cleaning, pre-trip inspections and other miscellaneous functions. Although such an allowance is not uncommon, there are management controls or contract language that could potentially be used to ensure that these functions are fulfilled.

Financial Implications Summary

The following table is a summary of estimated annual savings from the above recommendations. Strongsville CSD should consider reallocating a portion of the **Estimated Annual Cost Savings** to cover the **Estimated Implementation Costs** related to hiring additional teachers. Although this would reduce the total amount of cost savings that could be realized by Strongsville CSD, it could assist the District in meeting its educational goals. The financial implications are divided into two groups: those that are not subject to negotiations and those that are. Implementation of those recommendations subject to negotiation would require agreement of the affected bargaining units.

Summary of Financial Implications Not Subject to Negotiations

Recommendation	Estimated Annual Cost Savings	Estimated Implementation Costs
R3.2 Reduction in clerical personnel	$372,000	
R3.3 Reduction in teaching aide personnel	$624,000	
R3.3 Reduction in student-to-teacher ratio by hiring additional teachers		$697,000
R3.7 Reduction in certificated sick leave usage	$74,460	
Total	**$1,070,460**	**$697,000**

Summary of Financial Implications Subject toNegotiations

Recommendation	Estimated Annual Cost Savings
R3.8 Renegotiation of dental insurance premiums	$151,700
R3.9 Increasing employee insurance co-pay	$348,100
R3.9 Increasing co-pay on generic and brand-named drugs	$214,000
Total	**$713,800**

Conclusion Statement

The overall staffing levels at Strongsville CSD are comparable to the peer school districts and lower than the peer average. However, there are two classifications, clerical and teaching aides, which have higher staffing levels when compared to the peer districts and the peer averages. The ratios of clerical personnel per 1,000 ADM and clerical personnel to total administrative personnel are higher than the peer districts and the peer average. Also, the ratio of total district personnel to total clerical personnel is the lowest when compared to the peer districts and the peer average. These three ratios would indicate that Strongsville CSD could make reductions in the clerical classification. However, Strongsville CSD's student-to-teacher ratio is above the State average. If clerical and aide reductions are made, Strongsville CSD may be able to reallocate resources from these classifications to its regular teaching classification to increase staffing in that area and be more in line with the State average.

Under the current negotiated agreements, middle and high school teachers are only required to have five class assignments each day. Middle school teachers have one team planning period and two planning/conference periods while the high school teacher have two planning/conference periods. Duty periods are supervised by teaching aides. During future negotiations, Strongsville CSD should consider increasing the number of class periods for middle and high school teachers to six periods per day. This will allow Strongsville CSD to increase the amount of student contact time spent in the classroom educating students. In addition, Strongsville CSD may also be able to use some of its teachers to supervise a duty period each day which could allow Strongsville CSD to potentially reduce the number of teaching aides it uses.

A review of the medical insurance premiums at Strongsville CSD indicates that the monthly premiums are higher than the average premiums reported by SERB; however, the monthly premiums are lower than the peer districts. Strongsville CSD's monthly dental insurance premiums are higher than the monthly premiums reported by SERB and higher than the peer districts. Some full-time employees at Strongsville CSD are required to pay a fixed monthly co-pay each month towards the monthly medical and dental insurance premiums. Strongsville CSD should consider requiring all employees to contribute at least 10 percent for medical and dental insurance premiums. This will assist Strongsville CSD in dealing with rising health care costs as well as reducing its operating costs. It should also examine the current benefits offered in its dental and prescription insurance plans and determine if the current high level of benefits should be renegotiated. Offering a level of benefits more consistent with the peers would decrease Strongsville CSD's premiums as well as overall operating costs.

During future negotiations, Strongsville CSD should consider renegotiating some of its contractual provisions. Some of the issues which Strongsville CSD should address during future negotiations are as follows: the number of individuals included in the immediate family definition when using sick leave; the total number of days allowed to be accumulated and paid for certificated and classified employees' severance pay; the policy of giving severance pay to employees who resign

without retiring; the language of the early retirement incentive and the parameters of the voluntary professional growth program. Addressing these contractual provisions will assist Strongsville CSD in either reducing operating costs or implementing additional controls and procedures over its operating costs.
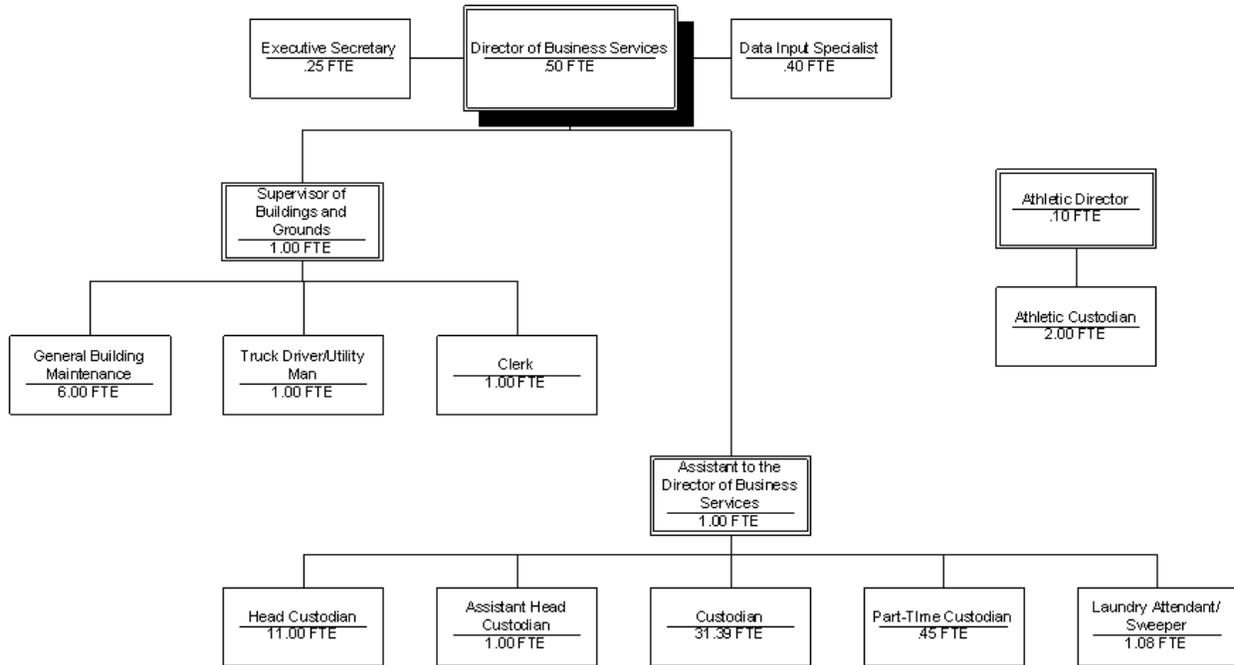
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Facilities

Background

Organizational Function

Strongsville City School District (SCSD) consists of 11 schools: 8 elementary, 2 middle and 1 high school. In addition, SCSD owns the board of education and publications buildings as well as the support services complex. The support services complex includes four separate buildings which house the support services center, the maintenance and transportation offices and workshops, and the central supply warehouse.

The custodial and buildings and grounds departments are responsible for the operation and upkeep of the facilities. The director of business services is responsible for overseeing the management and operation of the facilities. The assistant to the director of business services (assistant director) manages SCSD's custodial operations, which includes ensuring the buildings are properly staffed, developing and monitoring budgets, ordering custodial supplies and paper products, and approving custodial supply orders. The assistant director also manages building security, plans and schedules district-wide professional development training, and assists in permanent improvement project planning and oversight.

The supervisor of buildings and grounds directs the buildings and grounds staff and is responsible for ensuring the facilities are maintained and kept in a safe and serviceable condition. Six full-time general maintenance repair employees complete building repairs and maintenance, construction projects and the majority of the grounds work throughout the SCSD. The supervisor of buildings and grounds prioritizes and assigns work order requests, keeps the work order system current, prepares and monitors the maintenance budget, processes purchase orders and assists in permanent improvement project planning and oversight. The facilities organizational structure and full-time equivalent (FTE) staffing levels are depicted in the following organizational chart.

Chart 4-1: Custodial and Buildings and Grounds Staff

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┌──────────────────┐   ┌──────────────────────┐   ┌──────────────────┐
│Executive Secretary│   │Director of Business  │   │Data Input Specialist│
│    .25 FTE        │   │    Services          │   │    .40 FTE        │
│                   │   │    50 FTE            │   │                   │
└──────────────────┘   └──────────────────────┘   └──────────────────┘
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- Supervisor of Buildings and Grounds — 1.00 FTE
  - General Building Maintenance — 6.00 FTE
  - Truck Driver/Utility Man — 1.00 FTE
  - Clerk — 1.00 FTE
- Athletic Director — .10 FTE
  - Athletic Custodian — 2.00 FTE
- Assistant to the Director of Business Services — 1.00 FTE
  - Head Custodian — 11.00 FTE
  - Assistant Head Custodian — 1.00 FTE
  - Custodian — 31.39 FTE
  - Part-Time Custodian — .45 FTE
  - Laundry Attendant/Sweeper — 1.08 FTE

Summary of Operations

The custodial staff is responsible for providing a clean and safe environment for the students, staff, and public who use the facilities. SCSD's custodial staff consists of 51 employees which equate to 46.92 FTEs. One head custodian is assigned to work first shift at each school building. The head custodians open and prepare the buildings for operation each day as well as complete minor repairs and a limited number of preventive maintenance tasks. The assistant head custodian works at the high school and is responsible for supervising and assisting the custodians who work second shift. The custodians complete the majority of the cleaning tasks after school hours. The laundry attendant/sweepers clean the hallways during class periods and wash towels and dust mops for all the buildings. Two custodians work in the athletic department and report directly to the athletic director. These two custodians are responsible for maintaining the athletic fields, including lining them and preparing for athletic events hosted by SCSD. The custodial staff is also responsible for caring for the grounds immediately surrounding their buildings.

While the custodians are assigned to specific buildings, the maintenance staff operates as a mobile crew which travels from building to building. The buildings and grounds department maintains the facilities and keeps them safe and in serviceable condition. The six full-time general maintenance

repair employees complete assigned work orders, a limited number of preventive maintenance tasks, and construction projects. The general maintenance repair employees mow the majority of the grounds in SCSD including the large fields. During the winter, they complete any necessary plowing and snow removal. The buildings and grounds department is also responsible for setting up for events and moving equipment from building to building. The truck driver/utility man and clerk also report to the supervisor of buildings and grounds. The truck driver/utility man delivers supplies and materials from the central supply warehouse to buildings throughout SCSD. He also assists in setting up for special events, and delivers any necessary items, such as folding chairs, to the location.

The clerk checks in and unloads deliveries. The clerk also purchases office supplies, pulls central warehouse supply requests, handles equipment and furniture disposal and is responsible for surplus textbook storage. The analyses that follows excludes the truck driver/utility man and the clerk assigned to the central supply warehouse.

Staffing

SCSD employs 64 individuals, 58.07 FTEs, in its custodial and buildings and grounds departments. The administrative group consists of 5 employees (3.15 FTEs). The assistant director and the supervisor of buildings and grounds are the only two administrators who dedicate all of their time to facilities operations. The director of business services spends approximately 50 percent of his time handling facilities-related issues. The executive secretary allocates approximately 25 percent of her time providing administrative facilities support. The data input specialist spends 40 percent of her time handling building rentals and the utilities. The data input specialist should spend the remaining 60 percent of her time providing clerical support to the assistant to the director of business services and the supervisor of buildings and grounds. The custodial staff consists of 51 employees, or 46.92 FTEs: 11 head custodians (11.00 FTEs), 1 assistant head custodian (1.00 FTEs), 33 custodians (31.39 FTEs), 2 part-custodians (0.45 FTEs), 2 laundry attendant/sweepers (1.08 FTEs), and 2 athletic custodians (2.00 FTEs). The buildings and grounds staff consists of 8 full-time employees: 6 general maintenance employees, 1 truck driver/utility man, and 1 clerk. The staffing levels are shown in **Table 4-1**.

Table 4-1: Number of Employees (FTEs) for FY 2001-02

Classification	Admin Office	Mobile Crew	School Based	Total	Actual FTEs
Director of Business Services	1.00				0.50
Assistant to the Director of Business Services	1.00				1.00
Supervisor of Buildings and Grounds	1.00				1.00
Executive Secretary	1.00				0.25
Data Input Specialist	1.00				0.40
Total Administration	**5.00**			**5.00**	**3.15**
Head Custodian			11.00		11.00
Assistant Head Custodian			1.00		1.00
Custodian			33.00		31.39
Part-Time Custodian			2.00		0.45
Laundry Attendant/Sweeper			2.00		1.08
Athletic Custodian			2.00		2.00
Total Custodial			**51.00**	**51.00**	**46.92**
General Building Maintenance		6.00			6.00
Truck Driver/Utility Man		1.00			1.00
Clerk	1.00				1.00
Total Maintenance	**1.00**	**7.00**		**8.00**	**8.00**
Total	**6.00**	**7.00**	**51.00**	**64.00**	**58.07**

Source: SCSD Office of Business Services

Key Statistics

Key statistics related to the maintenance and operation of SCSD are presented in **Table 4-2**. In addition, results from the 30th annual American Schools & University Maintenance & Operations Cost Study (AS&U), which was released in April 2001, are included in the table and throughout the facilities section of the report. A detailed survey was mailed out to chief business officials at public school districts across the nation to gather information regarding staffing levels, expenditures and salaries for maintenance and custodial workers. The results were divided into 10 regions. In the study, Region 5 includes the states of Ohio, Indiana, Illinois, Michigan, Minnesota, and Wisconsin.

According to the 30th Annual AS&U study, "as the nation's school buildings grow older and physical conditions continue to deteriorate, the logical solution would be for school districts to concentrate more resources to improve the situation. However, this is not the case for most elementary and secondary institutions. School districts across the nation are dedicating a smaller percentage of available funds to maintaining and operating the facilities that house America's youth. The study found that for four consecutive years, districts have allocated a smaller percentage of their

expenditures to the maintenance and operations of their facilities, although the nation's school buildings continue to grow older and the physical conditions keep deteriorating."

Brecksville Broadview Heights, Kettering, and Solon City School Districts have been identified as the peer group for SCSD. Unless otherwise noted, the peer district averages in **Table 4-2** and all other tables in this section do not include statistics for Strongsville.

Table 4-2: Indicators

Number of Sites	**14**
- Elementary Schools	8
- Middle Schools	2
- High School	1
- Other	3[1]
Total Square Feet Maintained	**810,480**
- Elementary Schools	347,355
- Middle Schools	167,803
- High School	234,470
- Other	60,852
Square Feet Per FTE Custodial Staff Member (44.92)	17,500[2]
- Elementary Schools (20.40)	17,027
- Middle Schools (8.72)	19,243
- High School (13.80)[3]	16,991
- Other (2.00)	18,226[4]
AS&U 30th Annual M&O Cost Study Region 5 Average	20,724
AS&U 30th Annual M&O Cost Study National Average	22,222
Peer District Average	21,436
SCSD Square Feet Per Maintenance Employee (6)	**135,080**
AS&U 30th Annual M&O Cost Study Region 5 Average	119,163
AS&U 30th Annual M&O Cost Study National Average	82,349
Peer District Average	137,372
2000-01 General Fund Maintenance and Operations Expenditures Per Square Foot	**$6.20**
- Custodial	3.49
- Maintenance	.88
- Utilities	1.83
AS&U 30th Annual M&O Cost Study Region 5 Average	**$3.99**
AS&U 30th Annual M&O Cost Study National Average	**$3.57**
Peer District Average	**$4.89**

Source: SCSD Treasurer's Office, Office of Business Services, assistant to the director of business services

[1] The other sites in SCSD consist of the board of education building, the publications building, and the support services complex. The support services complex consists of 4 buildings totaling 43,100 square feet: The support services center (8,000), bus mechanic garages (12,000), transportation office/maintenance shop (15,000) and the buildings and grounds office/central supply building (8,100).

[2] The SCSD custodial staff is responsible for maintaining a total of 786,080 square feet. The custodial staff is not responsible for cleaning 24,400 square feet of the support services complex.

[3] The 2 FTE athletic custodians assigned to the high school building have been excluded from all custodial square footage analyses.

[4] The 2 FTE custodians are responsible for cleaning a total of 36,452 square feet.

Financial Data

Tables 4-3 and **4-4** illustrate the General Fund expenditures incurred to maintain and operate SCSD's facilities for FYs 1999-00 and 2000-01 and the budget for FY 2001-02.

Table 4-3: General Fund Operations and Maintenance Expenditures: FY1999-00 vs FY 2000-01

Accounts	Operations	Maintenance	FY 1999-00 Total	FY 2000-01 Total	Difference	Percentage Change
Salaries	$1,769,185	$345,924	$2,115,109	$2,081,413	($33,696)	(1.6)%
Benefits	$686,649	$134,259	$820,908	$839,416	$18,508	2.3%
Purchased Services	$190,959	$57,710	$248,669	$274,338	$25,669	10.3%
Utilities	$1,253,080	$0	$1,253,080	$1,485,364	$232,284	18.5%
Supplies/ Materials	$87,484	$130,469	$217,953	$228,156	$10,203	4.7%
Capital Outlay	$11,767	$95,114	$106,881	$30,764	($76,117)	(71.2)%
Other	$1,264	$0	$1,264	$1,568	$304	24.1%
Total	**$4,000,388**	**$763,476**	**$4,763,864**	**$4,941,019**	**$177,155**	**3.7%**

Source: SCSD treasurer's office, expense budget worksheet

Table 4-4: General Fund Operations and Maintenance Expenditures: FY2000-01 vs FY2001-02 Budget

Accounts	Operations	Maintenance	FY 2000-01 Total	FY 2001-02 Budget	Difference	Percentage Change
Salaries	$1,732,881	$348,532	$2,081,413	$2,235,228	$153,815	7.4%
Benefits	$697,416	$142,000	$839,416	$953,151	$113,735	13.5%
Purchased Services	$199,350	$74,988	$274,338	$334,598	$60,260	22.0%
Utilities	$1,485,364	$0	$1,485,364	$1,690,500	$205,136	13.8%
Supplies/ Materials	$97,039	$131,117	$228,156	$246,240	$18,084	7.9%
Capital Outlay	$15,919	$14,845	$30,764	$66,664	$35,900	116.7%
Other	$1,568	$0	$1,568	$3,000	$1,432	91.3%
Total	**$4,229,537**	**$711,482**	**$4,941,019**	**$5,529,381**	**$588,362**	**11.9%**

Source: SCSD treasurer's office, expense budget worksheet

An explanations for some of the more significant variances in **Tables 4-3** and **4-4** are as follows:

Explanations for the variances in **Tables 4-3** and **4-4** are as follows:

- *A 1.6 percent decrease in salaries from FY 1999-00 to FY 2000-01 and a 7.4 percent increase for the FY 2001-02 budget:* In FY 2000-01, SCSD limited the number of student workers used during the summer months allowing the District to save almost $26,000. The FY 2002 budget reflects a 3.75 percent cost of living increase, $9,000 increase in the business services area salaries line item, and an additional $35,000 in maintenance salaries that was used to fill a full-time maintenance position that had been vacant for 1.5 years.

- *A 13.5 percent increase in benefits from FY 2000-01 to budget FY 01-02:* The increase is due to premium increases and inflation.

- *A 10.3 percent increase in purchased services from FY 1999-00 to FY 2000-01 and a 22.0 percent increase from FY 2000-01 to the budget FY 2001-02:* In FY 2000-01, SCSD experienced a $4,000 increase in electric repairs, a $3,000 increase in HVAC repair costs, and a $2,500 increase in window and door repairs. The FY 2002 budget reflects a $38,000 increase in the outside equipment repairs line item, a $9,000 increase in property insurance premiums, and an $8,000 increase in telephone service costs.

●   *An 18.5 percent increase in utility costs from FY 1999-00 to FY 2000-01 and an additional 13.8 percent increase from FY 2000-01 to the budget for FY 2001-02:* During the winter of FY 2000-01, natural gas prices increased significantly across the state. At the time the FY 2001-02 budget was developed it was unclear whether the gas prices would continue to increase or whether they would decrease.

●   *A 4.7 percent increase in supplies and materials from FY 1999-00 to FY 2000-01 and an additional 7.9 percent increase in the FY 2001-02 budget:* In FY 2000-01, custodial building supplies and materials expenditures increased by $10,000. The FY 2002 budget reflects a $16,000 increase in the maintenance supplies and materials line item for anticipated repair projects. The budget for health and safety supplies was increased by $1500.

●   *A 71.2 percent decrease in capital outlay expenditures from FY 1999-00 to FY 2000-01 and a 116.7 percent increase in the FY 2001-02 budget:* In FY 1999-00, SCSD purchased almost $64,000 in new maintenance equipment . In FY 1999-00, approximately $29,000 was spent for the replacement of one maintenance vehicle. For FY 2001-02, SCSD budgeted $36,000 for the replacement of a maintenance vehicle.

●   *An increase of $1,432, or 91.30 percent, for boiler license fees.* The director of business services increased the budget in anticipation of more custodians receiving their boiler licenses.   SCSD encourages the custodial staff members to obtain boiler licenses. Custodians with boiler licenses tend to be more knowledgeable and have advanced skill sets which are an asset to the District.

Performance Measures

The following is a list of performance measures that were used to conduct the analyses of SCSD's facilities operations:

- Assess the use of existing facilities;
- Determine the effectiveness of long-range facilities planning;
- Determine the effectiveness of current needs assessment prioritization processes and procedures;
- Assess General Fund custodial and maintenance operating expenditures;
- Evaluate energy conservation measures and efforts;
- Assess current custodial and maintenance staffing levels;
- Evaluate the use of staffing resources;
- Analyze custodial and maintenance labor costs; and
- Assess the use of resource management tools such as scheduling and planning.

Findings/Commendations/Recommendations

Facilities Planning and Management

F4.1   SCSD consists of 11 schools totaling 749,628 square feet. There are eight elementary schools, two middle schools, and one high school. SCSD also owns and maintains the board of education and publications buildings as well as the support services complex. The support services complex consists of four separate buildings- the support services center, the maintenance and transportation offices and workshops, and the central supply warehouse. The average age of the school buildings is 37 years. The oldest school was constructed in 1925. Two schools were built in the 1950s, five in the 1960s, and two in the 1970s. Kinsner Elementary, constructed in 1998, is SCSD's newest building.

F4.2   SCSD is located in an area where growth and development is occurring. Since 1992, SCSD's student enrollment has increased by 949 students. On average, SCSD's student population has increased by approximately 1.5 percent per year for the last 10 years. **Table 4-5** compares SCSD's current student enrollment to enrollment figures for the last 10 years. Student enrollment has decreased slightly in each of the last two years.

Table 4-5: SCSD Historical Enrollment

School Year	Head Count	Percent of Change From the Previous Year
2001-2002	7,023	(0.20)%
2000-2001	7,037	(0.21)%
1999-2000	7,052	4.00%
1998-1999	6,781	1.56%
1997-1998	6,677	1.52%
1996-1997	6,577	0.47%
1995-1996	6,546	2.36%
1994-1995	6,395	2.48%
1993-1994	6,240	0.40%
1992-1993	6,215	2.32%
1991-1992	6,074	N/A

Source: SCSD Information Services , OSFC SCSD Facilities
Assessment Report, May 2001

F4.3   As part of the SCSD Facilities Assessment Report (**F4.5**) conducted by the Ohio School Facilities Commission (OSFC), enrollment projections were developed to gauge future growth in the student population at SCSD. Growth in a community impacts the size of the student population as well as the school facility utilization rates. Continual increases in enrollment can lead to high building utilization rates, and in some cases, overcrowding. Projecting future enrollments allows a district to anticipate future needs and to take action to prevent overcrowding. The enrollment projections in **Table 4-6** were developed by analyzing live birth data, historical enrollment, and housing starts and development information.

Table 4-6: SCSD's K-12 Projected Enrollment

School Year	Projection	Percent of Change From the Previous Year
2001-2002	7,049	N/A
2002-2003	7,149	1.42%
2003-2004	7,238	1.24%
2004-2005	7,207	(0.43)%
2005-2006	7,253	0.64%
2006-2007	7,261	0.11%
2007-2008	7,342	1.12%
2008-2009	7,361	0.26%
2009-2010	7,396	0.48%
2010-2011	7,412	0.22%

Source: DeJong and Associates, Inc., OSFC Facilities
Assessment Report May 2001

When factors such as historical data and anticipated growth are incorporated into a projection methodology, the probability of developing accurate enrollment projections increases significantly. DeJong and Associates, Inc., projected SCSD's K-12 student enrollment to be 7,049 students for the 2001-02 school year, and the actual K-12 enrollment for 2001-02 totaled 7,023 students. The difference between the projected and the actual enrollments was 26 students, or less then 0.5 percent, indicating the projection is accurate. However, it should be noted that the accuracy of projections that include live birth data usually decline after five years, due to the lack of information regarding live births. Inaccurate projections are typically more like likely to be too high rather than too low.

According to the enrollment projections in **Table 4-6**, SCSD's student population is expected to increase to 7,412 students by the 2010-2011 school year. On average, the enrollment is projected to increase by less than 0.5 percent per year. SCSD's enrollment is expected to increase by almost 400 students over the next 10 years.

F4.4   In December 1989, SCSD formed the Future Facilities Task Force comprised of members representing a cross-section of the community and the school district to develop a facilities master plan. The primary objective of the task force was to develop a master plan of recommendations for facilities utilization and needs for the next three to five years. The

work of the task force was completed by five subcommittees: immediate concerns, building capacity, additional and available space, attendance boundaries, and philosophy. Each committee developed recommendations which were shared with the Board of Education. The recommendations included the construction of additional space to accommodate SCSD's growing student population, relocating special education classes, and the development of building capacity figures. The recommendations in the Future Facilities Task Force report are well-thought out and appear to have been thoroughly researched. For example, the enrollment projections developed by SCSD were accurate when compared to actual enrollment figures. The report also contains SCSD's 1982 Educational Facilities Plan, and the 1988 Strongsville Comprehensive Plan.

C4.1   The Future Facilities Task Force developed a well-thought out comprehensive report that addressed SCSD's facilities needs for the 1990s. The report contained the information necessary to make informed facilities-related decisions, and the task force reviewed and assessed a variety of factors which impact building utilization rates, including future enrollment projections, attendance boundaries, and building capacity.

F4.5   In May 2001, the OSFC released its district-wide assessment and master plan for SCSD. The assessment was completed after SCSD expressed an interest in participating in the School Building Assistance Expedited Local Partnership Program (ELPP). The ELPP permits school districts that are over two years away from eligibility for state assistance under the Classroom Facilities Assistance Program to spend local resources on a separate and discrete part of their overall master plan and later deduct qualifying expenditures from the school district share under the Classroom Facilities Assistance Program when the district becomes eligible for state assistance. The on-site assessment was conducted using the Guide for School Facility Appraisal published by the Council for Educational Facility Planners International. The spatial and programmatic requirements were determined using the Ohio School Facilities Commission's Ohio School Design Manual.

According to the data in the Facilities Assessment Report, SCSD is in need of approximately $92.7 million dollars in building renovations and additions to bring the facilities into compliance with the guidelines set forth by the OSFC. OSFC program guidelines state SCSD will be responsible for providing 90 percent, or approximately $ 83.5 million, of the funding needed, and the State of Ohio will provide the remaining 10 percent, or approximately $9.3 million. **Table 4-7** details the total renovation and addition costs for each building.

Table 4-7: OSFC Building Renovation and Addition Costs

Building	Construction Dates	Total Renovation Costs	Total Addition Cost	Grand Total
Muraski Elementary	1956, 1957, 1977	N/A	$7,413,987[1]	$7,413,987
Zellers Elementary	1966, 1978	$2,344,665	$2,541,704	$4,886,369
Whitney Elementary	1962, 1968, 1977, 1991	$2,983,354	$1,328,361	$4,311,715
Surrarrer Elementary	1965, 1978	$1,688,114	$2,180,542	$3,868,656
Allen Elementary	1959, 1977	$3,526,822	$0	$3,526,822
Drake Elementary	1974	$3,477,975	$0	$3,477,975
Chapman Elementary	1971, 1977	$2,413,224	$0	$2,413,224
Kinsner Elementary	1998	$322,549	$0	$322,549
Elementary School Total	----	**$16,756,703**	**$13,464,594**	**$30,221,297**
Albion Middle	1968, 1973, 1977	$4,286,058	$7,397,968	$11,684,026
Center Middle	1925,1938,1952, 1955,1974,1978	$3,999,057	$10,869,748[2]	$14,868,805
Middle School Total	----	**$8,285,115**	**$18,267,716**	**$26,552,831**
Strongsville High	1964, 1966, 1971, 1973, 1977, 1997, 1999	$4,612,671	$31,373,545	$35,986,216
High School Total	----	**$4,612,671**	**$31,373,545**	**$35,986,216**
Total For All Schools	----	**$29,654,489**	**$63,105,855**	**$92,760,344**

Source: OSFC Facilities Assessment Report May 2001

[1] According to the plan, Muraski will be torn down and a new building will be constructed. The figure includes $164,515 for demolition costs and $7,249,472 for construction.

[2] The figure includes $234,765 for demolition costs.

Approximately $29.7 million of the total cost is for building renovations, indicating building improvements are necessary to the existing structures. The majority of the cost, approximately $63.1 million, is for the construction of additional space. Based on the information in **Table 4-7**, a couple of different conclusions can be drawn. One is SCSD's student population is expected to increase significantly in the future so there is a need for additional space to house the growing population. However, the enrollment projections in **Table 4-6** indicate SCSD's student population will be marginally increasing over the next 10 years. The second conclusion that can be drawn is the buildings are currently over capacity, and the amount of space needs to be increased to house the current population. In finding **F4.6** building capacity is assessed, and the indication is there is an adequate amount of space to hold the current student population.

R4.1 Prior to making a multi-million dollar facilities renovation and repair commitment, SCSD should reconvene the Future Facilities Task Force to develop a master plan for the District. When making decisions regarding designing new or renovating schools, careful consideration needs to be give to the educational goals, instructional strategies and community needs that impact school design. A systematic planning process involving a wide range of stakeholder is necessary for this to occur. Educators, parents, community leaders, business owners, and other interested parties should be involved in the planning process to help ensure the buildings support student learning and address community needs in the best ways possible. An inclusive planning process will help ensure a shared vision is developed and can forge renewed commitment to the District, and people tend to support what they help create. Among other things, the newly formed task force should determine the pros and cons of participating in the ELPP. The final report should also include enrollment projections, building capacity, a list of future needs and recommendations for future action.

F4.6 Building capacity is a key component when planning for future facility needs. Both the OSFC and the SCSD Future Facilities Task Force calculated building capacity as part of their assessments to determine whether there is a need for the construction of additional space. The OSFC calculated student capacity for each building using the square footage per student guidelines set forth in the <u>Ohio School Facilities Commission's Ohio School Design Manual</u>. According to the methodology used by the OSFC, the total student capacity for all of SCSD's schools is 6,220 students.

The SCSD Future Facilities Task Force developed both ideal and maximum student capacity for each of the buildings in order to recognize factors that affect the determination of school capacity including average classroom size limitations, school district educational philosophies, curriculum, master scheduling complications, and student distributions by grade level. When the SCSD Future Facilities Task Force calculated capacity in 1989, it determined the total ideal capacity to be 6,024 students and the total maximum capacity to be 6,814 students. The SCSD Future Facilities Task Force calculations do not include Kinsner Elementary or the additions built at Whitney Elementary and Strongsville High.

To account for the additions built at Whitney Elementary and Strongsville High as well as the construction of Kinsner Elementary and to provide a third independent capacity calculation, the Auditor of State (AOS) calculated the buildings' capacities using a standard methodology often employed by educational planners and other urban school districts. The capacity for the elementary school buildings is calculated by multiplying the number of regular classrooms by 25 students and the number of special education classrooms by 10 students. Classrooms used for music, art, and computer labs are excluded from the number of rooms used in the calculation. The capacity in the middle and high schools is calculated by multiplying the total number of teaching stations by 25 students and then multiplying the

product by an 85 percent utilization factor. **Table 4-8** compares the OSFC, SCSD Future Facilities Task Force and AOS capacity calculations.

Table 4-8: SCSD School Building Capacity

School	OSFC Capacity	SCSD Future Facilities Task Force Capacity	AOS Capacity
Allen Elementary	405	636-700	670
Chapman Elementary	332	574-625	620
Drake Elementary	407	461-525	450
Kinsner Elementary	531	Not Determined[1]	680
Muraski Elementary	263	399-450	485
Surrarrer Elementary	298	450-475	475
Whitney Elementary	328	287-425[2]	525
Zellers Elementary	268	372-425	455
Total Elementary School Capacity	**2,832**	**3,179-3,625[3]**	**4,360**
Albion Middle	475	657-753	722
Center Middle	688	767-910	829
Total Middle School Capacity	**1,163**	**1,424-1,663**	**1,551**
Strongsville High	2,225	1,321-1526[4]	2,019
Total High School Capacity	**2,225**	**1,321-1,526[4]**	**2,019**
Total Capacity for All Schools	**6,220**	**5,924-6,814[5]**	**7,930**

Source: OSFC SCSD Facilities Assessment Report; SCSD Facilities Use Task Force Report

[1] Kinsner Elementary was constructed after the SCSD Future Facilities Task Force completed its capacity calculations.

[2] An addition was constructed at Whitney Elementary after the task force completed its calculations.

[3] The total does not include Kinsner Elementary or the Whitney Elementary addition, since they were constructed after the task force completed its work.

[4] Two additions were constructed at Strongsville High after the task force completed their work, so the additional space is not included.

[5] The total does not include Kinsner Elementary or the additions built at Whitney Elementary and Strongsville High.

There is a significant difference in the capacity calculations completed by the OSFC in 2001 and the SCSD Future Facilities Task Force in 1989 and the AOS in 2002. According to the OSFC, SCSD's total school building capacity is 6,220 students. In 1989, when the SCSD Future Facilities Task Force completed its capacity calculations it determined the ideal

capacity for the schools to be 5,924 students and the maximum capacity to be 6,814 students. The AOS determined total capacity to be 7,930 students.

When the current student enrollment, 7,023 students, is used to determine overall building utilization, SCSD is operating at approximately 113 percent of capacity using the OSFC figures. However, it does not appear that SCSD's schools are currently overcrowded. Site visits were conducted and classrooms did not appear to be overcrowded. During interviews with district administrators and employees, building overcrowding was not mentioned as a concern.

In **Table 4-9**, the 2001-02 and the projected 2010-2011 enrollment figures are compared to the AOS capacity calculations to determine building utilization rate.

Table 4-9: Current and Projected Building Utilization Rates

School Type	AOS Capacity	2001-02 Enrollment	Over/(Under) Building Capacity	2001-02 Utilization Rate	2010-2011 Projected Enrollment	Over/(Under) Building Capacity	2010-2011 Projected Utilization Rate
Elementary	4,360	3,629	(731)	**83.2%**	3,782	(587)	**86.7%**
Middle	1,551	1,133	(418)	**73.0%**	1,156	(395)	**74.5%**
High	2,019	2,261	242	**112.0%**	2,474	455	**122.5%**
Total	**7,930**	**7,023**	**(907)**	**88.6%**	**7,412**	**(527)**	**93.5%**

Source: OSFC SCSD Facilities Assessment Report; SCSD pupil services

According to the information in **Table 4-9**, SCSD's overall building utilization rate for 2001-02 is 88.6 percent. Based on the AOS capacity calculations, the elementary schools and middle schools are under capacity, and the high school is over capacity by 242 students and is operating at 112 percent. By the 2010-2011 school year, the K-12 student enrollment is expected to increase by 389 students. The overall building utilization will increase to 93.5 percent. At that time, the high school will be over capacity by 455 students and operating at 122.5 percent.

R4.2 Building capacity and utilization should be reviewed periodically in conjunction with the enrollment projections to determine the appropriate amount of space needed to house the current and projected student populations. SCSD should formally adopt a building capacity calculation methodology that takes into consideration the district's needs and educational programs. The methodology should be used to determine school building capacity whenever there is new construction or changes in educational philosophies. Building capacity should be compared to student enrollment projections at least every two or three years to determine building utilization rates. Regularly monitoring building utilization rates will allow SCSD to plan and prepare for changes in the size of the student population.

Facilities-Related Expenditures and Revenue Streams

F4.7   Revenue from the General Fund is used to support the maintenance and operation of SCSD's facilities. As shown in **Tables 4-3 and 4-4**, the General Fund provided $4.9 million to pay for custodial and buildings and grounds employee salaries and benefits, supplies and materials, and purchased services. The following table illustrates SCSD's and the peer districts' FY 2000-01 General Fund maintenance and operations facilities-related expenditures in terms of cost per square foot.

Table 4-10: FY 2000-01 General Fund M&O Expenditures per Square Foot

Expenditure	Strongsville	BBHCSD	Kettering	Solon	Peer Average	AS&U Region 5 Average
Custodial Salaries and Benefits	$3.09	$2.38	$1.84	$2.52	$2.25	$2.15
Maintenance Salaries and Benefits	$0.60	$0.58	$0.69	$1.09	$0.78	
Purchased Services	$0.35	$0.44	$0.49	$0.51	$0.48	$0.31
Utilities	$1.83	$1.31	$0.77	$1.07	$1.05	$1.16
Supplies/ Materials	$0.29	$0.32	$0.24	$0.30	$0.29	$0.37
Capital Outlay	$0.04	$0.04	$0.04	$0.03	$0.04	N/A
Other	$0.00	$0.01	$0.00	$0.00	$0.00	N/A
Total M&O General Fund Expenditures	**$6.20**	**$5.08**	**$4.07**	**$5.52**	**$4.89**	**$3.99**

Source: SCSD and peer district treasurers' offices, FY 2000-01 expense budget worksheet

Overall, SCSD's General Fund facilities-related expenditures per square foot ($6.20) are significantly higher than the peer district average ($4.89), and the AS&U Region 5 average ($3.99). SCSD's supplies and materials, capital outlay, and other expenditures are in-line with the peer average. SCSD's purchased services and maintenance salaries and benefits expenditures are lower than the peer average. However, SCSD's custodial salaries and benefits and utilities expenditures are significantly higher than the peer average. Effective August 1, 2002, SCSD will reduce its custodial staffing level by 4.84 FTEs (**F4.18)** which will result in a $0.25 per square foot reduction in custodial salary and benefit costs. SCSD's utilities expenditure is approximately 74 percent higher than the peer district average, despite its participation in discount utilities programs. However, SCSD does not have an energy management program in place, nor has it completed any HB264 programs (**F4.10**). If SCSD

implements **R4.3**, energy costs could be reduced by $0.27 to $1.56 per square foot, which is still almost 50 percent higher than the peer district average.

F4.8   In the last 12 years, SCSD has placed 8 different bond issues on the ballot and only 2 have passed. The last bond issue approval occurred in March 1996. Approximately $24.5 million was generated and used to build a new elementary school and to complete a $17 million expansion and renovation project at the high school, which included the construction of a 40 classroom addition. Since March 1996, three bond issues for the construction of an athletic complex/stadium have been put on the ballot, and all have failed. The following table shows the date, amount and outcome of each bond issue for the last 12 years.

Table 4-11: 12-Year Bond Issue History

Date	Length	Amount	Passed/Failed
November 2000	20 year	$5.2 million	Failed
November 2000	20 year	$16.6 million	Failed
November 1997	25 year	$8.7 million	Failed
March 1996	20 year	$24.5 million	**Passed**
August 1993	25 year	$21.0 million	Failed
November 1992	25 year	$21.0 million	Failed
June 1992	25 year	$21.0 million	Failed
May 1990	20 year	$7.5 million	**Passed**

Source: Treasurer's office

F4.9   SCSD's General Fund expenditures are supplemented by revenue generated from a permanent improvement levy passed in March 2000. The levy generates approximately $1.2 million a year. SCSD developed a 5-year capital improvement plan detailing how the permanent improvement fund revenue will be spent. The plan is organized by school and includes a description of the work to be completed and an estimated project cost.

C4.2   Developing a capital improvement plan to document and prioritize building needs and repairs is a good management practice. The plan provides an opportunity to communicate facilities needs and demonstrate fiscal responsibility to the district's citizens and taxpayers.

Energy Management

F4.10 In FY 2000-01, SCSD spent $1.83 per square foot on utilities, which is approximately 74 percent more than the peer district average (**Table 4-10**). Even though SCSD purchases it

gas and electricity at a discount through the Ohio Schools Council, its utility expenditures are high. Unlike the peer districts, SCSD has not implemented an energy conservation program nor has it taken advantage of the H.B. 264 energy conservation provision which authorizes school districts to issue debt without voter approval to finance capital improvement projects which result in energy savings. Nor has SCSD adopted an energy management plan to conserve energy throughout the district. As a result, SCSD has incurred some utility costs that could be avoided. According to the Facility Management Handbook, from a baseline that represents no real effort at energy management, savings and cost avoidance of 30 to 33 percent are possible with a good energy management program. According to an energy management article published by *American School & University* in December 2001, a comprehensive energy planning approach that uses both short-term solutions and long-term planning can save a school 30 to 50 percent on the costs of power and operation.   In the spring of 2002, SCSD began exploring options to reduce energy usage including the possibility of completing a H.B. 264 project.

R4.3   SCSD should immediately begin implementing an energy conservation and management program. SCSD should begin taking steps to reduce its utility expenditures by implementing short-term solutions. Short-term solutions are simple, no to low cost, and they are completed very quickly and generate an almost immediate savings. Examples include:

● Reducing energy usage. Energy usage can be reduced using a night setback system on the HVAC equipment. Overnight thermostats should be set at 55 degrees. Developing a heating and cooling policy will also reduce energy usage. According to industry standards, setting the heating temperature to 68 degrees and the cooling temperature to 78 degrees when the building is in use can reduce energy costs by almost 16 percent. When the schools are not operating and building occupancy is limited to the administrative and custodial staffs, the entire building should not be heated or cooled.

● Ensuring fans are operating correctly and thermostats are properly calibrated.

Financial Implication: Implementing the short-term solutions could save SCSD a minimum of 15 percent on its utility expenditures. Based on the actual utility expenditures in FY 2000-01, SCSD could save approximately $220,000 annually.

R4.4   In addition to implementing the short-term solutions, SCSD should also evaluate the merits of implementing long-term solutions. Short-term fixes by themselves are insufficient to generate optimal energy savings. Long-term planning and projects should include:

● Retrofitting light fixtures with energy-efficient lamps will result in demand reductions and can generate energy savings costs exceeding 15 percent.

- Improving building envelopes by retrofitting existing facilities with improved insulation, energy-efficient windows, and roofing systems.

- Replacing equipment with new energy-efficient equipment.

If SCSD chooses to implement any long-term solutions the District could opt to take advantage of H.B. 264 to finance the projects rather than using General Fund or Permanent Improvement Levy revenues. H.B. 264 authorizes school districts to issue debt without voter approval to finance capital projects that produce energy savings. The district repays the debt over a 15-year period from the energy savings gained by the projects. These savings should equal or exceed the project cost. Energy service companies often will provide a guaranteed cost savings for the work done by their firm. However, SCSD should carefully review the terms of the guarantee to ensure its contents are realistic. For example, a firm might guarantee a district a $35,000 annual heating cost savings if the thermostats are set at 62 degrees, however if the district typically keeps the heat set at 68 degrees during the winter, it becomes ineligible for the guarantee.

Until the actual long-term project scope is determined, it is not possible to quantify the District's additional savings. Implementing long-term solutions could save SCSD an additional 25 percent. Based on the actual utility expenditures in FY 2000-01, SCSD could save $370,000 annually in addition to the saving generated from the implementation of **R4.3**. However, depending on the scope and cost of the long-term projects, the savings generated would be dedicated to debt service until the H.B. 264 notes are paid off, which could take up to 15 years, depending on the amount financed.

Custodial Services

Custodial Expenditures

F4.11 **Table 4-12** details SCSD's and the peers' FY 2000-01 General Fund Custodial Expenditures per square foot. Expenditures are divided into the following categories: salaries, benefits, purchased services, supplies and materials, capital outlay, and other. The costs per square foot were derived from dividing the expenditures by the total square footage maintained by the custodial staff.

Table 4-12: FY 2000-01 General Fund Custodial Expenditures per Square Foot

Category	Strongsville	Brecksville - Broadview Heights	Kettering	Solon	Peer Average	Difference Between SCSD and Peer Average
Salaries	$2.20	$1.77	$1.42	$1.83	$1.67	$0.53
Benefits	$0.89	$0.61	$0.42	$0.69	$0.57	$0.32
Purchased Services	$0.25	$0.23	$0.31	$0.18	$0.24	$0.01
Supplies and Materials	$0.12	$0.19	$0.07	$0.09	$0.12	($0.01)
Capital Outlay	$0.02	$0.03	$0.03	$0.00	$0.03	($0.01)
Other	$0.00	$0.01	$0.00	$0.00	$0.00	$0.00
Total	**$3.48**	**$2.84**	**$2.25**	**$2.79**	**$2.63**	**$0.84**

Source: SCSD and peer FY 01 General Fund actual expenditures reports and building inventories

In FY 2000-01, SCSD spent approximately $3.48 per square foot on custodial operations. The peer districts' custodial costs per square foot ranged from $2.25 in Kettering CSD to $2.84 in Brecksville Broadview Heights CSD. SCSD's custodial expenditures per square foot are $0.84, or approximately 32 percent, higher than the peer average. Based on the information in **Table 4-12**, SCSD's purchased services, supplies and materials, capital outlay, and other expenditures appear to be in line and appropriate when compared to the peer districts. However, SCSD's custodial salaries and benefits expenditures are significantly higher than the peer districts.

SCSD's custodial salaries expenditure per square foot is $0.53, or approximately 32 percent, higher than the peer average, and SCSD's benefits expenditure per square foot is $0.32, or approximately 56 percent, higher than the peer average. The high salary and benefit costs

are a result of custodial overstaffing and generous benefits packages, which includes the pick up of the pick up for retirement contributions.

F4.12   The custodial staff is responsible for cleaning SCSD's buildings. The custodians are classified as head custodians, assistant head custodians, custodians, part-time custodians, and laundry attendant/sweepers. The following are brief descriptions of the responsibilities of each member of the custodial staff based on staff interviews and written work assignments.

- *Head Custodian-* The head custodian is responsible for preparing his assigned building for school each day which includes: opening the building, unlocking all classrooms, turning on the lights, ensuring the HVAC system is working properly, and during the winter months, removing snow from the building walkways. The head custodians perform some minor building repairs and preventive maintenance tasks, oversee the operation of their buildings and direct the custodians.

- *Assistant Head Custodian-* The assistant head custodian works second shift at the high school and cleans an assigned area while supervising and assisting the other custodians assigned to second shift at the high school.

- *Custodian-* The custodians complete the majority of the cleaning. They perform a variety of tasks including sweeping, mopping, and dusting to maintain a clean and safe facility. The custodians also help with after-hours scheduled activities.

- *Laundry Attendant/Sweeper-* There are two laundry attendant/sweepers in SCSD, one at the high school, and one at Albion middle school. The laundry attendant/sweepers wash all the dust mops in SCSD once a week; wash, dry, and fold towels; sweep frequently used walkways during the day; and assist in the cafeteria during lunch periods, emptying waste containers when needed.

- *Athletic Custodians-* Two full-time custodians are assigned to work in the athletic department. They prepare the fields and buildings for sporting events hosted by SCSD. The athletic custodians report directly to the athletic director and have been excluded from all custodial staffing square footage analyses.

The written custodial job descriptions are not accurate and have not been updated recently. The descriptions do not include a comprehensive list of duties and responsibilities associated with the positions. Accurate and updated job descriptions provide employees with the criteria on which they will be evaluated and the expectations they are expected to meet.

R4.5   The job descriptions for the custodial staff should be reviewed and updated either internally or by a professional management consulting firm. The job descriptions do not appear to

accurately reflect the job duties performed by these employees. Updated job descriptions will provide SCSD with the foundation for establishing internal equity and external competitiveness. The following issues can be more clearly defined by updating job descriptions: basic pay policies, relation between compensation and organizational value, raises and adjustments, overtime pay, and entry level compensation.

In addition to updating the job descriptions to adapt to an ever-changing environment, SCSD must be cognizant of the required compliance with ADA requirements and should include the following types of information in the job descriptions: job title; salary information; job summary; specific responsibilities; primary interactions; equipment operation requirements; level of decision making; knowledge, skills and ability requirements; qualifying education; training; experience; and special job descriptions.

F4.13   The assistant to the director of business services (assistant director) position was created in August 1998, replacing the coordinator of health, safety, and custodians position. The assistant director manages custodial operations including budget development and monitoring, purchasing supplies and equipment, allocating staff, and approving overtime. The assistant director also organizes professional development for all of SCSD which consists of determining what training will be offered, scheduling and booking presenters, reserving a location, and tracking attendance. The assistant director also manages building security and participates in planning and overseeing permanent improvement projects.

F4.14   The assistant director is responsible for determining custodial staffing levels throughout SCSD. According to the assistant director, SCSD takes into consideration the size and layout of the building, the frequency of the tasks being completed, and the building's usage and total population when determining custodial staffing levels. There is no formal documentation illustrating how the current custodial staffing levels were determined. SCSD's FY 2001-02 custodial staffing level results in 1 FTE custodial employee for every 17,597 square feet. **Table 4-13** shows the average square footage per FTE custodian for SCSD, the peer districts, and the AS&U Region 5 average.

Table 4-13: FY 2001-02 Square Footage per FTE Custodial Employee

Strongsville	17,597
Peer Districts: - BBHCSD - Kettering - Solon	 19,185 25,159 23,718
Peer District Average	**22,687**
Difference	**(5,090)**
AS&U 30th Annual Cost Survey Region 5 Average	**20,724**
Difference	**(3,127)**

Source: Custodial Departments staffing rosters and building inventories

SCSD's custodial staff is responsible for maintaining less square footage per FTE custodian than the peer districts. Overall, SCSD's custodians are responsible for an average of 17,597 square feet compared to the peer district average of 22,687 square feet, which is approximately 22 percent less than the peer district average and 15 percent less than the AS&U Region 5 average.

F4.15 Differences in job responsibilities can impact the amount of square footage maintained per FTE custodian. Custodial staffs responsible for grounds maintenance, landscaping, and monitoring the cafeteria during lunch periods typically maintain less square footage per FTE custodian than staffs that focus almost exclusively on cleaning-related tasks. The assignment of preventive maintenance tasks and minor repairs also limits the amount of time available for cleaning, limiting the total amount of square footage that can be maintained per FTE custodian. **Table 4-14** details custodial staff responsibilities for SCSD and the peer districts.

Table 4-14: Additional Custodial Responsibilities

Task	Strongsville	Brecksville Broadview Heights	Kettering	Solon
Grounds Work	Building Custodians mow and landscape the area immediately surrounding their buildings. Two athletic custodians maintain the athletic fields. The maintenance staff mows large fields and open fields.	Building custodians mow the area immediately surrounding their buildings. Two custodians assigned to athletics maintain the athletic fields. One full-time custodian is dedicated to grounds maintenance.	Custodians mow the for area immediately surrounding their buildings. Four full-time grounds keepers maintain the large fields and all other areas.	Custodians are not responsible for grounds work. Solon employs three full-time grounds workers who are responsible for maintaining all the grounds in the district.
Cafeteria Duties	Elementary schools: limited to setting up and clearing the multi-purpose room and emptying trash Secondary schools: custodians monitor lunch room, empty trash and clean the cafeteria	Elementary schools: limited to setting up and clearing the multi-purpose room and emptying trash Secondary schools: custodians empty trash cans and clean the cafeteria	Elementary schools: limited to setting up and clearing the multi-purpose room and emptying trash Secondary schools: custodians empty trash cans and clean the cafeteria	Elementary schools: limited to setting up and clearing the multi-purpose room and emptying trash Secondary schools: custodians empty trash cans and clean the cafeteria
Minor Building Repairs	Responsible for changing lights and ballasts, minor electrical and plumbing repairs	Responsible for changing lights and ballasts, minor electrical and plumbing repairs	Responsible for changing lights and ballasts, minor electrical and plumbing repairs	Responsible for changing lights and ballasts, minor electrical and plumbing repairs
Preventive Maintenance	Limited- No formal structured programs. Responsible for filter changes and checking boiler chemical levels where applicable	Limited duties. No structured program	Limited duties. No structured program	Limited duties. No structured program
Use of Custodial Substitutes	Yes, a pool of six classified substitutes can be called.	Yes, one full-time custodian substitute plus a pool of six custodial substitutes are available.	Yes, uses a pool of six custodial substitutes.	No. Prohibited by previous contract; in the process of developing a custodial sub pool.
Use of Summer/ Temporary Help	Yes- Summer help is used to help with the grounds work and cleaning	Yes- for cleaning and grounds work	Yes- for grounds work and painting	Yes- to assist the grounds crew

Source: Custodial supervisors

According to the information in **Table 4-14**, SCSD's custodial operation is very similar to its peers. All of the districts use temporary help during the summer to assist with grounds work, complete preventive maintenance, minor building repairs, remove snow from building entrances, and at the elementary school level, all the custodians set-up and tear down tables in the multi-purpose room and empty trash bins. There appears to be one significant difference between SCSD and the peers. SCSD's high school custodial staff provides more oversight and cafeteria monitoring than the peers. When it comes to grounds work, SCSD's building custodians are responsible for maintaining the area immediately surrounding their building, as are the building custodians in Brecksville Broadview Heights and Kettering CSDs. SCSD also has two athletic custodians responsible for maintaining the athletic fields, and the maintenance staff mows the remaining large fields and open areas. Brecksville Broadview Heights also has two custodians assigned to athletics and one assigned full-time to grounds work. Kettering and Solon both have grounds keepers who are considered to be part of the maintenance department.

F4.16 The following table compares SCSD's school buildings and cleaning staff to the peer districts' school buildings and cleaning staffs. Overall, SCSD's custodians are responsible for maintaining 4,595 square feet less than the peer district average.

Table 4-15 Comparison of School Facilities and FY 200-02 Cleaning Staffs (FTEs)

	Strongsville	BBHCSD	Kettering	Solon	Peer Average	Difference Between SCSD and Peer Average
Elementary School Buildings	8	3	9	3		
Total Sq. Footage	347,355	129,357	515,436	217,000		
Number of Custodians	20.40	9.00	21.00	12.00		
Sq. Footage Per Custodian	17,027	14,373	24,545	18,083	19,000	(1,973)
Middle School Buildings	2	2	2	2		
Total Sq. Footage	167,803	261,360	348,706	293,000		
Number of Custodians	8.72	11.75	14.00	13.00		
Sq. Footage per Custodian	19,243	22,243	24,908	22,538	23,230	(3,987)
High School Buildings	1	1	1	1		
Total Sq. Footage	234,470	293,874	350,000	400,000		
Number of Custodians	13.80	14.00	15.00	15.00		
Sq. Footage per Custodian	16,991	20,991	23,333	26,667	23,664	(6,673)
Total Sq. for **School Buildings**	749,628	684,591	1,214,142	910,000		
Total Custodial Staff	42.92	35.75[1]	50.00	40.00		
Sq. Footage per Custodian	17,466	19,149	24,283	22,750	22,061	(4,595)

Source: Custodial departments, staff roster and building inventory

[1] Brecksville Broadview Heights CSD employs 1 FTE custodial floater whose work location can vary each day. The floater works second shift and is usually used to cover for absent custodial employees. Since the custodial floater is guaranteed work, the individual is included in the square footage calculations.

At the elementary school level, SCSD's custodians are responsible for maintaining 17,027 square feet, 1,973 square feet, or 10 percent, less than the peer average. In SCSD, one full-time head custodian works during the day. The remaining 12.40 FTE custodians work in the evening and are responsible for the majority of the cleaning. Overall, SCSD's elementary custodial staffing levels appear to be appropriate when the workload and building configurations are taken into consideration.

At the middle school level, SCSD's custodians are responsible for maintaining 3,987 square feet, or 17 percent, less than the peer district average. SCSD's high school custodians are responsible for maintaining 6,673 square feet, or 28 percent, less than the peer district average. SCSD's high school custodial staff is responsible for all deliveries at the high school. All food shipments for SCSD are sent to the high school where the goods are stored and then distributed once a week to all the schools. The high school custodial staff is responsible for preparing the food for shipment. In addition, there are custodians dedicated to monitoring the cafeteria during the building's five lunch periods in which approximately 500 students are served each period. The laundry attendant/sweeper washes all the dust mops for SCSD once a week, in addition to the individual's other responsibilities. Most other districts contract out the washing of dust mops.

F4.17   Overall, the peer custodial and maintenance staffs are responsible for completing the same tasks as SCSD's custodial and buildings and grounds departments. To account for any differences in the division of labor between SCSD' custodial and maintenance staffs and the peers, **Table 4-16** compares SCSD's custodial and maintenance FY 2000-01 salary costs per square foot. The salary figures do not include the cost of benefits.

Table 4-16: FY 2000-01 Custodial and Maintenance Salary Costs per Square Foot

	Strongsville	Brecksville Broadview Heights	Kettering	Solon	Peer Average	Difference Between SCSD and Peer Average
Custodial Salaries	$2.20	$1.77	$1.42	$1.83	$1.67	$0.53
Maintenance Salaries	$0.43	$0.43	$0.53	$0.84	$0.60	($0.17)
Total Salaries	**$2.63**	**$2.20**	**$1.95**	**$2.67**	**$2.27**	**$0.36**
Square Footage/ FTE Custodian	17,625	19,185	25,159	22,562	21,302	(3,667)
Square Footage/ FTE Tradesman	135,080	173,966	134,260	103,889	137,372	(2,292)

Source: SCSD and peer FY 01 General Fund actual expenditures reports and building inventories

There is a correlation between the cost per square foot and the square footage maintained per FTE. SCSD's custodial salary costs are the highest at $2.20 per square foot, and the square footage maintained per FTE is the lowest at 17,625. Conversely, Kettering CSD's custodial salary costs are the lowest, $1.42 per square foot, and the square footage maintained per FTE custodian, 25,159, is the highest.

Solon and Kettering CSDs have the highest maintenance salary costs per square foot at $0.84 and $0.53, respectively. Both districts employ full-time employees in their maintenance departments who are dedicated exclusively to maintaining the grounds. The salary costs associated with the employment of the grounds workers are included in the maintenance salary calculations. Both SCSD and Brecksville Broadview Heights CSD spend $0.43 per square foot on maintenance salaries.

Overall, Solon CSD's total salary costs per square foot, $2.67, are the highest of the four districts. SCSD's total salary costs are the second highest at $2.63 per square foot, which is $0.36, or approximately 16 percent, higher than the peer average. SCSD's custodial salary costs are approximately 32 percent higher than the peer district average, and as stated in **F4.15,** there is no significant difference in the responsibilities and tasks performed when compared to the peers. Based on the analysis above and the information in findings **F4.14, F4.15**, and **F4.16**, it appears SCSD custodial department could be operating more efficiently.

F4.18   As a result of the February 2002 levy failure (see the **financial systems** section for details), SCSD will reduce its custodial staffing levels by 4.84 FTEs (from 46.92 to 42.08 FTEs) effective August 1, 2002 in an effort to reduce operating expenditures. SCSD is projecting the reductions will save approximately $200,000 annually in custodial salary and benefits costs. The 4.84 FTEs includes a .64 FTE reduction in the custodians assigned to athletics that is not included in the following analysis. **Table 4-17** compares the current custodial staffing levels to the reduced staffing levels effective August 1, 2002.

Table 4-17: Comparison of Current to Planned Custodial Staffing Levels

Type of Facility	FY 02 Staffing Level	FY 03 Planned Staffing Level	Difference in FTEs and Square Footage Maintained	Peer Average	Difference Between SCSD and Peer Average
Elementary Schools:	8				
Total Sq. Footage	347,355	347,355			
Number of Custodians	20.40	18.61	(1.79)		
Sq. Footage Per Custodian	17,027	18,665	1,638	19,000	(335)
Middle Schools:	2				
Total Sq. Footage	167,803	167,803			
Number of Custodians	8.72	8.25	(0.47)		
Sq. Footage Per Custodian	19,243	20,340	1,097	23,230	(2,890)
High School:	1				
Total Sq. Footage	234,470	234,470			
Number of Custodians	13.80	12.36	(1.44)		
Sq. Footage Per Custodian	16,991	18,970	1,979	23,664	(4,694)
Other:	3				
Total Sq. Footage	60,852	60,852			
Number of Custodians	2.00	1.50	(0.50)		
Sq. Footage Per Custodian	18,226[1]	24,301[1]	6,075	25,454	(1,153)
Total:	14				
Total Sq. Footage	810,480	810,480			
Number of Custodians	44.92	40.72	(4.20)		
Sq. Footage Per Custodian	17,500[2]	19,305[2]	1,805	21,436	(2,131)

Source: OSFC Classroom Facilities Assessment Report, assistant to the director of business services custodial staffing rosters for FY 2002 and FY 2003
[1] The other buildings consist of 60,852 square feet. The custodial staff is responsible for maintaining 36,452 square feet.
[2] The custodial staff is responsible for maintaining 786,080 square feet. The bus garage and maintenance areas in the support services complex are not cleaned by the custodial staff.

SCSD opted to reduce the custodial staffing levels in each building by a minimum of 2 labor hours per day. The largest reduction, 14.5 labor hours or 1.44 FTEs, occurred at the high school. The reduction in custodial staffing levels increases the average overall square footage per FTE custodian by 1,805 square feet from 17,500 to 19,305 square feet which is 2,131 square feet less than the peer district average. The most significant differences in custodial staffing levels by type of facility occur at the high school (4,694) and middle school (2,890) levels.

R4.6   If SCSD's financial condition continues to worsen, it should consider making further custodial staffing reduction at the high and middle school levels. At the high school, one 8-hour custodian during the school year (0.72 FTE- 8 hours a day for 188 days), should be assigned to and paid from the Food Service Enterprise Fund, rather than the 2700 function of the General Fund for work performed in the cafeteria and for food distribution. If SCSD reduced it high school custodial staffing level to 10.00 FTEs, 2.00 FTE day custodians and

8.00 FTE second and third shift custodians, the square footage per FTE at the high school level would increase to 23,447, which would be 217 square feet less than the high school peer average. SCSD could also consider reducing its middle school custodial staffing level by 0.80 FTEs to 7.45 FTEs. The reduction would increase the square footage per FTE custodian at the middle school level to 22,524, which is 706 square feet less than the peer average.

Financial Implication: If SCSD assigns one 8-hour custodian to work 188 days per year (0.72 FTE) to food service and reduces its custodial staffing level by an additional 3.16 FTEs (0.80 FTEs at the middle school level and 2.36 FTEs at the high school), SCSD could reduce its General Fund 2700 function custodial salary and benefits costs by approximately $185,000 annually, based on the adjusted custodial weighted average base salary (**F4.20**) and assuming 30 percent for benefits.

F4.19   SCSD does not have a formal custodial handbook which outlines job responsibilities and proper cleaning procedures. Custodial staff members receive a copy of their job description and a cleaning schedule which outlines what areas and tasks they are responsible for maintaining. The amount of detail contained on the schedules varies from building to building. Some schedules include time allocation and the tasks to be completed during that time and in which rooms. Others simply outline the area the custodian is responsible for cleaning. Only select cleaning schedules contain information regarding cleaning procedures and the frequency in which tasks should be performed.

R4.7   SCSD should develop a formal custodial handbook which includes information about the department and its organization, work rules and procedures, contractual issues, copies of administrative forms, proper cleaning procedures and how often the tasks should be performed, checklists for properly caring for and using equipment and supplies, a preventive maintenance schedule and minor maintenance responsibilities. Each custodial staff member should receive a copy of the handbook. The handbook should also be used when training new custodial employees to ensure uniform cleaning procedures are being used throughout the district and to simplify the training process for both the trainer and trainee. A well-documented handbook can help increase efficiency and productivity and ensure the appropriate tasks are being completed in a timely manner.

F4.20   **Table 4-18** shows the average weighted base salary for SCSD's custodians for FY 2001-02 as well as the average weighted base salary for the peer districts' custodians.

Table 4-18: FY 2001-02 Custodial Average Base Salaries

District	FY 2000-02 Average Weighted Base Salary
Strongsville	$32,923
Peer Districts: - BBHCSD - Kettering - Solon	 36,588 33,289 36,948
Peer District Average	**$35,608**
Difference	**($2,685)**
AS&U 30th Annual Cost Survey Region 5 Average	$25,578
Difference	**$7,345**

Source: SCSD Treasurer's Office, peer district treasurers' offices, AS&U 30th Annual M&O Study

The average weighted base salary for SCSD's custodial staff in FY 2001-02 is $32,923, which is $2,685, or approximately 8 percent, below the peer district average. However, SCSD's custodial salaries are $7,345 more than the AS&U Region 5 average. SCSD's average weighted base salary is lower than two of the peer districts, Brecksville Broadview Heights and Solon CSDs, both of which are located near SCSD, in northeastern Ohio.

In lieu of a salary increase, SCSD agreed to pass a contract provision making the District responsible for picking-up the pick-up of an employee's retirement contribution. The provision was phased in from 1995 to 1997. When the weighted average base salary is adjusted to account for the pick-up on the pick-up of the custodians' employee retirement contribution, the weighted average increases by a factor of 10.1649 percent, or $3,347, to $36,270, which is $662 higher than the peer average. Wages in excess of peer or regional averages can indicate overcompensation. Based on the figures in **Table 4-18** and the custodial workload, it appears that SCSD's custodians are adequately compensated.

F4.21   According to expenditure reports, SCSD paid a total of $1,732,881 for custodial salaries from the operation and maintenance of plant services function (2700) of the General Fund. Custodial salary costs were charged to three different object codes in the 2700 function. The following table breaks down how the funds were spent according to object code.

Table 4-19: FY 2000-01 Custodial Salaries Expenditures

Expenditure	Object Code	Total	Percentage of Total
Custodial Salaries	141	$1,552,909	89.6%
Custodial Overtime	144	75,142	4.3%
Student Workers Pay	172	58,210	3.4%
Administrative Salaries	141	46,620	2.7%
Total	N/A	**$1,732,881**	**100.0%**

Source: Treasurer's office, FY 2000-01 general fund 2700 function expenditure report

Almost 90 percent of all the custodial salaries expenditures, regardless of why the expenditures were incurred, were coded to object 141, regular non-certificated salaries and wages. According to the Uniform School Accounting System manual, object code 141 is to be used to record expenditures incurred for actual work performed by employees who are considered to be in positions of a permanent nature.

SCSD does not use the non-certificated leave benefits object codes (151 sick leave, 152 personal leave, 153 vacation, etc.,) to track how much it is spending when a classified employee is absent and cannot accomplish the duties normally performed for "regular" salaries and wages. Instead, all custodial salary expenditures, except for overtime costs and student workers pay, are coded to object code 141. As a result, SCSD cannot easily determine how much the negotiated leave benefits are costing each department in the District. The inaccurate coding of expenditures inhibits SCSD's ability to readily identify costly benefits and opportunities for cost savings. In addition, SCSD's ability to accurately forecast and budget future salary and benefit costs is also negatively impacted.

The salary expenditures in **Table 4-19** do not include the cost for custodial substitutes. According to the Uniform School Accounting System (USAS) manual, the custodial substitute costs should be coded to function 2700, object code 142. Instead, the SCSD treasurer charges all classified substitute costs to the 2500 function, fiscal services, without distinguishing why the substitute was used. As a result, it is not possible to determine how much SCSD paid for custodial substitutes without performing the task manually, which can be rather time consuming and is prone to human error.

R4.8 SCSD should account for all expenditures in accordance with the guidelines set forth in the USAS manual. By opting not to account for expenditures as recommended in the USAS manual, it is not possible to thoroughly examine why certain salary-related expenditures were incurred. It is also not possible to determine how much benefits, such as vacation and sick leave, are costing SCSD.

F4.22   Overtime is paid for any hours worked in excess of 40 hours a week. The assistant director tries to limit overtime usage to snow removal and for working after school hours when the building is open to the public. In FY 2000-01, SCSD spent a total of $75,142 on custodial overtime, compared to $84,768 in FY 1999-00, which was a decrease of $9,626. SCSD does not monitor why overtime is incurred, nor does it track when overtime is incurred due to a building rental. Custodial overtime incurred due to a building rental is paid out of the 2700 function of the General Fund. The 2700 function is not reimbursed for these overtime expenditures, even though SCSD collects building rental fees to cover the cost of custodial overtime. It is not possible to determine how much overtime is being paid to the custodians for community usage of the buildings and how much is being paid for school-related usage, such as snow removal and absentee coverage.

R4.9   SCSD custodial staff should be required to record the amount of overtime used and why it was incurred on their time sheets. Tracking overtime expenditures and documenting them will allow the SCSD to identify areas where efficiency improvements can be made and can help keep the department's operational costs in line with its established budget.

Overtime incurred due to a building rental should be paid from building rental revenue rather the 2700 function of the General Fund. If SCSD chooses to continue to pay for all custodial overtime out of the 2700 function of the General Fund, then it should reimburse the 2700 function with a transfer of funds collected from the building rentals.

F4.23   Training contributes to an increase in quality and productivity, improved employee morale and a decrease in operational costs. The assistant director holds periodic meetings with the head custodians to discuss seasonal cleaning and tasks, changes in procedures, and custodial equipment and supplies. The custodial staff receives training covering asbestos awareness and OSHA safety standards, and they participate in the district-wide professional development training. When new custodial products are purchased, SCSD requires the vendors to provide on-site training to the custodians. These vendor training sessions are provided to SCSD at no cost.

C4.3   Requiring vendors to provide on-site training is an inexpensive way to help ensure the cleaning products are being used properly and in the most efficient manner. Using products properly leads to less waste and can result in monetary savings.

F4.24   Once a month, each head custodian completes a custodial supply and paper product order for his building. The requests are sent electronically to the assistant director who reviews and approves them. The approved requests are sent to the central supply warehouse where the supplies are pulled and then delivered by the truck driver/utility man to the requesting buildings.

Vendors regularly visit the assistant director and introduce new cleaning products. The assistant director requests samples of the products he thinks could be effective, and they are distributed to the custodial staff for testing. The custodians using the products evaluate their performance andreport the results back to the assistant director who decides if the product will be purchased.

C4.4 Assessing the performance of new cleaning products is a good practice. Cleaning products and equipment are constantly being improved and new ones are being developed. Having the custodians involved in the selection process is beneficial since the custodians know first hand what to look for in an effective product.

Maintenance Operations

F4.25 The Supervisor of Buildings and Grounds directs the buildings and grounds staff and is responsible for ensuring the facilities are maintained in a safe and serviceable condition. The Supervisor of Buildings and Grounds receives, reviews, prioritizes, and assigns work orders to the general maintenance repair employees. The supervisor meets with the building and grounds staff at least once a day to go over work assignments, updates the work order system, orders parts, prepares purchase orders, reconciles accounts and monitors maintenance expenditures, and submits budget requests. The Supervisor of Buildings and Grounds works with vendors and is responsible for selecting contractors for any work that is contracted out. The Supervisor of Buildings and Grounds is also responsible for managing the clerk assigned to the central warehouse and the truck driver/utility man.

F4.26 The buildings and grounds staff consists of eight full-time employees: six general maintenance repair employees, one truck driver/utility man, and one clerk. The six general maintenance repair employees complete building repairs and maintenance as well as the majority of the grounds work, including snow removal, throughout SCSD. In addition to completing repairs, the maintenance repair employees complete new construction and installations, including digging trenches and installing new playground equipment. The buildings and grounds staff is also responsible for setting up for special events, such as graduation. The truck driver/utility man makes deliveries throughout SCSD. When needed, the truck driver/utility man delivers equipment and chairs from building to building and assists in setting-up for special events. The truck driver/utility man also plows snow, along with the general maintenance repair employees, during the winter. The clerk checks in and unloads deliveries, purchases office supplies, pulls central warehouse supply requests, handles equipment and furniture disposal and is responsible for surplus textbook storage. The truck driver/utility man and the clerk have been excluded from all staffing analyses.

F4.27 **Table 4-20** shows the average square footage per maintenance FTE employee for SCSD, the peer districts and the AS&U Region 5 average.

Table 4-20: FY 2001-02 Square Footage per FTE Maintenance Employee

Strongsville	135,080
Peer Districts: - BBHCSD - Kettering - Solon	 173,966 134,260 103,889
Average for Peer Districts	137,372
Difference	(2,292)
AS&U 30th Annual Cost Survey Region 5 Average	119,163
Difference	15,917

Source: Staffing rosters and building inventories, AS&U 30th Annual M&O Study

SCSD's maintenance employees are responsible for maintaining an average of 135,080 square feet per FTE, which is 2,292 square feet less than the peer district average, and 15,917 square feet (or 13 percent) more than the AS&U Region 5 average. When Brecksville Broadview Heights is excluded from the peer average, the average decreases by 18,297 square feet to 119,075, which is 16,005 square feet less than the SCSD average.

A number of factors, including grounds work, the use of outside contractors, and preventive maintenance performed, all impact the amount of square footage that can be maintained. SCSD does not have any employees who are dedicated exclusively to completing grounds work. The SCSD custodial staff is responsible for mowing the areas immediately surrounding the school buildings, and the maintenance staff is responsible for the rest of the mowing. Each of the peer districts has at least one full-time grounds employee, which allows the peer district maintenance staffs to maintain a greater portion of square footage per FTE.

SCSD's repairmen are skilled and complete a variety of tasks including construction projects, digging trenches, and a number of other tasks that other districts contract out. As a result, SCSD's maintenance purchased services are significantly lower than the peers' expenditures, which indicates the staff is doing more work in-house rather than relying on contractors. Brecksville Broadview Heights CSD spends $0.21 per square foot on maintenance purchased services, and the other two peers each spend $0.18 per square foot.

Excessively high square footage allocations can negatively impact preventive maintenance programs, emergency repair efforts, and can ultimately shorten the life span of a building. Based on the data in **Table 4-20**, it appears that SCSD's square footage per FTE maintenance employee is reasonable.

F4.28 The amount of preventive maintenance completed in SCSD is limited by the size of its maintenance staff. The supervisor of buildings and grounds would like to perform more preventive maintenance, however, he does not have the resources to do so. The buildings and grounds department does not have a formal preventive maintenance program, yet it does complete a number of preventive maintenance tasks. During summer break, the maintenance repairmen are responsible for cleaning all the chillers, boilers, and a/c coils in the District. These tasks, in addition to mowing, take up the majority of the staff's time. The custodial staff assists in performing preventive maintenance tasks such as changing filters a minimum of four times per year and monitoring the chemical levels in the boilers, where applicable. SCSD also has an active steam trap replacement program. Traps are replaced on a five-year cycle.

Effective preventive maintenance programs can reduce energy costs and operational expenditures. According to an article published in *Energy and Environmental Visions for the New Millennium: 7th Proceeding of the 20th World Energy Engineering Congress (November 1997),* the preventive maintenance tasks of cleaning coils and replacing dirty HVAC system filters have reduced energy costs for running an HVAC system by 8 to 10 percent. Not only can effective preventive maintenance programs reduce operational costs, but they can positively impact student performance by enhancing the school environment.

According to the article mentioned above, a study of public school conditions in the District of Columbia found that when controlling for other factors, (mean income of school neighborhoods, school building age and type, and enrollment) students in schools with excellent building conditions had higher standardized achievement scores than students with fair building conditions and even higher scores than students in schools with poor conditions.

R4.10 SCSD should develop and implement a formal, planned preventive maintenance program for each building in the District. Preventive maintenance schedules for each building's heating, cooling, and plumbing systems should be developed. After determining which components will be included, preventive maintenance checklists, including task frequency, should be developed for each building. Most preventive maintenance tasks should be scheduled according to manufacturers' suggestions. After a task is completed, it should be recorded on the checklist or in a log book. A preventive maintenance log should also be created for each building to record when each task is performed. Some preventive maintenance tasks, such as filter changes, should be assigned to the head custodians in each building. The log book should be reviewed by the buildings and grounds supervisor and assistant director to ensure the work is being completed in a timely manner.

An effective preventive maintenance program can extend equipment life, decrease energy consumption, reduce maintenance and capital expenditures, reduce the number of work orders, and improve worker productivity by proactively maintaining equipment rather than

responding to breakdowns and emergencies. The lack of a comprehensive preventive maintenance program increases the risk of incurring high emergency repair costs.

R4.11 SCSD should consider increasing its maintenance staff by 2 full-time truck driver/utility positions to assist the maintenance staff in completing preventive maintenance and building repairs. At least two members of the maintenance staff will be approaching retirement age in the next two to three years. The District could use the next couple of years to train the two additional staff members so the impact of losing experienced staff will be lessened. In addition, there are certain tasks and repairs that require the presence of two maintenance employees for safety reasons. Rather than paying an experienced tradesmen to spot a co-worker or assist him in lifting heavy materials, the District could use one of the less-expensive truck driver/utility positions to complete the tasks which would allow the tradesman to complete more complex tasks.

Financial Implication: hiring two additional full-time truck driver/utility employees would cost SCSD approximately $84,000 annually in salary and benefit costs. The additional cost could be offset by decreasing the custodial staffing levels as discussed in **R4.6.**

F4.29 In the mid-1990s, SCSD developed its own computerized work order system. Head custodians prepare and submit work order requests electronically to the building principals. The principal reviews each request, marks it for approval, and forwards it to the supervisor of buildings and grounds. The supervisor of buildings and grounds prioritizes the request, assigns it to a general maintenance repairman, prints off a copy, and gives it to the appropriate maintenance employee.

After the work order is complete, the maintenance employee records the start and end dates, the number of hours needed for the job, and any parts that were purchased to complete the task. The completed form is returned to the supervisor of buildings and grounds to update the work order system. The supervisor of buildings and grounds also calculates the labor costs, which include benefits, associated with completing the request. After the repair is complete, the supervisor of buildings and grounds sends a copy of the completed work order to the requesting individual.

C4.5 Implementing an electronic work order system has allowed SCSD to streamline its work order request process and eliminated the downtime associated with processing, approving, and delivering written requests. Using the system, the supervisor of buildings and grounds can determine at any time the number of open and completed work orders, the total number assigned to each repairman, and labor costs associated with each completed request.

F4.30 SCSD does not have a formal policy or procedure in place for signing off and approving work completed by outside contractors. As a result, building administrators or the

custodians on duty often sign off on the work done without it being examined to ensure it was completed correctly. This approval process increases the potential that contracted work will be signed off on before a job is completed properly. Once the work is signed off on and approved by SCSD, faulty or incomplete work becomes the responsibility of the buildings and grounds department. When the buildings and grounds department has to assume the responsibility for faulty or incomplete work, some of the department's limited labor and capital resources have to be dedicated to correcting or completing the project even though SCSD already paid once for the work to be done.

R4.12 SCSD should develop a formal policy and procedure for signing off on work completed by outside contractors. Building administrators and custodians should not be permitted to sign off on building repairs and construction work that is completed by outside contractors. They do not have the expertise needed to determine if the work was completed properly. To ensure that all the work is completed correctly, final project sign off should be limited to the buildings and grounds department.

F4.31 **Table 4-21** shows the average weighted base salary for SCSD's general maintenance repair employees FY 2000-01, as well as the average weighted base salary for the peer districts' maintenance employees and the AS&U Region 5 average base salary.

Table 4-21: FY 2000-01 Maintenance Average Base Salaries

District	FY 2000-01 Average Weighted Base Salary
Strongsville CSD Weighted Average	**$40,281**
Peer Districts: - BBHCSD - Kettering - Solon	43,882 41,557 48,116
Peer District Average	**$44,518**
Difference	**($4,237)**
AS&U 30th Annual Cost Survey Region 5 Average	$32,750
Difference	**$7,531**

Source: SCSD Treasurer's Office, peer district treasurer's office, AS&U 30th Annual M&O Study

The average weighted base salary for SCSD's maintenance staff in FY 2001-02 is $40,281, which is $4,237, or approximately 10 percent, below the peer district average. However, SCSD's maintenance salaries are $7,531 more than the AS&U Region 5 average. SCSD's average weighted base salary is lowest of the four districts.

In lieu of a salary increase, SCSD agreed to pass a contract provision making the District responsible for picking-up the pick-up of an employee's retirement contribution. The provision was phased in from 1995 to 1997. When the weighted average base salary is adjusted to account for the pick-up on the pick-up of the maintenance repairmen's employee retirement contribution, the weighted average increases by a factor of 10.1649 percent, or $4,095, to $44,376 which is $142 lower than the peer average, and is $1,656, or approximately 4 percent, higher than the recalculated peer average that excludes Solon CSD. Wages in excess of peer or regional averages can indicate overcompensation. Based on the maintenance employees' experience and responsibilities, their current adjusted compensation appears to be reasonable.

F4.32   SCSD's maintenance overtime expenditures do not appear to be excessive when compared to the total maintenance salary expenditures. **Table 4-22** compares FYs 2000-01 and 1999-00 maintenance salaries expenditures. According to expenditure reports, SCSD paid a total of $348,532 for maintenance salaries out of the 2700 function (operation and maintenance of plant services) of the General Fund in FY 2000-01, an increase of $2,608, or less than 1 percent, from FY 1999-00. Maintenance salary costs were charged to two different object codes in the 2700 function, 141 regular salaries, and 144 overtime. The following table breaks down how the funds were spent according to object code

Table 4-22: Comparison of FY 2000-01 and FY 1999-00 Maintenance Salaries Expenditures

Fiscal Year	Object Code 141 Regular Salaries	Object Code 144 Overtime	Total Expenditures	Overtime Costs as a Percentage of Total Expenditures
2000-01	$327,881	$20,651	**$348,532**	5.9%
1999-00	$328,537	$17,387	**$345,924**	5.0%
Difference Between FY 2000-01 and FY 1999-00 Expenditures	**($656)**	**$3,264**	**$2,608**	N/A

Source: Treasurer's office, FY 2000-01 general fund 2700 function expenditure report

SCSD does not distinguish between expenditures made for actual work performed and wages paid for leave benefits, such as sick and vacation leave. According to **Table 4-22**, regular salaries decreased by $656 from FY 2000-01 to FY 1999-00, even though there was not a change in the maintenance staffing level. The difference is probably due to a decrease in paid leave benefits. However, it is not possible to make this determination without manually checking each maintenance employee's pay and leave records and doing the analysis by hand. If SCSD coded its salary expenditures in accordance with the guidelines set forth in the USAS manual, the determination of why there was a change in expenditures could be easily made from the expenditure reports. (Also see **F4.21** and **R4.8**)

R4.13 SCSD should record its expenditures in accordance with the guidelines set forth in the USAS manual. By opting not to follow the USAS manual, SCSD has placed itself at a disadvantage when trying to identify the cost of leave benefits and changes in leave usage. Without this information, it is not possible to easily recognize abnormally high expenditures or opportunities for cost savings. In addition, SCSD's ability to accurately forecast and budget future salary and benefit costs is also impaired.

F4.33 SCSD does not have a formal equipment or vehicle replacement policy. The buildings and grounds department has been successful in getting equipment requests approved and financed in the past, although, this could change if SCSD's financial situation continues to erode.

R4.14 SCSD should consider developing an equipment replacement policy as well as a vehicle replacement policy to help ensure equipment is replaced before its useful life expires. The replacement policy should consider factors such as the manufacturer's projected life of the equipment, the useful life of the equipment that SCSD has experienced, and the history of repairs for individual pieces of equipment. Equipment and vehicle replacement policies would allow SCSD to anticipate the costs of equipment in future years and would allow new equipment and vehicles to be budgeted and purchased in a timely manner.

F4.34 The majority of the machines used to maintain SCSD's grounds are quite old. Some of the equipment being used to mow the grounds is more than 20 years of age. During interviews, a number of custodians and maintenance staff members commented on the age and performance of the equipment used to maintain the grounds. When a piece of equipment breaks down, it is sent to the transportation mechanics for repair (see the **transportation** section).

R4.15 SCSD should consider participating in the John Deere trade-in program for government entities. The program provides all government entities using the State of Ohio Cooperative Purchasing Program with a trade-in option and a 33 percent discount off the retail price of all John Deere equipment. The program is available through all local John Deere dealers and allows participants to select the equipment they want. The equipment is purchased, and then after a year or two, is traded back into the dealer. For example, using the program, a district could purchase a tractor for $15,000 and in a year or two, trade it in for a brand new machine for $1,500 to $2,000, depending on how long the equipment was run. Columbus Public Schools trades a portion of its tractors and mowers each year and is able to obtain new machines for $100 to $600 each. By having the tractors and mowers replaced frequently, SCSD could increase productivity, eliminate equipment down time, reduce maintenance expenditures, and reduce the workload of the transportation mechanics.

Financial Implications Summary

The following table represents a summary of the annual cost savings for the recommendations in this section of the report. For the purpose of this table, only recommendations with quantifiable financial impacts are listed.

Facilities Financial Implications Summary

Recommendation	Annual Implementation Cost	Annual Cost Savings
R4.3 Implementation of short-term energy conservation measures		$220,000
R4.6 Reclassify one 8-hour custodian to Food Service and reduce 4.35 FTE custodians at the middle and high schools		$185,000
R4.11 Increase the maintenance staff by 2 full-time truck driver/utility employees	**$84,000**	
Total	**$84,000**	**$405,000**

Conclusion Statement

Overall, SCSD's maintenance and operations expenditures are significantly higher than the peer districts' and the American School & University (AS&U) Region 5 average. The high costs can be attributed to custodial salary and benefit expenditures and utility expenses. SCSD's custodial salary expenditures and benefit costs are 32 and 56 percent, respectively, higher than the peer averages. The high salary expenditures are due in part to custodial overstaffing at the middle and high school levels. SCSD could reduce its custodial salary and benefit expenditures by reducing 4.35 FTE custodians. It is possible that SCSD is incurring higher than necessary expenditures for benefits such as sick and vacation leave. However, SCSD does not use the non-certificated leave benefit object codes to track how much is being spent when a custodian is absent. As a result, SCSD's ability to readily identify costly benefits and opportunities for cost savings is negated. SCSD should account for all expenditures in accordance with the guidelines set forth in the USAS manual. The high benefit expenditures are due to a contract provision that requires SCSD to pay the pick-up on the pick-up.

Despite taking advantage of discounted utilities, SCSD paid $1.83 per square foot in FY 2000-01, approximately 74 percent more than the peer district average. Unlike the peer districts, SCSD has not implemented an energy conservation program nor has it taken advantage of H.B. 264. SCSD should immediately begin implementing short-term energy conservation solutions such as reducing energy usage which could save the District a minimum of 15 percent on its utility expenditures. SCSD should also evaluate the merits of implementing long-term solutions to generate optimal energy savings.

Overall, SCSD has been proactive in planning for the long-term facility use and needs. In 1989, SCSD formed the Future Facilities Task Force comprised of members representing a cross-section of the community and school district to develop a facilities master plan for the 1990s. The OSFC released its district-wide assessment and master plan for SCSD in May 2001. Based on enrollment projections, the student population is projected to increase by 389 students over the next 10 years. The overall building utilization rate for 2001-02 is 88.6 percent. The projected utilization rate in 2010-11 is 93.5 percent. Based on the projections, the high school will be over capacity by 455 students. Building capacity and utilization should be reviewed periodically in conjunction wiht the enrollment projections to determine the appropriate amount of space needed to house the current and projected student populations. SCSD should formally adopt a building capacity calculation methodology that takes into consideration the district's needs and educational programs.

SCSD's buildings and grounds department appears to be adequately staffed and is running efficiently and effectively. SCSD uses an electronic work order system which has allowed the District to streamline its work order request process and eliminate the downtime associated with processing, approving, and delivering written requests. SCSD consider developing an equipment replacement policy as well as a vehicle replacement policy to help ensure equipment is replaced

before its useful life expires. The District should also develop a formal policy and procedure for signing off on work completed by outside contractors.

Transportation

Background

Strongsville City School District (SCSD) provided transportation to 6,269 regular and special needs students in FY 2000-01 using District-owned yellow school buses. SCSD has a formal transportation policy which states that bus transportation shall be provided to students in kindergarten through twelfth grade who live one or more miles from their assigned schools. Other policies governing transportation include the following:

- Student Rights and Responsibilities;
- Student Due Process Rights;
- Student Conduct on School Buses;
- Bus Scheduling and Routing;
- School Bus Safety Program;
- Field Trips;
- Smoking on School Premises by staff members; and
- Drug Testing for School Bus Drivers.

Organization Function

The Supervisor of Transportation at SCSD reports to the Director of Business Affairs and is in charge of all aspects of transportation for SCSD students. The Supervisor assumes responsibility over the mechanics, bus drivers, bus aides and support staff. Support staff for the Supervisor includes the following:

- An Administrative Assistant who helps ensure operation of the school bus fleet in compliance with the ORC and the rules and regulations of the SCSD Board of Education;
- A Secretary who performs customer service duties for the Transportation office;
- A Part-Time Clerk who handles contacts with staff, students, parents and the public.

Summary of Operations

SCSD uses a fleet of 67 active and 15 spare buses to provide transportation to its regular and special needs students, both public and non-public. Of the active buses, 61 are used for the regular needs transportation program while the remaining 6 are dedicated to special needs transportation. In FY 2000-01, SCSD served 6,119 students through the regular needs transportation program, traveling 643,320 miles. The total cost of the regular needs transportation program was $2,069,471, of which $1,017,464 was reimbursed by the State.

The special needs transportation program at SCSD transported 150 students in FY 2000-01 at a cost of $447,658. Some special needs students were transported by other contracted vehicles at a cost of $76,877, including taxis at a cost of $10,303. SCSD received $154,838 from the State as reimbursement for special needs transportation.

Overall, SCSD served 6269 students on 67 buses traveling over 750,000 miles. The total cost of the transportation program at SCSD was $2,517,129, although 49.8 percent of the total was reimbursed by the State. **Table 5-1** provides basic FY 2000-01 operating statistics and ratios for SCSD and the peer districts. These figures will be used for comparative data throughout the transportation section.

Table 5-1: Operational Statistics and Ratios

FY 2000-01	Strongsville CSD	Brecksville Broadview Heights CSD	Kettering CSD	Solon CSD
Operational Statistics:				
Eligible Students				
- Regular students	6119	4487	4052	3634
- Special needs	150	69	157	51
- Total	6269	4556	4209	3692
Expenditures				
- Regular needs	$2,069,471	$1,890,133	$1,475,043	$1,606,319
- Special needs	$447,658	$308,178	$144,800	$130,307
- Total	$2,517,129	$2,198,311	$1,619,843	$1,736,626
State Reimbursements				
- Regular students	$1,017,464	$725,779	$824,469	$686,196
- Special needs	$154,838	$85,985	$70,697	$53,060
- Bus Purchase Allowance	$79,984	$62,199	$66,769	$55,425
- Total	$1,252,286	$873,963	$961,935	$794,681
Miles Driven				
- Regular students	643,320	489,060	383,760	449,820
- Special needs	107,388	103,000	N/A	87,660
- Total	750,708	592,060	383,760	537,480
Operational Ratios:				
Regular Needs: Yellow Bus				
- Cost per Mile	$3.22	$3.86	$3.84	$3.57
- Cost per Bus	$33,926	$43,957	$31,384	$37,356
- Cost per Student[1]	$340	$425	$366	$446
- Students per Bus	100	104	86	84
- Cost per Student all methods	$338	$421	$364	$442
Special Needs Students				
- Cost per Student all methods	$2,984	$4,466	$922	$3,046
School Sites				
- Public	12	6	12	7
- Non-public	10	11	12	4
Regular Needs Buses	61	43	47	43
Special Needs Buses	6	3	4	2
Spare Buses	15	7	8	5
Square Miles in District	25	25	21	22
Active bus to spare bus ratio	4.5:1	6.6:1	6.4:1	9.0:1

Source: T-1, T-2 and T-11 forms; school foundation reports; transportation departments
[1] Cost per Student excludes students receiving payment in lieu of transportation and the associated funds. These students and funds are included in Cost per Student all methods.

Performance Measures

The following performance measures were used to conduct the analysis of the transportation department at SCSD:

- Comparison of transportation policies and practices to State minimum standards and guidelines;
- Adequacy and accuracy of reporting operational information to secure State transportation aid;
- Cost effectiveness of regular and special needs transportation services;
- Assessment of fleet management functions; and
- Adequacy of technology in place to manage transportation.

Findings / Commendations / Recommendations

Policy and State Funding

F5.1   SCSD has a formal transportation policy outlining the provision of transportation services to students within the District. SCSD provides transportation services to all students in kindergarten through twelfth grade that live one or more miles from their assigned schools. However, many students living within one mile of their assigned school receive transportation services to avoid dangerous situations such as high-traffic areas, construction or lack of sidewalks. SCSD provides half-day kindergarten, and all kindergarten students receive transportation in the mid-afternoon regardless of the distance to the students' homes. The Ohio Revised Code (ORC) requires school districts to provide transportation services to all students in kindergarten through eighth grade that live two or miles from their assigned school. Although providing transportation services beyond State minimum standards increases costs for SCSD, these services are reimbursed by the State at the same rate as transportation within the minimum standards.

SCSD provides transportation beyond State minimum standards for the safety and convenience of its students. Reducing the current level of transportation service would also reduce the amount of transportation reimbursement received from the State. Therefore, SCSD should not consider reducing the level of transportation services in an attempt to reduce costs at this time. However, SCSD administration should be cognizant of the potential savings that could result from reducing transportation services. Other potential methods for reducing transportation costs without reducing the level of service are discussed in **R5.2**.

F5.2   School districts must file a series of forms each year with the Ohio Department of Education (ODE) to track operational data for transportation. The T-1 form details the number of regular needs students receiving transportation and the mileage incurred by the buses providing this service. The T-2 form breaks down all the costs associated with the services outlined on the T-1 form. The T-11 form outlines operations and the associated costs for the provision of special needs transportation.

Once submitted to ODE, these forms are used to determine State funding amounts from the School Finance Foundation. The regular needs reimbursement amount received by SCSD for FY 2000-01 was based on the number of students receiving Type I transportation (District-owned yellow bus). SCSD's regular needs transportation reimbursement in FY 2000-01 was $1,017,464, or 49.2 percent of total regular needs transportation expenditures. ODE finances special needs transportation based on a ratio of special needs students and the costs related to transporting them. In FY 2000-01, SCSD's total special needs transportation reimbursement was $154,838, or 34.6 percent of special needs transportation costs.

F5.3   A review of SCSD's T forms in comparison to District financial reports indicated a discrepancy in the reported expenditure amounts for transportation. SCSD's T-1 and T-2 forms state total transportation expenditures for FY 2000-01 at $2,517,129, while the District's 4502 report shows total transportation expenditures for the same year at $2,455,686. The difference is $61,443, or approximately 2.5 percent of SCSD's total transportation expenditures. Transportation reimbursements from the State are calculated based on either the number of students transported or the miles driven, so this discrepancy in expenditures would not have had an effect on SCSD's transportation reimbursement. However, expenditure amounts are used to develop the State-wide formula used to calculate reimbursements for the following year. Accurate T forms are also important to ensure that ODE maintains appropriate statistics on Ohio's school districts.

R5.1   SCSD should develop appropriate internal procedures to ensure that future forms are completed accurately. The superintendent, treasurer and transportation supervisor should be involved in the procedures, as the signatures of these people verify the accuracy of the data on the forms. SCSD should also involve a person separate from these three to ensure that proper procedures were followed when completing the T forms and to verify the accuracy of the data. The T forms should be compared to the 4502 report before submission to ensure that stated expenditure amounts are consistent.

F5.4   **Table 5-3** outlines the routing methodologies for SCSD and the peer districts.

Table 5-3: Routing Comparison

	Strongsville CSD	**Brecksville Broadview Heights CSD**	**Kettering CSD**	**Solon CSD**
Routing Tiers Average	2.33	2.48	2.50	2.59

Source: SCSD and peer district routing plans

As illustrated in **Table 5-3**, SCSD has the lowest routing tier average when compared to the peers. The SCSD average of 2.33 means that buses make an average of 2.33 runs per route (start point to end point). Three-run routes are used to the extent that times and availability permit. The District does use cluster stops in all of the subdivision/developments where there are sidewalks. The Transportation Supervisor estimates that 80 percent of the stops are cluster stops.

Although SCSD's students per bus ratio is the second highest among the peers, it is lower than many other schools throughout the State. This indicates that SCSD may be able to increase the efficiency of its routing, which is especially important given the District's current financial situation. SCSD's relatively low number of routing tiers limits the number of students the District can transport per bus and potentially increases transportation costs. However, SCSD personnel have indicated that some routes in the District are "one-way"

routes, meaning the buses must backtrack for a significant portion of the route due to the location of Metro Parks and other obstacles throughout the District. These routes also contribute to the relatively low number of students transported per bus.

R5.2   SCSD should consider reducing two buses from its necessary daily bus fleet. This could be accomplished by either increasing the number of runs per route or increasing the number of students per bus, which is the more feasible option as it does not affect bell schedules. The Edulog software currently in place for routing at SCSD (see **F5.11**) could easily adjust the District's bus routes to accommodate fewer buses. Reducing two buses from the necessary daily fleet would result in a students per bus ratio of approximately 103, which is above the peer average of 91 and approximately equal to Brecksville Broadview Heights CSD's ratio of 104 students per bus. Both Brecksville Broadview Heights CSD and SCSD encompass 25 square miles, so total district area should not be a prohibitive factor in reducing the number of buses, although SCSD transports students to more buildings. Also, reducing two buses would only increase SCSD's adjusted students per bus ratio by 2 students, so there should not be a noticeable effect on route times or bus capacity. Because this change would not affect the level of transportation service currently provided by SCSD, the District's State reimbursement would not be adversely affected.

Financial Implication: When administrative costs, such as salaries for the supervisor and clerical staff, are eliminated, SCSD's average actual cost to operate a bus is approximately $29,000. Based on this adjusted ratio, the District could save approximately $58,000 per year by reducing two buses from the necessary daily fleet.

General Operations

F5.5   In FY 2000-01, SCSD transported 6119 regular needs public and non-public students on 61 buses at a cost of $2,069,471. Non-public students are those students residing within SCSD boundaries but attending private or parochial schools. All students were transported by District-owned yellow buses. In addition, SCSD uses payment in lieu of transportation, parent/guardian contracts or other alternative means of student transportation. **Table 5-4** shows regular needs transportation operational ratios for SCSD and the peers.

Table 5-4: Peer Comparison of Regular Needs Transportation Ratios

FY 2000-01 Regular Needs	Strongsville CSD	Brecksville Broadview Heights CSD	Kettering CSD	Solon CSD
District Buses:				
Cost per Mile	$3.22	$3.86	$3.84	$3.57
Cost per Bus	$33,926	$43,957	$31,384	$37,356
Cost per Student	$340	$425	$366	$446
Students per Bus	91	104	86	84
Number of Students	6,066	4,419	3,967	3,553
Payment in Lieu of Transportation:				
Cost per Student	$154	$197	$292	$262
Number of Students	53	68	85	81
All Modes of Transportation:				
Cost per Student	$338	$421	$364	$442
Total Students	6,119	4,487	4,052	3,634

Source: T-1 and T-2 forms

SCSD has the lowest transportation costs per student on district buses and has the lowest overall cost per student. SCSD also has the lowest cost per mile and cost per bus among the peers. However, despite having the highest number of total students, SCSD transports fewer students via payment in lieu of transportation than the peers. Payment in lieu of transportation is less expensive than traditional forms of transportation and is reimbursed by the State at a higher percentage than Type I transportation (district buses).

R5.3 Although SCSD can not require parents to receive payment in lieu of transportation, the District should develop procedures to promote the use of this cost-effective alternative to bus transportation for non-public students. Transportation personnel should ensure that parents are aware of this option and encourage its use. Although the peer districts transport between one and two percent of their total ridership via payment in lieu, Parma City School District transported more than eight percent of its ridership using this method in 1998 at a cost of $151 per student. SCSD used this option for less than one percent of its ridership but at a comparable cost to Parma of $154 per student.

Transporting non-public students can affect the development of bus routes and create bus routes that require more time and transport fewer students. Increasing the number of non-public students receiving payment in lieu of transportation could not only reduce SCSD's transportation expenditures, but could also allow for more efficient routing for regular public students. Although payment in lieu of transportation is a cost-effective alternative to bus transportation, it is difficult to quantify a financial implication because participation in the program is voluntary on the part of the parents. However, increased participation in payment

in lieu of transportation, particularly among non-public students, could assist SCSD in reducing two bus routes as discussed in **R5.3**.

F5.6   In FY 2000-01, SCSD transported 150 special needs students at an average annual cost of $2,984 per student, or $2,654 more than the cost of transporting a regular needs student. The per student cost of transporting special needs students is significantly higher than the per student cost of transporting regular needs students due to following factors:

- The comparatively small number of students requiring special needs transportation;
- The limited number and locations of special education schools or classes to which students are assigned;
- The greater amount of time often required to load and unload special needs students;
- The higher purchase and maintenance costs associated with specialized equipment needed to transport special needs students; and
- The reduced capacity of special needs buses due to more dispersed pick-up and drop-off points, increased riding time and the need of students for more individualized attention.

Table 5-5 presents special needs transportation operating ratios for SCSD and the peers for FY 2000-01.

Table 5-5: Peer Comparison of Special Needs Transportation Ratios [1]

FY 2000-01 Special Needs	Strongsville CSD	Brecksville Broadview Heights CSD	Solon CSD
District Buses:			
Cost per Student	$2,667	$5,311	$3,926
Number of Students	139	36	34
Other Methods:			
Cost per Student	$6,989	$3,564	$1,286
Number of Students	11	33	17
All Modes of Transportation:			
Cost per Student	$2,984	$4,466	$3,046
Total Students	150	69	51

Source: T-11 forms
[1] Kettering CSD contracts for special needs transportation, and the information needed for this analysis could not be quantified.

SCSD has the lowest cost per student among the peers for transporting special needs students. Most students are transported on district buses, although 11 students were transported on contracted vehicles. These students are transported to seven different locations outside the boundaries of SCSD, as dictated by their IEPs. According to District

transportation personnel, transporting these students on district buses would be significantly more expensive.

Staffing

F5.7   The transportation department at SCSD consists of the Supervisor of Transportation, Administrative Assistant to the Supervisor, Bus Aides, Bus Drivers, Mechanics, a Secretary, and a Part-Time Clerk. **Table 5-6** compares transportation staffing levels between SCSD and the peers.

Table 5-6: Staffing Comparison

Staffing	Strongsville		Brecksville		Kettering		Solon		Peer Average	
FY 2000-01	**No.**	**FTE**	**No.**	**FTE**	**No.**	**FTE**	**No.**	**FTE**	**No.**	**FTE**
Transportation Supervisor	1	1.0	1	1.0	1	1.0	1	1.0	1	1.0
Clerical	3	2.4	2	2.0	2	1.8	2	2.0	2	1.9
Bus Drivers	67	48.0	42	31.0	54	20.0	48	36.0	48	29.0
Bus Aides	7	3.6	6	2.6	9	3.4	0	0.0	5	2.0
Mechanics	6	6.0	3	3.0	3	3.0	3	3.0	3	3.0
Total	**84**	**61.0**	**54**	**39.6**	**69**	**29.2**	**54**	**42.0**	**59**	**36.9**
Students Transported per FTE	**103**		**115**		**144**		**88**		**116**	

Source: T-2 forms

Strongsville has the second lowest number of students transported per transportation FTE. Based on **Table 5-6**, SCSD's transportation staffing is higher than the peer average in all categories except *transportation supervisor*. SCSD transports a significantly higher number of students than any of the peers, which requires additional buses and drivers, and the number of bus aides is largely determined by IEPs.

Of SCSD's three clerical personnel, the administrative assistant assists the transportation supervisor in all functions of the transportation department, including bus routing and resolving personnel issues. The secretary and the part-time clerk are both responsible for customer service duties, such as dealing with staff, students, parents and the public. SCSD transportation personnel have indicated that a significant amount of time and personnel is necessary to address parent concerns.

R5.4   SCSD should reduce its clerical staffing in the transportation department to 2.0 FTEs. The customer service duties currently performed by the part-time clerk could be absorbed by the secretary, who is also dedicated to customer service. At times of the year when customer service needs are greater, such as the month of August when bus passes are issued and routes are developed, the transportation department could borrow clerical personnel from another department or use temporary employees or parent volunteers. However, SCSD should ensure that the customer service needs of the District can be met before enacting any reductions.

Financial Implication: See the **human resources** for financial implications related to reductions in clerical staffing.

F5.8   Although SCSD has more buses and transports more students than the peer districts, the mechanic classification appears disproportionately overstaffed. **Table 5-7** shows bus maintenance and staffing ratios for SCSD and the peer districts.

Table 5-7: Bus Maintenance and Staffing Ratios

FY 2000-01	Strongsville CSD	Brecksville Broadview Heights CSD	Kettering CSD	Solon CSD
Number of mechanics (FTE)	6.0	3.0	3.0	3.0
Number of other staff (FTE)	55.0	36.6	26.2	39.0
Number of active buses maintained [1]	67	46	51	45
Active buses per mechanic FTE	11.2	15.3	17.0	15.0
Active buses per other staff	1.2	1.3	1.9	1.2

Source: 2001 T-2 forms
[1] Includes regular and special needs buses, but not spares.

As shown in **Table 5-7**, SCSD's mechanics are maintaining significantly fewer buses per mechanic than the peers. Although SCSD's mechanics are also responsible for maintaining additional District equipment, such as lawn mowers, this function is consistent among the peer group. However, most of SCSD's lawn-mowing equipment is approximately 20 years old (see the **facilities** section), which contributes to the amount of necessary maintenance.

Two additional factors affecting mechanic staffing levels at school districts are overtime costs and level of service, which involves the extent to which services such as engine work and body work are performed in-house. High overtime costs can indicate inadequate mechanic staffing levels or a poor quality bus fleet, and a low level of service requires more funds for purchased services to pay for contracted maintenance of buses. SCSD operates a

"full service" garage, meaning all repairs are performed in-house, including engine and body work, and SCSD mechanics did not work overtime in FY 2000-01. Two peers, Kettering and Solon, also operate full service garages, although Solon had very high overtime costs for mechanics. Kettering CSD maintained low costs for both bus maintenance and overtime costs while maintaining more buses per mechanic than SCSD.

R5.5   SCSD should consider reducing the number of mechanics in the transportation department by 1.0 FTE. Reducing 1.0 FTE mechanic would increase SCSD's buses per mechanic ratio to 13.4, which is still well below the peer average and should allow the remaining mechanics to easily maintain the bus fleet and lawn-mowing equipment. Replacing the District's lawn-mowing equipment, as discussed in the **facilities** section, could reduce the workload of the mechanics in the transportation department, and reducing two bus routes, as discussed in **R5.3**, would also decrease the workload of the remaining mechanics.

Financial Implication: Reducing 1.0 FTE mechanic from the transportation department would increase the number of buses per mechanic to 13.4 and would decrease the department's expenditures by approximately $42,000, based on the average mechanic salary and benefits cost.

Bus Fleet

F5.9   SCSD owns 67 full-sized yellow buses that are used for student transportation and 15 spares. Of the 67 buses, 6 are equipped for, and dedicated to the provision of special needs transportation. The buses vary in age from 1 to 12 years. While there are currently no State minimum standards for the replacement of school buses, a general consensus among ODE, private bus contractors and transportation departments is that buses should be replaced at 12 years of age or 250,000 miles for diesel buses and 200,000 for gasoline buses. Despite these general guidelines, a school district can use a bus for student transportation as long as it passes a mandatory annual inspection provided by the Ohio Highway Patrol. **Table 5-8** shows a comparison of SCSD's buses by model year and mileage to the peers' fleets.

Table 5-8: Comparison Bus Fleet by Model Year and Type[1]

Model Year	Strongsville CSD		Brecksville Broadview Heights CSD		Solon CSD	
	# Regular Needs Buses	Average Mileage	# Regular Needs Buses	Average Mileage	# Regular Needs Buses	Average Mileage
1985	--	--	4	132,750	--	--
1987	--	--	1	176,000	--	--
1988	--	--	--	--	1	139,488
1989	5	128,756	5	158,120	1	140,279
1990	6	135,797	3	160,667	7	127,011
1991	5	132,970	5	134,000	7	116,684
1992	5	89,463	0	--	4	96,814
1993	5	106,549	1	103,500	6	109,886
1994	5	83,124	4	97,068	0	--
1995	14	68,174	2	92,950	5	85,755
1996	8	53,203	2	83,100	5	79,098
1997	7	42,052	4	80,050	0	--
1998	8	32,006	5	55,760	4	48,886
1999	7	30,290	4	44,625	3	22,306
2000	2	10,733	4	29,100	2	11,854
2001	5	N/A	3	N/A	3	N/A
2002	0	0	4	N/A	0	0
Total	82	N/A	49	N/A	48	N/A

Source: SCSD and peer transportation departments.
[1] Information was not available for Kettering CSD.

All of SCSD's buses are below the prevailing mileage guidelines for bus replacement, although 16 of the District's buses are either over the 12 year guideline or will be within the next year. Of these 16 buses, 11 are regular needs spare buses, and 1 is a special needs spare bus. The remaining three are used for regular needs daily transportation.

R5.6 SCSD's transportation department should develop and maintain an ongoing bus replacement plan that outlines when each bus will be replaced and the funding source for the

replacements. The State issues bus purchase allowances to school districts through ODE's State Foundation funding, and the District's financial forecast includes projected funds to purchase school buses. In FY 2000-01, SCSD spent $109,849 on school buses and received a bus purchase allowance of $79,984 from ODE. Due to the quantity of buses in use at SCSD, it may not be feasible to replace all buses over 12 years of age every year, and this should be taken into account in the bus replacement plan. Because the older buses at SCSD have relatively low mileage, the District will have some flexibility in the bus replacement plan without sacrificing student safety.

Table 5-8 indicates 16 buses that will need to be replaced within the next year according to the 12 year guideline. However, if SCSD reduces its reserve of spare buses as discussed in **F5.10** and **R5.8**, the District would only need to replace 11 buses over the next two years. Additionally, because all of these buses are below the recommended mileage threshold for replacement, and in light of the District's current financial situation, SCSD should consider using its buses for more than 12 years.

F5.10 **Table 5-9** compares SCSD's ratio of spare buses to active buses to those of the peers.

Table 5-9: Active Bus to Spare Bus Ratio

	Strongsville CSD	Brecksville Broadview Heights CSD	Kettering CSD	Solon CSD
Number of Active Buses	67	46	51	45
Number of Spare Buses	15	7	8	5
Active buses per spare	4.5	6.6	6.4	9.0

Source: T-2 forms

As **Table 5-9** indicates, Strongsville has the lowest active to spare bus ratio in comparison to the peers at one spare for every 4.5 buses. However, SCSD personnel indicated that one of the 1989 buses was eliminated in FY 2001-02, making the actual current ratio 4.8 active buses per spare, which is still the lowest among the peers. General industry practice suggests districts maintain spare buses for approximately 10 to 15 percent of the active bus fleet. Kettering CSD has the second lowest active to spare bus ratio and maintains a spare bus fleet approximately equal to 16 percent of its active bus fleet. In contrast, SCSD's spare bus fleet was approximately 22 percent of its active bus fleet in FY 2000-01 and 21 percent in FY 2001-02. This suggests that SCSD may have an unnecessarily high amount of resources dedicated to its spare bus fleet. However, SCSD personnel have also indicated that various District policies, such as the "no cut" policy for athletics participation, increase the demand for spare buses.

R5.7   SCSD should consider reducing the number of spare buses it maintains to between 10 and 15 percent of its fleet, or between 7 and 10 buses. Transportation personnel indicated that one of the 1989 buses has already been eliminated, reducing the total number of spares to 14. SCSD could eliminate the remaining 1989 buses by either selling them or stripping them for parts to use on the other buses. Eliminating these four buses would leave SCSD with only 11 buses that will exceed the 12 year replacement guideline over the next year. SCSD should balance any spare bus reductions with the daily District requirements for field trips and athletic events.

Financial Implication: A 1989 full-size school bus with approximately 130,000 miles could be sold for around $7,500. SCSD could expect to receive $30,000 for selling its four remaining buses from 1989. If SCSD decided to sell its six 1990 buses next year, it could expect to receive approximately $45,000. However, some buses could also be kept for parts, which would reduce the necessary expenditures for parts and supplies.

F5.11 SCSD's bus drivers are responsible for maintaining their buses in good condition, which includes fueling and cleaning the buses and identifying and scheduling maintenance needs. Bus drivers are currently guaranteed 15 minutes per day plus 10 minutes per additional route. This means that a bus driver with a morning route and an afternoon route would receive 15 minutes per day plus 10 minutes for the afternoon route for a total of 25 minutes for fueling and cleaning. Drivers with kindergarten routes would receive 35 minutes based on the additional route in the middle of the day.   While these procedures seem to work appropriately during the warmer months of the school year, the colder temperatures and weather conditions during much of the year can prevent drivers from washing the outside of the buses.

The transportation department, in conjunction with the business services manager, has considered purchasing or building a bus-washing facility. SCSD has received estimates of approximately $140,000 to build a bus-washing facility in the District's support services complex. This project and the associated costs have been included in SCSD's capital plan, although the project has not been awarded a high priority, and a funding source has not been identified.

Brecksville-Broadview Heights CSD has contracted out its bus-washing function. A private contractor washes the buses on a monthly basis for approximately $10 per unit. The buses are washed more frequently during the winter to prevent salt build-up and corrosion but less frequently during the summer when the buses are not in use.

R5.8   SCSD should consider alternate methods for the cleaning of buses. While some larger school districts in Ohio have built bus-washing facilities, other districts have successfully contracted for the cleaning of buses. The support services complex at SCSD has ample space for a bus-washing facility but could also accommodate a contractor for washing buses.

SCSD should not make any changes to its bus-washing method without making an appropriate change to bus drivers' guaranteed daily hours to ensure that they are not paid for services that are not performed. If drivers are not required to wash the outside of the buses, their guaranteed time should be reduced as some time is allotted for this purpose. However, bus drivers should still be required to keep the inside of the buses clean.

Based on the costs of various bus-washing methods, it appears that hiring a contractor to wash the buses would be the most cost-effective option for SCSD. Based on an active fleet of 67 buses, a bus-washing contract would cost the District approximately $8,000 per year, which is significantly less then the cost to build a bus-washing facility, and also less than the annual savings associated with reducing driver time for bus washing. As previously stated, no changes should be made to the existing bus-washing method without making a corresponding change to drivers' guaranteed hours.

Financial Implication: Hiring a contractor to wash SCSD's buses on a monthly basis would carry an annual cost of approximately $8,000. However, reducing bus drivers' guaranteed daily hours by 10 minutes could result in annual savings of approximately $30,000.

Technology

F5.12 SCSD currently has software in place to assist in the management and provision of transportation services. The following software applications are currently in place in SCSD's transportation department:

- **Edulog** - This software designs bus routes for school districts when student addresses, bell schedules, the number of buses and other inputs are entered. SCSD uses the software every year after bus registration, although the transportation of non-public and special needs students requires some routes to be modified or designed by hand.

- **FleetPro 2.0** - This is a separate module of the Edulog system that tracks maintenance and inventory for SCSD's bus fleet. The system can schedule basic preventive maintenance, such as oil changes or brake replacements, and can track all maintenance performed on a particular bus, or in a particular month. The reports can be customized to meet the specific maintenance needs of the District.

- **PetroVend K800 Phoenix** - This is SCSD's fuel monitoring and dispensation system. Each bus driver is issued a fuel card, and when fuel is dispensed, the system tracks the bus number and mileage and how much fuel was used. The District's fuel tanks will not dispense fuel without the appropriate card, and the transportation supervisor can control the cards electronically as necessary.

● **Veeder Root TLS-350** - This software is connected to the PetroVend system and monitors the fuel levels in SCSD's tanks and notifies the supervisor when more fuel should be ordered. This system also has the capability to detect faulty fuel blends and notify the system operator.

The technology in place at the transportation department effectively manages all appropriate areas of operation. Updates are installed when available, and full support is provided for all systems at an annual cost of approximately $3,000.

Financial Implications Summary

The following table provides a summary of implementation costs, annual savings and additional revenues for FY 2002-03. This table illustrates the savings that Strongsville City School District could potentially realize. For the purpose of this table, only recommendations with quantifiable financial impacts are listed. The magnitude of cost savings associated with some recommendations could be greatly affected by the implementation of other interrelated recommendations.

Summary of Financial Implications for Transportation

Recommendation	Implementation Costs (Annual)	Annual Cost Savings	Additional Revenue
R5.2 Bus reduction		$58,000	
R5.4 Clerical staffing changes		See **human resources** section	
R5.5 Mechanic staffing changes		$42,000	
R5.7 Sell excessive spare buses			$30,000
R5.8 Contract for bus-washing	$8,000	$30,000 [1]	
Totals	**$8,000**	**$119,000**	**$30,000**

[1] These savings would require a change to SCSD's contract with OAPSE.

Conclusion Statement

SCSD has effective policies in place governing transportation operations, and the District's transportation operation seems to be very efficient when compared to the peers. Most of the District's cost ratios are among the lowest in the peer group and lower than many of Ohio's largest urban school districts. However, SCSD's students per bus ratio, while above the peer average, is low compared to other districts in the State. This, coupled with SCSD's relatively low number of runs per route, would allow the District to reduce the total number of bus routes.

Although SCSD's overall costs are low, some transportation staffing classifications appear to be somewhat high. Reductions in these areas would streamline transportation operations in the District and allow these funds to be reallocated to direct instruction and classroom operations. SCSD also maintains a large reserve of spare buses which, if reduced, could lead to additional revenue and lower maintenance costs.

The transportation department has technology in place to guide all areas of operation within the department, including routing, maintenance and fuel administration. Effective use of technology contributes to the overall low costs for transportation and ensures that resources are used efficiently.

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Technology Utilization

Background

Organizational Chart and Staffing

Technology implementation and management at Strongsville City School District (SCSD) are performed by the District Technology Department (DTD). The DTD incorporates technical assistance, communications, and information services. This single unit was only recently created with the development of the current Director of Technology position in 1999. Prior to this, the three areas listed above were each separate units. The organization and staffing in full time equivalents (FTE) is shown in **Chart 6-1**.

Chart 6-1: District Technology Department Organization
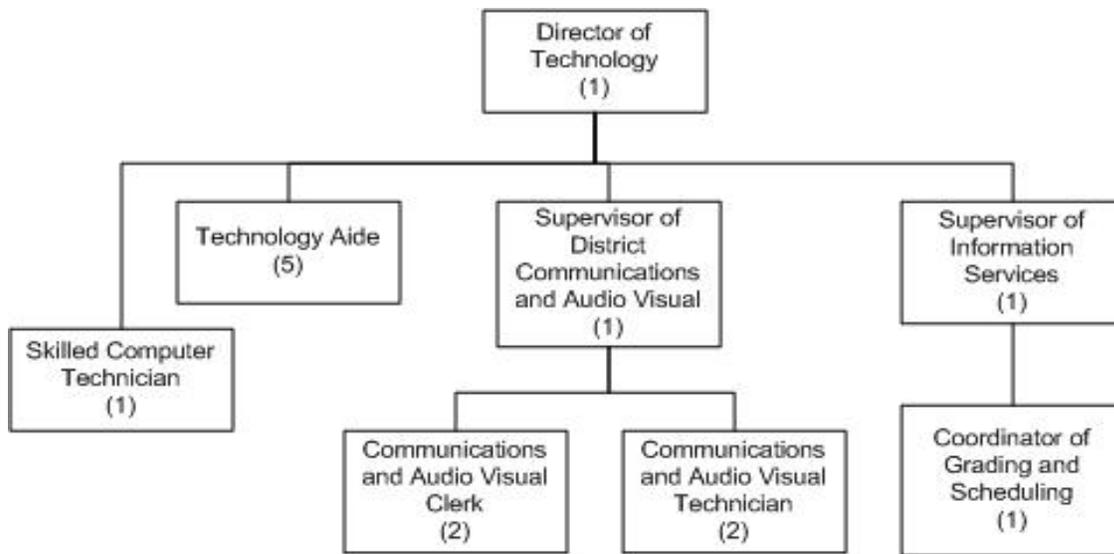
Source: Strongsville City Schools DTD Organizational Chart

The DTD is headed by a Director, who reports directly to the Superintendent. Under the Technology Director are the Supervisor of District Communications and the Supervisor of Information Services. The Supervisor of District Communications oversees two Communication Technicians and two Communications Clerks while the Supervisor of Information Services oversees the Coordinator of Scheduling and Grading. In addition, the DTD employs five Technology Aides and one Skilled Technician at the building level. These positions report directly to the Technology Director.

Organization Function

The DTD is responsible for supporting all technical operations for computers, networks, and communications (both audio and visual), including installation, instruction, maintenance and repair. Top level staff are also involved in SCSD planning for future technology upgrades and purchases. The DTD is headed by the Director of Technology, who reports to the Superintendent and is responsible for the following activities:

- Review and approve technology purchases;
- Establish and manage the technology budget;
- Plan and implement staff development pertaining to technology;
- Work with the Technology Committee to develop and update the Strategic Technology Plan;
- Supervise all technicians and technical aides;
- Serve as a consultant and troubleshooter for technology problems;
- Plan upgrades of hardware and equipment; and
- Work with the media specialist and other coordinators to improve understanding and implementation of technology.

The Supervisor of Information Services assumes responsibility for district EMIS reporting, the district testing program, student enrollment data and supporting computer hardware, software, and programming where necessary. Specific job functions include the following:

- Supervise the processing of grade reports;
- Coordinate reporting for EMIS purposes;
- Coordinate standardized proficiency, competency and achievement testing for SCSD;
- Serve as administrator for the districts multiuser systems;
- Represent SCSD on committees of the Lake Erie Educational Computer Association (LEECA);
- Provide support for the district UNIX computer system;
- Supervise the enrollment and withdrawal process and maintain accurate enrollment data for SCSD; and
- Analyze and project growth patterns and enrollment for SCSD.

The Supervisor of Audio Visual and District Communications provides leadership, coordination and innovation in the use of technology and equipment. More specifically, the Supervisor's functions include the following:

- Provides staff in-service on the use of instructional television as an educational tool;
- Organizes and provides local programming;
- Oversees operation of SCSD's instructional cable network;
- Monitors and upgrades radio systems, oversees repair and compliance with FCC regulations;

- Designs and maintains fire alarms, sounds systems, and security systems; and
- Designs and builds wide and local area networks (WAN/LAN).

The DTD develops, updates, and maintains both the computer and communications networks for SCSD. Other positions in the DTD and a brief description of associated duties are as follows:

- **Communications and Audio Visual Technician:** provides maintenance and trouble-shooting for SCSD communications systems including audio visual, radio and electronic equipment. Provides technical assistance to media personnel and assists in researching and selecting new communications and audio-visual equipment.

- **Skilled Computer Technician:** provides support and maintenance for all academic computer equipment in the buildings, maintains inventories of hardware and software licenses, coordinates summer maintenance programs throughout SCSD, and conducts training as needed.

- **Technology Aides:** provide basic trouble shooting and coordinate computer repair at the building level and assist classroom teachers in technology installation and use.

- **Coordinator of Grading and Scheduling:** responsible for maintaining all student attendance, enrollment, and testing information through EMIS.

- **Communications and Audio Visual Clerk:** assists Supervisor of Audio Visual and District Communications by performing clerical, data processing, and organizational duties.

Summary of Operations

All major technology-related functions at SCSD are the responsibility of the DTD. This includes the support and maintenance of current systems and applications as well as the integration of new technology. The DTD supports the various technological functions at SCSD, including budgeting, payroll, accounting, human resources, and other administrative areas. In addition, the DTD is responsible for supporting, maintaining, and acquiring all technology hardware and software used throughout SCSD for both instructional and administrative purposes. General DTD functions include the following:

- Maintenance of administrative and instructional hardware;
- Implementation of new technologies;
- Provision of help desk services for both administrative and instructional functions;
- Suggestion and review of technology purchases;
- Professional development for instructional and administrative staff; and
- Facilitation of the Technology Committee.

Technical Architecture

SCSD is connected by a 22-mile coaxial community network that links to all the schools and administrative buildings within the District. In addition, the local hospital, fire department, public library, and recreation center are connected to the same network as SCSD. This system was installed as part of the cable system in 1979, and SCSD has been using cable access channels since then for instructional and community service purposes.

SCSD's academic and administrative servers run on Windows NT, AppleShare IP, and Unix operating systems. All classrooms and administrative workstations have access to building and district level servers. In addition, all classrooms and administrative workstations also have access to LEECA. At the administrative level, SCSD uses a Domino Server for the Lotus Notes email system, two Citrix servers, and a UNIX server that provides database applications and SAMBA for administrative and support staff backup. Internet service is provided through multiple T-1 lines that are connected to the Data Acquisition Site and distributed over the community data network.

Table 6-1 outlines the number of buildings connected in SCSD's network as well as the total number of users at each of those buildings.

Table 6-1: Network Users

Building/Grade Level	Number of Buildings	Number of Users
Elementary Schools	8	3,687
Middle Schools	2	1,133
High Schools	1	2,261
Administration[1]	5	386
Total	**16**	**7,467**

Source: Strongsville City Schools Technology Unit, January 2002
[1] Includes the Board of Education, Transportation, Support Center, Maintenance, and Garage buildings.

SCSD has over 7,400 users accessing the network, including all students as well as instructional, administrative, and support staff. In addition, as mentioned previously, other city buildings such as the library and police station are also connected to SCSD's network. Access to the network is controlled using identification and passwords for all system users. Users are only able to access those systems necessary to perform individual jobs or instructional activities. For instance, only teachers and staff are provided with email accounts by SCSD, not students. Access to sensitive systems, such as student grading and scheduling, is also limited to those staff who have direct need to use those systems. These systems are also protected with passwords and user identification.

Student software varies depending on grade level and building. Administrative software is obtained predominantly from LEECA. Payroll, accounting, student scheduling and grading, and equipment inventory software also come from LEECA. Most of the software used in transportation, however, such as Edulog and FleetPro, is obtained from other sources. Software used in SCSD is discussed in detail in the *software* section of this report.

Financial Data

The DTD, through the Technology Director, is responsible for purchasing the majority of hardware and software in use in SCSD. Schools and teachers can opt to purchase hardware and software and are not required to get approval from the Technology Director. However, they do have to consult with him regarding the purchase. Recently, SCSD has begun upgrading much of the hardware in the schools. This has led to large expenditures for the DTD in the past several fiscal years.

Funding for the Strongsville DTD is derived mostly from local sources. SCSD does receive some funding from the State level, mostly in the form of grants. The appropriated amounts for the DTD in FY 2001-2002 are detailed in **Table 6-2**.

Table 6-2: FY 2001- 2002 DTD Appropriations

Fund	Salaries	Purchased Services	Supplies and Materials	Capital Outlay	Other	Total
Local Funds						
General Fund	$281,816	$155,330	$187,684	$234,214	$0	$859,044
Other Grants	$0	$0	$1,138	$0	$0	$1,138
Local Total	**$281,816**	**$155,330**	**$188,822**	**$234,214**	**$0**	**$860,182**
State Funds						
Excellence in Education	$0	$12,402	$0	$0	$0	$12,402
Mgt. Info. Systems	$0	$0	$13,706	$2,122	$0	$15,828
SchoolNet	$0	$32,459	$0	$0	$42	$32,501
Data Communications	$0	$20,772	$0	$11,602	$0	$32,374
SchoolNet Prof. Develop.	$0	$10,140	$0	$0	$0	$10,140
SchoolNet Indv. Develop.	$0	$20,243	$0	$16,190	$0	$36,433
State Total	**$0**	**$96,016**	**$13,706**	**$29,914**	**$42**	**$139,678**
Total All Funds	**$281,816**	**$251,346**	**$202,528**	**$264,128**	**$42**	**$999,860**

Source: Strongsville School District Financial Records, FY2002

Key Comparisons

This report uses best practices for school district technology programs as determined by the Florida Office of Program Policy Analysis and Government Accountability (OPPAGA). Each applicable section will be headed by a table including several best practices and SCSD's status regarding the practice, which will be used for comparative data throughout the section.

In addition, peer comparisons will be used throughout the report to assess SCSD's operations. Comparisons will be made to Brecksville Broadview Heights, Kettering and Solon City School Districts.

Performance Measures

The following is a list of performance measures that were used to conduct the review of technology at SCSD:

● Assessment of SCSD organizational structure and technology staffing levels;
● Effectiveness of SCSD planning and management;
● Assessment of technological infrastructure (hardware, networking, and system software);
● Assessment of major SCSD technology initiatives;
● Assessment of major software applications and functional systems;
● Assessment of SCSD financial management and budgeting process; and
● Adequacy of technical training.

Findings / Recommendations / Commendations

Staffing and Organization

F6.1   **Table 6-3** presents technology staffing levels for SCSD's District Technology Department and the peers.

Table 6-3: Technology Staffing

Position	Strongsville CSD		Brecksville-Broadview Heights CSD		Kettering CSD		Solon CSD		Peer Average	
	Staff	FTE	Staff	FTE	Staff	FTE	Staff	FTE	Staff	FTE
Director	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0	1.0
Bldg Techs[1]	8.0	4.8	6.0	0.9	2.0	2.0	5.0	5.3	4.33	2.6
Network and Systems Services	3.0	3.0	1.0	1.0	4.0	4.0	4.0	4.0	3.0	3.0
Support	2.0	2.0	1.0	0.5	1.0	1.0	2.0	1.3	1.3	.9
Total	**14.0**	**10.8**	**9.0**	**3.4**	**8.0**	**8.0**	**12.0**	**11.6**	**9.7**	**7.5**
District FTE per Tech FTE	65.1		136.7		65.4		50.3		84.6	
Students per Tech FTE	629.6		1,200.9		958.1		427.3		868	

Source: Strongsville, Brecksville-Broadview, Kettering, and Solon School Districts Technology Staffing and Human Resources Information, January 2002
[1]This category also includes Curriculum and Instructional Specialists and Communications Technicians.

While staffing levels in SCSD are slightly higher than the peer average, they are justified by the advanced technology found at SCSD and the services provided to instructional and administrative staff. The ratio of district FTE per technology FTE indicates that SCSD is providing a higher level of technical assistance than the peers. The student per technology FTE ratio also indicates the SCSD is ahead of other districts in the provision of technology support. However, SCSD ratios are lower than those of Solon CSD, indicating that while SCSD technology staffing may be higher, it is not at the levels of other comparable districts. Therefore, staffing levels appear reasonable according to the needs of SCSD and in comparison to the peer districts.

The DTD is comprised of three main areas, all of which report to the Director of Technology. These areas are technical support, communications and audio visual, and information services. In total, the DTD is made up of 14 staff and 10.8 FTE.

In **Table 6-3**, the director in all districts is defined as the Director of Technology, Technicians/Aides are assigned either full or part time to school buildings in the district. In SCSD, this also included communication technicians since the communications section is part of the DTD. This is not necessarily the case in the peer districts. In fact, only Solon CSD uses a portion of an FTE from the Technology unit on communications. The integration of technology and communications functions at SCSD is one reason the District has slightly higher staffing numbers than the peers. Network and Systems Services personnel are staff involved with system-level development and maintenance, and Support staff are generally clerical, student workers, and data processing staff.

F6.2   SCSD includes necessary staffing levels in its strategic Technology Plan, which is discussed in greater detail in the **Planning and Management** section of this report. This allows SCSD to fully justify staffing decisions based on the plan. The current plan outlines the need for one FTE technical aide per 50 classrooms, one FTE for technical assistance at the high school, and two district level FTE technicians to support communication and data issues. It also describes the need to continue pursuing supplemental contracts at buildings for part time technical support. These goals are reflected in the current staffing levels at SCSD where currently one high school technician, two communication technicians, and five building level technicians are employed. Currently, SCSD averages approximately one technician for every 90 classrooms in the District. Based on benchmarks developed by the Gartner Group, an international information technology consulting firm, district support staffing appears adequate for the level of use in SCSD. Given the current number of technical aides and the number of classrooms, SCSD would need to hire 2 FTE technical aides in order to reach its proposed ratio of 1 FTE technical aide per 50 classrooms.

R6.1   SCSD should continue to tie district staffing requirements to the Strategic Technology Plan as it is updated yearly. This should include an annual assessment of staffing needs to ensure that the Plan is either still accurate and adequate or that it is updated appropriately. SCSD should also try to align the staffing requirements with other goals in the plan, such as curriculum and instruction, as well as develop performance measures on which staffing can be assessed (see **R6.3**). SCSD should continue to ensure quality and consistency in its delivery of technical support. Should measurement demonstrate either of these areas to be deficient in the future, SCSD should re-evaluate staffing levels and adjust them accordingly. Such analysis will allow for further justification of all technology-associated staffing.

F6.3   The SCSD Technology Director sits on the cabinet of the Superintendent. This arrangement allows for input from the DTD at a high level of decision making and ensures that technology concerns, both instructional and administrative, are addressed in all aspects of

SCSD planning. This also demonstrates the overall perception at SCSD that technology is an integral component of its instructional and educational future.

Planning and Management

F6.4   **Table 6-4** displays current SCSD practices in strategic planning as compared to established best practices in the area.

Table 6-4: Strategic Planning Best Practices at SCSD

Best Practice/Goal	Current Strongsville Practice
The District has a school-board adopted technology plan that support overall district educational and operational goals, is aligned with state and federal initiatives, is supported by a budget and provides direction for administrative and instructional technology decision making. Addresses areas such as network, infrastructure, administrative support, community access, and professional development, among others. Plan should be updated annually and three years in length.	SCSD has a comprehensive technology plan that is updated yearly and completely redone every three years. The plan is adopted by the School Board and aligns with the goals of the Board. The plan is used by staff to gauge performance in the past, although it is not often used as a future planning tool. See **R6.2** for further recommendations concerning the Technology Plan.
Has solicited and used broad stakeholder input in development of technology plan.	The District solicits community support and feedback on the Technology Plan through the Technology Committee. SCSD also involves local business and governmental entities through its agreements for services and planning practices. See **C6.1** for further information on this topic.
Has a technology committee which has specific responsibilities for recommending district technology priorities.	The District currently has a technology committee that is made up of representatives from all the schools in addition to the community. The committee is responsible for providing direction to the Technology Administration team. See **C6.2** for further information on this topic.

Source: OPPAGA Best Practices for School District Technology and SCSD Planning Documents

F6.5   The Strategic Technology plan is developed by SCSD Technology Committee to operationalize the overall mission of SCSD through the technology goals and objectives. The technology statement, for example, says that it is the mission of SCSD to empower students to use technology as a tool for effective communication, personal productivity, and lifelong learning. The Plan defines SCSD technology goals in the following seven focus areas:

- Curriculum and Instruction;
- Administration;

- Equipment and Infrastructure;
- Finance, Policy and Procedure;
- Professional Development;
- Personnel; and
- Community Outreach.

Each of the focus areas is assigned a goal that aligns with the overall mission of the DTD. These goals are broken down into objectives which are further broken into smaller tasks that will accomplish the objective. Each task is assigned a responsible party, a time-line for completion, a measurable outcome, and an estimated cost.

The plan is completely re-evaluated and changed every three years. In addition, it is updated on a yearly basis to ensure that all goals and objectives reflect the current situation at SCSD. The current plan is due for complete revision in the summer of 2002.

While the plan is current and applicable to the situation at SCSD, it is difficult to use in future planning. This is due largely to the fact that funding for technology at SCSD varies, and staff do not know when, and how much, funding will ultimately be available. As a result, the Technology Plan is often referred to at the end of a year, when updated, to see what was accomplished. It is not generally used to guide ongoing activities.

C6.1 The Strategic Technology Plan developed by the SCSD Technology Committee is well presented and logically developed. It defines broad goals and breaks these down into measurable tasks and objectives. By tying the mission of the DTD to that of SCSD as a whole, the plan ensures that the focus of technology remains on student achievement and performance. Further, the Strategic Technology Plan meets best practice requirements in regards to the schedule for updating it on a three and one year schedule.

R6.2 In order to maintain the current level of technology service provided by the DTD, the SCSD Board of Education should fund the DTD in accordance with the Strategic Plan. Since the SCSD Strategic Plan provides measurable objectives that are assigned cost estimates, it is an ideal document to use in budgeting. In order to ensure that technology in SCSD continues to meet the needs of both students and staff, the Board of Education should use the Strategic Plan for technology budgeting in the future by working with the Technology Committee to identify priorities and provide adequate funds to accomplish those priorities.

F6.6 SCSD currently uses a Technology Committee to direct the course of technology implementation and use at the district. The Committee is made up of 15 members that represent the following entities:

- Eight elementary schools;
- Two middle schools;

- The high school;
- Media Specialists (2);
- The community (1); and
- The Technology Director (1).

The Committee meets on a quarterly basis to examine technology issues at SCSD and make recommendations. The Committee is also responsible for developing and updating the Strategic Technology Plan every year and revising it every three years, as discussed previously. The Committee is also responsible for providing recommendations and direction concerning technology to SCSD Administration and acting as a communication link between technology administration and building personnel.

C6.2   As seen in **Table 6-4**, the Technology Committee at SCSD meets best practices as established for school districts and plays a significant role in technology decisions. The Committee has good representation, particularly with the inclusion of a community member, and has specific responsibilities and power identified in the Strategic Plan. In addition, the Strategic Plan outlines goals to expand the Committee to include additional representation from community leaders, parents, and students.

F6.7   The current Strategic Technology Plan includes some measurable outcomes for tasks associated with objectives and goals. However, many of the outcomes do not include specific, numeric measurements or the type of measurement that will be used. The City of Middletown has developed comprehensive performance measures for its technology operations. **Table 6-5** outlines some of the information included in the City of Middletown's Performance Measures.

Table 6-5: Performance Measures for Information Systems

Service Quality	Objective	Input
Responsiveness to Requests for Service (RFS)	RFS responded the same working day that they are received.	Statistics from Incident Tracking Schedule.
Resolution of critical hardware and software RFS	Critical hardware and software RFS are resolved within 24 hours.	Statistics from Incident Tracking Schedule.
Resolution of system maintenance & modification RFS	System maint. & modification RFS are resolved within the time limits acceptable to customer.	Collection from completed Maint. & Modification forms. Manual data collection and tabulation.
Quality of systems analysis and programming	System maint. & modification RFS meet the design and specifications established by the customer.	Collected from completed Maint. & Modification forms. Manual data collection and tabulation.
User satisfaction	Users are satisfied with hardware & software support services.	Manual data collection and tabulation from quarterly user satisfaction survey.
Timeliness of computer operations	Scheduled production jobs are completed within the time limits established by the customer	Manual data collection and tabulation from completed Operations Production Schedule.

Source: City of Middletown IT Department

Although these performance measures are suitable for Middletown, they should be revised to meet SCSD's needs and strategic plans. For example, training objectives should be added as well as Internet and email issues, and long and short-term goals. Goal rates and frequency should also be added to meet the objectives SCSD has established and should be updated regularly to continually motivate improved results.

SCSD does not currently break down the performance measurements in the Strategic Technology plan to this level. Such detail would allow SCSD and the Technology Committee to effectively and easily determine where the District is meeting established goals and where improvement is needed.   This approach to measurement would also turn the Strategic Technology Plan from a good planning document into an effective measurement tool. The data gathered from such measurement could assist the DTD in supporting funding requests or acquiring additional funding through grants. Additionally, performance measures can be developed to monitor and track the performance of private contractors.

R6.3   SCSD technology staff should consider developing a method to obtain and analyze the results of performance. It is important that the measures be aligned with the Strategic Technology Plan. Establishing performance measures can ensure that the technology staff is meeting its own goals as well as those of SCSD. Performance measures are an important component of establishing trust and accountability. Initially, technology staff should focus

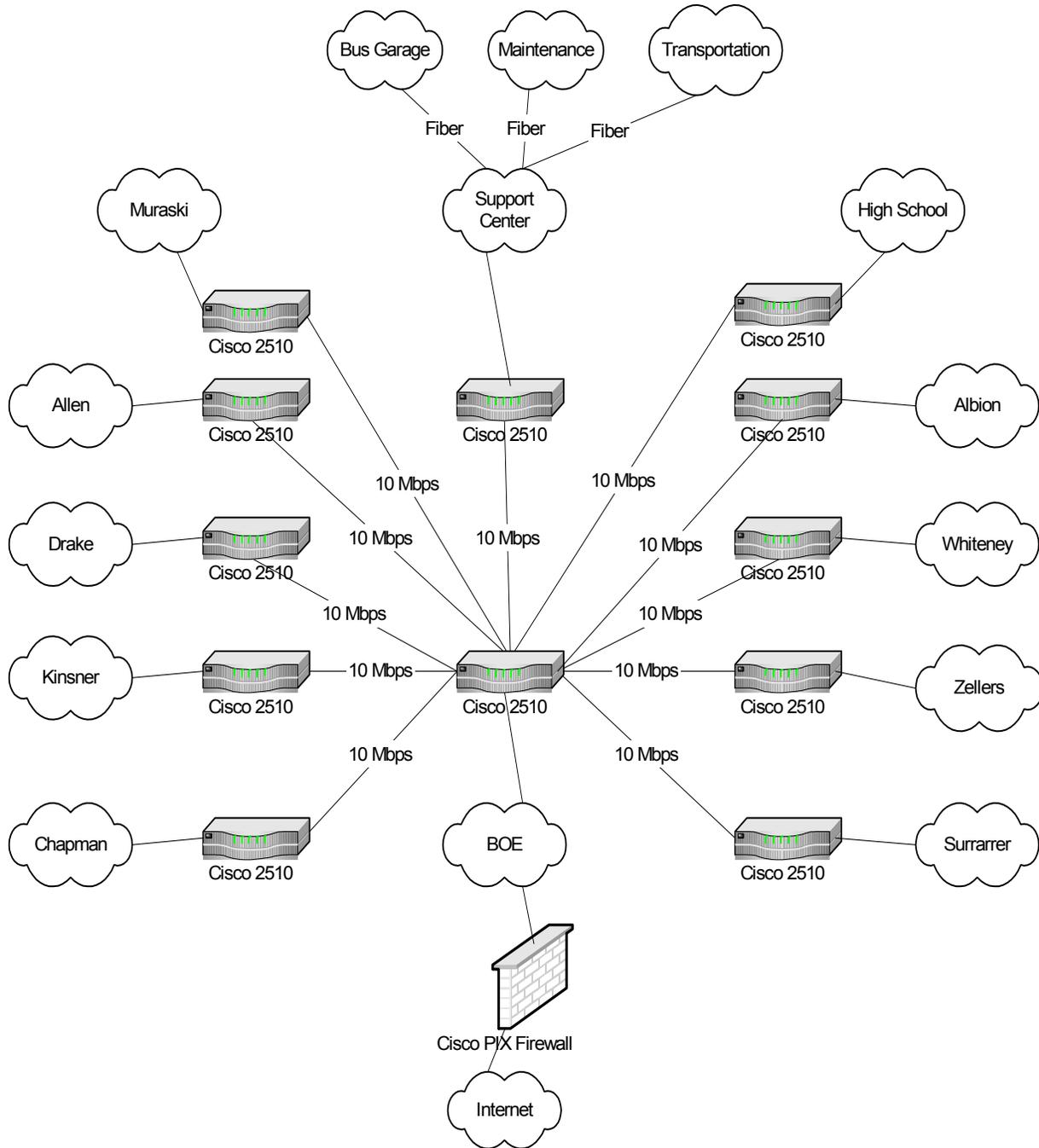on common indicators. The types of performance measures most commonly used in government include:

● **Inputs:** resources used (what is needed);
● **Outputs:** activities completed (what is produced);
● **Outcomes:** results achieved;
● **Efficiency:** how well resources are used; and
● **Quality:** effectiveness (how much have services improved).

Each measure is designed to answer a different question. It is not always necessary to use all types of performance measures to determine if an objective is being achieved. Good performance measures need to be specifically defined and identified. Clear explanations are necessary to indicate what is being measured, the source of the information, and how the value is calculated. The use and reporting of performance measures may increase efficiency and should keep management and staff, technology users, and City management better informed of the performance of the technology staff and private technology contractors.

Hardware and Technical Architecture

F6.8   **Chart 6-2** diagrams the network structure at Strongsville City School District (SCSD).

Chart 6-2: Network Diagram

Bus Garage   Maintenance   Transportation

Fiber   Fiber   Fiber

Support Center

Muraski

Cisco 2510

High School

Cisco 2510

Allen

Cisco 2510

Cisco 2510

Albion

Cisco 2510

10 Mbps   10 Mbps

Drake

Cisco 2510

10 Mbps   10 Mbps   10 Mbps

Cisco 2510

Whiteney

10 Mbps   10 Mbps

Kinsner

Cisco 2510

10 Mbps   Cisco 2510   10 Mbps

Cisco 2510

Zellers

10 Mbps   10 Mbps

Chapman

Cisco 2510

BOE

Cisco 2510

Surrarrer

Cisco PIX Firewall

Internet

Source: DTD network diagram

SCSD is connected throughout the District using Cisco 2510 routers. All systems are protected by a Cisco PIX Firewall located between the main server at the BOE building and the LEECA connection to the Internet. In addition to the elementary, middle, and high schools, all support buildings in SCSD are also connected to the network via T-1 cables.

F6.9 SCSD has been planning for technology implementation on a District-wide level since the late 1970's. At that time, cable companies in the area were making proposals for installing the cable and carrying the franchise in the area. SCSD convinced the city council and mayor that connection to the system was vitally important to the schools. Therefore, the franchise was awarded to a company that created a detailed plan to build a network and offered to make cable subscriber channels available to the school system. SCSD used grant funding to train and have students lay coaxial cable that would link over 400 classrooms. At first, this cable was used mainly for media resources from the central media center. In the early 1990's, T-1 lines were installed connecting SCSD to LEECA, and the District began using the cable network for data exchange and Internet access as well as media applications.

SCSD has continued to use community resources to further technology at the District. Recently, the cable franchise for the area changed hands. As part of the transfer, the new company, Adelphia, is required to abide by the agreements made by the former provider.   As a result, SCSD has installed a new, fiber-optic backbone for its network.   This will increase network speed tremendously and make SCSD one of the only districts in the State with such advanced network capabilities. The new fiber is in place and staff report that SCSD will convert to its use in the near future.

C6.3 SCSD has made exceptional use of community resources in securing new, and updating existing, technology in the District. In addition, SCSD has continued to demonstrate foresight in its recognition of the importance of technology for educational purposes. The collaborative approach used by SCSD should be used as a best practice example for other districts struggling with how to supply current and useful technology to their students given constant budget restrictions.

F6.10 Currently, SCSD does not have a formal policy in place for accepting donated technology equipment from outside parties. Acceptance of such donations is left to the discretion of the Technology Director. While it is advisable that the Director be involved in these decisions whenever possible, it is also advisable to have a formal standard that all donations must meet in order to be accepted by SCSD.

Brecksville-Broadview Heights City School District employs a formal, written policy that outlines the basic standards donated equipment must meet in order to be accepted. This ensures that, should the Technology Director or staff of similar expertise not be available to assess the donation, others will not accept donations that do not meet basic technology standards. Equipment donations are an invaluable tool for acquiring needed equipment in school districts

with chronically-limited funding. Therefore, it is important to ensure that such equipment meets the needs of students and teachers and does not incur any additional costs to SCSD in areas such as software and maintenance. The National Center for Education Statistics (NCES) recommends that districts be able to refer to established protocol when accepting donated equipment. NCES also recommends asking the following questions before accepting donated equipment:

● Does the donation comply with SCSD standards?
● Will the donation be covered by existing maintenance and warranty agreements?
● What provision is the donor making for ongoing maintenance and support?
● What are the costs to SCSD for accepting the donation?
● What will SCSD need to provide in order for the donation to be used?

R6.4 SCSD should develop and implement a formal policy for accepting donated technology equipment. This policy should include clear descriptions of basic standards and should be tied to overall District hardware standards as defined by SCSD staff. The policy should also answer the questions listed above regarding warranties, maintenance and potential costs. Such a policy should be communicated to all involved staff and potential donors to ensure consistent implementation. In addition, because all SCSD staff should be encouraged to look for donation opportunities, policies regarding what is acceptable should be communicated to all District personnel. These policies should also be posted on the SCSD Web site for access by potential donors as well to help eliminate any potential problems with equipment donations.

F6.11 SCSD does not currently use a formal equipment replacement schedule for upgrading technology on a regular basis. Staff report that replacement is currently done on an irregular basis when the funds become available.   This, however, has not been adequate to replace workstations at an acceptable rate. Generally, funding is only available to replace those units every year which can no longer be repaired. Staff also report that the possibility of leasing equipment has been investigated in the past; however, it was deemed inefficient at the time.

NCES recommends that school district hardware be updated every three years. However, for most school districts, five years is a more reasonable goal. In order for SCSD Technology staff to adequately plan for hardware replacement every five years, funding must be consistently budgeted. DTD staff estimate that it would cost SCSD approximately $250,000 per year to replace hardware on a five year schedule. This is equal to about 350 workstations per year. Workstations would be replaced on a rotation basis, phasing out the oldest in the District every year. This would ensure that no SCSD hardware would be over five years old.

Increasingly, school districts are becoming dependent on technology to accomplish vital administrative and instructional tasks. Given the amount of time, money, and human resources that SCSD has invested in technology, keeping that technology up-to-date and running at optimum levels is vitally important to the success of students and staff alike. In order to

accomplish this, SCSD must ensure that hardware is replaced on a regular and reasonable schedule.

R6.5 SCSD should develop and implement a formal, reasonable replacement schedule for District hardware, and District management should support the plan with adequate funding. SCSD should consider the investment in technology a primary concern given the focus placed on it from both the administrative and instructional perspectives. The schedule should be prepared by the Technology Committee in conjunction with the Strategic Technology Plan and include a cost-benefit analysis for leasing equipment. The replacement schedule and cost-benefit analysis should be revisited regularly, perhaps as often as the Strategic Plan is updated, to ensure that SCSD is approaching hardware acquisition and replacement in the most cost-effective manner.

F6.12 SCSD currently uses the SchoolNet hardware standards as a guide for internal standards. These standards define the low and high end for both IBM compatible and Apple personal computers. They are not, however, reflected in the Strategic Plan. By integrating these standards with the Strategic Plan, SCSD can reference both the donation policy described in **R6.4** and the replacement policy described in **R6.5**. This will help ensure that all hardware decisions are based on the same set of standards throughout the entire District.

R6.6 SCSD should integrate formal hardware standards into the Strategic Technology Plan. These standards should be assessed in conjunction with the yearly plan update and modified when necessary to ensure that they are always reflective of current SCSD instructional and administrative needs.

Software

F6.13   **Table 6-6** details best practices concerning software selection, purchase, and use at school districts as well as SCSD's current status regarding them.

Table 6-6: Software Best Practices

Best Practice	Current SCSD Practice
The District bases and makes technology acquisitions on instructional needs.	All instructional purchases are curriculum based.
Bases acquisitions on results of research, planning and evaluation of past decision to ensure cost-effectiveness of acquisitions.	SCSD uses a pilot program to select and integrate new software into the classrooms. Refer to **C6.4** for additional information on the program used by SCSD for software integration.
Established standards for acquiring new programs that promote integration of technology into everyday instruction.	The District does not have established standards for software acquisition. **R6.9**

Source: OPPAGA Best Practices for School District Technology and SCSD Planning Documents

F6.14   SCSD currently has a contract with LEECA to provide the majority of administrative software used in the District. This software is purchased as a package on a per ADM fee schedule. **Table 6-7** details the 2002 school year contract with LEECA and fees associated with it.

Table 6-7: 2001-2002 School Year LEECA Software Fees

Application	Fee ($)	Total ADM (#)	Total Cost
Basic Software Package	$7.50 per ADM	6,800	$51,000
Equipment Inventory System (EIS)	$0.05 per ADM	6,800	$340
Ohio Career Information Services (OCIS)	$250 flat fee	NA	$250
Total Cost 2002			**$51,590**

Source: SCSD Contract with LEECA for the 2001-2002 School Year

In total, SCSD spent nearly $52,000 on LEECA services in 2002. The base fee package software applications are detailed in **Table 6-8** and include payroll, accounting, student scheduling, grade and attendance reporting, library services, supply inventory, vehicle inventory, Internet access, on-line services, food service, and capital improvements.

Table 6-8 identifies all of the programs SCSD purchased from LEECA for school year 2001-2002 compared to the programs actually in use in SCSD at the time of the audit.

Table 6-8: Strongsville Software Applications

Functional Area	Modules Available from LEECA/Purchased by Strongsville for the 2001-2002 School Year	Modules Currently in Use by Strongsville (as of January 2002)
Financial	Payroll (USPS) Accounting (USAS) Equipment Inventory System (EIS)	USAS, USPS, EIS
Human Resources	Ohio Career Information Services (OCIS)	OCIS
Student Information	Student Scheduling (AAL) Grade Reporting (AAL) Attendance Reporting (AAL) Multilis (Library)	AAL and Multilis
Other Operations (Transportation, Food Service, etc...)	Vehicle Information System Supply Inventory Internet Access On-Line Services Capital Improvements Lunch Cruncher	Internet Access On-Line Services

Source: LEECA contract with Strongsville Schools and other LEECA information

According to **Table 6-8**, SCSD is using the majority of the software package purchased from LEECA for the 2001-2002 school year. However, some useful programs remain unused. For instance, Lunch Cruncher is a program designed to help manage food service in school districts. It is not, however, currently in use by SCSD despite the fact that the District is paying for it as part of the base LEECA software package. Staff report that SCSD is not currently using any food service management software. By making use of the Lunch Cruncher program, SCSD could not only maximize the LEECA software package, but could also be better able to manage its food service program. SCSD is also not currently using the capital improvement, supply inventory, or vehicle information systems purchased through LEECA. These systems may also represent areas where additional benefits could be gained from their use. The Transportation Department uses software purchased directly from the vendor to meet technical needs. See the **transportation** section of this report for more detail on this software. Also, some modules of the financial and human resources packages are not currently in use. See the **financial systems** section for more detailed information on these modules.

R6.7 SCSD should use all appropriate software that it is paying for through LEECA. By fully utilizing all available software, SCSD will maximize the benefit of related expenditures. SCSD should conduct a full review of LEECA software currently in use in the District and

any costs and benefits associated with implementing additional LEECA software. For example, SCSD should use the salary program currently offered and the human resources package once it is developed by LEECA. These programs and the benefits associated with their use are discussed in more detail in the **financial systems** section of this report.

F6.15 SCSD currently maintains and runs a UNIX system that was originally installed in 1987. The system is used predominantly to back up administrative files. However, it is also used to run several specialized reports that could be obtained from other sources, namely the seniority and time and attendance reports. Staff indicated that they were close to developing a way to run the time and attendance report from LEECA software. In addition, the seniority report information should be available from other sources in SCSD. Both of these reports are discussed in more detail in the **financial systems** section of this audit.

As a system, UNIX is somewhat antiquated and cumbersome to use. In addition, it is inefficient for SCSD to maintain an entire system merely to produce two or three highly specialized reports. Staff indicated that SCSD has been moving toward trying to eliminate the UNIX system altogether or use it exclusively for back up purposes. If SCSD follows recommendations presented in the financial systems section of this report, UNIX should become unnecessary for obtaining the information contained in these reports.

R6.8 SCSD should eliminate the use of the UNIX system altogether and obtain specialized reports from LEECA or other sources, as recommended in the financial systems section of this report. Alternatively, SCSD should only use the UNIX system for backup purposes, as long as it continues to be useful for such. Since the UNIX system is outdated and limited in capability, discontinuing its use should help increase efficiency within SCSD. In addition, elimination of the UNIX system should also release staff time that is currently spent on the UNIX system. For example, the Supervisor of Information Services will have more time to devote to his other duties including EMIS coordination and enrollment data coordination and analysis. Other benefits associated with the elimination of UNIX reports are described in the **financial systems** section of this audit.

F6.16 SCSD currently employs a software pilot program to select appropriate software for classes in the District. This system is used in lieu of testing free software from different companies. Education software companies regularly offer free samples of their products to schools and classrooms in order to entice them to purchase more. Free sampling presents problems, however. Most significantly, it can cause many different programs to be in place in different classes, some of which may not be entirely appropriate to the curriculum or grade level of the class.

SCSD uses a curriculum-based system to select software for classes in the District. This means that all educational software must be directly tied to the curriculum for that grade level. One of the ways SCSD helps ensure that this occurs is to use a pilot system for testing software in a

limited number of classes before suggesting its use throughout the District. When teachers want to purchase new software for a class, they generally consult with the Technology Director, who will purchase the software for the teacher to pilot in the classroom. The teacher then reports back to the Technology Director on the success of the software. Based on this review, the software may or may not be purchased for other classes in SCSD.

SCSD teachers are allowed to purchase their own software, however, the pilot program allows the Technology Director, and thereby the District, to exert some control and influence over the type and quality of software that is brought into SCSD classrooms.

C6.4 SCSD's policy of piloting new educational software in a limited number of classrooms before distributing to the District as a whole represents good control while maintaining teacher discretion and input on the best educational tools for their classrooms. It also helps avoid problems associated with using many different programs in classes and helps ensure that teachers consult with the Technology Director before making software purchases. By not using free software, SCSD also demonstrates the desire to eliminate commercial advertising from District classrooms.

F6.17 SCSD does not distribute a recommended list of educational software to teachers. Since SCSD allows teachers to select and purchase their own software, there is not substantial direction from the District level as to what programs are appropriate and effective in the classroom setting. The pilot program described above is one step in this direction; however, it still depends entirely on the teacher to select the software and approach the Technology Director to pilot it. Under SCSD policy, staff are not required to consult with the Technology Director before purchasing new educational software; they are merely encouraged to do so. As a result, staff do not have to participate in the pilot program described above and may still purchase inappropriate or ineffective software.

R6.9 SCSD should make the pilot program described above mandatary for all software purchases. This would ensure consistent purchasing of educational software while maintaining teacher autonomy regarding the selection of such. In addition, SCSD should develop a recommended list of software for each grade level and distribute this to teachers on a regular basis. The list should be updated on a yearly basis, and teacher input should be solicited in its development.

System Security

F6.18 **Table 6-9** presents best practices concerning technology use policies in school districts along with the current situation at SCSD.

Table 6-9: Management Information Systems Best Practices

Best Practice	Current Strongsville Practice
The District promotes and practices safe, ethical, and appropriate uses of technology that comply with legal and professional standards.	SCSD policies address legal and professional ethics issues.
Has established and communicated a policy stating appropriate uses of all types of technology resources including computers, video equipment, software, and the Internet.	SCSD has a written policy regarding computer and technology use for both staff and students. See **C6.5** for more information on the acceptable use policies in place at SCSD.
Supports compliance with the established policy on safe and legal use of technology resources.	SCSD supports compliance by tracking and monitoring technology use, particularly Internet use.
Segregation of Duties: to reduce the risk that unauthorized transactions will be entered and not discovered quickly.	SCSD uses access levels to ensure that only appropriate people have access to certain types of information and applications. SCSD also uses separation of duties within its network to ensure that all applications are adequately protected from tampering.
User Controls: ensure authorization prior to processing transactions and ensure all output represents authorized and valid transactions.	All users must have a system ID and password in order to access the District computer network.
General Controls: has incorporated access restrictions and physical security to promote the proper functioning of the information systems department. Has established appropriate controls related to electronic data exchange transactions, other transactions processed through electronic media, and image processing systems.	Somewhat. Physical security at the District level is fine; however, building level security may be lacking in some cases. See **R6.11**. SCSD has adequate preventative measures in place, such as firewalls and anti-virus software, to ensure that data and systems are secure.

Source: OPPAGA Best Practices for School District Technology and SCSD Planning Documents

F6.19 SCSD employs a District-wide disaster recovery plan which incorporates technology systems to some extent. However, the DTD does not have specific, written procedures for disaster recovery on technology systems. This could present a problem for DTD staff, should one of the systems become inoperable as happened in November of 2001 when SCSD lost the use of its voice mail and phone transfer system. Staff in the Communication Division were able to set up temporary answering and forwarding services until the problems could be fixed. However, there were no procedures in place to tell them how to do this.

Staff report that low turnover in the DTD has contributed to its dependence on staff to fix problems as they come up. DTD has not developed disaster recovery procedures because it is assumed that one of the very experienced staff will be available to take care of the problem. Staff are now realizing, however, that this may not always be the case.

The Texas School Performance Review developed the disaster recovery elements found in **Table 6-10** based on NCES recommendations. These outline the provisions that should be included in a disaster recovery plan.

Table 6-10: Key Elements of a Disaster Recovery Plan

Step	Details
Build the disaster recovery team.	Identify a disaster recovery team that includes key policy makers, building management, end-users, key outside contractors and technical staff.
Obtain and/or approximate key information.	Develop an exhaustive list of critical activities performed within the district. Develop an estimate of the minimum space and equipment necessary for restoring essential operations. Develop a time frame for starting initial operations after a security incident. Develop a list of key personnel and their responsibilities.
Perform and/or delegate key duties.	Develop an inventory of all computer technology assets, including data, software, hardware, documentation and supplies. Set up a reciprocal agreement with comparable organizations to share each other's equipment or lease backup equipment to allow the district to operate critical functions in the event of a disaster. Make plans to procure hardware, software and other equipment as necessary to ensure critical operations are resumed as soon as possible. Establish procedures for obtaining off-site back-up records. Locate support resources that might be needed, such as equipment repair, trucking and cleaning companies. Arrange with vendors to provide priority delivery for emergency orders. Identify data recovery specialists and establish emergency agreements.
Specify details within the plan.	Identify individual roles and responsibilities by name and job title so everyone knows exactly what needs to be done. Define actions to be taken in advance of a disaster. Define actions to be taken at the onset of a disaster to limit damage, loss and compromised data integrity. Identify actions to be taken to restore critical functions. Define actions to be taken to re-establish normal operations.
Test the plan.	Test the plan frequently and completely. Analyze the results to improve the plan and identify further needs.
Deal with damage appropriately.	If a disaster actually occurs, document all costs and videotape the damage. Be prepared to overcome downtime; insurance settlements can take time to resolve.
Give consideration to other significant issues.	Don't make a plan unnecessarily complicated. Make one individual responsible for maintaining the plan, but have it structured so that others are authorized and prepared to implement it if it necessary. Update the plan regularly and whenever changes are made to the system.

Source: Texas School Performance Review for the Eagle Pass Independent School, July 2001

Other security measures in place at SCSD include firewall protection between the Internet and the main Board of Education server. This protects all other systems in SCSD, since users must access the Internet through this server. SCSD also uses anti-virus software to protect the systems from any external virus introduced primarily through email.

R6.10 Using the elements identified in **Table 6-10**, along with other resources such as the District's existing disaster recovery plan and hardware and software inventories, SCSD should develop and implement a detailed disaster recovery plan specific to the DTD. This plan should include provisions for all major district and building systems including LEECA. SCSD

should ensure that all integral systems are identified, detailed courses of action are outlined, and a responsible party is named to complete each action. Developing a plan in accordance with these requirements as well as those outlined in **Table 6-10** will ensure that SCSD operations are not affected unnecessarily or for a prolonged period of time in the case of a disaster.

F6.20   SCSD has effective provisions in place to ensure that only approved students and staff have access to technology applications in the District. For instance, students and staff in SCSD are assigned a user ID and password to access the system, which they are then able to do from any terminal in the network. Users are given different levels of access depending on their position in SCSD. For example, no student has an email account with SCSD, and therefore are not given access to the email system. In addition, only appropriate personnel are granted access to sensitive administrative systems. For instance, only those directly involved with student grading and scheduling are granted access to this application. The same is true for budgeting, payroll and other potentially sensitive systems. Access to these is again controlled through user ID and passwords. Staff may have "read-only" access to some systems, and only top management is allowed unrestricted access to all systems, when necessary.

F6.21   Controlled physical access to technology hardware systems is a key component in ensuring system safety and integrity. SCSD currently controls physical access to District level hardware systems and servers, i.e. those that are located at administrative buildings such as the Board of Education. These systems are kept behind locked doors, and only staff directly associated with their upkeep and care are given access to them. Staff also report, however, that not all systems at the school building level are afforded the same security. Most SCSD buildings have technology systems stored in locked closets; however, some small elementary schools store the components in small rooms that also serve other purposes because of the lack of space. These rooms do have controlled access, however.

In order to ensure that its technology investments are properly safeguarded, SCSD must control access to all systems at both the administrative and building level. In addition, systems should be in a protected environment that promotes safety and prevents system damage due to poor ventilation, overheating or fire. Currently, all SCSD servers are stored in the basement of the BOE building and all are kept off the floor on shelves. The DTD plans to move these systems to the Center Middle School building soon, where they will be housed in a new storage cabinet with its own heating and cooling system.

Other systems stored in the BOE basement, such as the media equipment used to run the cable stations, are not raised off the floor and would be in danger should the building flood. Although much of this equipment is donated and does not represent a large investment from SCSD, the cost to replace it would be substantial. Industry standards recommend that rooms containing mainframe computer systems, such as servers and routers, be properly ventilated

and cooled, have raised floors, and contain halon fire extinguishers as an added precaution in the event of an electrical fire.

R6.11 SCSD should conduct a detailed assessment of all building level systems and their technical systems in order to determine what additional security precautions are necessary. In addition, staff should develop an implementation plan which includes a cost schedule, potential funding sources, time lines, priorities, and responsible parties. DTD staff should consider integrating these plans with the overall SCSD Strategic Technology Plan.

F6.22 SCSD currently has Acceptable Use Polices (AUP) in place for both student and staff technology use. These policies are similar to those in peer districts regarding content. The polices outline acceptable use of computers, printers, the Internet, and for staff, email. The student policy is incorporated into the SCSD Student Handbook which all students and parents receive at the beginning of the year. The Handbook outlines general behaviors and guidelines that students are expected to follow while attending SCSD. Both students and parents are required to sign the Handbook.

Staff report that the AUP was incorporated into the Handbook and not kept as a separate document because students must now use technology as part of everyday learning activities. For instance, card catalogs in the school libraries are now accessed via the Internet. If students are not allowed access to technology, they will not be able to perform basic educational activities. SCSD differs from the peers in this regard, as all the AUP's in the peer districts are separate documents signed by the student and parent.

SCSD applies the same philosophy for the staff AUP and incorporates it into the hiring agreement. Therefore, staff do not sign it as a separate document, but rather, agree to abide by it as part of their overall employment with SCSD. Both the student and staff polices are enforced through careful monitoring of technology use. Monitoring is conducted using the IP address of each workstation. This allows SCSD Technology staff to track the use patterns at any workstation and inform the instructor or manager in charge of the station of any problems. It is then the responsibility of the instructor or manager to address any problems and take appropriate action to remedy the situation.

C6.5 SCSD's integration of the AUP into overall District and school policy represents an advanced perspective on the importance of the role of technology in education today. By recognizing this role and adjusting polices to address it, SCSD promotes its mission to integrate technology into everyday classroom learning. Additionally, requiring staff, parents and students to sign the policy as a condition of employment or enrollment, ensures understanding and acceptance of the policy by all users.

Financial Data

F6.23 **Table 6-11** shows SCSD expenditures for FY 2001, and budgeted amounts for FY 2002.

Table 6-11: Technology Expenditures FY 2000-01 and FY 2001-02

Accounts	Local Funds FY01	State Funds FY01	Total FY 2001	Total FY 2002	Difference	Percentage Change
Salaries	$386,689	$0	$386,689	$416,955	$30,266	7.8%
Benefits	$183,725	$0	$183,725	$197,033	$13,308	7.2%
Purchased Services	$273,557	$53,226	$326,783	$251,344	($75,439)	(23.1)%
Supplies/ Materials	$260,364	$13,713	$274,077	$202,528	($71,549)	(26.1)%
Capital Outlay	$198,470	$146,672	$345,142	$264,125	($51,017)	(23.5)%
Other	$1,400	$0	$1,400	$42	$1,358	(97)%
Total	**$1,304,205**	**$213,611**	**$1,517,816**	**$1,332,027**	**($153,073)**	**(12.2)%**

Source: Strongsville School District Financial Records, FY 2001 and FY 2002

Expenditures from FY 2001 to FY 2002 decreased by approximately 12 percent. In FY 2000, Capital Outlay was particularly high, over $800,000. This was due to large hardware purchases. Between FY 2001 and FY 2002, however, there were decreases across most of the categories. This is the result of an overall drop in funding for that year.

SCSD budgets funds for the DTD every year. However, these funds are sometimes taken to replace shortfalls elsewhere in the District budget as they occur later in the school year. As a result, DTD staff often find it difficult to plan and budget very far into the future or to use the Strategic Technology Plan, as mentioned in **F6.5**. Occasionally, DTD receives a "windfall" of funds at the end of the year that were not used elsewhere. This occurred in FY 2002 for approximately $163,000. According to budget summary documents for FY 2002, the additional monies came from the general fund and are included in the Capital Outlay section of **Table 6-11**. Overall, the budget for capital outlay went down significantly in FY 2002. However, the "windfall" of funds mentioned previously pushed the actual amount up, although it still represented a decrease in total funds. While funneling unused funds towards technology is a good idea, such unexpected influxes of funding make it difficult for the DTD to plan and spend the money in the relatively short amount of time required. These "ad-hoc" funding decisions make planning and spending according to the Strategic Technology Plan even more difficult.

R6.12 SCSD and the Board of Education should try to consistently budget and deliver funds to the DTD so that staff can apply the funds according to the Strategic Technology Plan. When funding windfalls do come to the DTD, the BOE should notify staff as soon as possible to allow adequate time for planning based on the Strategic Technology Plan. To assist in managing funding windfalls, the Technology Committee should identify technology projects and prioritize them based on importance and funding requirements. This should help the DTD maximize its accomplishments with inconsistent funding.

F6.24 According to funding figures for FY 2001, SCSD appears to be making adequate use of State grant funding opportunities. **Table 6-12** details the grants SCSD applied for and received in FY 2001. **Table 6-12** also indicates the amount granted to SCSD and the amount spent for FY 2001.

Table 6-12: Technology Grant Funding for FY2001

Grant	Purpose of Grant	Amount Granted	Amount Spent
SchoolNet Interactive Video Distance Learning (IVDL) Grant	Helps fund programs at the school to enhance and create video learning.	$65,000	$32,433
SchoolNet Professional Development	Professional Development regarding technology issues.	$3,500	$3,798[1]
SchoolNet Network Connectivity	Offsets Internet access and infrastructure costs.	$22,500	$32,374[2]
ONEnet Pride FY01	Expand existing data networks	$32,500	$32,459
Educational Excellence/Competency FY00	Offsets costs for the High School video conference lab	$12,402	$12,402
	Total	**$135,902**	**$113,466**

Source: Strongsville City School District Budget Account Summaries, FY2001
[1]Amount includes a rollover of $300 from the prior FY
[2]Amount includes a rollover of $9,850 from the prior FY.

Overall, SCSD is obtaining and spending technology grant funds in an acceptable manner. Only minimal amounts were carried over from FY 2000 to FY 2001, which indicates that SCSD is spending the funds expediently. The grants seen in **Table 6-12** represent a variety of sources and purposes. SCSD appears to have applied for the funds according to each grant's individual parameters. All of the grants obtained by SCSD in FY 2001 were from State sources. Staff report that they have not taken advantage of Federal grants in over five years.

Many grant opportunities exist through Federal and private resources. SCSD could potentially secure additional funding for technology needs, such as equipment replacement, if it pursues additional grant resources. Many teaching resources Web sites offer access to grant opportunities. For example, the US Department of Education lists many grant resources, and techLEARNING.com lists over 150 different technology grants available to schools districts.

R6.13 SCSD should continue to research, apply for and secure grant funding from additional resources, particularly the Federal government and private sources. Any additional funding and attempts to secure such should be accounted for in the Strategic Technology Plan. Use of any funds acquired through grants should also align with the goals and objectives established in the Strategic Technology Plan and should adhere to the grant procedures discussed in the **financial systems** section.

F6.25 SCSD employs centralized purchasing for technology hardware and software. Staff report that the Technology Director is either directly responsible for, or is consulted regarding all hardware and most software purchases made. Although teachers and schools are allowed to purchase technology equipment on their own, the Technology Director is usually consulted on these purchases. Therefore, SCSD is able to control what is purchased and used in the District. As recommended in **R6.9**, mandating the software pilot program for all software purchases could ensure that purchases are made in accordance with the interests and goals of SCSD.

SCSD also uses research and data for purchases, such as the software pilot program described in **F6.17**. However, SCSD also relies heavily on the opinions of the Technology Director for these decisions, as seen in **F6.10** regarding donated equipment. While it is important SCSD have in place a Technology Director whose opinion is trusted and used, it is also important to base major decisions and purchases on valid research from the District or outside sources.

R6.14 SCSD should continue to ensure that all technology purchases in the District are centralized and fully supported by both internal and external research and data. In addition, SCSD should require teachers to formally obtain the approval of the Technology Director before purchasing any hardware or software for classes or school buildings.

Training and Professional Development

F6.26 **Table 6-13** presents best practices concerning technology professional development in school districts along with the current situation at SCSD.

Table 6-13: Professional Development Best Practices

Best Practice/Goal	Current Strongsville Practice
The District provides comprehensive and appropriate professional development in the use of technologies to educators, administrators, and support staff.	The District provides an assortment of training opportunities for staff every year. See **Table 6-14** for list.
Has a professional development plan that reflects the district's vision of technology integration.	Technological development is addressed in the overall District professional development plan.
Provides professional development for the instructional technologies.	The District provides a combination external and internal training opportunities for instructional technology.

Source: OPPAGA Best Practices for School District Technology and SCSD Planning Documents

F6.27 SCSD currently provides mostly external training for its Technology staff, though it does provide some internal training as well. This focus on external training for technology staff is important since these staff are responsible for teaching other non-technology staff at SCSD. The Director reports that all technology staff attend several training sessions per year put on by outside entities. Recent sessions included VTEL site coordinator certification, Macintosh troubleshooting and maintenance, and AAL ESIS grade entry. Staff report that training for technical staff has tapered in recent years due to low turnover. During the first year of service in the DTD, training is more intense due to the large learning curve. After this initial period, however, training becomes less frequent since staff become better versed in the basics. Training also becomes more specialized after the first year.

SCSD encourages staff to pursue certification in different technical areas such as the VTEL site coordinator certification mentioned previously. Other areas encouraged for certification are Microsoft and A+. Several staff are currently certified in VTEL and A+. DTD staff report that a technician certified in Citrix would also be very helpful. However, SCSD does not require technical staff to have obtain certifications. Staff report that SCSD is not in a position to afford the salary requirements associated with advanced technical certifications. As a result, the DTD has focused more on the ability of technical staff to learn quickly and adapt to a changing environment than on technical certifications.

F6.28 Both teaching and support staff are provided with a variety of internal and external training opportunities. **Table 6-14** details the training courses and sessions offered in the 2001 school year.

Table 6-14: 2001-2002 Strongsville Technology Training Courses

Course Name	Sessions Planned	Mandatary? (Yes/No)	Internally or Externally Offered?	Description
Saturday Technology Workshop Series	1	No	Internally- Taught by Strongsville Staff	New Technology Skills and Applications
Marco Polo and the Internet	2	No	Externally- Offered by World Com Foundation	Provides resources and lesson plans to integrate technology into the curriculum and classroom.
NiceNet	1	No	Internally- Offered in the Strongsville High School	Internet based class to learn online classroom applications.
SchoolOne	1	No	Internally- using SchoolOne web site	Instruction on creating a web presence for the classroom.
Lotus Notes	1	No	Internally- Strongsville staff	In-depth look into the Lotus Notes email system.
Interactive Video Learning Project (IVDL) Pioneer Team Academy	1	No	External- Graduate credit available	Focus on learning the skill sets needed to implement the IVDL plan
Internet for Educators	1	No	External- Graduate credit available	Instruction on education resources available via the Internet

Source: Strongsville Training Schedule for the 2001-2002 School Year

These courses offer a range of training opportunities including Internet use, email use, video learning, web-page creation, and integrating technology into the curriculum. In addition, the courses offered align with the Strategic Technology Plan goals and objectives for professional development. For example, Objective 4 under Professional Development states that SCSD will "provide a variety of in-house inservice opportunities throughout the year to all of our district employees. These opportunities should include single session workshops, multi-session courses, and individual professional growth opportunities." The schedule above appears to meet this objective in all three categories.

Recently, SCSD teachers participated in a survey of technology issues conducted by SchoolNet. This survey revealed major concerns among SCSD teaching staff regarding training for technology use. SchoolNet has only released the raw numbers from the survey and has not compiled the data in any other fashion. It is important to base decisions concerning technology on hard data, and this survey represents a good source of data on which SCSD can base future staff training decisions.

R6.15 SCSD staff should use the results from the SchoolNet survey, once compiled, to guide future training decisions. In addition, SCSD should continue to solicit feedback from teachers and staff regarding what training is needed and how often it should be offered. This will help ensure that SCSD continues to offer adequate and pertinent training to employees.

Instructional Technology

F6.29 In the basement of the SCSD Board of Education building is a complete media lab that contains equipment capable of live and recorded broadcast, editing, and other various activities. This lab has been able to broadcast educational programming to teachers throughout SCSD for use in the classroom setting since the early 1980's. Teachers simply order the programming from the media center, and it is played for them via one of the dedicated cable stations. In addition, SCSD uses a mobile media van that is stocked with AV equipment and run by students. Most of the equipment involved in SCSD's media program, including the van itself, is donated by the community. This involves extensive work on the part of SCSD staff to find and secure such technologically-advanced equipment and to maintain it for student use. SCSD's use of community resources to further it's technology goals is outlined further in **C6.2**.

SCSD has also developed a mobile lab for class use in the high school. Staff found that stationary labs in the building were booked by teachers nearly all the time. To provide additional technology access, a mobile unit was devised which brings approximately 30 computer stations to the classroom. Students are able to check out the work stations for the period and return them when finished. DTD staff report that there is now heavy use of this mobile lab as well.

F6.30 SCSD provides technical support on a building basis, using aides located within the schools as first points of contact whenever there is a technical problem. All aides, with the exception of one, spend all their time on technology issues. The high school and middle schools both have their own technical aides. However, the middle school aide is also a teacher at the school and therefore divides her time between teaching and addressing technical issues. The remaining three technical aides split their time between the different elementary schools. In addition to performing technical duties, building level technical staff also act as aides to help teachers use instructional technology in the classroom. By supplying technical assistance at the building level, SCSD ensures that the resources necessary to integrate technology into every aspect of the curriculum are readily available to teachers.

F6.31 **Table 6-15** presents the total number of workstations by building type for SCSD and the peers.

Table 6-15: Computer Equipment Summary

Building/ Grade Level	Number of Workstations				
	Strongsville	**Brecksville**	**Kettering**	**Solon**	**Peer Average**
Elementary	961	385	1,450	575	803.3
Middle Schools	242	250	434	355	346.3
High Schools	289	200	492	276	322.3
Admin Offices	57	35	109	74	72.7
Totals	**1,549**	**870**	**2,485**	**1,280**	**1,545**

Source: Strongsville City Schools and Peer Data, January 2002

While SCSD is ahead of the peers in many aspects of technology, the District is very similar in the amount of hardware it has available for staff and student use. Therefore, acquisition of new and, in some cases, additional technology is still an important issue for SCSD and should be budgeted for accordingly, as recommended previously in **R6.2**.

The need for further investment in technology at SCSD is also demonstrated in **Table 6-16** which outlines the number of work stations available for student use to the ADM in each of the districts evaluated during this audit.

Table 6-16: Students Per Workstation in Strongsville and Peers

	ADM	Total number of instructional use workstations	Number of Students per Workstation
Strongsville	6,800	1,492	4.56
Brecksville Broadview Heights	4,083	835	4.89
Kettering	7,585	2,376	3.19
Solon	4,935	1,206	4.09
Peer Average	5,534	1,472	4.06

Source: School District Technology Data**,** January 2002

SchoolNet recommends that school districts provide one workstation for every five students in the district. According to **Table 6-16**, SCSD and the other peer districts are currently exceeding this ratio. However, while SCSD is exceeding the five to one ratio, it is still providing fewer workstations per student than two of the peer districts. This indicates that while SCSD is ahead in many aspects of instructional technology, there is still room for improvement, especially since technology is ever changing and advancing.

C6.6   DTD is using technology to meet the overall District goal of developing students into responsible, productive members of society. Therefore, all technology decisions are made with this goal in mind. By focusing on the students and the overall goals of SCSD, the DTD succeeds in not merely using technology in the classroom, but fully integrating it into the entire learning and instructional experience.

F6.32 SCSD is in the unique position of being able to answer questions regarding the impact of technology on student achievement. This is the ultimate question in educational technology and is exceedingly difficult to assess. In fact, the collection and analysis of this information is included in the Strategic Technology Plan as an objective under the first goal for Curriculum and Instruction. Since SCSD has an advanced and comprehensive technology program in place, and has for an extended period of time, staff have indicated they may be able to use the new EMIS data being created by the Ohio Department of Education to begin to answer this question. This new data will allow them to track deficiencies and competencies in standardized testing on a class-by-class basis. These deficiencies and competencies can then be compared to the software and other technology in use in the different classrooms in order to determine any correlations that exist between student achievement and technology use.

Staff at SCSD have indicated that they are very interested in pursuing this data. However, such a comparison would require a significant investment of time and money which is not possible given the current level of resource allocation. Staff estimate that it would take someone employed full time over a summer to establish baseline data by compiling and analyzing this data from the previous school year. Staff also indicate that they have initiated discussions with some higher education institutions in the area regarding the possibility of having the work done as part of the doctoral studies for a graduate student. This would allow SCSD to do the analysis necessary at very little cost to the District.

R6.16 The DTD should further investigate any opportunities to perform this analysis for SCSD. SCSD has a unique opportunity to provide valuable information regarding the impact of technology on student achievement. Once this data is collected and analyzed, staff should develop performance measures and strive to improve student achievement based on these measures. Measures that would correlate to student achievement might include the following:

- The number of students per workstation;
- The percentage of time spent by students using instructional technology in the classroom; and
- The number of instructional programs in use in SCSD classrooms.

Given the amount of money spent on educational technology every year in Ohio, this information could be useful for many districts around the State when making technology decisions and purchases. Therefore, SCSD should pursue this type of analysis by attempting to obtain grants or hire student interns to perform the work. In addition, because the value of such a project would be seen statewide, SCSD should build business partnerships with outside entities to assist in completing the analysis described above. Entities to contact might include the Ohio Department of Education, local businesses, or community groups.

Conclusion Statement

Technology at SCSD is advanced in comparison to both peers and national best practices. Both the administrative and educational technology programs are among the best in the State. The focus on instructional integration of technology and community resource usage sets SCSD apart in its approach to technology implementation. One area where this advanced position is obvious is the Strategic Technology Plan developed by the Technology Committee. SCSD should continue to update and use this plan which provides solid objectives and goals to support technology related decisions. For example, the DTD should continue to tie staffing to the Strategic Technology Plan.

Hardware and technical architecture at SCSD is also very good and meets best practices for the area due largely to the arrangement made years ago with the cable company to install high speed access lines to all SCSD buildings. This innovative approach to community resource utilization continues today at SCSD, and as a result, the District will receive an upgrade to a fiber-optic system in the near future from the new cable carrier.

SCSD should improve its overall hardware acquisition and use, primarily concerning controls such as a formal replacement schedule and hardware standards. Developing formal procedures in these areas will allow the DTD to tie these needs into the overall planning process. Software usage at SCSD is generally appropriate, although the District should increase the number of programs that it uses from LEECA and eliminate the UNIX operating system that is only running a limited number of specialized reports.

In order to adequately protect the extensive technology systems at SCSD, staff should proceed with plans to move main systems from the basement of the Board of Education building to Center Middle School and implement measures in the BOE basement to protect the other equipment housed there. This will ensure that the substantial investments made in technology are adequately protected in the case of a natural disaster. SCSD should also develop a DTD disaster recovery plan that incorporates recovery procedures for all the major systems and applications in the District.

Finally, because SCSD is in the unique position of having an extensive and progressive technology network that has been in place for over 20 years, staff should seek funding and support for a project to analyze the effects of technology integration on student achievement. This could help to illuminate a historically intangible but very important aspect of the impact of technology on education.

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