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Auditor of State

LAKESWOOD CITY SCHOOL DISTRICT PERFORMANCE AUDIT

JUNE 18, 2009



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

In October 2008, the Lakewood City School District engaged the Auditor of State's Office (AOS) to conduct a performance audit of certain aspects of the District's operations in an effort to help ensure efficient and effective services. The areas assessed in the audit were staffing levels, the contract with the Cuyahoga County Educational Service Center to provide certain services, the collective bargaining agreements for provisions that impact staffing levels, and employee leave use.

The performance audit contains analyses and general conclusions about the assessed areas, which can be used by the District to formulate actions for improvement. The report includes the project history; the scope, objectives and methodology for the performance audit; background information; and findings that contain the assessments of the aforementioned areas. This report has been provided to the District, and its contents discussed with the appropriate elected officials and administrators. The District has been encouraged to use the results of the performance audit as a resource in further improving its overall operations, service delivery, and financial stability.

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

Sincerely,

A handwritten signature in cursive script that reads "Mary Taylor".

Mary Taylor, CPA
Auditor of State

June 18, 2009

Human Resources

Project History

In October 2008, the Lakewood City School District (LCSD or the District) engaged the Auditor of State's Office (AOS) to conduct a performance audit of certain aspects of the District's operations in an effort to help ensure efficient and effective services.

Objectives

A performance audit is defined as an engagement that provides assurance or conclusions based on an evaluation of sufficient and appropriate evidence against stated criteria, such as specific requirements, measures, or defined business practices. A performance audit provides an objective analysis so that management and those charged with governance and oversight can use the information to improve program performance and operations, reduce costs, facilitate decision making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability. The specific objectives of this performance audit include reviews of LCSD's:

- Staffing levels by employee classification;
- Contract with the Cuyahoga County Educational Service Center to provide certain services;
- Collective bargaining agreements for provisions that impact staffing levels; and
- Employee leave use.

The performance audit provides an independent assessment and draws general conclusions about the above areas. However, the scope of this performance audit did not require corresponding recommendations regarding the assessed areas. The District's intent is to use the comparative analyses and conclusions presented in this performance audit to formulate its own actions for improvement.

Scope and Methodology

The performance audit was conducted in accordance with Generally Accepted Government Auditing Standards. Audit work was conducted between November 2008 and April, 2009. To complete this report, auditors gathered a significant amount of data pertaining to LCSD, conducted interviews with numerous individuals, and reviewed and assessed available information. The District data used to conduct the assessments in this performance audit was

tested and deemed reliable, unless otherwise noted within the ensuing assessments. Information used as criteria for comparison purposes was not tested for reliability, although the information was reviewed for reasonableness.

Based on LCSD's request, the performance audit uses data from the six school districts identified by the Ohio Department of Education (ODE) as "similar districts" for peer comparisons. The six school districts were the Cleveland Heights University Heights City School District (Cuyahoga County), the Cuyahoga Falls City School District (Summit County), the Euclid City School District (Cuyahoga County), the Fairfield City School District (Butler County), the Kettering City School District (Montgomery County) and the Parma City School District (Cuyahoga County). ODE identifies these six districts as similar to LCSD based on community demographics and student population. **Appendix B** also shows LCSD's staffing levels compared to an average of ten Type 6 school districts that are meeting a high number of performance standards at a relatively low cost per pupil. See **Appendix B** for an additional explanation and detail.

External organizations and sources were also used to provide comparative information and benchmarks. They included ODE, the Ohio Department of Administrative Services (ODAS), the American Schools and Universities (AS&U), and the National Center for Education Statistics (NCES). Furthermore, three additional school districts were used for comparisons on certain contractual assessments. These school districts include the Bay Village City School District, the Rocky River City School District, and the Westlake City School District. These districts were chosen based on their proximity to LCSD. Additionally, these school districts participate in LCSD's vocational program (see **F2**).

The performance audit process involved information sharing with LCSD, including preliminary findings related to the audit objectives. Throughout the audit process, input from LCSD was solicited and considered when assessing the selected areas. Finally, LCSD provided verbal and written comments in response to the assessments, which were taken into consideration during the reporting process. Where warranted, AOS modified the report based on LCSD's comments.

The Auditor of State and staff express their appreciation to the District for its cooperation and assistance throughout this audit.

Background

LCSD operates under a locally elected five-member Board of Education that is responsible for providing public education to students. The District is located in Cuyahoga County and serves the residents of the City of Lakewood. According to the United States Census Bureau, the population of the City of Lakewood was 56,646 in 2000. Additionally, the Ohio Department of Education reports that the median income for households within LCSD is \$30,147 in FY 2007-08, compared to the peer average of \$33,105. Furthermore, 39.8 percent of residents lived below

the federal poverty line, compared to the peer average of 34.8percent. Lastly, 41 percent of LCSD residents had a bachelors degree or greater.

In FY 2007-08, the District employed a total of approximately 755 full-time equivalent (FTE) employees, including 41 administrative FTEs, 442 certificated teaching FTEs, and 272 classified and other support staff FTEs. These employees are responsible for providing educational services to an average daily membership (ADM) of 5,801 students. Based on the FY 2007-08 ODE Local Report Card, LCSD met 24 of 30 performance standards. As defined by ODE, LCSD received the academic designation of Effective.

Staffing

Table 1 compares LCSD's FTE staffing levels on a per 1,000 ADM basis to the peer average for FY 2007-08. A more detailed version of this table is shown in **Appendix A**.

Table 1: FY 2007-08 Staffing Comparison (FTEs per 1,000 ADM)

	LCSD	Peer Average	Difference
Administrators	7.07	5.71	1.36
Educational	76.17	74.10	2.07
Professional	6.52	5.42	1.10
Technical	7.28	6.66	0.62
Office/Clerical	17.40	16.98	0.42
Custodial & Maintenance	8.96	9.49	(0.53)
Bus Drivers	0.00	6.30	(6.30)
Food Service Workers	4.22	5.77	(1.55)
All Other	2.44	9.89	(7.45)
Total FTEs	130.06 ¹	140.31	(10.25)

Source: FY 2007-08 Educational Management Information System (EMIS) data reported to ODE

¹ The District's total staffing levels declined by 8.0 FTEs in FY 2008-09. Where applicable, the staffing assessments in this report have been adjusted to reflect these changes.

Table 1 shows that LCSD's total staffing level (130.06) is lower than the peer average (140.31) by 10.25 FTEs on a per 1,000 student basis. This is primarily due to LCSD employing fewer staff in the bus driver and all other categories. Specifically, the peers employ an average of 6.30 bus driver FTEs per 1,000 students while LCSD does not have any bus drivers. LCSD does not operate a daily transportation program due to its small size and the use of neighborhood elementary schools. In addition, LCSD employs only 0.58 monitoring FTEs per 1,000 students within the all other category, compared to the peer average of 6.31. Conversely, **Table 1** shows that LCSD's staffing levels exceed the peer average in the following classifications:

- **Administrators:** LCSD is 1.36 FTEs per 1,000 students higher than the peer average. This is attributed to central administrator staffing. See **F1** for additional analysis.
- **Educational:** LCSD is 2.07 FTEs per 1,000 students higher than the peer average. This is due to the District's staffing levels within the librarian/media specialists, vocational teachers, tutor small/group instructors and supplemental special education teachers. In contrast, the District's regular education staffing levels of 43.40 FTEs per 1,000 students are slightly below the peer average of 47.23. Likewise, the District's combined special education and supplemental special education staffing levels of 12.13 FTEs per 1,000 students are lower than the peer average (13.27 per 1,000 students) and comparable to the State minimum requirements. See **F2** through **F5** for additional analysis.
- **Professional:** LCSD is 1.10 FTEs per 1,000 students higher than the peer average. This is due to staffing levels within the registered nurse, social worker, speech and language therapist, physical therapist, and occupational therapist classifications. See **F3** and **F6** for additional analysis.
- **Technical:** LCSD is 0.62 FTEs per 1,000 students higher than the peer average, which is attributed to staffing levels within the library technician/aide and all other technical staff classification. See **F6** for additional analysis.
- **Office/Clerical:** LCSD is 0.42 FTEs per 1,000 students higher than the peer average. This is due to clerical staff and other office/clerical staff. See **F7** for additional analysis.

Although LCSD's custodial and maintenance staffing levels are lower than the peer average on a per 1,000 student basis, its custodians maintain fewer square feet than the NCES benchmark. See **F8** for additional analysis.

Operating Costs

Table 2 compares LSCD's FY 2007-08 expenditures by function on a per student basis to the peer average.

Table 2: FY 2007-08 Expenditures per Student

	LCSD	Peer Average
Administrative	\$1,342	\$1,158
Instruction	\$6,256	\$5,730
Pupil Support	\$1,338	\$1,094
Staff Support	\$249	\$322
Building Operations	\$2,168	\$2,000
Total	\$11,353	\$10,304

Source: FY 2007-08 Expenditure Flow Model reported by ODE

Note: Data shown in **Table 2** was not tested for reliability because it does not significantly impact the assessments in this performance audit.

Table 2 shows the District's total expenditures per student are approximately 10 percent higher than the peer average, and higher than the peer average in each category except staff support. The higher expenditures can be partially attributed to the staffing variances identified in **Table 1**. **F2**, **F5**, and **F8** also show the costs of LCSD's vocational education, special education, and contracted property and trade services are significantly higher than the peer averages.

Collective Bargaining

The District has three collective bargaining agreements that cover the majority of its employees. The certificated employees are represented by the Lakewood Teachers Association, whose collective bargaining agreement is effective from August 1, 2008 through July 31, 2010. The custodial, maintenance, and food service employees are represented by the Ohio Association of Public School Employees Local 134, whose collective bargaining agreement is effective from September 1, 2008 through August 31, 2010. Lastly, the secretaries, clerks, paraprofessionals, and other similar staff are represented by the Ohio Association of Public School Employees Local 129, whose agreement is effective from August 1, 2008 through July 31, 2010. Certain provisions within the collective bargaining agreements were reviewed during this performance audit to determine the impact they have on staffing levels and leave use. See **F13** and **F14** for additional analysis.

Findings

Staffing Analysis

F1 Administrators: LCSD employs 26 FTE central administrators, which includes the Superintendent, Treasurer, assistant superintendents, and variety of coordinator/director and supervisor/manager positions. This equates to 4.48 FTEs per 1,000 students, compared to the peer average of 2.77. However, the District eliminated two central administrator positions in FY 2008-09. When excluding these positions, LCSD's central administrator staffing level per 1,000 students declines to 4.14, which is still higher than the peer average. Furthermore, only two central administrators are partially paid with funds other than the General Fund. Based on the FY 2008-09 staffing levels, the District would have to reduce 7.94 FTEs to achieve the peer average.

LCSD's higher administrator staffing levels may be partially attributed to offering comprehensive special education and vocational education programs (see **F2** and **F5**). Additionally, the Superintendent indicated that the impact of the No Child Left Behind (NCLB) legislation may also contribute to the higher administrative staffing levels. LCSD did not meet the adequate yearly progress requirements in FY 2007-08 and is in year 4 of district improvement status. Nevertheless, the large variance in administrator staffing levels indicates that a detailed review is warranted to determine if efficiency can be improved.

F2 Vocational Education: Appendix A shows that the District's vocational education staffing levels equal 6.07 FTEs per 1,000 students while the peer average is only 2.14. The large variance in staffing levels is primarily attributed to differences in the structure of the vocational programs. Specifically, LCSD operates a comprehensive program at the high school that includes a wide variety of courses, such as business management, culinary arts, auto technology, and electronic technology. By comparison, four of the peers (Cleveland Heights University Heights City School District, Cuyahoga Falls City School District, Euclid City School District and Kettering City School District) are members of vocational compacts/consortiums with other school districts, one district (Fairfield City School District) uses the local joint vocational school district, and one district (Parma City School District) provides vocational services through in-house programs.

To help defray the cost of operating the vocational program, the District has an agreement to accept vocational students from the Bay Village City School District, the Rocky River City School District, and the Westlake City School District (the participating districts) in return for tuition that is charged by LCSD on a per student basis. In FY 2007-08, the District spent approximately \$3.6 million on vocational education,

and received approximately \$1.1 million in tuition from the participating districts and approximately \$243,000 in vocational education funding through the State Funding program. This resulted in a net cost of approximately \$2.3 million that was funded through a combination of local tax receipts and/or unrestricted State Foundation Aid. The District's net cost for the vocational program was approximately \$398 per student in FY 2007-08, which was significantly higher than the peer average of \$191.¹ Additionally, the Parma City School District, which operates an in-house vocational program similar to LCSD, spent a net of \$256 per student. The large variances can likely be attributed to the comprehensive nature of LCSD's program. However, the comparison of net costs per student also indicates a potential to improve operational efficiency.

F3 Educational Service Personnel (ESP): LCSD's librarian/media specialist, registered nurse, and social worker staffing levels per 1,000 students are higher than the peer average. However, these classifications are part of the District's overall ESP staffing levels, which also includes counselors, ESP teachers, and visiting teachers. **Table 3** compares LCSD's ESP staffing to the peer average on a per 1,000 student basis.

Table 3: ESP Staffing Comparison (per 1,000 Students)

	LCSD	Peer Average
Classification		
ESP Teachers ¹	3.49	3.88
Counselors	2.07	2.29
Librarian/Media Specialists	1.29	0.76
Registered Nurses	0.69	0.47
Social Workers	0.69	0.43
Visiting Teachers	0.00	0.00
Total ESP	8.22	7.82

Source: FY 2007-08 EMIS data reported to ODE

Note: Totals may vary due to rounding.

¹ ESP teachers include K-8 art, music, and physical education teachers.

As illustrated in **Table 3**, LCSD's total ESP staffing per 1,000 students is 8.22 FTEs, compared to the peer average of 7.82 FTEs. This equates to LCSD employing 2.32 more FTEs than the peer average. Additionally, Ohio Administrative Code (OAC) § 3301-35-05(A)(4) requires school districts to employ a minimum of five ESP per 1,000 regular education students. Based on the OAC requirement and the District's FY 2007-08 regular education enrollment, the District is required to employ 22.32 ESP FTEs. However, the District employs 47.70 ESP FTEs, or 25.38 more FTEs than required by OAC.

¹ With the exception of the State funding levels reported through ODE's SF-3 reports, the funding strategies used by the peers to provide vocational education services were not reviewed in this audit.

- F4 Tutor/Small Group Instructors:** The District employs 28.18 tutor/small group instructors, which equates to 4.86 FTEs per 1,000 students. By comparison, the peer average is only 0.60 FTEs per 1,000 students. However, the tutor/small group instructor positions at LCSD are funded through Federal and State grants due to their role in addressing the requirements of the NCLB legislation.
- F5 Special Education Support Positions:** LCSD employs 5.00 FTE psychologists, 11.10 FTE speech and language therapists, 2.20 FTE occupational therapists, 1.0 physical therapist, 25.23 FTE instructional paraprofessionals, 43.54 FTE teaching aides, and 8.55 FTE attendants. The majority of these employees (at least 70 percent) are assigned to special education students. In total, the District has 96.62 special education support positions, which equates to 16.65 on a per 1,000 student basis. This is slightly higher than the peer average of 15.87, due to higher staffing levels per 1,000 students in speech and language therapists, physical therapists, occupational therapists, and attendants. The difference equates to LCSD employing 4.52 more FTEs. OAC § 3301-51-09 identifies minimum staffing requirements for special education services. In addition, *Operating Standards for Ohio's Educational Agencies Serving Children with Disabilities* (Ohio Department of Education, 2008) contains other regulations outlined in OAC 3301-51. However, AOS did not conduct a detailed review of LCSD's staffing levels in comparison to these requirements and regulations, due to limitations associated with reviewing specific employee certifications, assignments, IEPs, and student disabilities.

Due to their association with the special education program, some of the abovementioned positions are funded through Federal and State grants. However, in FY 2007-08, the District spent approximately \$9.6 million from the General Fund on the special education program, which equates to \$9,754 per special needs student. By comparison, the peer average General Fund special education expenditure per special needs student was only \$6,882 in FY 2007-08. The District's special needs students represent 17.0 percent of the total student population, which is similar to the peer average of 17.7 percent². Although the severity of certain disabilities may contribute to the higher costs, the disparity between the District's staffing and operating costs compared to the peer districts indicates that a comprehensive review of the special education program is warranted; including staffing levels, IEP development, funding sources, OAC minimum requirements, and contracted positions through the Educational Service Center (see **F10**).

- F6 Library Technicians/Aides and Other Technical Staff:** LCSD employs 6.0 library technician/aide FTEs, which equates to 1.03 FTEs per 1,000 students. By comparison, the peer average is 0.84 FTEs per 1,000 students. This is despite the fact that LCSD employs more librarian/media specialists per 1,000 students (see **F3**). In addition, LCSD employs

² The calculation represents total special education students as reported in the December Child Count Report from EMIS for FY 2007-08 divided by the total enrollment as measured by the percent of time the students are educated in the District.

9.00 FTEs in the all other technical staff classification. LCSD's staffing level in this classification is higher than the peer average by 1.12 FTEs per 1,000 students (6.5 FTEs). All other technical staff includes 1.00 FTE printer and 8.00 FTE other technical. The other technical classification includes a computer technician/help desk manager, a network specialist, three computer technicians, a program coordinator, the Civic Auditorium manager, and the executive assistant to the Superintendent.

The aforementioned disparity in staffing levels indicates that these areas warrant additional review to identify potential efficiency improvements. Furthermore, ensuring that these positions are placed in the most relevant EMIS code would help ensure reliable comparisons to other districts. For example, EMIS contains "computer operating" and "computer programming" classifications, which were included in the "computer support" category in **Appendix A**. **Appendix A** shows that LCSD has a similar number of FTEs per 1,000 students in the computer support category. Assuming that the computer-related positions currently coded in "other technical" would be more appropriate to include in "computer operating" or "computer programming," the number of computer support FTEs per 1,000 students would exceed the peer average (see **Appendix A**).

- F7 Clerical Staff:** LCSD employs 57.40 clerical FTEs, which equates to 9.89 FTEs per 1,000 students and a ratio of 12.14 employees per clerical staff member. By comparison, the peer average is 9.08 clerical FTEs per 1,000 students and a ratio of 14.61 employees per clerical staff member. The District would need to eliminate approximately 4.70 clerical positions to achieve the peer average of 9.08 FTEs per 1,000 students. Alternatively, the District would need to eliminate approximately 9.68 clerical positions to achieve the peer average of 14.61 employees per clerical staff member.

The District's higher clerical staffing levels may be partially attributed to the special education and vocational education programs. However, the variance indicates that a detailed review of these positions is warranted to identify potential efficiency improvements.

- F8 Custodial and Maintenance Staff:** LCSD is currently completing a school construction project through the Ohio School Facilities Commission (OSFC). As part of the project, construction/renovations have already been completed at Hayes Elementary, Harrison Elementary, Emerson Elementary, Horace Mann Elementary, Garfield Middle School and Harding Middle School. Additionally, half of Lakewood High School is currently under construction and there are plans to renovate 2 to 3 additional elementary schools in the near future. In FY 2007-08, the District reported 52 custodial and maintenance FTEs through EMIS, or approximately 9.0 FTEs per 1,000 ADM, which is below the peer average of 9.5. In FY 2008-09, the District is operating, cleaning and maintaining 11 school buildings and 1 central office building using approximately 56 custodians and maintenance personnel (9.5 per 1,000 students).

Table 4 presents LCSD's custodial staffing levels by building and includes benchmark data reported by the National Center for Educational Statistics (NCES) in the *Planning Guide for Maintaining School Facilities* (February, 2003). **Table 4** is based on LCSD's staffing levels and building configurations for FY 2008-09.

Table 4: LCSD Custodial Staffing Levels

School Name	Custodial FTEs ¹	Cleanable Square Feet Per FTE ²	Total Square Feet Per FTE ³
Lakewood High	17.1	13,531	32,589
Harding Middle	4.0	18,601	29,227
Garfield Middle	4.0	19,185	28,646
Hayes Elementary	3.0	16,016	22,487
Harrison Elementary	3.0	13,986	21,439
Grant Elementary	2.6	15,549	22,771
Lincoln Elementary	2.5	18,164	30,344
Emerson Elementary ⁴	2.8	19,635	31,332
Roosevelt Elementary	2.5	15,984	28,136
Horace Mann Elementary ⁴	3.0	16,961	28,988
Franklin Elementary / Lakewood City Academy	1.0	20,229	32,486
Central Office	1.1	17,512	42,952
Total	46.6	15,956	29,622
NCES Standard, Square Feet per FTE⁵			29,500

Source: LCSD, NCES

¹The total number of custodial FTEs at each building reflects custodians performing duties in multiple buildings and excludes the amount of time spent by some custodians performing groundskeeping duties (see **Table 5**). However, although not readily quantifiable, some of the custodian FTEs in **Table 4** perform minor grounds duties.

²Cleanable square footage was physically measured by LCSD before being reported to AOS. These figures report the surface type and square footage for each room that custodians are responsible for cleaning.

³Total square footage reports the combined cleanable and all other square footage contained within each building.

⁴These buildings were newly renovated and opened for the start of the 2008-09 school year.

⁵According to the NCES *Planning Guide for Maintaining School Facilities*, 28,000 to 31,000 square feet per FTE custodian is the normal benchmark range for most school facilities. Therefore, an average square footage of 29,500 per FTE custodian is applied in the analysis.

Table 4 shows there is a large disparity between LCSD's total cleanable square footage per FTE (15,956) and the total square footage per FTE (29,622). At Lakewood High School, only 42 percent of the building's square footage is currently being cleaned by custodial staff, due to the OSFC construction/renovation. This partially skews the number of cleanable square feet per FTE. **Table 4** also shows there is a large disparity between cleanable square footage and total square footage at Garfield Middle School, Harding Middle School, Hayes Elementary, Harrison Elementary, Emerson Elementary, and

Horace Mann Elementary. In contrast to the High School, the construction/renovations are complete for these buildings and the difference can instead be attributed to the District's actual use of the building and/or the design of the floor plan, which prevents the need to clean every square foot on a daily basis. Nevertheless, **Table 4** shows that the District's custodians are currently responsible for cleaning an average of 15,956 square feet per FTE, which is substantially lower than the NCES standard (29,500).³ **Table 4** also shows the District's custodial staffing assignments do not meet the NCES standard at any of the buildings, regardless of construction status. Collectively, these ratios indicate an ability to improve the custodial staffing efficiency at the buildings where the construction/renovations have already been completed⁴ and a need to monitor staffing levels at the buildings where future construction is expected to take place.

Table 5 compares LCSD's maintenance and groundskeeping staffing levels to a five-year average (2004 through 2008) of statistics reported by the American Schools and University (AS&U) in its annual *Maintenance and Operations Cost Study*. **Table 5** is based on LCSD's staffing levels and building configurations for FY 2008-09.

Table 5: LCSD Maintenance & Groundskeeping Staffing Levels

	# of FTEs	Area Maintained ¹	Area Maintained per FTE
Maintenance Staff	8.2	1,480,028 Square Feet	180,308
Groundskeeping Staff ²	1.4	47.6 Acres	33
AS&U Average Median Square Feet Maintained per Maintenance FTE ³			95,000
AS&U Average Median Acres Maintained per Groundskeeping FTE ³			43

Source: LCSD

¹The square footage and acreage maintained figures include McKinley and Taft Elementary Schools. Although these schools were closed prior to the start of FY 2008-09, these buildings are still being maintained by LCSD employees.

²LCSD does not have designated groundskeeping FTEs. Both LCSD maintenance and custodial staff perform groundskeeping. Specifically, the 1.4 FTEs represent the number of daily labor hours that the 5 custodial and maintenance employees dedicate to mowing grass for all District buildings.

³The *Maintenance and Operations Cost Study* is an annual publication. The AS&U average in **Table 4** represents a five year national average of medians from 2004 through 2008.

Table 5 shows that LCSD's maintenance staff is responsible for more square feet per FTE (180,308) than the AS&U benchmark (95,000). Conversely, the groundskeeping employees maintain fewer acres per FTE (33) than the AS&U benchmark (43). Despite the lower maintenance staffing levels, the District's total custodial and maintenance overtime costs in FY 2007-08 were minimal (\$58,122, or 2.7 percent of total custodial and maintenance salaries). However, its expenditures per student for contracted property and trade services (\$653) were significantly higher than the peer average (\$207).

³ The square footage ratios do not consider the District's actual use of the buildings. The Superintendent indicated that the District uses the majority of the school buildings to operate a variety of after-school recreational programs. This can contribute to the lower number of square feet per custodial FTE.

⁴ This assumes that the District continues to maintain the same amount of cleanable square footage moving forward.

Although the OSFC project likely contributes to the higher costs, LCSD may also be using contracted services to help offset the lower maintenance staffing levels.

F9 Food Service: LCSD operates a comprehensive food service program that includes breakfast, lunch, and a la carte items. In FY 2007-08, the District reported total revenues of approximately \$1.7 million and total expenditures of approximately \$1.9 million in the Food Service Fund. As a result of the higher expenditures, the ending fund balance declined from approximately \$191,000 in FY 2006-07 to \$45,000 in FY 2007-08. According to the Treasurer, with the exception of utilities, all appropriate food service costs are charged to the Food Service Fund.

In FY 2007-08, the District served approximately 3,600 total daily meal equivalents from 10 school buildings. For operating purposes, the Lakewood High School acts as the central warehouse for all food shipments. The District uses three food service employees at the High School to prepare and deliver certain food items and supplies to each school building the day before it is to be served. The distributed food is then cooked at each school building and served to the students. In FY 2007-08, the District reported a total of 24.5 food service FTEs through EMIS, or 4.2 food service FTEs per 1,000 ADM. By comparison, the peer average was 5.8.

Table 6 compares the operational efficiency of each school that served meals during the 2007-08 school year, based on the meals per labor hour standards set forth by the National Food Service Management Institute (NFSMI). For purposes of this analysis, the time spent by the three High School employees to prepare and deliver food to the other school buildings has been allocated to each school based on the number of daily meal equivalents.

Table 6: LCSD Meals Per Labor Hour Comparison (FY 2007-08)

Building	Total Daily Meal Equivalents ¹	Daily Labor Hours	LCSD 2007-08 MPLH	NFSMI MPLH Standard for Convenience System ²	Labor Hours to Meet Standard	Labor Hour Difference
Lakewood High ³	1,135.06	97.68	11.62	23	49.35	(48.33)
Harding Middle	468.48	23.80	19.68	19	24.66	0.85
Garfield Middle	468.43	23.62	19.83	19	24.65	1.03
Grant Elementary	209.71	9.28	22.60	15	13.98	4.70
McKinley Elementary ⁴	219.84	9.05	24.28	15	14.66	5.60
Harrison Elementary	357.17	12.40	28.80	18	19.84	7.44
Hayes Elementary	203.96	9.26	22.02	15	13.60	4.33
Taft Elementary ⁴	193.07	9.24	20.90	14	13.79	4.55
Lincoln Elementary	163.52	8.66	18.88	14	11.68	3.02
Roosevelt Elementary	194.53	8.99	21.64	14	13.89	4.90

Source: LSCD

¹This includes all breakfasts, a la carte sales, and lunches

²The convenience system means that the LCSD is not cooking meals from scratch. There are some processed or prepackaged foods served, and the District is using some canned fruits and vegetables instead of raw ingredients.

³All meal counts and labor hours for Lakewood City Academy (LCA) are included in the figures for Lakewood High School, which is consistent with how the District reported this information to ODE. LCA's daily meal counts are estimated to represent 63 of Lakewood High School's 1,135.

⁴These schools were closed at the end of the 2007-08 school year, and two newly renovated schools were opened for the 2008-09 school year.

Table 6 shows that the High School was the only building that failed to meet the NFSMI's meals per labor hour benchmark in FY 2007-08. This indicates a potential to improve staffing efficiency at the High School, which would subsequently help address the declining fund balance within the Food Service Fund.

Educational Service Center Contract

F10 ESC Costs: According to the ODE, the goal of each County Educational Service Center (ESC) is to provide school districts with professional development, technology, planning, and administrative services to improve student learning, enhance the quality of instruction, expand equitable access to resources, and maximize operating and fiscal efficiencies. Since ESCs have no legal taxing authority, the majority of their funding comes from State Funding and mandatory SF-3 deductions from member districts. The mandatory SF-3 deduction each district pays is based on a formula that stipulates \$6.50 per student with adjustments for certain special education and supervisory allowances. ODE also indicates that school districts are permitted to establish separate service contracts with ESCs to pay for services above and beyond those covered by the mandatory deductions. In these instances, ESCs may bill the school district directly for the cost of services or file the contract with ODE and have the additional amount withheld from a school district's SF-3, depending on the preferences of the particular ESC and the school district superintendent.

In FY 2007-08, LCSD's mandatory SF-3 deduction for ESC services was \$39,107. However, the District contracted with the Cuyahoga County Education Service Center (CCESC) for additional services including 1 gifted education supervisor (230 days), 1 student services coordinator (214 days), 1 facilitator/teacher (204 days), 1 student life coordinator (189 days), 1 psychologist (214 days), 3 pre-kindergarten teachers (194 days), 1 part-time secretary (3.75 hours for 204 days), and 3 educational aides (6.4 hours for 173 days). Additionally, the District contracted for 1 audiologist, 1 hearing impaired teacher, and 1 licensed practical nurse on an as-needed basis⁵. The District paid the CCESC approximately \$1.2 million in FY 2007-08 for the additional services, or \$211 per student. The Kettering City School District was the only peer district to report their contracted ESC costs through ODE and the average cost per student was \$235. However, the Type 6 peer average was \$152 (based on 5 districts reporting through ODE). See **Appendix B** for an explanation of the Type 6 peer average.

The Superintendent indicated that the CCESC contract is often the most efficient and flexible option based on the circumstances of the District. For example, the audiologist services are mandated by the IEP requirements of 4 students, while one student requires the hearing impaired teaching services. In these instances, the Superintendent indicated it is easier for the District to contract with the CCESC and make annual adjustments to the contract than to hire a full-time employee. The Director of Student Services indicated that the audiologist, the hearing impaired teacher (position was eliminated in FY 2008-09), the psychologist, and the licensed practical nurse are all required by student IEPs. Additionally, of the remaining CCESC positions, the Treasurer indicated that the facilitator/teacher, the 3 pre-kindergarten teachers, the part-time secretary, and the 3 educational aides are required and funded through a pre-kindergarten grant and have no impact on the General Fund. Nevertheless, **F5** shows that the District's special education expenditures per special needs student are significantly higher than the peer average. Although the severity of certain student disabilities may contribute to the higher costs, the District may be able to improve efficiency by reviewing all aspects of the special education program, including the contracted ESC positions.

F11 ESC Contract: The Superintendent indicated that the District annually evaluates and adjusts the CCESC contract based on need. For example, the District eliminated the student life coordinator position in FY 2008-09. However, the CCESC contract is vague and only identifies the positions and number of days contracted, and does not include a description of services, payment terms, estimated billing rates, or estimated annual costs. By comparison, the Trumbull County Educational Service Center uses a contract that includes detailed cost estimates including estimated salary, benefit, training, supplies and materials, and supporting equipment costs for each contracted position/service.

⁵ According to the Superintendent, the District also contracted for a Public Relations position for many years, which was left vacant for FY 2008-09. The Superintendent noted that the Board is considering filling the position. The Director of Student Services also noted that the District eliminated the hearing impaired teacher in FY 2008-09.

Additionally, the contract stipulates how the costs of each position and equipment are going to be allocated among the other member districts, when the position/equipment is split.

The Contract Management Manual (Voinovich Center for Leadership and Public Affairs, 2001) advocates that entities use a detailed form when contracting for services. As an example, *The Contract Management Manual* includes a model contract form that stipulates the term of the contract, description of services, billing and payment terms, allowable costs and modifications, contract approvals and terminations, legal disclosures, various compliance notices (non-discrimination of employees, drug-free workplace, etc.), and a variety of warranties of service. Requiring additional detail in the CCESC contract would likely assist the Board and other stakeholders in better understanding the scope of services, the terms of the contract, and the total estimated costs. This subsequently would allow for improved analysis.

Employee Leave Use

F12 Sick Leave: **Table 7** compares the District's average sick leave use to the applicable averages reported by the Ohio Department of Administrative Services (ODAS) for FY 2007-08 (State Council of Professional Educators, Ohio Education Association (SCOPE/OEA) is compared to LCSD certificated; the American Federation of State, County, and Municipal Employees (AFSCME) is compared to LCSD classified; and exempt employee data is compared to LCSD administrative).

Table 7: LCSD Sick Leave Hours per Employee in FY 2007-08

	LCSD	ODAS Averages	Excess Hours Used
Administrative	72	37	35
Certificated	77	75	2
Classified	82	61	21

Source: LCSD and Ohio Department of Administrative Services

Table 7 shows that the District's administrative, certificated and classified staff all used more sick leave when compared to the ODAS averages. The District offers an attendance incentive to classified staff members who meet certain leave use thresholds during the fiscal year. However, as shown in **Table 7**, this incentive appears to be ineffective in minimizing sick leave.

The District's collective bargaining agreements have sick leave provisions that address acceptable reasons for using sick leave, forms that each employee must complete, and potential courses of action if sick leave abuse is suspected. Additionally, the collective bargaining agreements include provisions which allow the District to request a physician's statement from an employee using sick leave. However, the Superintendent

indicated the District does not usually take this action if an employee has missed time due to a normal illness. Rather, the District typically requests a physician's statement when an employee's physical ability to perform the work is in question (long-term extended illnesses). To monitor sick leave, the District's senior managers receive periodic reports showing cumulative sick leave use for all employees combined. However, the principals and other departmental managers do not receive this report and it is not broken down to reflect sick leave use by employee, which makes it difficult to identify potential abuse.

The Director of Human Resources indicated that all principals and department managers and/or their secretaries have access to complete reports through the software system, which include daily reports, absence summaries by employee type, and absentee reports for the building. The Director of Human Resources further noted that the absentee report lists starting and ending dates of absences, as well as absence reason for each employee. Assuming that all principals and department managers have access, and that the system produces these reports, the high sick leave use in **Table 7** suggests that staff may not be fully using the reporting capabilities of the system.

According to the article: *Sick Leave Abuse: A Chronic Workplace III* (American Society for Public Administration, April 2002), determining if and why an employee exploits leave policies is important. Just as an employer analyzes turnover, organizations should also look at sick leave trends. Doing so would help determine if sick leave is higher in one department, or under a particular supervisor, and if workplace policies and procedures affect absences. Finding the root causes of the problem helps address core issues. Methods for monitoring sick leave abuse vary from one organization to another, but the following explains common guidelines all employers can follow to manage sick leave effectively.

- Recognize the problem and intervene early before it escalates. Managers need to enforce leave policies and take appropriate action.
- Find out why the employee is abusing leave. Talk to employees who are abusing leave and see if their behavior stems from personal problems.
- Learn to say "No." Employers should not let employees get away with abusing leave policies.
- Use procedures, regulations, practices and knowledge to benefit management as well as the employee.
- Document everything to learn from past mistakes.

F13 Vacation and Personal Leave: The District's 12-month classified employees accrue vacation according to the following schedule:

- 1 to 4 years of service: 11 vacation days;
- 5 to 11 years of service: 17 vacation days;

- 12 to 19 years of service: 23 vacation days; and
- More than 20 years of service: 25 vacation days.

In addition, each 12 month administrator receives 4 weeks of paid vacation for 1 to 15 years of service. An administrator with more than 15 years of service receives 5 weeks of vacation.

By comparison, ORC § 3318.084 stipulates that non-teaching school employees, including full-time hourly-rate and per diem employees, receive a minimum of 10 days vacation for 1 to 9 years of service, 15 days for 10 to 19 years of service, and 20 days for 20 or more years of service. The Bay Village City School District grants 10 days of vacation to employees with 1 to 7 years of service, 15 days to employees with 8 to 14 years of service, and 20 days to employees with more than 15 years of service. The Rocky River City School District grants 10 days of vacation to employees with 1 to 4 years of service, and one additional day for each year of service after 5 years, up to a maximum of 25 days. Lastly, the Westlake City School District grants 10 days of vacation to employees with 1 to 6 years of service, and one additional day for each year of service after 7 years, up to a maximum of 21 days.

LCSD's vacation accrual rates are generous compared to the ORC minimum requirements and other area school districts. For example, a classified employee with five years of service would receive 17 days of vacation at LCSD, but only 10 days at Bay Village City School District and Westlake City School District, 11 days at Rocky River City School District, and 10 days based on the minimum requirements of ORC § 3318.084. Similarly, an administrative employee at LCSD would receive 20 days of vacation after five years of service. Moreover, the District's maximum vacation days exceed the maximums at Bay Village City School District, Westlake City School District and those specified by ORC.

In addition to vacation time, the District's nine and ten month classified and administrative employees receive 4 personal days per year while 11 and 12 month employees receive 5 personal days. The District's certificated staff receives 3 personal days per year. By comparison, the Bay Village City School District grants 4 personal days to certificated and classified staff, while the Rocky River City School District and the Westlake City School District both grant 3 personal days to certificated and classified staff. ORC § 3319.142 stipulates that each board of education shall adopt rules entitling regular non-teaching employees, during each school year, to a minimum of three days of personal leave at the employee's regular compensation.

Providing employees with more vacation and personal time can potentially increase costs if substitutes or overtime are needed to cover the absence. This is further compounded by the District's high sick leave use (see **F12**).

Collective Bargaining

F14 Collective Bargaining: As an element of this performance audit, AOS reviewed the District's certificated and classified collective bargaining agreements (CBAs) to determine if there are provisions which have a significant impact on the District's staffing levels. With the exception of the middle school and high school teacher workload provisions, the CBAs appear fair and reasonable with regard to the staffing level provisions. The following summarizes the middle school and high school teacher workload provisions:

- **Middle School Workload:** The CBA indicates that a middle school teacher's day shall not exceed 7.5 hours (450 minutes per day) within the hours of 8:00 AM and 4:00 PM. The CBA further stipulates that based on a nine period day (46 minutes per period), a middle school teacher's student contact time will not exceed 1,380 minutes per week (276 per day). Of that time, a maximum of 1,150 minutes (230) shall be academic student contact time. Lastly, the CBA indicates that each teacher will have a 46 minute uninterrupted lunch, a 46 minute individual planning period, and a 46 minute team planning period. Based on a 9 period day, the average middle school teacher at LCSD instructs students 5 periods a day and has 1 duty period, 1 lunch period, 1 team planning period, and 1 individual planning period.
- **High School Workload:** The CBA indicates that a high school teacher's day shall not exceed 7.5 hours (450 minutes per day) within the hours of 7:30 AM and 4:30 PM. The CBA further stipulates that based on a 40 minute period, a high school teacher's student contact time will not exceed 240 minutes per day. These minutes may be either 200 minutes of daily instruction plus a 40 minute duty period or 240 minutes of daily instructional time. Based on a 9 period day, the average high school teacher at LCSD instructs students 5 or 6 periods per day, and has 1 lunch period, 2 planning periods and possibly 1 duty period, depending on the assignment.

As a result of these provisions, the middle school teachers receive 460 planning minutes per week and high school teachers receive 400 planning minutes per week. By comparison, OAC § 3301-35-05 only requires a minimum of 200 planning minutes per week. Likewise, the certificated CBA at the Westlake City School District establishes the teacher's day at 7 hours and 45 minutes and only stipulates one planning period per day for each middle school and high school teacher (225 planning minutes per week). Additionally, the CBA at the Rocky River City School District establishes the teacher day at 7.5 hours for the middle school and high school and provides for 225 minutes of planning time per week (45 minutes per day). Conversely, the CBA at the Bay Village City School District establishes the teacher day at eight hours and stipulates that high

school teachers will instruct students for 1,350 minutes per week (270 per day) and receive 430 minutes of planning time (86 per day), while the middle school teachers instruct students 1,425 minutes per week (285 per day) and receive 420 minutes of planning time (84 per day).

OAC § 3301-35-06 states “the minimum instructional day for students in grades seven through twelve shall consist of scheduled classes, for at least five and one-half hours, excluding the lunch period.” LCSD’s practice of allowing two planning periods and/or an additional duty period requires the District to maintain higher staffing levels in order to meet the minimum student instruction requirement of 5.5 hours (330 minutes). For example, if the District required each middle school teacher to teach one additional period per day by eliminating one planning/duty period, it could reduce 11 positions. Likewise, eliminating one planning/duty period at the high school would potentially allow the District to eliminate 11 positions.⁶ However, the District may need to hire additional part-time monitors to assume the duty period responsibilities currently being covered by teachers. Nevertheless, the District would likely experience a significant savings by increasing the teacher instructional time and using part-time monitors to assist with duty periods.

The Superintendent indicated the District uses a team-teaching approach at the middle school, which necessitates the additional planning period. The Superintendent also indicated that there are significant educational benefits to the team-teaching approach. However, the District could possibly continue the team-teaching approach and still increase teacher instructional time and correspondingly reduce teacher staffing levels by increasing the length of a teacher day to eight hours, similar to the Bay Village City School District.

⁶ The projected ability to reduce 11 high school teachers and 11 middle school teachers is shown here for illustrative purposes. LCSD’s actual ability to reduce staff will likely vary depending on specific teacher certifications and areas of need at each building.

Appendix A

Table 8 shows a more detailed version LCSD's FTE staffing levels on a per 1,000 ADM basis compared to the peer average. The analysis and explanations of the staffing classifications that exceed the peer average are found in **F1** through **F9**.

Table 8: Detailed Staffing Comparison (FTEs per 1,000 ADM)

	LCSD	Peer Average
Administrators:	7.07	5.71
Site Based Administrators	2.59	2.94
Central Administrators	4.48	2.77
Educational Staff:	76.17	74.10
Curriculum Specialist	0.74	0.80
Counselors	2.07	2.29
Librarian/Media	1.29	0.76
Remedial Specialist	1.96	1.96
Regular Teachers	43.40	47.23
Special Education Teachers	8.34	10.35
Vocational Teachers	6.07	2.14
Tutor/Small Group Instructors	4.86	0.60
ESP Teachers	3.49	3.88
Supplemental Special Ed. Teachers	3.79	2.92
All Other Educational Staff	0.16	1.15
Professional Staff:	6.52	5.42
Psychologists	0.86	1.15
Registered Nurses	0.69	0.47
Social Worker	0.69	0.43
Physical Therapists	0.17	0.06
Speech & Language Therapists	1.91	1.17
Occupational Therapists	0.38	0.33
All Other Professional Staff	1.81	1.81
Technical Staff:	7.28	6.66
Computer Support	0.34	0.35
Practical Nurses	0.00	0.34
Library Technicians/Aides	1.03	0.84
Instructional Paraprofessionals	4.35	4.71
All Other Technical Staff	1.55	0.43

	LCSD	Peer Average
Office/Clerical Staff:	17.40	16.98
Clerical	8.34	8.06
Teaching Aide	7.51	7.89
All Other Office/Clerical Staff	1.55	1.02
Maintenance & Custodians	8.96	9.49
Bus Drivers	0.00	6.30
Food Service Workers	4.22	5.77
All Other	2.44	9.89
Total FTEs	130.06¹	140.31

Source: FY 2007-08 EMIS data reported to ODE

¹ The District's total staffing levels declined by 8.0 FTEs in FY 2008-09. Where applicable, the staffing assessments in this report have been adjusted to reflect these changes.

Appendix B

Table 9 shows LCSD's FTE staffing levels on a per 1,000 ADM basis compared to a composite of 10 school districts (Type 6 peer average). The selected school districts are Anthony Wayne Local School District (Lucas County), Canfield Local School District (Mahoning County), Green Local School District (Summit County), Jackson Local School District (Stark County), Lake Local School District (Stark County), North Canton City School District (Stark County), Northmont City School District (Montgomery County), Poland Local School District (Mahoning County), Tipp City Exempted Village School District (Miami County), and Wadsworth City School District (Medina County). These districts were selected based upon demographic and operational data. Specifically, ODE classifies these ten school districts as urban/suburban with high median income, which is the same demographic classification as LCSD. Additionally, these ten school districts were meeting a high number of performance standards at a relatively low cost per pupil.

Table 9: Detailed Staffing Comparison (FTEs per 1,000 ADM)

	LCSD	Type 6 Peer Average
Administrators:	7.07	5.07
Site Based Administrators	2.59	2.50
Central Administrators	4.48	2.58
Educational Staff:	76.17	64.68
Curriculum Specialist	0.74	0.21
Counselors	2.07	2.10
Librarian/Media	1.29	0.56
Remedial Specialist	1.96	0.97
Regular Teachers	43.40	45.68
Special Education Teachers	8.34	5.46
Vocational Teachers	6.07	1.39
Tutor/Small Group Instructors	4.86	1.88
ESP Teachers	3.49	3.96
Supplemental Special Ed. Teachers	3.79	1.71
All Other Educational Staff	0.16	0.77
Professional Staff:	6.52	1.99
Psychologists	0.86	0.60
Registered Nurses	0.69	0.41
Social Worker	0.69	0.02
Physical Therapists	0.17	0.03

	LCSD	Type 6 Peer Average
Speech & Language Therapists	1.91	0.64
Occupational Therapists	0.38	0.08
All Other Professional Staff	1.81	0.22
Technical Staff:	7.28	3.00
Computer Support	0.34	0.30
Practical Nurses	0.00	0.00
Library Technicians/Aides	1.03	1.10
Instructional Paraprofessionals	4.35	1.27
All Other Technical Staff	1.55	0.33
Office/Clerical Staff:	17.40	12.33
Clerical	8.34	5.59
Teaching Aide	7.51	5.34
All Other Office/Clerical Staff	1.55	1.40
Maintenance & Custodians	8.96	8.37
Bus Drivers	0.00	8.74
Food Service Workers	4.22	6.78
All Other	2.44	4.42
Total FTEs	130.06¹	115.39

Source: FY 2007-08 EMIS data reported to ODE

¹ The District's total staffing levels declined by 8.0 FTEs in FY 2008-09. Where applicable, the staffing assessments in this report have been adjusted to reflect these changes.

Table 9 shows that the District's staffing levels in the administrative, educational, professional, technical, clerical, and custodial and maintenance classifications exceed the Type 6 peer averages on a per 1,000 student basis. This further supports the staffing conclusions identified in **F1** through **F9** and provides LCSD with additional benchmarks with which to gauge its staffing levels.

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DISTRICT RESPONSE

District Response

The letter that follows is the Lakewood City School District official response to the performance audit. Throughout the audit process, staff met with District officials to ensure substantial agreement on the factual information presented in the report. When District officials disagreed with information contained in the report and provided supporting documentation, the audit report was revised.



LAKEWOOD CITY SCHOOLS

June 1, 2009

Mr. Mate Rogonjic
Office of Auditor of State
Lausche Building, 12th Floor
615 Superior Avenue, NW
Cleveland, Ohio 44113-1801

Dear Mr. Rogonjic:

The Lakewood Board of Education initiated this staffing analysis to determine whether or not school district staffing levels are right-sized for providing our school programs and services for our students and our community and to help our school district plan for the future. Between the 2003-2004 and the 2008-2009 school years, our schools reduced a total of 69.63 staff positions for a cumulative savings of over \$5,000,000 for our school district.

The Lakewood City Board of Education is very appreciative of the work of staff members from our Auditor of State's Office and the many courtesies they have extended to us in this study. We are impressed by the accuracy of the Auditor of State staff calculations and their appropriate uses of the data for the purpose of this study. Specifically, the purpose of this study is to identify staffing areas for further study and review.

While the Auditor of State staff's work is beyond reproach, the data coming from the Ohio Educational Management Information System have their limitations. While ODE does provide guidance through a manual with definitions on how coding is to be done, some of the coding definitions of this system permit individual school district interpretations in coding employees doing the same work in different school districts into different employee categories. This issue is a characteristic of a system over which the Auditor of State's Office has no control. While we appreciate the work the Auditor's Office to group employees into categories to reduce some of these differences, this data remains limited in its use for identifying specific numbers of employees to be reduced in any category. However, this data is very useful as we look at total numbers of employees and in identifying staffing areas for further discussion and review.

The first and most important finding of this staffing analysis is that in total, Lakewood City Schools employs 22.91 staff members less than the peer districts used in this study. This is the difference in numbers of employees after we subtract the numbers of bus drivers used in these peer districts. It appears that our Lakewood City Schools are efficiently staffed.

Second, it is clear that our staffing levels in different employee categories are interrelated. Our higher staffing levels in some areas enable us to have lower staffing levels in other areas.

Third, as a little city next to a big city, it has always been important to our success for Lakewood to maintain its unique and individual identity. Significant parts of this identity include our comprehensive career and technical programming, our School operated Recreation Department, and our Civic Theater operation. The Auditor's report encourages further review of areas where Lakewood's level of staffing differs from the peer school districts used in this study. This review reveals that cutting back to staffing levels in every area to match those of the peer districts does not cut fat. Rather it cuts muscle from those things that are important to maintaining Lakewood's distinctive identity as a little city next to a big city.

Fourth, this study identifies a need to monitor the use of sick leave more closely. It is important to note that as we look at areas in which sick leave usage has been higher in our district, we find some important information. Specifically, we find that as we remove from the data our few highest individual users in each area, our average use of sick leave becomes normal to our peer group. We find that some of our highest users of sick leave in the year of the information used for this study used their sick leave for justifiable reasons. We find that other such employees are no longer with us. And we find that we need to work more closely with a few other employees to be sure their use of sick leave is appropriate. And we will do so.

We have been working very hard to improve and maintain the academic status of our schools and to be good stewards of our resources. We will use all of the information from this staffing analysis as we plan and prepare for the future. As we move forward in completing our Phase III school construction program, we will reach a point where additional efficiencies in operation will become available to us. This staffing analysis will be very useful to us in planning to make the most of the opportunities that will be coming our way.

In summary, this staffing analysis shows we are properly staffed for the programs and services our schools provide our students and community. It shows that in total, Lakewood schools employs 22.91 fewer total staff members than our peer school districts employed during the 2007-08 year of this study. In light of our difficult financial times, in addition to the more than \$5,000,000 in cuts that have already been made over the past five years, our school district is making over \$1,000,000 in additional cost reductions for the upcoming 2009-2010 school year.

Sincerely,



P. Joseph Madak, Ph.D., Superintendent Designate



Richard A. Berdine, Treasurer