



Dave Yost • Auditor of State

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Dave Yost • Auditor of State

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

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

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

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

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

Sincerely,

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

Dave Yost
Auditor of State
December 11, 2018

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Executive Summary

Purpose and Scope of the Audit

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

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

Performance Audit Overview

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

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

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

Audit Methodology

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

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

- Statutes; and
- Policies and procedures.

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

Table 1: Peer Group Definitions

Primary Peers
<ul style="list-style-type: none"> • Bowling Green City School District (Wood County) • Edgewood City School District (Butler County) • Fairfield City School District (Butler County) ¹ • Lancaster City School District (Fairfield County) • Midview Local School District (Lorain County) • Plain Local School District (Stark County) • Southwest Local School District (Hamilton County) • Tri-Valley Local School District (Muskingum County) • Wapakoneta City School District (Auglaize County)
Local Peers (Compensation, Benefits, and Bargaining Agreements)
<ul style="list-style-type: none"> • Akron City School District (Summit County) • Barberton City School District (Summit County) • Kent City School District (Portage County) • Stow-Munroe Falls City School District (Summit County) • Tallmadge City School District (Summit County) • Woodridge Local School District (Summit County)
Transportation Peers
<ul style="list-style-type: none"> • Garfield Heights City School District (Cuyahoga County) • Lima City School District (Allen County) • Niles City School District (Trumbull County) • Sheffield-Sheffield Lake City School District (Lorain County) • Warrensville Heights City School District (Cuyahoga County)

¹ Fairfield City School District is excluded from all staffing analyses due to inconsistencies in staffing data.

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

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

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

Issues for Further Study

Issues are sometimes identified by AOS that are not related to the objectives of the audit but could yield economy and efficiency if examined in more detail. The following issue for further study was identified during the course of this performance audit.

- **Use of Emergency Levy Proceeds:** According to CFCSD's three most recent, complete financial audits (i.e., FY 2014-15, FY 2015-16, and FY 2016-17), the District has maintained compliance with statutorily required capital set-asides.¹ However, in July 2017, the CFCSD Board of Education (the Board) began discussing these requirements, expressing concern with the District's ongoing ability to maintain compliance. As a part of this discussion, consideration was given to the placement of an additional permanent improvement levy for capital and maintenance needs on the November 2017 ballot.

During subsequent meetings the Board chose to pursue an emergency levy rather than a permanent improvement levy and on August 8, 2017, the Board passed a resolution to put a five-year, 4.95 mill emergency levy on the November 2017 ballot. The emergency levy was set to generate \$3.6 million annually or \$18.0 million over the five-year period. ORC § 5705.194 states that emergency levies are to be used for emergency requirements of the district or to avoid an operational deficit. Further, it does not restrict use of emergency levy revenue to a specific purpose, such as capital or maintenance needs.

After approving the emergency levy resolution, the Board directed the District's administration to develop a plan detailing how the funds would be expended. This plan, presented during a September 2017 Board meeting, laid out expenditures for each fiscal year and divided the \$18.0 million into the following five expenditures categories:

- Capital improvements: \$8,755,000, or 48.7 percent of the total;
- Technology: \$1,765,000, or 9.8 percent of the total;
- Curriculum: \$2,090,000, or 11.6 percent of the total;
- Human resources: \$1,695,000, or 9.4 percent of the total; and
- Contingency planning: \$3,695,000, or 20.5 percent of the total.

¹ ORC § 3315.18 requires school district to annually set aside funds, as defined by statutory formula, to be used solely for the acquisition, replacement, enhancement, maintenance, or repair of permanent improvements.

On November 6, 2017, CFCSD voters approved the 5-year, 4.95 mill emergency levy.

CFCSD's May 2018 five-year forecast included revenue from the emergency levy and the expenditures associated with the emergency levy plan. Because the forecast projected negative ending fund balances beginning in FY 2019-20, the Board discussed altering the plan on how to expend the emergency levy proceeds at a July 2018 meeting, but ultimately did not.

Given the significant projected deficit (see **Table 4** and **Table 5**), CFCSD should further study the necessity and appropriateness of continuing to expend the emergency levy proceeds in accordance with the original plan. The District, with input from the community, and in context of the projected deficit, should further study the best use of the remaining revenue and collaboratively prioritize, or re-prioritize accordingly. As an example of a planned expenditure that could be reprioritized, the District could revise the purchase of buses planned for FY 2019-20 through FY 2022-23 because the average age of its active bus fleet is three years compared to the transportation peer average of nine years. Just this action would free up \$810,000 in total revenue which could be redirected to address the looming deficit.

Allocating emergency levy proceeds toward addressing the District's projected deficit could have a significant impact and should be carefully considered. Even after full implementation of the baseline recommendations in this performance audit (i.e., **R.1** through **R.10**) the District would still face a cumulative deficit of \$5.3 million (see **R.11**). The emergency levy proceeds could be directed to address the remaining deficit which would avoid additional reductions. Further, if the District, in consultation with the community, chooses not to implement other expenditure reduction options, including those contained in **R.1** through **R.10**, it may need to do so through the redirected use of the emergency levy proceeds given that the intended purpose of an emergency levy is to be used for emergency requirements of the district or to avoid an operational deficit.

Summary of Recommendations

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

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

Table 2: Summary of Recommendations

Recommendations		Savings
R.1	Eliminate 20.0 FTE general education teacher positions	\$1,551,500
R.2	Eliminate 2.0 FTE K-8 art education teacher positions	\$150,200
R.3	Eliminate 3.0 FTE K-8 music education teacher positions	\$247,200
R.4	Eliminate 3.5 FTE K-8 physical education teacher positions	\$352,500
R.5	Eliminate 1.0 FTE curriculum specialist position	\$109,200
R.6	Eliminate 1.0 FTE counseling position	\$91,500
R.7	Eliminate 0.5 FTE tutor/small group instructor position	\$39,600
R.8	Eliminate 0.5 FTE other professional position	\$38,700
R.9	Renegotiate collective bargaining agreement provisions	\$166,500
R.10	Decrease employer cost of medical insurance	\$1,512,400
R.11	Make additional reductions to address the deficit	\$1,328,700
Cost Savings Adjustments¹		(\$74,000)
Total Cost Savings from Performance Audit Recommendations		\$5,514,000

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

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

¹ Implementation of **R.1**, **R.2**, **R.3**, **R.4**, **R.5**, **R.6**, **R.7**, and **R.8** would reduce the savings achievable in **R.10**.

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

Table 3: Financial Forecast with Performance Audit Recommendations

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Original Ending Fund Balance	\$2,093,315	(\$4,143,097)	(\$12,035,428)	(\$22,057,542)
Cumulative Balance of Performance Audit Recommendations	\$5,184,633	\$10,578,713	\$16,200,889	\$22,057,554
Revised Ending Fund Balance	\$7,277,948	\$6,435,616	\$4,165,461	\$12

Source: CFCSD, ODE, and performance audit recommendations

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

As shown in **Table 3**, implementing the recommendations contained in this performance audit would allow the District to avoid forecasted deficits in each year of the forecast period.

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

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

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

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

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

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

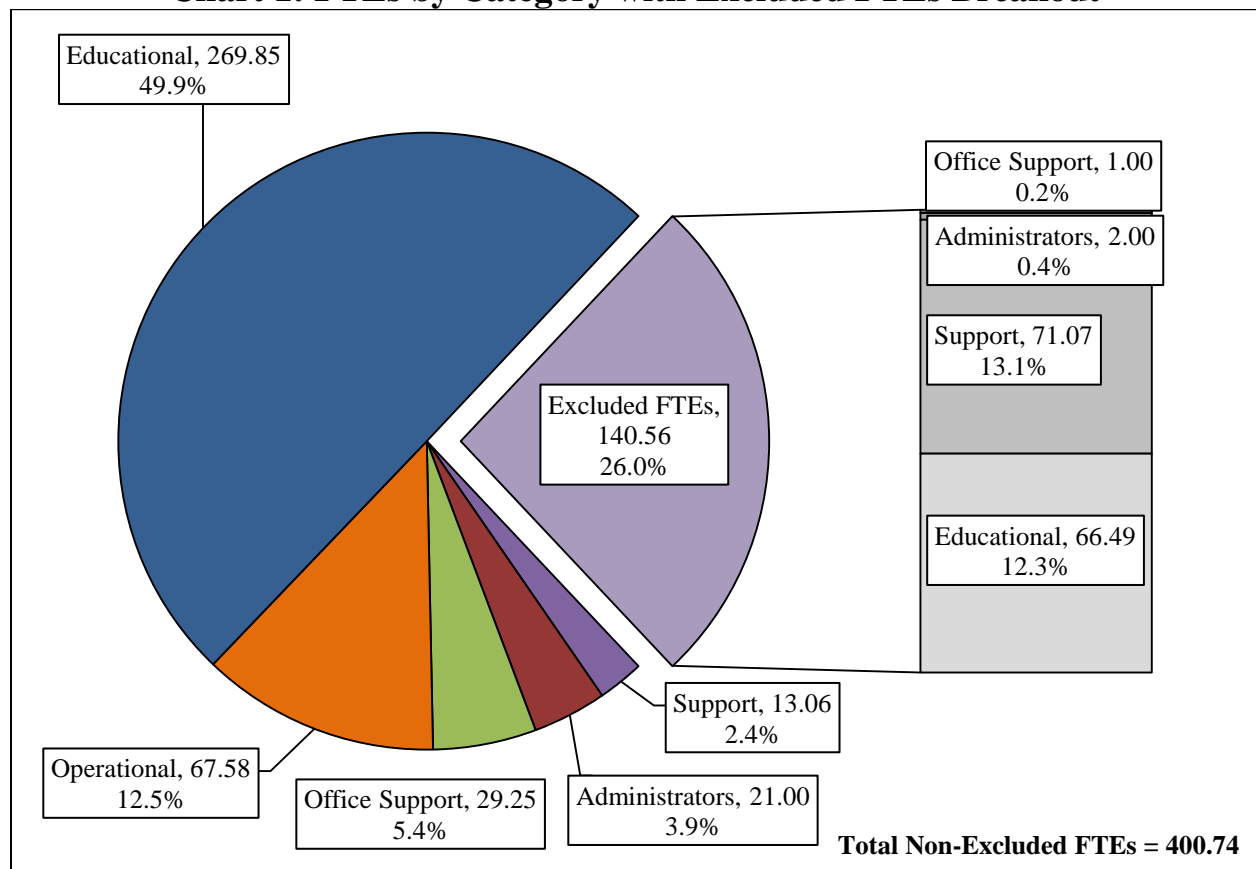
² IDEA Part B does not have a MOE waiver option.

District Staffing Overview

The appropriateness of staffing levels is significant to both the operational and financial conditions within school districts. Operational decisions such as classroom sizes, class offerings, and service levels collectively drive the need for staffing, which, in turn, drives the allocation of scarce resources. Specifically, personnel costs (i.e., salaries and benefits) accounted for 75.1 percent of CFCSD’s General Fund expenditures in FY 2017-18, a significant impact on the District’s budget and financial condition.

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

Chart 1: FTEs by Category with Excluded FTEs Breakout



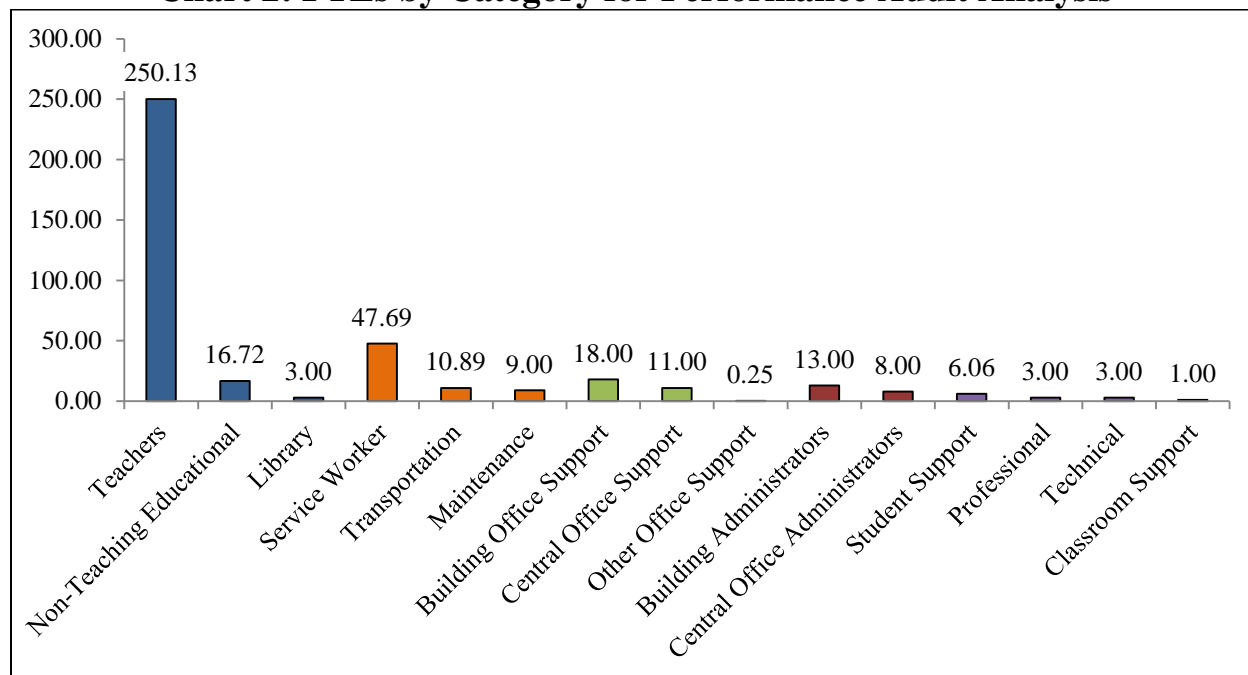
Source: CFCSD

Note: Educational includes 10.27 FTE Six District Educational Compact positions.

As shown in **Chart 1**, CFCSD employed a total of 541.30 FTEs in FY 2018-19. Of this total, 140.56 FTEs, or 26.0 percent, were specifically dedicated to special education services or Title I funded.

Chart 2 shows the remaining 400.74 FTEs by category for FY 2018-19.

Chart 2: FTEs by Category for Performance Audit Analysis



Source: CFCSD

Note: Teachers includes 10.27 Six District Educational Compact FTEs.

As shown in **Chart 2**, CFCSD's remaining 400.74 FTEs were distributed across 15 staffing categories.

Categories where staffing levels were compared to the primary peer average included administrators (see **Table B-2** and **Table B-3**), teachers (see **R.1**, **R.2**, **R.3**, **R.4**, and **Table B-4**), non-teaching educational (see **R.5**, **R.6**, **R.7**, and **Table B-5**), professional (see **R.8** and **Table B-6**), technical (see **Table B-7**), office support (see **Table B-8**, **Table B-9**, and **Table B-14**), library (see **Table B-10**), classroom support (see **Table B-12**), and student support (see **Table B-13**). Categories where the District's staffing level per 1,000 students was higher than the primary peers include teachers, non-teaching educational, and professional. Facilities (see **Table B-19**) and transportation workers were assessed using workload measures and benchmarks, as these positions operate in areas that have industrywide gauges of efficiency and effectiveness.

Career Technical Compact

As shown in **Chart 2**, the District employed 250.13 FTE teacher positions in FY 2018-19. Included in this total are 10.27 FTE career-technical programs/career pathways teachers.

ORC § 3313.90 requires that students have access to career technical program offerings, but the decision on how to best deliver that service is left to local decision-making. Often this is a mix of internal and external programming that may vary depending on the nature of the course offering. For example, most school districts offer business and vocational agricultural education in-house,

while more highly specialized courses such as automotive technologies, criminal justice, and cosmetology are offered through external partnerships.

For more highly specialized career technical programming three common models of service provision are as follows:

- **Joint Vocational School (JVS) District** – A JVS district is a separate educational entity with its own board of education, administration, and personnel; typically providing facilities at a stand-alone campus. Under this model, a district may join as a member of, or contract with, a JVS which typically provides services to multiple school districts in the surrounding area. Property owners in a JVS district pay an additional property tax (a minimum levy of two mills) to support the JVS district program.
- **Stand-Alone Career Technical Education Program** – In accordance with ORC § 3313.90(A)(3), if a school district decides to establish and maintain its own career technical education program, it must have a minimum enrollment of 2,250 students in grades seven through 12. Also, each district is required to provide an approved education plan with a current listing of career technical education workforce development programs. The programs are required to reflect the current and future needs of students, community, business, and industry and meet criteria for secondary workforce development programs in accordance with OAC 3301-61-03.
- **Career Technical Compact** – A career technical compact is similar to a JVS district in that two or more school districts share in providing career technical education, however, it is not a separate educational entity. School districts within the compact host educational programs on their campuses open to any student within the compact. A student receives core educational programs, such as English and math, at their home schools for half a day and attends career-technical educational programs for half a day at the host school district. There is no required millage assessed to property owners in a compact, but the compact may assess a levy through a vote of the residents of each participating school district.

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

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

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

Additionally, each participating district pays to, or receives from, the other participating districts, operating costs based on the net number of students sent/received and the annual College Tech Prep Service Charge³ which equaled \$6,128.05 per student in FY 2017-18. CFCSO sent 88 students to other districts and received 66 students from other districts for a net loss of 22 students, which resulted in a payment of approximately \$134,800 in FY 2017-18. CFCSO also received career-technical education State foundation payments for its resident students of approximately \$196,800 in FY 2017-18.

In FY 2018-19, the District's 10.27 career-technical programs/career pathways FTE positions were allocated to the following courses:

- 1.00 FTE Automotive Technologies;
- 0.67 FTE Business;
- 1.34 FTEs Business Pathways – Entrepreneurship Academy and Medical Administrative Assisting;
- 0.50 FTE Cyber Investigations Academy;
- 1.00 FTE Cosmetology;
- 0.67 FTE Criminal Justice;
- 3.59 FTEs Family and Consumer Sciences;
- 0.83 FTE Interactive Marketing and Digital Design; and
- 0.67 FTE IT Academy with Cisco and CompTIA.

None of CFCSO's career-technical programs/career pathways positions are dedicated to providing services to only its students. In addition, not all students attending the District are receiving a full day of educational services or receiving educational services in a manner that would impact District-wide staffing in other administrative, educational, and support positions.

In an effort to separate compact specific operations from the performance audit, all 10.27 FTE career-technical education teachers were excluded from the staffing analyses. These teachers were excluded because they only teach students that are enrolled in Six District Educational Compact specific career-technical education courses. Furthermore, the percent time enrollment in Six District Educational Compact specific career-technical education courses were also removed from the staffing analyses associated with teaching staff and classroom support staff, as that portion of the student FTE is not receiving instruction from CFCSO non-career-technical education staff. In FY 2018-19, the Six District Educational Compact enrollment at CFCSO totaled 63.77 FTEs. Staffing and enrollment adjustments were applied in **R.1, Table B-4, and Table B-12.**

³ The College Tech Prep Service Charge is calculated each year by summing the cost per pupil for each participating district as calculated by ODE in its *District Profile Report (Cupp Report)*, and dividing the average in half to arrive at a uniform cost per pupil.

Background

In May 2018, the District released its semi-annual five-year forecast which showed progressively declining year-end fund balances throughout the forecast period. These forecasted financial results served as the primary impetus of the financial audit. **Table 4** shows CFCSD's total revenues, total expenditures, results of operations, beginning and ending cash balances, encumbrances, cumulative impact of renewal levies, and ending fund balance as projected in the District's May 2018 five-year forecast. This information is an important measure of the financial health of the District and serves as the basis for identification of fiscal distress conditions, possibly leading to formal designation by AOS and ODE.

Table 4: CFCSD Financial Condition Overview (May 2018)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Total Revenue	\$55,151,407	\$56,415,321	\$56,210,278	\$53,648,042	\$47,481,451
Total Expenditure	\$52,987,783	\$59,436,210	\$61,686,758	\$64,773,414	\$67,895,053
Results of Operations	\$2,163,624	(\$3,020,889)	(\$5,476,480)	(\$11,125,372)	(\$20,413,602)
Beginning Cash Balance	\$3,861,626	\$6,025,250	\$3,004,361	(\$2,472,119)	(\$13,597,491)
Ending Cash Balance	\$6,025,250	\$3,004,361	(\$2,472,119)	(\$13,597,491)	(\$34,011,094)
Encumbrances	\$120,000	\$120,000	\$120,000	\$120,000	\$0
Cumulative Balance of Renewal Levies	\$0	\$0	\$0	\$2,780,132	\$11,868,748
Ending Fund Balance	\$5,905,250	\$2,884,361	(\$2,592,119)	(\$10,937,360)	(\$22,142,346)

Source: CFCSD and ODE

As shown in **Table 4**, the District's May 2018 five-year forecast projects a deficit of more than \$2.5 million in FY 2019-20. This deficit condition is a result of an expected increase in expenditures coupled with a significant decline in revenues over the forecast period. Specifically, total revenues are expected to decline due to the expiration of two levies which are included in the cumulative balance of renewal levies. During the same period, total expenditures are expected to increase due to projected increases in employee insurance which were revised upward in the District's October 2018 five-year forecast. Left unaddressed, these conditions are projected to result in a cumulative deficit of over \$22.1 million by FY 2021-22.

In October 2018, the District released an updated five-year forecast. **Table 5** summarizes this forecast, showing total revenues, total expenditures, results of operations, beginning and ending cash balances, encumbrances, cumulative impact of renewal levies, and ending fund balances.

Table 5: CFCSD Financial Condition Overview (October 2018)

	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Total Revenue	\$57,186,852	\$57,137,458	\$54,392,178	\$48,788,038	\$43,068,112
Total Expenditure	\$58,830,088	\$59,891,066	\$63,432,738	\$65,847,852	\$68,385,733
Results of Operations	(\$1,643,236)	(\$2,753,608)	(\$9,040,560)	(\$17,059,814)	(\$25,317,621)
Beginning Cash Balance	\$6,610,159	\$4,966,923	\$2,213,315	(\$6,827,245)	(\$23,887,059)
Ending Cash Balance	\$4,966,923	\$2,213,315	(\$6,827,245)	(\$23,887,059)	(\$49,204,680)
Encumbrances	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
Cumulative Balance of Renewal Levies	\$0	\$0	\$2,804,148	\$11,971,631	\$27,267,138
Ending Fund Balance	\$4,846,923	\$2,093,315	(\$4,143,097)	(\$12,035,428)	(\$22,057,542)

Source: CFCSD and ODE

As shown in **Table 5**, the District's projected deficit for FY 2021-22 was reduced from approximately \$22.1 million as projected in the May 2018 five-year forecast to approximately \$12.0 million in the October 2018 five-year forecast. However, the final forecasted year, FY 2022-23, still shows a projected deficit over \$22.0 million. These changes can be attributed primarily to the District revising health benefits expenditures based on updated insurance premium information that caused the District to reduce projected increases in insurance costs. As a result, the May 2018 five-year forecasted projected FY 2021-22 employees' retirement and insurance benefits at approximately \$17.1 million while the October 2018 five-year forecast projected expenditures at approximately \$14.7 million.

Recommendations

R.1 Eliminate 20.0 FTE general education teacher positions

General education teachers instruct students in a regular classroom environment. OAC 3301-35-05 requires the District-wide ratio of general education teachers to students be at least 1.0 FTE classroom teacher for every 25 regular students.⁴ The District employs 205.06 FTE general education teachers. This category excludes teaching staffing in other areas such as gifted, special education, art, music, and physical education.

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

Table 6: General Education Teaching Staff Comparison

Students	CFCSD		Primary Peer Avg.	Difference	
Students Educated ¹	4,580		3,891	689	
Students Education (Thousands)	4.580		3.891	0.689	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
General Education	205.06	44.77	40.34	4.43	20.29

Source: CFCSD and primary peers

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

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

As shown in **Table 6**, CFCSD's general education teacher staffing is higher than the primary peer average by 20.29 FTEs. The District would need to eliminate 20.0 FTE general education teacher positions to be in line with the primary peer average per 1,000 students.

Financial Implication: Eliminating 20.0 FTE general education teacher positions could save an average of **\$1,551,500** in salaries and benefits in each year of implementation over the forecasted period.⁵ The value of each FTE is calculated using actual salaries and benefits and projected

⁴ In FY 2017-18, CFCSD's regular student population was 4,086.48 with a total of 205.06 FTE general education teachers. This resulted in a District-wide ratio of 19.93 students per general education teacher. If the District were to operate at the State minimum ratio of 25:1, it would need a total of 163.46 FTEs, 41.60 less than are currently employed.

⁵ The value of the savings from this recommendation was projected to increase by an average of 6.10 percent annually over the forecasted period to account for projected increases in salaries and benefits. These increases are

increases of the least tenured general education teaching positions that are recommended for elimination within this performance audit.

R.2 Eliminate 2.0 FTE K-8 art education teacher positions

The District employs 7.0 FTE K-8 art education teacher positions within its elementary and middle schools. Staffing for these buildings breaks down as follows: 1.0 FTE in Dewitt Elementary School, 1.0 FTE in Lincoln Elementary School, 0.5 FTE in Preston Elementary School, 1.0 FTE in Price Elementary School, 1.0 FTE in Richardson Elementary School, 0.5 FTE in Silver Lake Elementary School, 1.0 FTE in Robert Middle School, and 1.0 FTE in Bolich Middle School.

This position historically has been included in the educational service personnel (ESP) category, which includes positions such as K-8 art, music, and physical education teachers, as well as counselors, librarians and media specialists, school nurses, social workers, and visiting teachers.⁶

Table 7 shows the District's FY 2018-19 K-8 art education teachers per 1,000 K-8 students compared to the FY 2017-18 primary peer average. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 7: K-8 Art Education Teacher Staff Comparison

Students	CFCS D		Primary Peer Avg.	Difference	
Students Educated ¹	3,216		2,732	484	
Students Education (Thousands)	3.216		2.732	0.484	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
K-8 Art Education	7.00	2.18	1.51	0.67	2.15

Source: CFCS D and primary peers

¹ Reflects students in grades K-8 receiving educational services from the District and excludes the percent of time students are receiving educational services outside of the District. Students in grades K-8 are used in this analysis because teachers coded as K-8 art teachers exclusively serve this population, per ODE's *EMIS Manual*.

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

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

⁶ Effective April 24, 2015, the Ohio Legislature revised OAC 3301-35-05 to state, "The local board of education shall be responsible for the scope and type of educational services in the district. The district shall employ educational service personnel to enhance the learning opportunities for all students." This revision effectively eliminated state-minimum staffing levels for ESP staffing.

As shown in **Table 7**, CFCSD's K-8 art education teacher staffing is higher than the primary peer average by 2.15 FTEs. The District would need to eliminate 2.0 FTE K-8 art education teacher positions in order to achieve a staffing ratio in line with the primary peer average per 1,000 students.

Financial Implication: Eliminating 2.0 FTE K-8 art education teacher positions could save an average of **\$150,200** in salaries and benefits in each year of implementation over the forecasted period.⁷ The value of each FTE is calculated using actual salaries and benefits and projected increases of the least tenured K-8 art education teaching positions that are recommended for elimination within this performance audit.

R.3 Eliminate 3.0 FTE K-8 music education teacher positions

The District employs 9.0 FTE K-8 music education teacher positions within its elementary and middle schools. Staffing for these buildings breaks down as follows: 1.0 FTE in Dewitt Elementary School, 1.0 FTE in Lincoln Elementary School, 0.5 FTE in Preston Elementary School, 1.0 FTE in Price Elementary School, 1.0 FTE in Richardson Elementary School, 0.5 FTE in Silver Lake Elementary School, 2.0 FTEs in Robert Middle School, and 2.0 FTEs in Bolich Middle School.

This position historically has been included in the educational service personnel (ESP) category, which includes positions such as K-8 art, music, and physical education teachers, as well as counselors, librarians and media specialists, school nurses, social workers, and visiting teachers.⁸

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

⁷ The value of the savings from this recommendation was projected to increase by an average of 6.42 percent annually over the forecasted period to account for projected increases in salaries and benefits. These increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, life insurance, Medicare, and retirement.

⁸ Effective April 24, 2015, the Ohio Legislature revised OAC 3301-35-05 to state, "The local board of education shall be responsible for the scope and type of educational services in the district. The district shall employ educational service personnel to enhance the learning opportunities for all students." This revision effectively eliminated state-minimum staffing levels for ESP staffing.

Table 8: K-8 Music Education Teacher Staff Comparison

Students	CFCSD		Primary Peer Avg.	Difference	
Students Educated ¹	3,216		2,732	484	
Students Education (Thousands)	3.216		2.732	0.484	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
K-8 Music Education	9.00	2.80	1.75	1.05	3.38

Source: CFCSD and primary peers

¹ Reflects students in grades K-8 receiving educational services from the District and excludes the percent of time students are receiving educational services outside of the District. Students in grades K-8 are used in this analysis because teachers coded as K-8 music teachers exclusively serve this population, per ODE's *EMIS Manual*.

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

As shown in **Table 8**, CFCSD's K-8 music education teacher staffing is higher than the primary peer average by 3.38 FTEs. The District would need to eliminate 3.0 FTE K-8 music education teacher positions in order to achieve a staffing ratio in line with the primary peer average per 1,000 students.

Financial Implication: Eliminating 3.0 FTE K-8 music education teacher positions could save an average of **\$247,200** in salaries and benefits in each year of implementation over the forecasted period.⁹ The value of each FTE is calculated using actual salaries and benefits and projected increases of the least tenured K-8 music education teaching positions that are recommended for elimination within this performance audit.

⁹ The value of the savings from this recommendation was projected to increase by an average of 6.22 percent annually over the forecasted period to account for projected increases in salaries and benefits. These increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, life insurance, Medicare, and retirement.

R.4 Eliminate 3.5 FTE K-8 physical education teacher positions

The District employs 10.0 FTE K-8 physical education teacher positions within its elementary and middle schools. Staffing for these buildings breaks down as follows: 1.0 FTE in Dewitt Elementary School, 1.0 FTE in Lincoln Elementary School, 1.0 FTE in Preston Elementary School, 1.0 FTE in Price Elementary School, 1.0 FTE in Richardson Elementary School, 1.0 FTE in Silver Lake Elementary School, 2.0 FTEs in Robert Middle School, and 2.0 FTEs in Bolich Middle School.

This position historically has been included in the educational service personnel (ESP) category, which includes positions such as K-8 art, music, and physical education teachers, as well as counselors, librarians and media specialists, school nurses, social workers, and visiting teachers.¹⁰

Table 9 shows the District's FY 2018-19 K-8 physical education teachers per 1,000 K-8 students compared to the FY 2017-18 primary peer average. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 9: K-8 Physical Education Teacher Staff Comparison

Students	CFCS D		Primary Peer Avg.	Difference	
Students Educated ¹	3,216		2,732	484	
Students Education (Thousands)	3.216		2.732	0.484	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
K-8 Physical Education	10.00	3.11	1.94	1.17	3.76

Source: CFCS D and primary peers

¹ Reflects students in grades K-8 receiving educational services from the District and excludes the percent of time students are receiving educational services outside of the District. Students in grades K-8 are used in this analysis because teachers coded as K-8 physical education teachers exclusively serve this population, per ODE's *EMIS Manual*.

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

As shown in **Table 9**, CFCS D's K-8 physical education teacher staffing is higher than the primary peer average by 3.76 FTEs. The District would need to eliminate 3.5 FTE K-8 physical education teacher positions in order to achieve a staffing ratio in line with the primary peer average per 1,000 students.

¹⁰ Effective April 24, 2015, the Ohio Legislature revised OAC 3301-35-05 to state, "The local board of education shall be responsible for the scope and type of educational services in the district. The district shall employ educational service personnel to enhance the learning opportunities for all students." This revision effectively eliminated state-minimum staffing levels for ESP staffing.

Financial Implication: Eliminating 3.5 FTE K-8 physical education teacher positions could save an average of **\$352,500** in salaries and benefits in each year of implementation over the forecasted period.¹¹ The value of each FTE is calculated using actual salaries and benefits and projected increases of the least tenured K-8 physical education teaching positions that are recommended for elimination within this performance audit.

R.5 Eliminate 1.0 FTE curriculum specialist position

The District employs 3.87 FTE curriculum specialist positions, of which 3.0 FTEs provide classroom technology integration support and 0.87 FTE develop curriculum for the limited English proficiency (LEP) education program. **Table 10** shows CFCSD's FY 2018-19 curriculum specialist staff per 1,000 students compared to the primary peer average for FY 2017-18. Comparing curriculum specialist staff in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 10: Curriculum Specialist Staff Comparison

Students	CFCSD		Primary Peer Avg.	Difference	
Students Educated ¹	4,644		3,891	753	
Students Education (Thousands)	4.644		3.891	0.753	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Curriculum Specialist	3.87	0.83	0.55	0.28	1.30

Source: CFCSD and primary peers

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

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

As shown in **Table 10**, CFCSD's curriculum specialist staffing is higher than the peer average by 1.30 FTEs. The District would need to eliminate 1.00 FTE curriculum specialist position in order to achieve a staffing ratio in line with the primary peer average.

Financial Implication: Eliminating 1.0 FTE curriculum specialist position could save an average of **\$109,200** in salaries and benefits in each year of implementation over the forecasted period.¹² The value of each FTE is calculated using actual salaries and benefits and projected increases of

¹¹ The value of the savings from this recommendation was projected to increase by an average of 3.57 percent annually over the forecasted period to account for projected increases in salaries and benefits. These increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, life insurance, Medicare, and retirement.

¹² The value of the savings from this recommendation was projected to increase by an average of 2.87 percent annually over the forecasted period to account for projected increases in salaries and benefits. These increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, life insurance, Medicare, and retirement.

the least tenured curriculum specialist position that is recommended for elimination within this performance audit.

R.6 Eliminate 1.0 FTE counseling position

The District employs 10.0 FTE counseling positions, which assist pupils and/or parents and teachers to aid pupils in making personal plans in relation to their education, career, or personal development. **Table 11** shows CFCSD's FY 2018-19 counseling staff per 1,000 students compared to the primary peer average for FY 2017-18. Comparing counseling staff in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 11: Counseling Staff Comparison

Students	CFCSD		Primary Peer Avg.	Difference	
Students Educated ¹	4,644		3,891	753	
Students Education (Thousands)	4.644		3.891	0.753	
Position	FTEs	FTEs per 1,000 Students	Primary Peer Avg. FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Counseling	10.00	2.15	1.89	0.26	1.21

Source: CFCSD and primary peers

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

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

As shown in **Table 11**, CFCSD's counseling staffing is higher than the peer average by 1.21 FTEs. The District would need to eliminate 1.00 FTE counseling position in order to achieve a staffing ratio in line with the primary peer average.

Financial Implication: Eliminating 1.0 FTE counseling position could save an average of **\$91,500** in salaries and benefits in each year of implementation over the forecasted period.¹³ The value of each FTE is calculated using actual salaries and benefits and projected increases of the least tenured counseling position that is recommended for elimination within this performance audit.

R.7 Eliminate 0.5 FTE tutor/small group instructor position

The District employs 2.85 FTE tutor/small group instructor positions paid from the General Fund, of which 2.0 FTEs assist high school students with credit recovery and graduation requirements and 0.85 FTE provides Title I instruction to Silver Lake Elementary School. **Table**

¹³ The value of the savings from this recommendation was projected to increase by an average of 4.99 percent annually over the forecasted period to account for projected increases in salaries and benefits. These increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, life insurance, Medicare, and retirement.

12 shows CFCSD's FY 2018-19 tutor/small group instructor staff per 1,000 students compared to the primary peer average for FY 2017-18. Comparing tutor/small group instructor staff in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 12: Tutor/Small Group Instructor Staff Comparison

Students	CFCSD		Primary Peer Avg.	Difference	
Students Educated ¹	4,644		3,891	753	
Students Education (Thousands)	4.644		3.891	0.753	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Tutor/Small Group Instructor	2.85	0.61	0.44	0.17	0.79

Source: CFCSD and primary peers

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

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

As shown in **Table 12**, CFCSD's tutor/small group instructor staffing is higher than the peer average by 0.79 FTEs. The District would need to eliminate 0.50 FTE tutor/small group instructor position in order to achieve a staffing ratio in line with the primary peer average.

Financial Implication: Eliminating 0.5 FTE tutor/small group instructor position could save an average of **\$39,600** in salaries and benefits in each year of implementation over the forecasted period.¹⁴ The value of each FTE is calculated using actual salaries and benefits and projected increases of the least tenured tutor/small group instructor position that is recommended for elimination within this performance audit.

R.8 Eliminate 0.5 FTE other professional position

The District employs 1.0 FTE other professional - other position, which serves as the theater manager responsible for setting up and tearing down the theater for District performances as well as outside groups, supervising the student stage crew, and recording audio for Board meetings. **Table 13** shows CFCSD's FY 2018-19 other professional staff per 1,000 students compared to the primary peer average for FY 2017-18. Comparing other professional staff in relation to student population normalizes the effect of district sizes on raw staffing numbers.

¹⁴ The value of the savings from this recommendation was projected to increase by an average of 5.47 percent annually over the forecasted period to account for projected increases in salaries and benefits. These increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, life insurance, Medicare, and retirement.

Table 13: Other Professional Staff Comparison

Students	CFCS D		Primary Peer Avg.	Difference	
Students Educated ¹	4,644		3,891	753	
Students Education (Thousands)	4.644		3.891	0.753	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Other Professional - Other	1.00	0.22	0.03	0.19	0.88

Source: CFCS D and primary peers

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

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

As shown in **Table 13**, CFCS D's other professional staffing is higher than the peer average by 0.88 FTEs. Further, only one peer employs a similar position. The District would need to eliminate 0.50 FTE other professional position in order to achieve a staffing ratio in line with the primary peer average. Although CFCS D generated revenue from renting its theater to outside groups, which was overseen by the theater manager position, the revenue generated did not fully cover the salary and benefits of this position.

Financial Implication: Eliminating 0.5 FTE other professional position could save an average of **\$38,700** in salaries and benefits in each year of implementation over the forecasted period.¹⁵ The value of each FTE is calculated using actual salaries and benefits and projected increases of the least tenured other professional position that is recommended for elimination within this performance audit.

¹⁵ The value of the savings from this recommendation was projected to increase by an average of 1.74 percent annually over the forecasted period to account for projected increases in salaries and benefits. These increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, life insurance, Medicare, and retirement.

R.9 Renegotiate collective bargaining agreement provisions

The District has collective bargaining agreements (CBAs) with the Cuyahoga Falls Education Association (CFEA), referred to as the certificated CBA, effective through August 1, 2019 as well as with the Service Employees International Union (SEIU) and the Ohio Association of Public Schools Employees (OAPSE), referred to collectively as the classified CBAs, both effective through June 30, 2019. An analysis of these CBAs identified certain provisions that exceeded state minimum standards, as set forth in the ORC, OAC, and/or provisions in the local peer district CBAs.

Provisions with Long-Term Impact

- **Vacation Accrual:** Under the classified CBAs, full-time employees are entitled to annual vacation accrual whereby they can earn 600 vacation days over the course of a 30-year career. This exceeds the local peer average of 550 days and the ORC § 3319.084 minimum of 460 days. Although direct savings from reducing the vacation schedule could not be quantified, providing employees with more vacation days could increase substitute and overtime costs and reducing the number of vacation days available would serve to increase the number of available work hours at no additional cost to the District.
- **Paid Holidays:** Under the classified CBAs, 11-month and 12-month employees are entitled to 12 paid holidays per year while 9-month and 10-month employees are eligible for 10 paid holidays per year unless the school year ends before the Memorial Day Holiday, in which case 9-month and 10-month employees are entitled to nine paid holidays. While this is comparable to the local peer average, it exceeds the ORC § 3319.087 minimum of seven paid holidays for 11-month and 12-month employees and six paid holidays for 9-month and 10-month employees. Although direct savings could not be quantified, reducing the number of paid holidays available would serve to increase the number of available work hours at no additional cost to the District.
- **Sick Leave Accumulation and Severance Payout:** Certificated employees are entitled to accumulate 325 days of sick leave, SEIU classified employees 400 sick days, and OAPSE classified employees approximately 300 sick days per year, or 120 sick days plus the number of days they are regularly scheduled per year. In comparison, four of the six local peers, Kent CSD, Stow-Munroe Falls CSD, Tallmadge CSD, and Woodridge LSD, entitle certificated and classified employees to accrue unlimited sick leave. Akron CSD employees are entitled to accumulate 415 or 425 sick days, dependent upon which CBA covers the employee, while Barberton CSD employees are entitled to accumulate 215, 240, or 255 days dependent upon the number of contract days and which CBA covers the employee.¹⁶ ORC § 3319.141 specifies that unused sick leave shall be cumulative to a minimum of 120 days. Although the local peers also provide sick day accumulation over the State minimum level, exceeding this level results in the potential for increased liability when sick leave is paid out to retiring employees.

¹⁶ Akron CSD has three classified CBAs and Barberton CSD has two classified CBAs.

In addition, the District's CBAs entitle certificated and classified employees to be paid for 25 percent of accumulated, but unused sick leave upon retirement. Specifically, certificated and SEIU classified employees are entitled to a maximum of 65 days and OAPSE classified employees are entitled to a maximum of 63 days. In comparison, the average sick leave payout maximum for the local peers is 81 days for certificated employees, 79 days for SEIU equivalent employees, and 95 days for OAPSE equivalent employees. ORC § 124.39 allows employees to be paid 25 percent of unused sick leave up to a maximum of 30 days upon retirement. Allowing employees to receive payouts in excess of State minimum requirements becomes costly at employee retirement. See **Table B-17** for the estimated liability of providing provisions over the ORC minimum.

- **Notification Bonus:** The certificated CBA entitles employees who submit their written resignation effective the end of the school year to the Superintendent, on or before December 1, to receive \$1,500 in addition to any severance payment and retirement incentive for which they are eligible. Four local peers also offer notification bonuses to their certificated employees. Akron CSD offers \$500 to \$1,000 depending on how early notification is received while Woodridge LSD offers \$1,500 if notification is received by the first day of February. Kent CSD and Stow-Munroe Falls CSD both offer \$5,000 if employees provide notification by January 15 and February 1, respectively. Although CFCSD's notification bonus is comparable to, or lower than the local peers, there is no ORC or OAC requirement to provide it. As a result, the notification bonus is a discretionary area that increases potential financial liability at employee retirement.
- **Retirement Incentive:** Employees covered under the OAPSE classified CBA are not eligible to receive a retirement incentive. However, certificated and SEIU classified staff are eligible to receive a retirement incentive in addition to any severance payment and notification bonus for which they are eligible. Certificated employees who retire at the end of the first year after completing 30 years of service, at least 10 of which were at CFCSD, or after completing 20 or more years of service and are age 60, are eligible to receive 30 percent of their final salary. Similarly, SEIU classified employees working six or more hours per day who retire the first year they are eligible, receive 30 percent of their final salary. SEIU classified employees working less than 30 hours, but more than 20 hours, per week are eligible to receive 15 percent of their final salary. Kent CSD is the only local peer to offer a retirement incentive. Specifically, certificated and classified employees at Kent CSD who retire at the end of 30 years of service receive 42 percent of their final salary. Kent CSD's retirement incentive percentage decreases with each additional year of service until 35 year of service, in which employees receive five percent of their final salary. Although CFCSD's retirement incentive is less than Kent CSD's, five of the local peers do not offer a retirement incentive at all. Offering such incentive increases the potential financial liability at employee retirement.

Provisions with Immediate Impact

- **Class Size:** Under the certificated CBA, the District has established maximum class sizes of 22 students for kindergarten and first grade and 25 students for second grade. Any teacher whose class exceeds these maximums may request the assignment of an individual small group instructor (ISGI). CFCSD provides an ISGI for two hours per day in kindergarten and two-and-a-half hours per day in first and second grades. The District does not have a contractually obligated class size maximum for grades 3 through 12. Only Barberton CSD has class-size maximums in its certificated CBA that provide teachers \$1,000 per student if the class size exceeds 25 students, up to a maximum of 27 students, in kindergarten through second grade. In third and fourth grades, Barberton CSD teachers receive \$1,000 per student if the class size exceeds 27 students, up to a maximum of 29 students. Including a class size provision in the CBA limits the District's ability to adjust class sizes in order to efficiently operate based on its financial condition.
- **Development of Individualized Education Plans (IEPs):** Under the certificated CBA, CFCSD provides additional compensation to employees that write IEPs. In FY 2017-18, the District paid approximately \$177,500 to 61 staff members under this provision. No local peer has a similar provision in its CBA. Four local peers, Akron CSD, Kent CSD, Stow-Munroe Falls CSD, and Woodridge LSD, grant either one or two days of release time per year to staff to write IEPs and provide substitutes to cover their absence. If CFCSD adopted a similar practice and granted up to two release days per year to each of the 61 staff members that write IEPs (requiring a substitute at the cost of \$90 per day), it would cost the District approximately \$10,980 annually, for a savings of approximately \$166,500 annually.
- **Media Specialist Extended Days:** Under the certificated CBA, the District's 3.0 FTE librarian/media specialists receive payment for working an additional five or ten days annually, depending on their building level, to organize the school libraries. No local peer has a similar provision in its CBA. Providing extended day payments increases CFCSD's personnel services expenditures.

The District should consider renegotiating the above provisions in order to increase management control over District operations and provide cost savings.

Financial Implication: Renegotiating the IEP provision could save the District an average of **\$166,500** each year of implementation of the forecasted period. This savings is based on the total amount paid by CFCSD for IEP development in FY 2017-18 less the cost of providing a substitute for two days for each staff member who develops IEPs. Savings would increase if two days were not needed to accomplish this task across all 61 staff members.

R.10 Decrease employer cost of medical insurance

CFCSD is self-funded and purchases medical insurance, including prescription coverage, through the Summit Regional Healthcare Consortium. The District offers two medical insurance plans, Administrative/CFEA/SEIU¹⁷ and OAPSE/Exempt,¹⁸ both with single and family coverage. In FY 2018-19, 490 employees enrolled in these plans. In accordance with the CBAs, the District offers medical insurance to employees based on the weekly or daily hours worked, referred to as “Status 1”, “Status 2”, and “Status 3”. **Table 14** shows employee contributions by medical plan and employee type. This is important because it shows the benefits threshold by employee type and the corresponding employee premium contribution.

Table 14: Employee Premium Contribution Comparison

Administrative/CFEA/SEIU				
Status 1	Group	Administrative	CFEA	SEIU
	Benefits Threshold	Full Time	30+ hours per week	6+ hours per day
	Employee Contribution	12.0%	12.0%	12.0%
Status 2	Group	Administrative	CFEA	SEIU
	Benefits Threshold	N/A	20-29 hours per week	3-5 hours per day
	Employee Contribution	N/A	20.0%	25.0%
Status 3	Group	Administrative	CFEA	SEIU
	Benefits Threshold	N/A	<20 hours per week	<3 hours per day
	Employee Contribution	N/A	N/A	N/A
OAPSE/Exempt				
Status 1	Group	OAPSE	OAPSE Attendants	Exempt
	Benefits Threshold	6+ hours per day	6+ hours per day	Full Time
	Employee Contribution	12.0%	16.0%	12.0%
Status 2 ¹	Group	OAPSE	OAPSE Attendants	Exempt
	Benefits Threshold	3-5 hours per day	N/A	N/A
	Employee Contribution	25.0%	N/A	N/A
Status 3 ¹	Group	OAPSE	OAPSE Attendants	Exempt
	Benefits Threshold	<3 hours per day	N/A	N/A
	Employee Contribution	N/A	N/A	N/A

Source: CFCSD

¹ The OAPSE/Exempt plan does not differentiate between OAPSE and OAPSE attendants for Status 2 and Status 3.

As shown in **Table 14**, CFCSD’s employee medical premium contributions range from 12 percent to 25 percent depending on the plan type, employee group, and benefits threshold.

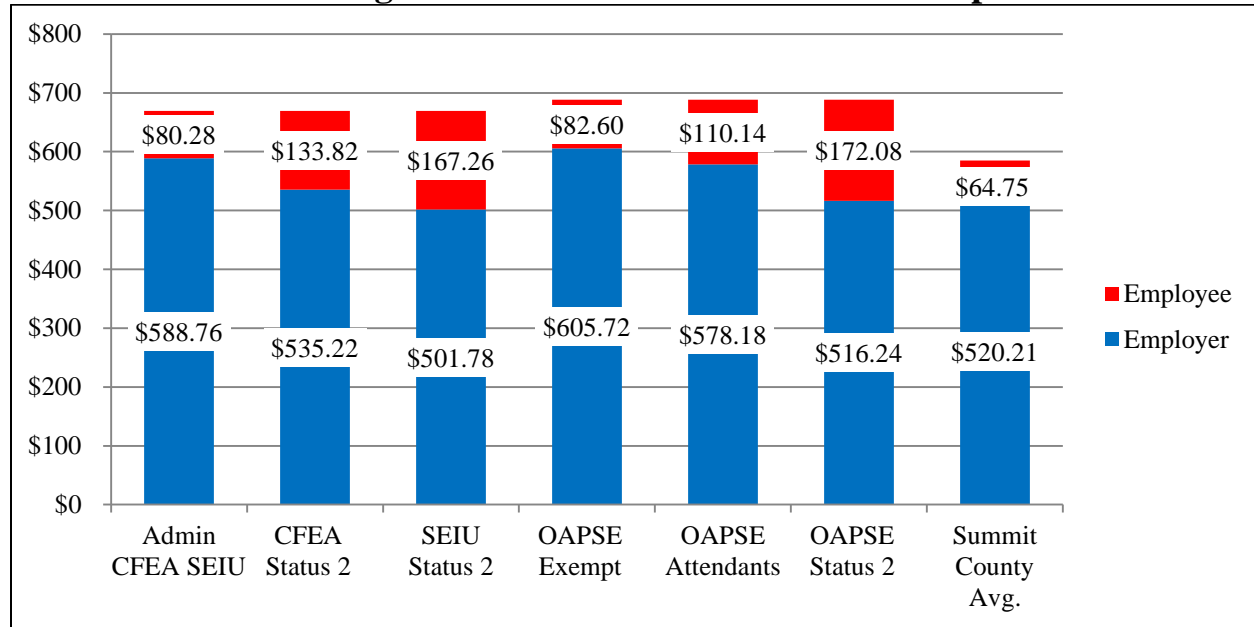
Ohio’s State Employment Relations Board (SERB) surveys public sector entities concerning medical, dental, and vision insurance costs and publishes this information annually in *The Cost*

¹⁷ This plan covers administrative and certificated employees as well as those under the SEIU CBA which includes custodians, maintenance, and transportation employees.

¹⁸ This plan covers employees under the OAPSE CBA, which includes cafeteria staff, clerical staff, study hall monitors, educational paraprofessionals, and attendants, and exempt employees who do not fall under a CBA and are not on an administrative contract.

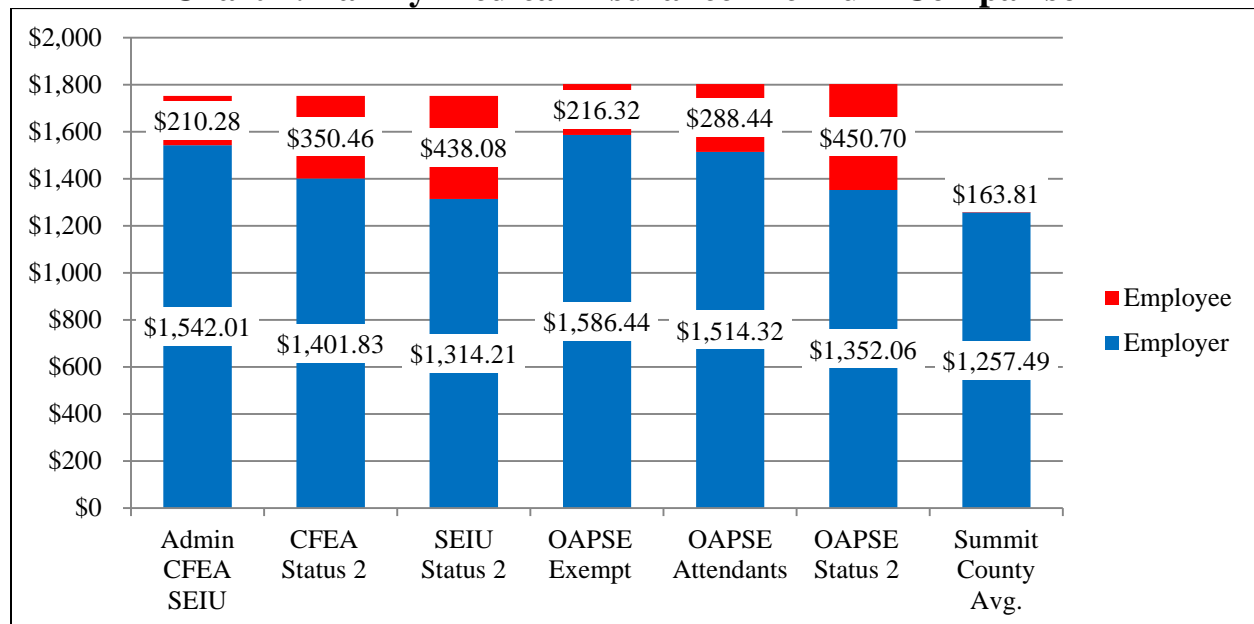
of Health Insurance in Ohio's Public Sector (SERB, 2018). **Chart 3** and **Chart 4** show CFCSD's FY 2018-19 monthly medical premium costs for single coverage and family coverage in comparison to the Summit County school district average monthly premiums as reported to SERB as of January 1, 2018. This provides regional context on the appropriateness of both the total premium as well as the employer/employee cost split.

Chart 3: Single Medical Insurance Premium Comparison



Source: CFCSD and SERB

Chart 4: Family Medical Insurance Premium Comparison



Source: CFCSD and SERB

As shown in **Chart 3** and **Chart 4**, CFCSD's employer cost for medical insurance was higher than the Summit County schools average for all plan types, except for single SEIU Status 2 and single OAPSE Status 2. Given that employee costs are higher than the Summit County schools average for all plan types, higher employer costs could be attributed to the District's selection of more costly medical insurance plan design.

Table 15 shows CFCSD's key medical plan design elements, by plan, compared to the Summit County schools average. This comparison is important as insurance costs are recognized as sensitive to local conditions and other comparable plans in the county provide the most appropriate benchmarks for the relative price competitiveness.

Table 15: Medical Insurance Plan Design Comparison

	Admin CFEA SEIU	Summit County Avg.	Difference	OAPSE Exempt	Summit County Avg.	Difference
Copayments						
Office Visit	\$15	\$21	(\$6)	\$15	\$21	(\$6)
Urgent Care Visit	\$15	\$33	(\$18)	\$15	\$33	(\$18)
Emergency Room Visit	\$150	\$128	\$22	\$150	\$128	\$22
Deductible						
Network						
Single	\$500	\$343	\$157	\$250	\$343	(\$93)
Family	\$1,000	\$691	\$309	\$500	\$691	(\$191)
Non-Network						
Single	\$550	\$627	(\$77)	\$300	\$627	(\$327)
Family	\$1,100	\$1,248	(\$148)	\$600	\$1,248	(\$648)
Out-of-Pocket Maximum						
Network						
Single	\$1,000	\$1,068	(\$68)	\$750	\$1,068	(\$318)
Family	\$2,000	\$2,017	(\$17)	\$1,500	\$2,017	(\$517)
Non-Network						
Single	\$1,250	\$2,326	(\$1,076)	\$1,800	\$2,326	(\$526)
Family	\$2,500	\$3,989	(\$1,489)	\$3,600	\$3,989	(\$389)
Coinsurance						
Network	10%	11%	(1%)	10%	11%	(1%)
Non-Network	30%	21%	9%	30%	21%	9%
Prescriptions						
Retail – 30 day supply						
Tier 1 Generic	\$5	\$9	(\$4)	\$5	\$9	(\$4)
Tier 2 Formulary-Preferred	\$30	\$25	\$5	\$30	\$25	\$5
Tier 3 Non-Formulary	\$50	\$45	\$5	\$50	\$45	\$5
Mail Order – 90 day supply						
Tier 1 Generic	\$10	\$18	(\$8)	\$10	\$18	(\$8)
Tier 2 Formulary-Preferred	\$60	\$54	\$6	\$60	\$54	\$6
Tier 3 Non-Formulary	\$100	\$96	\$4	\$100	\$96	\$4

Source: CFCSD and SERB

As shown in **Table 15**, CFCSD's office visit and urgent care visit copayments are lower than the Summit County schools average while its emergency room visit copayment is higher. Further, the District's network deductibles and out-of-pocket maximums for the OAPSE/Exempt plan and the non-network deductibles and out-of-pocket maximums for the Administrative/CFEA/SEIU plan are lower than the Summit County schools average. Finally, the District's generic prescription copayment for both retail and mail order is lower than the Summit County schools average, while its copayment for formulary-preferred and non-formulary copayments, both retail and mail order, are higher.

Changes to plan design, specifically increasing out-of-pocket maximums and deductibles, could decrease employer costs. Additionally, CFCSD does not require maintenance medication to be purchased through mail order nor does it require generic medications, unless specified by the physician.

Although District employee contribution levels are comparable to the SERB average of 11.1 percent for single plans and 11.5 percent for family plans,¹⁹ if CFCSD is unable to adequately reduce its employer cost for medical insurance through the aforementioned changes, it may be necessary to increase the employee cost portion of the premium to fully offset the District's significantly higher employer cost of health insurance.

Table 16 and **Table 17** show the amount that CFCSD would need to reduce the employer share of medical insurance premiums for single and family plans in order to bring them in line with the Summit County schools average for each plan type. The cost savings of doing so is shown for each plan type. These comparisons provide context as to the appropriateness of the overall cost share as well as the potential financial impact associated with implementing this change.

¹⁹ Actual employee contribution amounts are higher than the Summit County schools averages (See **Chart 3** and **Chart 4**) due to premium levels.

Table 16: Single Medical Insurance Employer Cost Comparison

CFCS D Employees Enrolled by Type		
Administrative CFEA SEIU		98
CFEA Status 2		6
SEIU Status 2		5
OAPSE Exempt		14
OAPSE Attendants		13
Annual Cost		
	CFCS D Annual Employer Costs	Summit County Average
Administrative CFEA SEIU	\$692,381.76	\$611,766.96
CFEA Status 2	\$38,535.84	\$37,455.12
SEIU Status 2	\$30,106.80	\$31,212.60
OAPSE Exempt	\$101,760.96	\$87,395.28
OAPSE Attendants	\$90,196.08	\$81,152.76
Annual Difference per Employee		
Administrative CFEA SEIU		\$822.60
CFEA Status 2		\$180.12
SEIU Status 2		(\$221.16)
OAPSE Exempt		\$1,026.12
OAPSE Attendants		\$695.64
Total Annual Cost Savings per Type		
Administrative CFEA SEIU		\$80,614.80
CFEA Status 2		\$1,080.72
SEIU Status 2		N/A
OAPSE Exempt		\$14,365.68
OAPSE Attendants		\$9,043.32
	Total Annual Savings for Single Plans	\$105,104.52

Source: CFCS D and SERB

Note: No OAPSE Status 2 employees elected single coverage.

As shown in **Table 16**, CFCS D could generate medical insurance savings of more than **\$105,100** annually by bringing its single coverage employer cost in line with the Summit County schools average. This could be achieved by increasing employee contributions and/or selecting a less costly plan. Any changes to the employer/employee cost share, however, are subject to negotiation.

Table 17: Family Medical Insurance Employer Cost Comparison

CFCS D Employees Enrolled by Type		
Administrative CFEA SEIU		286
CFEA Status 2		3
SEIU Status 2		5
OAPSE Exempt		42
OAPSE Attendants		13
OAPSE Status 2		5
Annual Cost		
	CFCS D Annual Employer Costs	Summit County Average
Administrative CFEA SEIU	\$5,292,178.32	\$4,315,705.68
CFEA Status 2	\$50,465.88	\$45,269.64
SEIU Status 2	\$78,852.60	\$75,449.40
OAPSE Exempt	\$799,565.76	\$633,774.96
OAPSE Attendants	\$236,233.92	\$196,168.44
OAPSE Status 2	\$81,123.60	\$75,449.40
Annual Difference per Employee		
Administrative CFEA SEIU		\$3,414.24
CFEA Status 2		\$1,732.08
SEIU Status 2		\$680.64
OAPSE Exempt		\$3,947.40
OAPSE Attendants		\$3,081.96
OAPSE Status 2		\$1,134.84
Total Annual Cost Savings per Type		
Administrative CFEA SEIU		\$976,472.64
CFEA Status 2		\$5,196.24
SEIU Status 2		\$3,403.20
OAPSE Exempt		\$165,790.80
OAPSE Attendants		\$40,065.48
OAPSE Status 2		\$5,674.20
	Total Annual Savings for Family Plans	\$1,196,602.56

Source: CFCS D and SERB

As shown in **Table 17**, CFCS D could generate medical insurance savings of more than **\$1,196,600** annually by bringing its family coverage employer cost in line with the Summit County schools average. This could be achieved by increasing employee contributions and/or selecting a less costly plan. However, any changes to the employer/employee cost share are subject to negotiation.

Financial Implication: Reducing the District's cost for medical premiums to a level comparable to the Summit County schools average could save the District an average of **\$1,301,700** each year of implementation over the forecasted period.²⁰

²⁰ Medical premiums are forecasted to increase by 6.0 percent in FY 2019-20, 6.1 percent in FY 2020-21, and 6.2 percent in FY 2021-22 and FY 2022-23 in the October 2018 five-year forecast. As such, cost savings applied to the five-year forecast are also inflated in each fiscal year by the corresponding projected increased. These increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**.

R.11 Make additional reductions to address the deficit

Even after implementing all preceding recommendations, the District's October 2018 five-year forecast would still project a cumulative deficit of approximately \$5,314,700, or an annual average of approximately \$1,328,700.²¹ To address the remaining gap, the District would need to consider additional cost saving measures, including those that would bring staffing levels below primary peer averages. The exact nature of these additional cost savings measures are at the discretion of District leadership and elected officials, with stakeholder input, but should be reflective of the necessity to uphold fiduciary responsibilities.

The following four options represent decisions the District could make to address the remaining \$5,314,700 deficit over the forecast period. The implementation of a combination of these options would be sufficient to eliminate the deficit by the end of the forecast period.

- Eliminate an additional 16.0 FTE general education teacher positions:** General education teachers instruct students in a regular classroom environment. OAC 3301-35-05 requires the District-wide ratio of general education teacher to students to be at least 1.0 FTE classroom teacher for every 25 regular students.²² **R.1** compares CFCSD's general education teacher staffing level to the primary peer average per 1,000 students. **Table 18** shows CFCSD's general education teacher staffing level required to eliminate the remaining deficit based on FY 2018-19 students to teacher ratio following implementation of **R.1**. It is important to project the impact eliminating the remaining deficit will have on staffing levels.

Table 18: General Education Teacher Comparison

FY 2018-19 General Education FTEs			205.06
Recommended General Education FTEs Reduction from R.1			20.00
General Education FTEs Remaining			185.06
Regular Student Population			4,086.48
Staffing Ratio (Students:Teachers)			22.08
	Staffing Ratio (Students:Teachers)	Proposed FTE Staffing	Proposed FTE Reduction
Address Remaining Deficit	24.03:1	170.06	16.00
State Minimum	25.00:1	163.46	21.50

Source: CFCSD and OAC

As shown in **Table 18**, after implementing staffing reductions contained in **R.1**, the District's student to teacher ratio would be 22.08:1. Based on this ratio, the District would have 21.50 more general education FTEs than minimally required. Reducing general education teacher staffing to a level closer to the State minimum requirement may be necessary to maintain financial solvency depending on the extent to which the District implements other cost saving measures. The selection of any of the options presented in **Table 18** is ultimately District management's responsibility based on needs

²¹ Represents annual savings needed over the last four years of the forecast period.

²² This category excludes teaching staff in other areas such as gifted, special education, and educational service personnel (ESP).

and desires of the stakeholders in the community and any staffing decisions must be balanced with the fiduciary responsibility to adapt to financial realities and maintain a solvent operation. Any option could be implemented in FY 2019-20.

Eliminating 16.00 FTE general education teacher positions, in addition to those in **R.1**, could save the District an average of **\$1,339,500** annually over the forecast period,²³ and would fully address the remaining deficit. The financial implication is calculated using the actual salaries and benefits of the 16.00 FTE least tenured general education teaching positions remaining after those recommended for elimination in **R.1**. Estimated savings could increase if the reduction occurs through retirement or voluntary separation of more-tenured staff.

- **Implement a 6.0 percent across-the-board staff reduction:** While **R.1** through **R.8** addresses CFCSD's staffing relative to the primary peer average, the District could make an additional 6.0 percent across-the-board staffing reduction to generate sufficient savings to offset the remaining deficit. **Table 19** shows the nature and savings of this staffing reduction for each staffing category. This provides the District with information necessary to evaluate staffing reductions and the potential savings associated with each.

Table 19: Additional Staffing Reductions

Category	Revised Total FTEs	FTEs after 6.0% Reduction	Rounded FTE Reduction	Avg. Annual Savings
Administrators ¹	20.00	18.80	1.00	\$114,472
Clerical	24.25	22.80	1.00	\$83,070
Educational	227.58	213.92	13.50	\$1,066,516
Operational ²	36.50	34.31	2.00	\$118,299
Support	15.56	14.63	0.50	\$8,843
Total	323.89	304.45	18.00	\$1,391,200

Source: CFCSD

¹ Administrators excludes the Superintendent, Treasurer, Coordinator of Exceptional Students, and Coordinator of Career Technical Special Education.

² Transportation staffing is excluded as levels were determined by industry benchmarks. Further, food service staffing is excluded as they are paid out of the Food Service Fund not the General Fund, and therefore, reductions in staff will not impact the five-year forecast.

As shown in **Table 19**, an across-the-board staffing reduction of 6.0 percent would result in the elimination of an additional 18.0 FTEs. Eliminating these FTEs could save the District an average of approximately **\$1,391,200** in salaries and benefits annually over the forecast period.²⁴ This was calculated using salaries and benefits of the least tenured employees remaining after position reductions identified in **R.1** through **R.8**. Estimated savings could increase if the reductions occur through retirement or voluntary separation of higher salaries staff. Additionally, this option could be fully implemented in FY 2019-

²³ The value of the savings from this recommendation was projected to increase by an average of 5.85 percent annually over the forecasted period to account for projected increases in salaries and benefits. Benefits include medical, prescription drug, dental, life insurance, Medicare, and retirement.

²⁴ The value of the savings from this recommendation was projected to increase by an average of 5.57 percent annually over the forecasted period to account for projected increases in salaries and benefits. Benefits include medical, prescription drug, dental, life insurance, Medicare, and retirement.

20. Although this option would reduce the deficit, it could drastically change service levels within the District. Considering it with a combination of the options presented in this performance audit could enable the District to avoid operating deficits.

- **Implement a base and step freeze on all salaries for two years:** The District's certificated CBA expires on August 1, 2019 and its classified CBAs expire on June 30, 2019. Due to its financial condition, CFCSD may need to consider implementing a base and step salary freeze for two years of the forecast period. The District's October 2018 five-year forecast assumes a 1.5 percent base increase and steps for all eligible staff for FY 2019-20 through FY 2022-23. **Table 20** shows the impact of implementing a base and step increase freeze for FY 2019-20 and FY 2020-21, after taking into account staff reductions previously identified. This analysis provides an indication of the impact of a wage freeze relative to the number of years it is in effect.

Table 19: Impact of Base and Step Salary Freeze

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23
Salaries and Benefits with Base Increase and Steps	\$32,172,945	\$33,203,862	\$34,230,572	\$35,151,503
Salaries and Benefits with Base and Step Freeze	\$31,157,204	\$31,157,204	\$32,172,945	\$33,203,862
Difference	\$1,015,741	\$2,046,658	\$2,057,627	\$1,947,641
			Cumulative Savings	\$7,067,667
			Average Annual Savings	\$1,766,917

Source: CFCSD

As shown in **Table 20**, implementing a salary freeze for FY 2019-20 and FY 2020-21 and resuming the forecasted salary schedule in FY 2021-22 and FY 2022-23 could save the District an average of approximately **\$1,766,900** annually over the forecast period, which would eliminate the remaining deficit. This option could be implemented in FY 2019-20, if negotiated by the District.

- **Eliminate the entire General Fund subsidy of extracurricular activities:** The District incurred a net cost for student extracurricular activities in FY 2017-18 of approximately \$749,900, which required subsidization from the General Fund (see **Table B-1**). Steps to fully eliminate the General Fund subsidy of extracurricular activities include increasing pay to participate fees, increasing admissions and sales, increasing booster club spending, reducing the supplemental salary schedule, and/or eliminating programs. This action could save the District **\$812,400** annually over the forecast period.

Financial Implication: Eliminating an additional 16.0 FTE general education teacher positions could save an average of **\$1,339,500** annually; making a 6.0 percent across-the-board staffing reduction could save an average of approximately **\$1,391,200** annually; implementing a base and step freeze for FY 2019-20 through FY 2020-21 could save an average of approximately **\$1,766,900** annually; and fully eliminating the General Fund subsidy of extracurricular activities could save **\$812,400** annually. The District should evaluate these options and determine the appropriate combination of the various options in order to address the remaining savings needed of **\$1,328,700** annually.

Appendix A: Scope and Objectives

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

In consultation with ODE and the District, OPT identified the following scope areas for detailed review: Financial Management, Human Resources, Facilities, and Transportation. Based on the agreed upon scope, OPT developed objectives designed to identify improvements to economy, efficiency, and/or effectiveness. **Table A-1** illustrates the objectives assessed in this performance audit and references the corresponding recommendation when applicable. Six of the 11 objectives did not yield a recommendation (see **Appendix B** for additional information including comparisons and analyses that did not result in recommendations).

Table A-1: Audit Objectives and Recommendations

Objective	Recommendation
Financial Management	
Are the District's forecasting practices consistent with leading practices and is the five-year forecast reasonable and supported?	N/A
Is the District's General Fund subsidy of extracurricular activities appropriate in comparison to local peers and the District's	R.11
Human Resources	
Are the District's staffing levels appropriate in comparison to primary peers, state minimum standards, demand for services, and the District's financial condition?	R.1, R.2, R.3, R.4, R.5, R.6, R.7, R.8, and R.11
Are the District's salaries and wages appropriate in comparison to local peers and the District's financial condition?	R.11
Are the District's collective bargaining agreement provisions appropriate in comparison to local peers, minimum requirements, and the District's financial condition?	R.9
Are the District's insurance costs appropriate in comparison to other governmental entities within the local market and the District's financial condition?	R.10
Facilities	
Is the District's buildings utilization appropriate in comparison to leading practices, industry standards, and the District's financial condition?	N/A
Are the District's facilities staffing levels appropriate in comparison to leading practices, industry standards, and the District's financial condition?	N/A
Are the District's facilities expenditures appropriate in comparison to primary peers, leading practices, and the District's financial condition?	N/A
Transportation	
Is the District's fleet sized appropriately and routed efficiently in comparison to leading practices, industry standards, and the District's financial condition?	N/A
Are the District's fuel procurement practices cost effective in comparison to DAS benchmarks and consistent with leading practices and industry standards?	N/A

Note: Although assessment of internal controls was not specifically an objective of this performance audit, internal controls were considered and evaluated when applicable to scope areas and objectives. This performance audit did not identify internal control deficiencies which would have required a separate District communication to be issued.

Appendix B: Additional Comparisons

Extracurricular Activities

Table B-1 shows the District's net cost for student extracurricular activities in FY 2017-18 compared to the local peer average. This analysis illustrates the net revenue or loss generated by student extracurricular activities.

Table B-1: Student Extracurricular Activity Net Cost Comparison

	CFCSD			Local Peer Avg.
Students			4,776	6,383
Activity Type	Rev.	Exp.	Net Cost	
Academic Oriented	\$110,386	\$328,353	(\$217,967)	(\$279,909)
Occupation Oriented	\$4,498	\$40,156	(\$35,658)	(\$59,319)
Sport Oriented	\$300,507	\$1,009,620	(\$709,113)	(\$1,104,777)
School & Public Service Co-Curricular	\$73,042	\$85,268	(\$12,226)	(\$250,068)
Bookstore Sales	\$0	N/A	\$0	\$9,965
Other Extracurricular	\$0	N/A	\$0	\$177,621
Non-specified 1	\$224,973	N/A	\$224,973	\$345,473
Total	\$713,406	\$1,463,397	(\$749,991)	(\$1,161,014)
Total General Fund Direct Revenue			\$64,965	\$43,478
Total General Fund Direct Expenditures			\$877,455	\$1,210,160
Total General Fund Transfers			\$0	\$0
Total General Fund Subsidy of Extracurricular Activities			\$812,490	\$1,166,682
Total General Fund Subsidy of Extracurricular Activities per Pupil			\$170	\$183
Total Difference in General Fund Subsidy to Local Peer Average			(\$62,088)	
Remaining General Fund Subsidy			\$812,490	

Source: CFCSD, local peers, and ODE

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

As shown in **Table B-1**, CFCSD's net cost for student extracurricular activities of \$812,490 was lower than the local peer average net cost of \$1,166,682 in FY 2017-18. The District was also lower than the local peer average when normalized on a per pupil basis.

Staffing

CFCSD's FY 2018-19 FTE staffing levels by category are shown in **Chart 1** and **Chart 2**.²⁵ Analyses of staffing levels that resulted in recommendations include: eliminate 20.0 FTE general education teacher positions (**R.1**); eliminate 2.0 FTE K-8 art education teacher positions (**R.2**), eliminate 3.0 FTE K-8 music education teacher positions (**R.3**), eliminate 3.5 FTE K-8 physical education teacher positions (**R.4**), eliminate 1.0 FTE curriculum specialist position (**R.5**), eliminate 1.0 FTE counselor position (**R.6**), eliminate 0.5 FTE tutor/small group instructor position (**R.7**), and eliminate 0.5 FTE other professional position (**R.8**). Staffing comparisons where the analysis did not result in a recommendation based on comparison to the primary peer average are presented for informational purposes below. Staffing comparisons show total FTEs only when the evaluation of the category as a whole is relevant.

Central Office Administrators

Table B-2 shows the District's FY 2018-19 central office administrators per 1,000 students compared to the primary peer average for FY 2017-18. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table B-2: Central Office Administrator Staff Comparison

Students	CFCSD		Primary Peer Avg.	Difference	
Students Educated ¹	4,644		3,891	753	
Students Educated (Thousands)	4.644		3.891	0.753	
Position	CFCSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTE Per 1,000 Students	Total Above/ (Below) ²
Assistant, Deputy/Associate Superintendent	0.00	0.00	0.10	(0.10)	(0.46)
Supervisor/Manager	2.00	0.43	0.35	0.08	0.37
Coordinator	2.00	0.43	0.33	0.10	0.46
Education Administrative Specialist	0.00	0.00	0.19	(0.19)	(0.88)
Director	2.00	0.43	0.31	0.12	0.56
Other Official/Administrative	0.00	0.00	0.16	(0.16)	(0.74)
Total	6.00	1.29	1.44	(0.15)	(0.70)

Source: CFCSD and primary peers

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

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

As shown in **Table B-2**, CFCSD employs 0.7 fewer FTE central office administrator staff than the primary peer average.

²⁵ The individual positions within each staffing category in **Chart 2** are explained in detail within section 3.9 of the *EMIS Reporting Manual* (ODE, 2018).

Building Administrators

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

Table B-3: Building Administrator Staff Comparison

	CFCS D		Primary Peer Avg.	Difference	
Students Educated ¹		4,644	3,891		753
Students Educated (Thousands)		4.644	3.891		0.753
	CFCS D		Primary Peer Avg.	Difference	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Assistant Principal	4.00	0.86	1.06	(0.20)	(0.93)
Principal	9.00	1.94	1.54	0.40	1.86
Total	13.00	2.80	2.60	0.20	0.93

Source: CFCS D and primary peers

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

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

As shown in **Table B-3**, CFCS D employs 0.93 more FTE building administrator staff than the primary peer average. However, the District employs one principal per building as do all of the primary peers. Subsequently, no recommendation is warranted.

Teaching Staff

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

Table B-4: Teaching Staff Comparison

Students	CFCSD		Primary Peer Avg.	Difference	
Students Educated ¹	4,580		3,891	689	
Students Educated (thousands)	4.580		3.891	0.689	
Students Educated K-8 ²	3,216		2,732	484	
Students Educated K-8 (thousands)	3.216		2.732	0.484	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ³
General Education	205.06	44.77	40.34	4.43	20.29
Gifted and Talented	1.67	0.37	0.34	0.03	0.13
Career-Technical Programs/Career Pathways ⁴	0.00	0.00	1.31	(1.31)	(6.00)
LEP Instructional Program	7.13	1.56	0.13	1.43	6.55
Art Education K-8	7.00	2.18	1.51	0.67	2.15
Music Education K-8	9.00	2.80	1.75	1.05	3.38
Physical Education K-8	10.00	3.11	1.94	1.17	3.76

Source: CFCSD and primary peers

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

² Students educated K-8 is used in the art, music, and physical education K-8 teacher staffing comparisons because teachers coded to these positions only teach students in grades K-8, per the *EMIS Reporting Manual* (ODE, 2018).

³ Represents the number of FTEs that, when added or subtracted, would bring the District's number of FTEs per 1,000 students in line with the primary peer average.

⁴ Excludes Six District Educational Compact teacher FTEs.

As shown in **Table B-4**, CFCSD employs more FTE teaching staff than the primary peer average in all categories except for career-technical programs/career pathways. The gifted and talented teacher category does not result in a recommendation because the variance is less than 0.5 FTE. CFCSD's limited English proficient (LEP) instructional program teacher staffing level is higher than the primary peer average because it has a significantly higher LEP student population than the primary peer average. Specifically, in FY 2017-18 CFCSD educated 197.08 LEP students compared to a primary peer average of 17.26 LEP students. As such, no recommendation is warranted.

Analyses of the teaching staff that resulted in a recommendation include the elimination of 20.0 FTE general education teacher positions (see **R.1**), 2.0 FTE K-8 art education teacher positions (see **R.2**), 3.0 FTE K-8 music education teacher positions (see **R.3**), and 3.5 K-8 physical education teacher positions (see **R.4**).

Non-Teaching Educational Staff

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

Table B-5: Non-Teaching Educational Staff Comparison

Students	CFCS D		Primary Peer Avg.	Difference	
Students Educated ¹	4,644		3,891	753	
Students Educated (thousands)	4.644		3.891	0.753	
Position	CFCS D		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Curriculum Specialist	3.87	0.83	0.55	0.28	1.30
Counseling	10.00	2.15	1.89	0.26	1.21
Remedial Specialist	0.00	0.00	0.42	(0.42)	(1.95)
Tutor/Small Group Instructor	2.85	0.61	0.44	0.17	0.79
Other Educational	0.00	0.00	0.24	(0.24)	(1.11)

Source: CFCS D and primary peers

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

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

As shown in **Table B-5**, CFCS D employs fewer non-teaching educational staff than the primary peer average in the remedial specialist and other educational categories. Categories with higher non-teaching educational staff were the curriculum specialist, counseling, and tutor/small group instructor.

Analysis of the non-teaching educational staff that resulted in a recommendation include the elimination of 1.0 FTE curriculum specialist position (see **R.5**), 1.0 FTE counseling position (see **R.6**), and 0.5 FTE tutor/small group instructor position (see **R.7**).

Professional Staff

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

Table B-6: Professional Staff Comparison

Students	CFCSD		Primary Peer Avg.	Difference	
Students Educated ¹	4,644		3,891	753	
Students Educated (thousands)	4.644		3.891	0.753	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Dietitian/Nutritionist	1.00	0.22	0.22	0.00	0.00
Psychologist	0.00	0.00	0.40	(0.40)	(1.86)
Publicity Relations	0.00	0.00	0.13	(0.13)	(0.60)
Social Work	1.00	0.22	0.18	0.04	0.19
Other Professional	1.00	0.22	0.03	0.19	0.88

Source: CFCSD and primary peers

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

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

As shown in **Table B-6**, CFCSD employs fewer professional staff than the primary peer average in the psychologist and publicity relations categories while employing more social work and other professional FTEs than the primary peer average. The social work category had a variance of less than 0.5 FTE; therefore, no recommendation is warranted.

Analysis of the professional staff that resulted in a recommendation includes the elimination of 0.5 FTE other professional position (see **R.8**).

Technical Staff

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

Table B-7: Technical Staff Comparison

Students	CFCS D		Primary Peer Avg.	Difference	
Students Educated ¹	4,644		3,891	753	
Students Educated (thousands)	4.644		3.891	0.753	
Position	CFCS D		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Computer Operating	2.00	0.43	0.16	0.27	1.25
Computer Programming	1.00	0.22	0.03	0.19	0.88
Other Technical	0.00	0.00	0.48	(0.48)	(2.23)
Total	3.00	0.65	0.67	(0.02)	(0.09)

Source: CFCS D and primary peers

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

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

As shown in **Table B-7**, CFCS D employs 0.09 fewer FTE technical staff than the primary peer average.

Central Office Support Staff

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

Table B-8: Central Office Support Staff Comparison

Students and Buildings	CFCS D		Primary Peer Avg.	Difference	
Students Educated ¹	4,644		3,891	753	
Students Educated (thousands)	4.644		3.891	0.753	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Administrative Assistant	1.00	0.22	0.26	(0.04)	(0.19)
Accounting	4.00	0.86	0.29	0.57	2.65
Bookkeeping	0.00	0.00	0.23	(0.23)	(1.07)
Central Office Clerical	6.00	1.29	1.69	(0.40)	(1.86)
Records Managing	0.00	0.00	0.03	(0.03)	(0.14)
Other Office/Clerical	0.00	0.00	0.13	(0.13)	(0.60)
Total	11.00	2.37	2.63	(0.26)	(1.21)

Source: CFCS D and primary peers

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

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

As shown in **Table B-8**, CFCS D employs 1.21 fewer FTE central office support staff than the primary peer average.

Building Office Support Staff

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

Table B-9: Building Office Support Staff Comparison

Students and Buildings	CFCS D		Primary Peer Avg.	Difference	
Students Educated ¹	4,644		3,891	753	
Students Educated (thousands)	4.644		3.891	0.753	
Students and Buildings	CFCS D		Primary Peer Avg.	Difference	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
School Building Clerical	18.00	3.88	3.73	0.15	0.70
Bookkeeping	0.00	0.00	0.06	(0.06)	(0.28)
Other Office/Clerical	0.00	0.00	0.01	(0.01)	(0.05)
Total	18.00	3.88	3.80	0.08	0.37

Source: CFCS D and primary peers

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

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

As shown in **Table B-9**, CFCS D employs 0.37 more FTE building office support staff than the primary peer average. However, because the variance is less than 0.5 FTE, no recommendation is warranted.

Library Staff

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

Table B-10: Library Staff Comparison

Students	CFCS		Primary Peer Avg.	Difference	
Students Educated ¹	4,644		3,891	753	
Students Educated (thousands)	4.644		3.891	0.753	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Librarian/Media	3.00	0.65	0.26	0.39	1.81
Library Aide	0.00	0.00	1.14	(1.14)	(5.29)
Total	3.00	0.65	1.40	(0.75)	(3.48)

Source: CFCS and primary peers

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

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

As shown in **Table B-10**, CFCS employs 3.48 fewer FTE library staff than the primary peer average.

Nursing Staff

Table B-11 shows the District's FY 2018-19 nursing staff per 1,000 students compared to the primary peer average for FY 2017-18. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table B-11: Nursing Staff Comparison

Students	CFCS		Primary Peer Avg.	Difference	
Students Educated ¹	4,644		3,891	753	
Students Educated (thousands)	4.644		3.891	0.753	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Registered Nursing	0.00	0.00	0.32	(0.32)	(1.49)
Practical Nursing	0.00	0.00	0.48	(0.48)	(2.23)
Total	0.00	0.00	0.80	(0.80)	(3.72)

Source: CFCS and primary peers

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

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

As shown in **Table B-11**, CFCS employs 3.72 fewer FTE nursing staff than the primary peer average because the District contracts for nursing services.

Classroom Support Staff

Table B-12 shows the District's FY 2018-19 classroom support staff per 1,000 students compared to the primary peer average for FY 2017-18. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table B-12: Classroom Support Staff Comparison

Students	CFCS D		Primary Peer Avg.	Difference	
Students Educated ¹	4,580		3,891	689	
Students Educated (thousands)	4.580		3.891	0.689	
Position	CFCS D		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Instructional Paraprofessional	0.00	0.00	1.90	(1.90)	(8.70)
Teaching Aide	1.00	0.22	4.08	(3.86)	(17.68)
Total	1.00	0.22	5.98	(5.76)	(26.38)

Source: CFCS D and primary peers

¹ Reflects students receiving educational services from the District and excludes the percent of time students are receiving educational services outside of the District. CFCS D's students educated total was further adjusted to exclude the percent of time students are receiving educational services at the District as part of a Six District Educational Compact program, as these students would not be receiving instruction from general education teachers (see **Career Technical Compact**).

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

As shown in **Table B-12**, CFCS D employs 26.38 fewer FTE classroom support staff than the primary peer average.

Student Support Staff

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

Table B-13: Student Support Staff Comparison

Students	CFCSD		Primary Peer Avg.	Difference	
Students Educated ¹	4,644		3,891	753	
Students Educated (thousands)	4.644		3.891	0.753	
Position	CFCSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Attendance Officer	0.00	0.00	0.06	(0.06)	(0.28)
Monitoring	6.06	1.30	1.97	(0.67)	(3.11)

Source: CFCSD and primary peers

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

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

As shown in **Table B-13**, CFCSD employs 0.28 fewer FTE attendance officer position and 3.11 FTE fewer monitoring positions than the primary peer average.

Other Office Support Staff

Table B-14 shows the District’s FY 2018-19 other office support staff per 1,000 students compared to the primary peer average for FY 2017-18. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table B-14: Other Office Support Staff Comparison

Students	CFCSD		Primary Peer Avg.	Difference	
Students Educated ¹	4,644		3,891	753	
Students Educated (thousands)	4.644		3.891	0.753	
	CFCSD		Primary Peer Avg.	Difference	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Messenger	0.25	0.05	0.08	(0.03)	(0.14)

Source: CFCSD and primary peers

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

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

As shown in **Table B-14**, CFCSD employs 0.14 fewer FTE other office support staff than the primary peer average.

Extra-curricular/Intra-curricular Staff Comparison

Table B-15 shows the District's FY 2018-19 extra-curricular/intra-curricular staff per 1,000 students compared to the primary peer average for FY 2017-18. This comparison is based only on those FTEs coded by school districts as regular contracts and excludes those FTEs coded as supplemental contracts. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table B-15: Extra-curricular/Intra-curricular Staff Comparison

Students	CFCSD		Primary Peer Avg.	Difference	
Students Educated ¹	4,644		3,891	753	
Students Educated (thousands)	4.644		3.891	0.753	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Coaching	0.00	0.00	0.08	(0.08)	(0.37)
Athletic Trainer	0.00	0.00	0.03	(0.03)	(0.14)

Source: CFCSD and primary peers

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

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

As shown in **Table B-15**, CFCSD employs 0.37 fewer FTE coaching positions and 0.14 FTE athletic training position than the primary peer average.

Salaries

Table B-16 shows the District's FY 2018-19 certificated and classified salary schedules compared to the local peer average over the course of a 30-year career. Comparing career compensation to the local peer average takes into account regional variations in the labor market.

Table B-16: Career Compensation Comparison

Certificated				
	CFCSD	Local Peer Avg.	Difference	% Difference
Bachelor's	\$1,784,512	\$1,841,535	(\$57,023)	(3.1%)
Bachelor's 150	\$1,841,852	\$1,962,426	(\$120,574)	(6.1%)
Master's	\$1,965,513	\$2,126,434	(\$160,921)	(7.6%)
Master's +15	\$1,999,236	\$2,182,030	(\$182,794)	(8.4%)
Classified ¹				
	CFCSD	Local Peer Avg.	Difference	% Difference
Attendant	\$541,915	\$678,105	(\$136,190)	(20.1%)
Bus Driver ²	\$560,961	\$590,767	(\$29,806)	(5.0%)
Cleaner	\$1,188,928	\$1,180,584	\$8,344	0.7%
Custodian I	\$1,324,648	\$1,321,296	\$3,352	0.3%
Educational Paraprofessional ³	\$762,363	\$728,777	\$33,586	4.6%
Food Service Assistant	\$191,660	\$208,162	(\$16,502)	(7.9%)
Maintenance I	\$1,365,208	\$1,419,680	(\$54,472)	(3.8%)
Secretary I	\$1,080,664	\$1,196,295	(\$115,631)	(9.7%)

Source: CFCSD and local peers

¹Annual classified compensation was calculated using the average annual hours worked for each job classification at CFCSD.

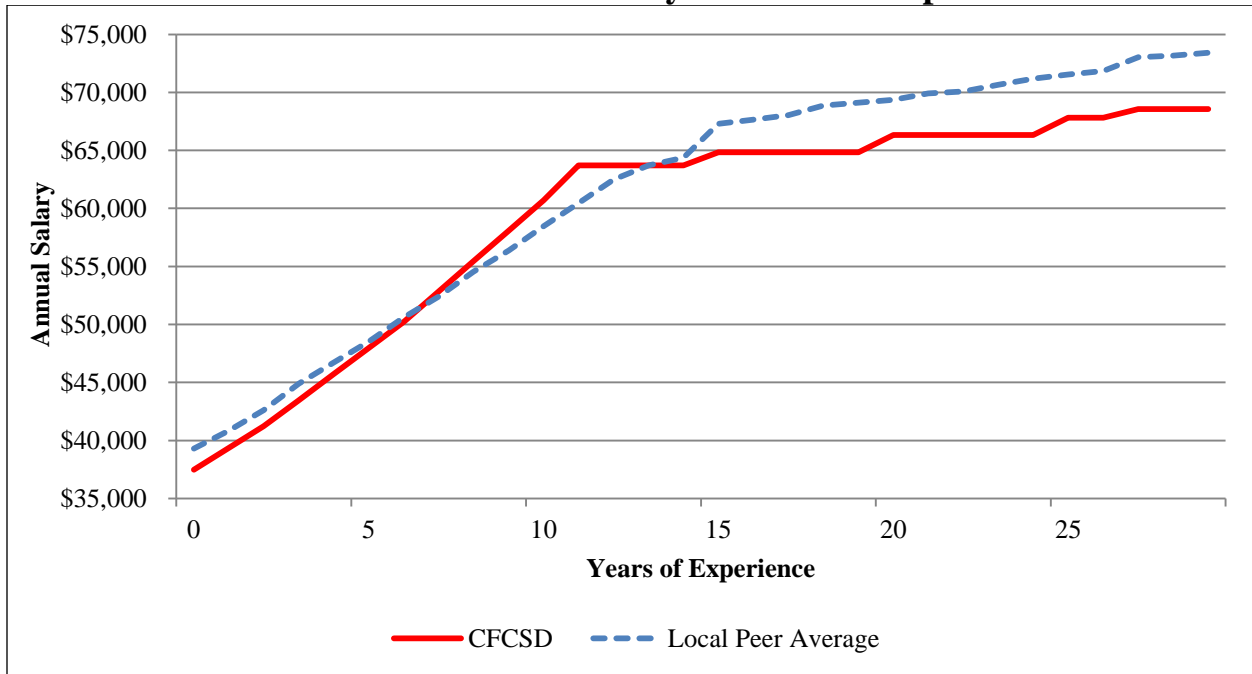
²Excludes Tallmadge CSD because this district does not employ bus drivers.

³Excludes Kent CSD because this position is not included in its CBA.

As shown in **Table B-16**, the District's career compensation for certificated staff and classified staff is lower than or comparable to the local peer average in every category except for educational paraprofessionals.

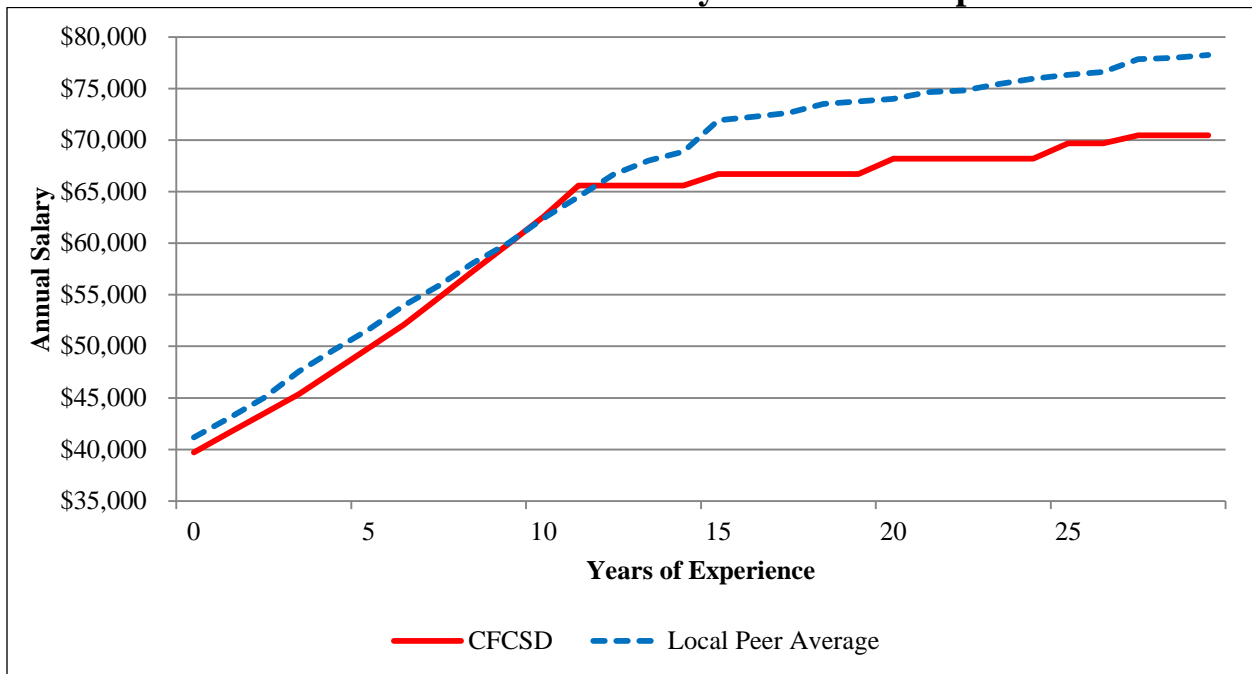
Charts B-1 through B-12 provide additional context to the analysis shown in Table B-16 by showing comparisons of CFCSD’s certificated and classified salary schedules to the local peer averages for FY 2018-19.

Chart B-1: Bachelor’s Salary Schedule Comparison



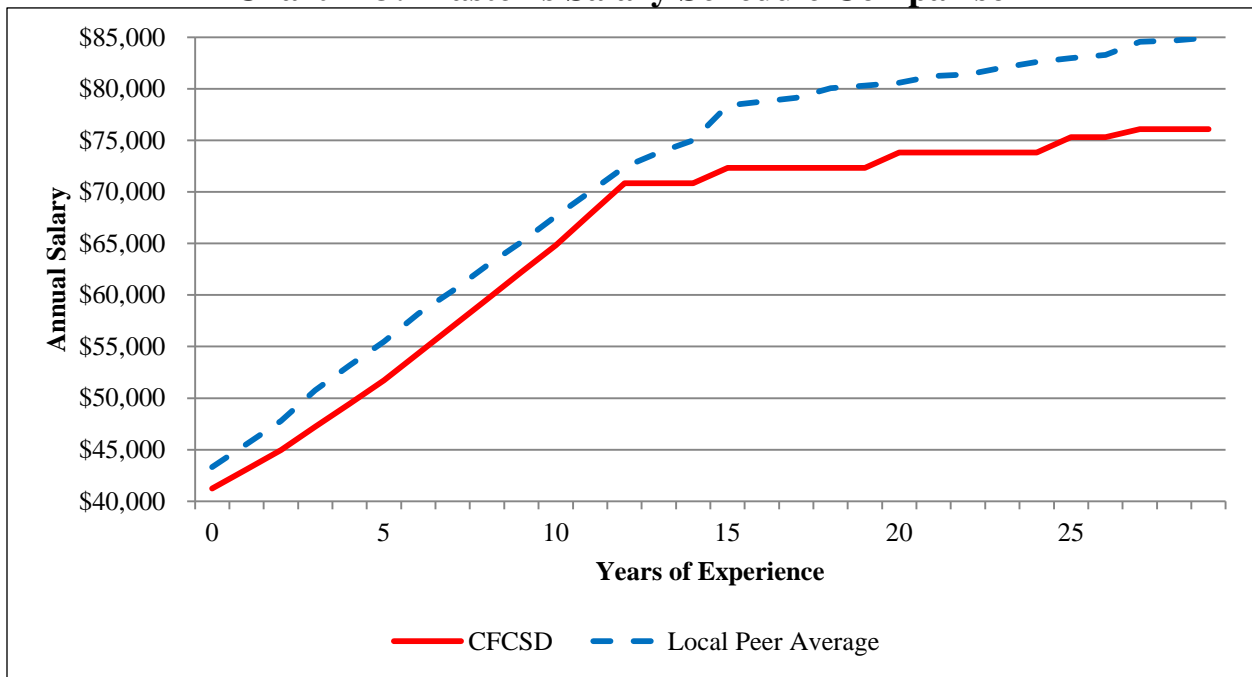
Source: CFCSD and local peers

Chart B-2: Bachelor’s 150 Salary Schedule Comparison



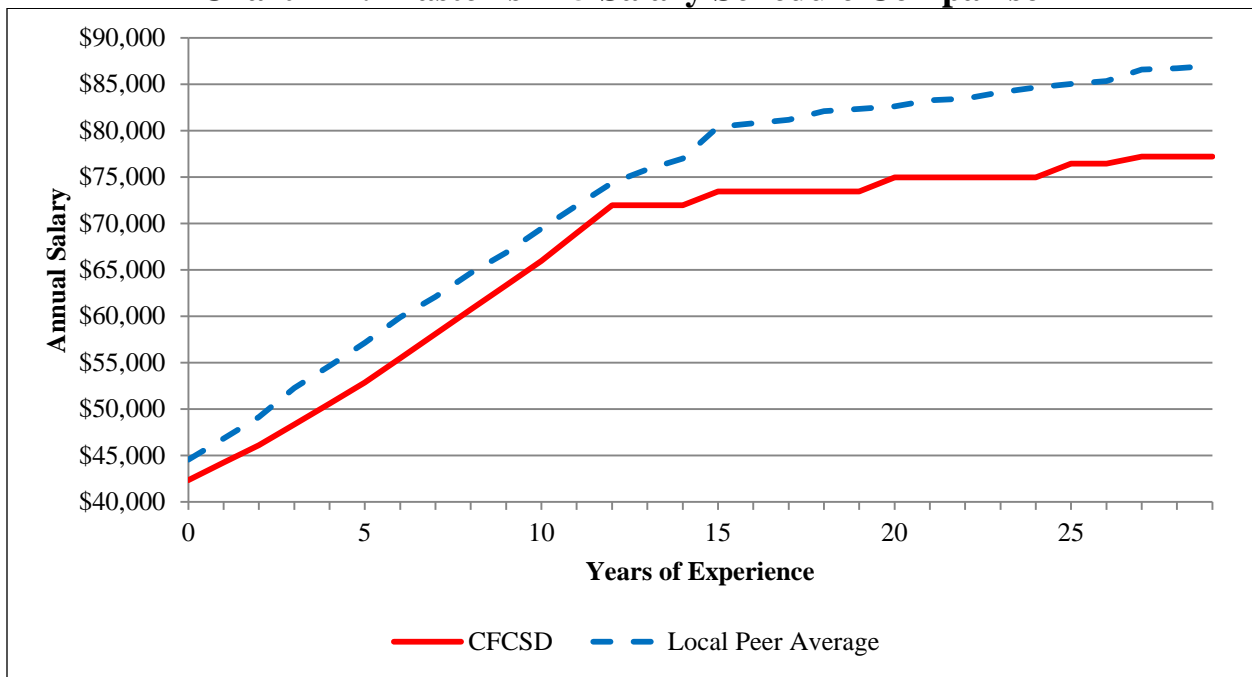
Source: CFCSD and local peers

Chart B-3: Master's Salary Schedule Comparison



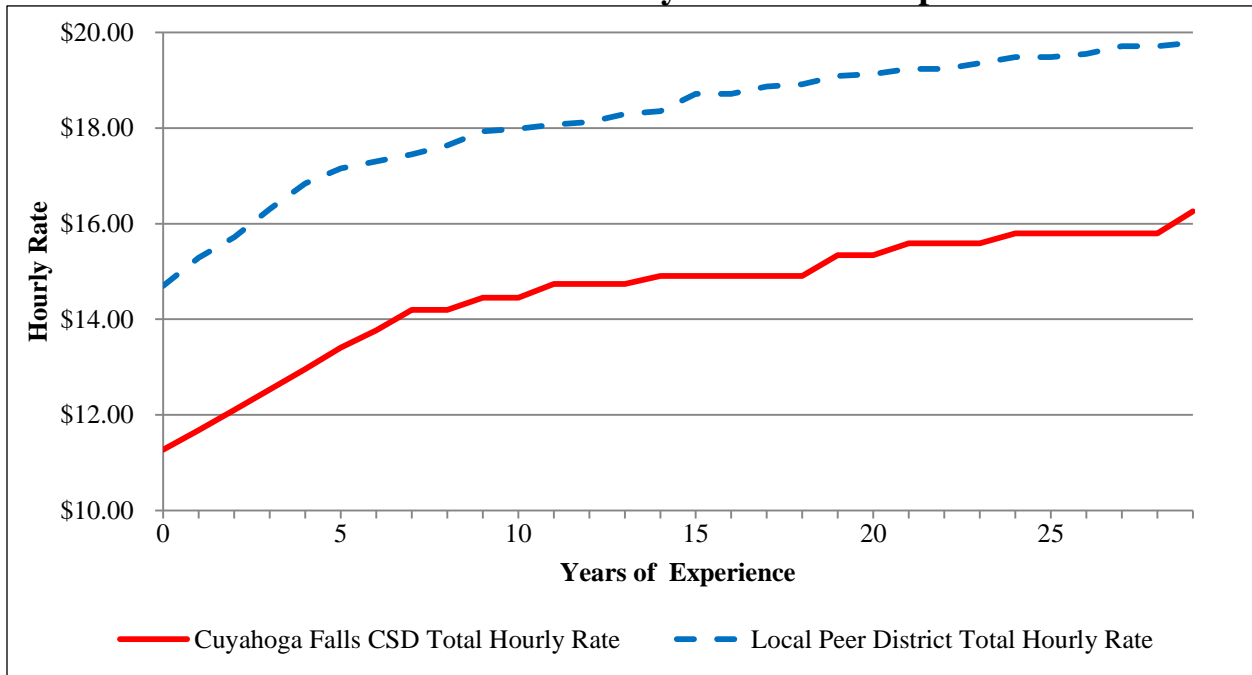
Source: CFCSD and local peers

Chart B-4: Master's +15 Salary Schedule Comparison



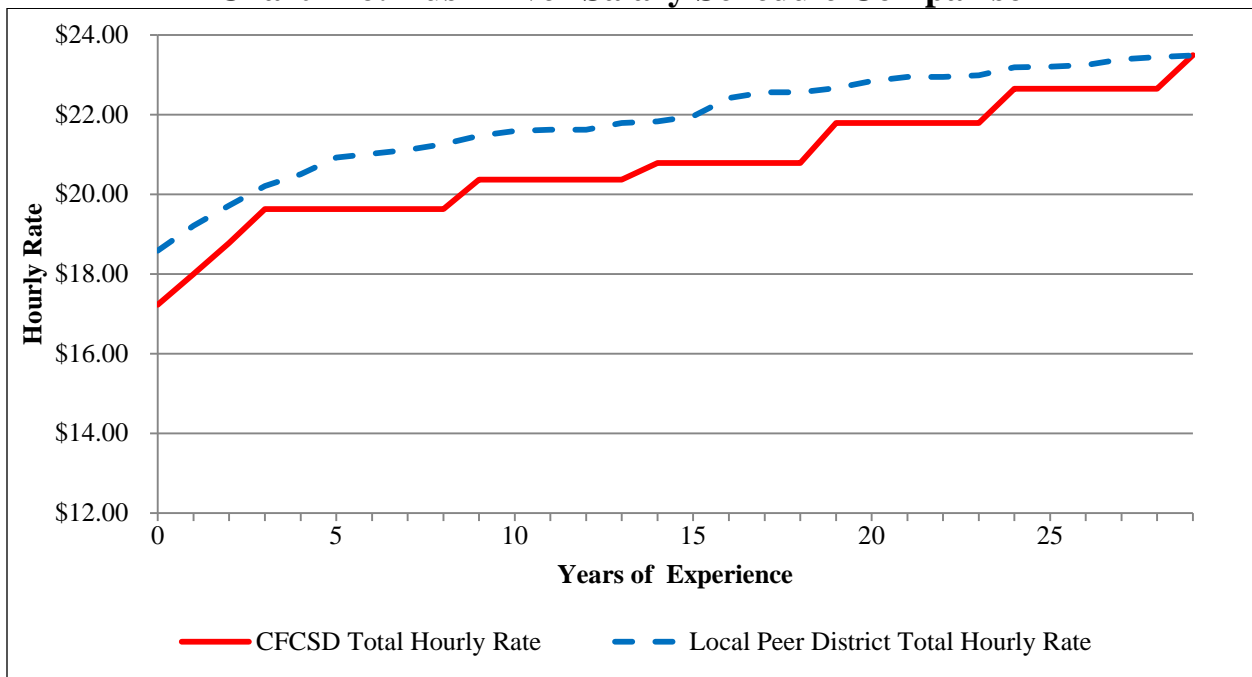
Source: CFCSD and local peers

Chart B-5: Attendant Salary Schedule Comparison



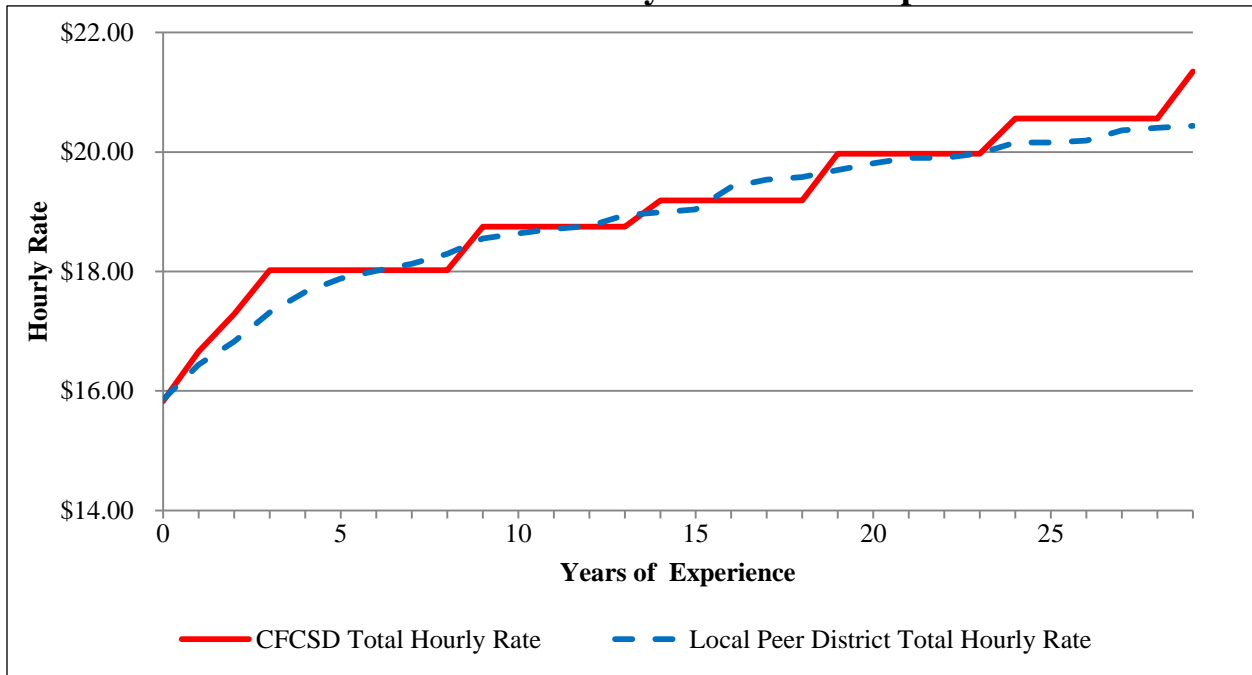
Source: CFCSD and local peers

Chart B-6: Bus Driver Salary Schedule Comparison



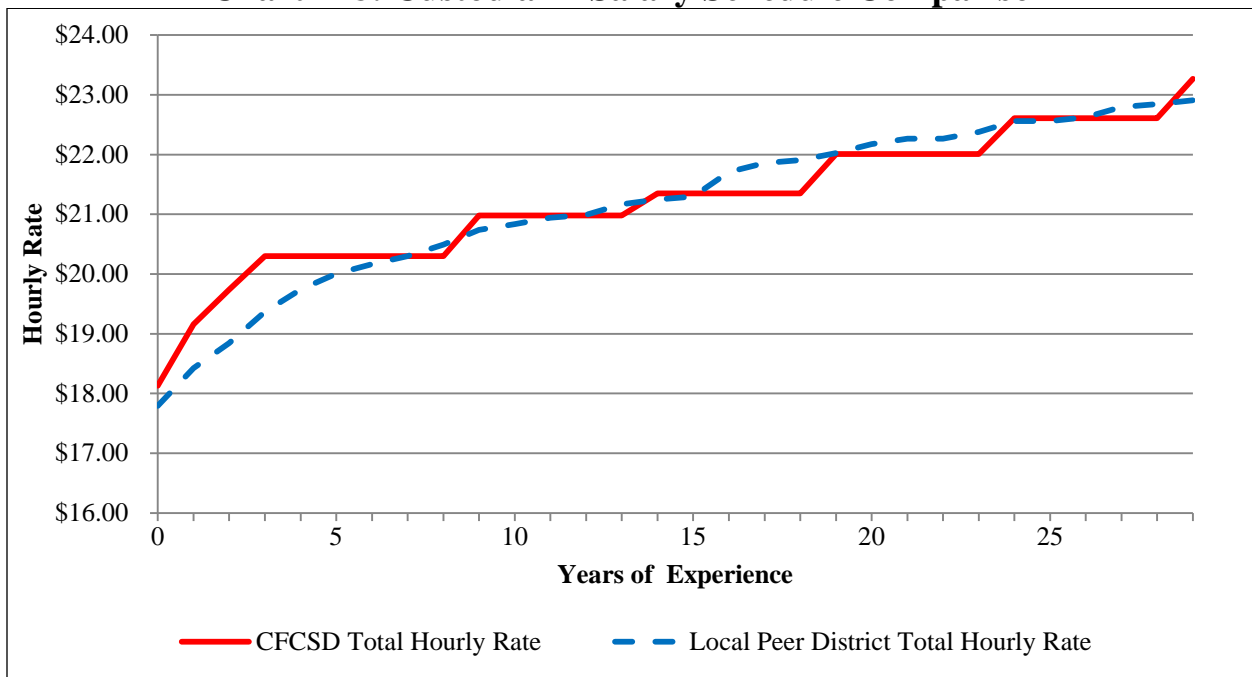
Source: CFCSD and local peers

Chart B-7: Cleaner Salary Schedule Comparison



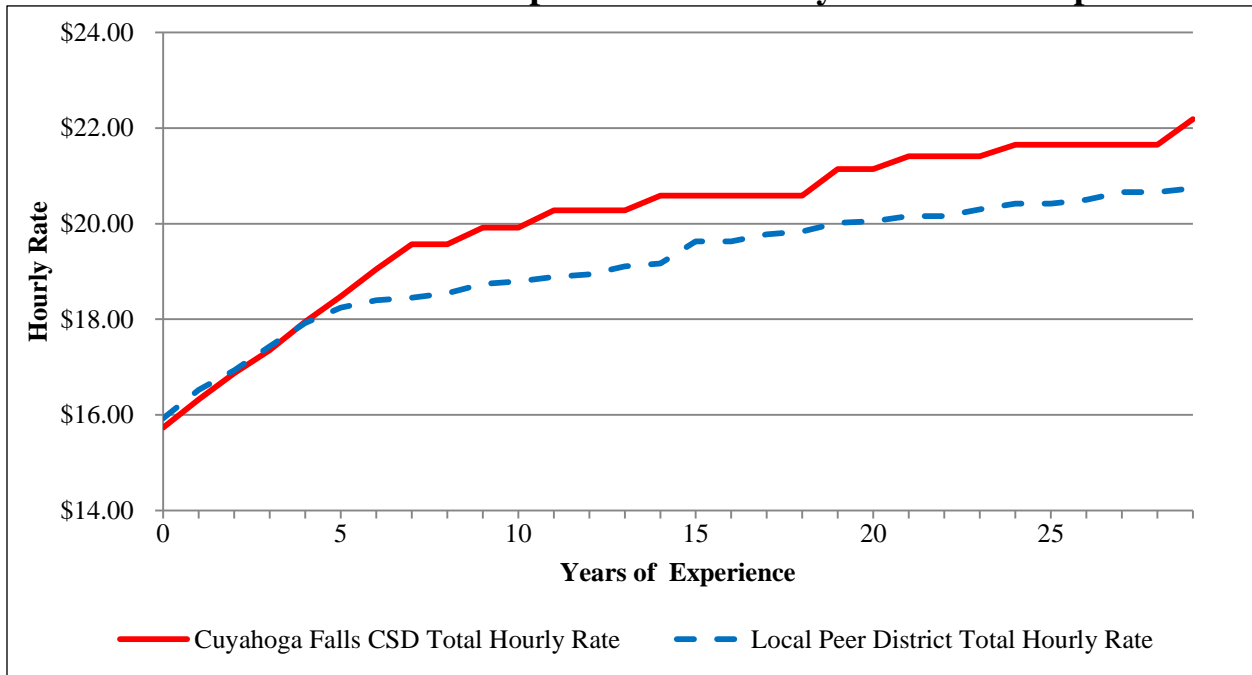
Source: CFCSD and local peers

Chart B-8: Custodian I Salary Schedule Comparison



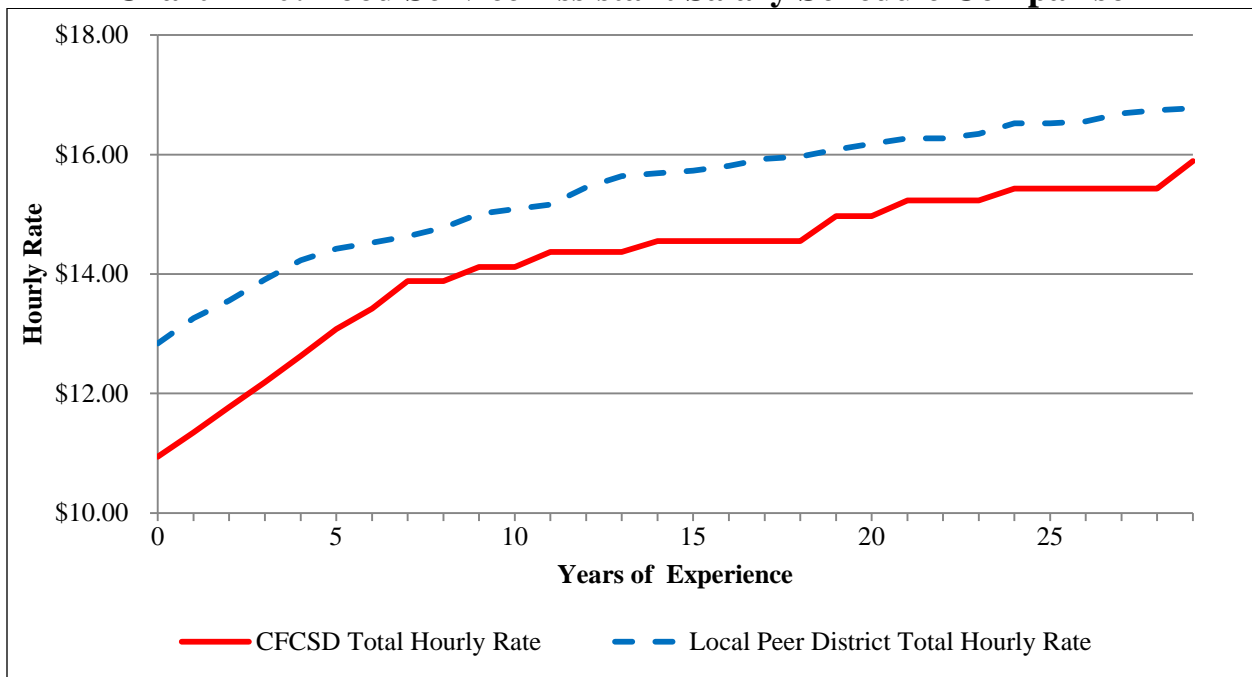
Source: CFCSD and local peers

Chart B-9: Educational Paraprofessional Salary Schedule Comparison



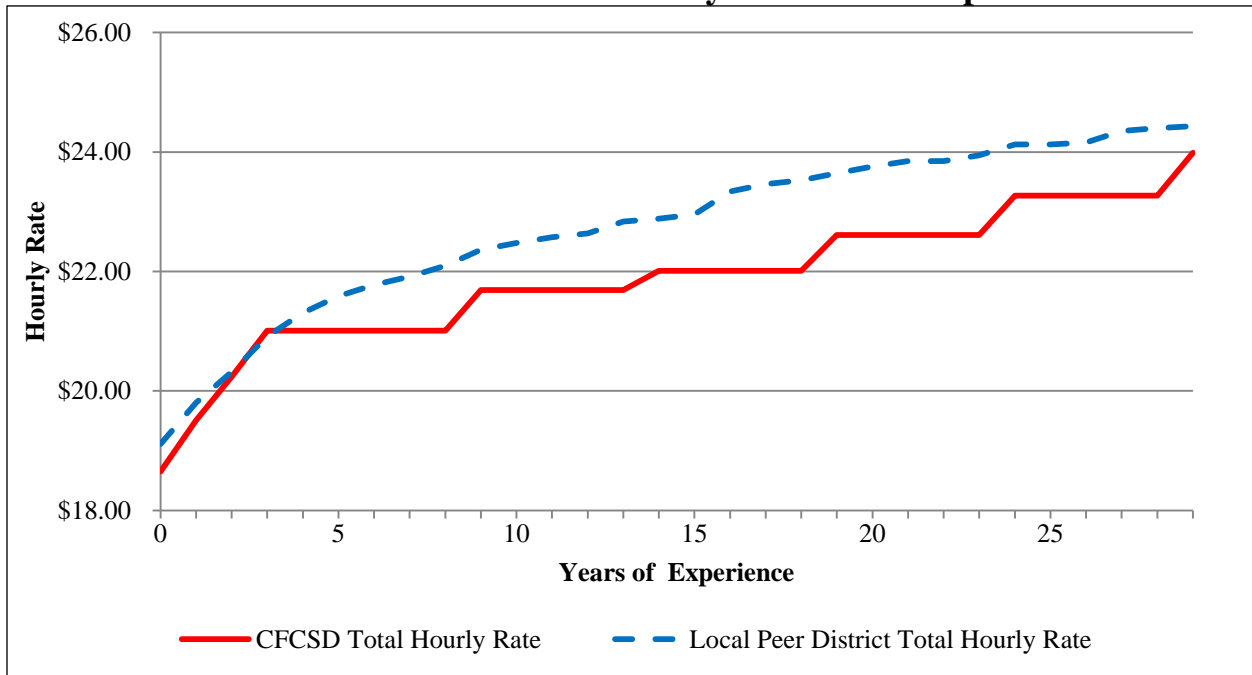
Source: CFCSD and local peers

Chart B-10: Food Service Assistant Salary Schedule Comparison



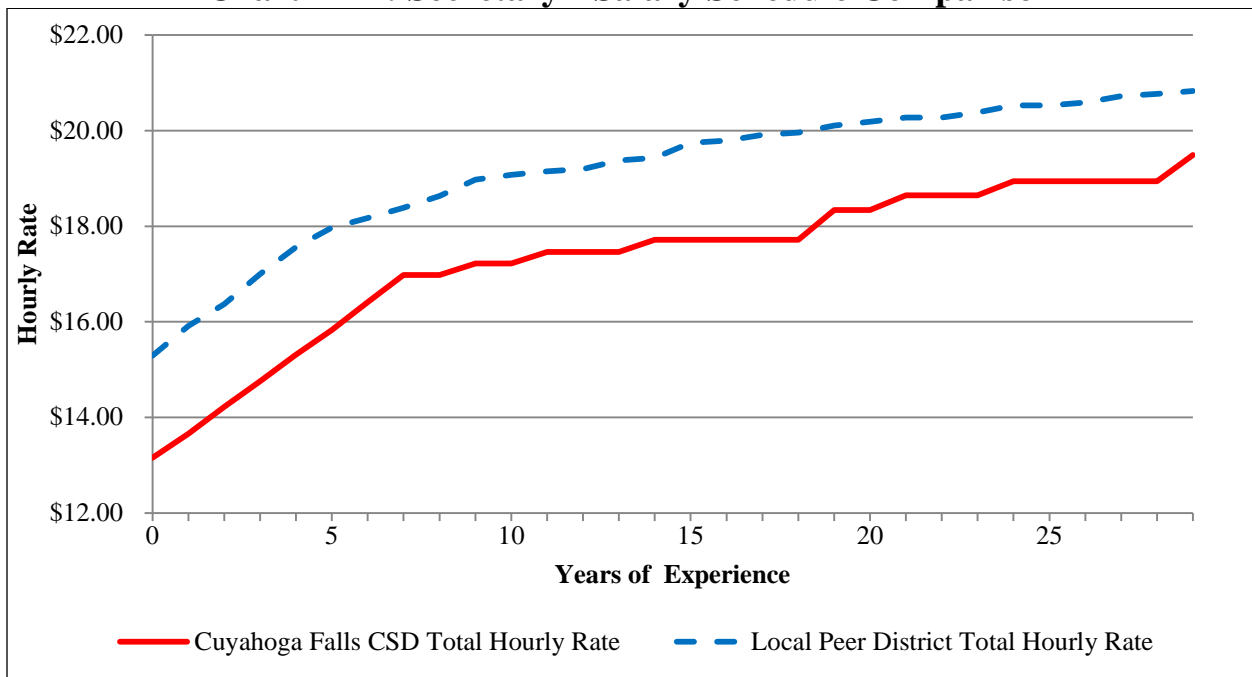
Source: CFCSD and local peers

Chart B-11: Maintenance I Salary Schedule Comparison



Source: CFCSD and local peers

Chart B-12: Secretary I Salary Schedule Comparison



Source: CFCSD and local peers

Sick Leave Severance

Table B-17 shows the District's maximum financial liability for sick leave severance by position, in comparison to its projected liability resulting from bringing its CBA provisions for sick leave payouts in line with the ORC minimums (see **R.9**). This analysis provides an indication of the District's maximum sick leave severance exposure compared to the minimum levels required.

Table B-17: Difference between ORC and CFCSO for Severance Liability

Certificated Employees						
	Final Daily Rate of Pay	CBA Maximum Severance Days	Maximum Payout	ORC Minimum	Pay Out at ORC	Difference
3YR	\$329.93	65	\$21,445.45	30	\$9,897.90	\$11,547.55
BS	\$376.78	65	\$24,490.70	30	\$11,303.40	\$13,187.30
BS+15	\$382.89	65	\$24,887.85	30	\$11,486.70	\$13,401.15
150 hours	\$386.96	65	\$25,152.40	30	\$11,608.80	\$13,543.60
MA/BS+45	\$417.51	65	\$27,138.15	30	\$12,525.30	\$14,612.85
MA+15	\$423.62	65	\$27,535.30	30	\$12,708.60	\$14,826.70
MA+30	\$427.69	65	\$27,799.85	30	\$12,830.70	\$14,969.15
PhD/EdD	\$433.80	65	\$28,197.00	30	\$13,014.00	\$15,183.00
Average Certificated Difference						\$13,908.91
SEIU Classified Employees						
Cleaner	\$175.84	65	\$11,429.60	30	\$5,275.20	\$6,154.40
Bus Monitor	\$118.81	65	\$7,722.65	30	\$3,564.30	\$4,158.35
Bus Driver	\$194.48	65	\$12,641.20	30	\$5,834.40	\$6,806.80
Maintenance I	\$196.72	65	\$12,786.80	30	\$5,901.60	\$6,885.20
Custodian I	\$190.80	65	\$12,402.00	30	\$5,724.00	\$6,678.00
Custodian II	\$212.88	65	\$13,837.20	30	\$6,386.40	\$7,450.80
Custodian III	\$221.36	65	\$14,388.40	30	\$6,640.80	\$7,747.60
Custodian IV	\$231.04	65	\$15,017.60	30	\$6,931.20	\$8,086.40
Maintenance II	\$231.04	65	\$15,017.60	30	\$6,931.20	\$8,086.40
Maintenance III	\$239.04	65	\$15,537.60	30	\$7,171.20	\$8,366.40
Bus Mechanic	\$231.04	65	\$15,017.60	30	\$6,931.20	\$8,086.40
Average SEIU Classified Difference						\$7,136.98
OAPSE Classified Employees						
Cafeteria Manager	\$153.12	63	\$9,646.56	30	\$4,593.60	\$5,052.96
Cook	\$139.60	63	\$8,794.80	30	\$4,188.00	\$4,606.80
Kitchen Supervisor	\$131.28	63	\$8,270.64	30	\$3,938.40	\$4,332.24
Food Service Assistant	\$127.12	63	\$8,008.56	30	\$3,813.60	\$4,194.96
Secretary III	\$167.84	63	\$10,573.92	30	\$5,035.20	\$5,538.72
Secretary II	\$161.12	63	\$10,150.56	30	\$4,833.60	\$5,316.96
Secretary I	\$155.92	63	\$9,822.96	30	\$4,677.60	\$5,145.36
Educational Paraprofessionals	\$155.33	63	\$9,785.79	30	\$4,659.90	\$5,125.89
Study Hall Monitors	\$155.33	63	\$9,785.79	30	\$4,659.90	\$5,125.89
Attendant	\$113.82	63	\$7,170.66	30	\$3,414.60	\$3,756.06
Cafeteria Manager (High School/Roberts)	\$157.44	63	\$9,918.72	30	\$4,723.20	\$5,195.52
Average OAPSE Classified Difference						\$4,853.76

Source: CFCSO and ORC

As shown in **Table B-17**, CFCSD employees are entitled to receive severance payouts for more days at retirement than the ORC minimum. Specifically, on average the District will pay out an additional \$13,900 for certificated employees, \$7,100 for SEIU classified employees, and \$4,800 for OAPSE classified employees. Adjusting payouts to ORC minimum could decrease the District's future severance liability.

Facilities

Table B-18 shows the District's FY 2017-18 facilities operating costs per square foot compared to the primary peer average. Comparing expenditures per square foot gives an indication of the cost effectiveness of the District's facility operations as it normalizes size variances between districts.

Table B-18: Facilities Expenditures per Square Foot Comparison

	CFCSD	Peer Average	Difference	% Difference
Salaries and Wages	\$2.26	\$1.91	\$0.35	18.3%
Employee Benefits	\$0.92	\$0.82	\$0.10	12.2%
Purchased Services (Excluding Utilities)	\$0.58	\$1.24	(\$0.66)	(53.2%)
Utilities	\$1.00	\$1.31	(\$0.31)	(23.7%)
Water & Sewage	\$0.11	\$0.12	(\$0.01)	(8.3%)
Sub-Total Energy	\$0.89	\$1.19	(\$0.30)	(25.2%)
Electric	\$0.68	\$0.94	(\$0.26)	(27.7%)
Gas	\$0.21	\$0.24	(\$0.03)	(12.5%)
Other Energy Sources	\$0.00	\$0.01	(\$0.01)	(100.0%)
Supplies & Materials	\$0.17	\$0.44	(\$0.27)	(61.4%)
Capital Outlay	\$0.34	\$0.49	(\$0.15)	(30.6%)
Other Objects	\$0.00	\$0.00	(\$0.00)	0.0%
Total Expenditures per Square Foot	\$5.27	\$6.21	(\$0.94)	(15.1%)

Source: CFCSD, ODE, and primary peers

As shown in **Table B-18**, CFCSD spent, \$0.94, or 15.1 percent, less than the primary peer average for the operation of its facilities. Further, all classifications were less than the primary peer average except for salaries and wages (see **Table B-16**, **Chart B-7**, **Chart B-8**, and **Chart B-11**) and employees benefits (see **R.10**).

Table B-19 shows the District's FY 2018-19 buildings and grounds staffing compared to industry benchmarks established by the National Center for Education Statistics (NCES)²⁶ and American School and University (AS&U).²⁷ It is important to compare and monitor staffing using workload measures in order to determine proper staffing levels and maintain efficiency.

²⁶ The NCES is the primary federal entity for collecting, analyzing, and reporting data related to education in the US and other nations and publishes a planning guide for maintaining school facilities.

²⁷ AS&U is a trade organization focused on school facility management which published school facility management related survey data collected from 2005 through 2009.

Table B-19: Buildings and Grounds Staffing Comparison

Grounds Staffing	
Grounds FTEs ¹	0.0
Acreage Maintained	84.9
AS&U Benchmark - Acres per FTE	40.2
Benchmarked Staffing Need	2.1
Grounds FTEs Above/(Below) Benchmark	(2.1)
Custodial Staffing	
Custodial FTEs	31.5
Square Footage Cleaned ²	807,994
NCES Level 3 Cleaning Benchmark ³ - Median Square Footage per FTE	29,500
Initial Benchmarked Staffing Need	27.4
Custodial FTEs Above/(Below) Benchmark	4.1
Adjusted NCES Level 3 Benchmark ⁴	27,656
Adjusted Benchmarked Staffing Need	29.2
Custodial FTEs Above/(Below) Adjusted Benchmark	2.3
Maintenance Staffing	
Maintenance FTEs	6.5
Square Footage Maintained	860,694
AS&U Benchmark - Square Footage per FTE	94,872
Benchmarked Staffing Need	9.1
Maintenance FTEs Above/(Below) Benchmark	(2.6)
Total Building & Grounds Staffing	
Total FTEs Employed	38.0
Total Benchmarked Staffing Need	40.4
Total FTEs Above/(Below) Benchmark	(2.4)

Source: CFCSD, AS&U, and NCES

¹ CFCSD does not employ dedicated grounds staff; rather these duties are completed by the maintenance staff.

² Custodial staff does not clean the 25,000 square foot Transportation/Operations Center, 6,400 square feet of Newberry Elementary, and 20,500 square feet of the Schnee Learning Center.

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

⁴ Adjusted to account for CFCSD's 7.5-hour shift while the benchmark is based on an 8-hour shift.

As shown in **Table B-19**, CFCSD's grounds and maintenance staffing are below established staffing benchmarks while custodial staffing is above the NCES benchmark by 4.1 FTEs. The NCES benchmark was adjusted because CFCSD custodial staff works a 7.5-hour shift, not an 8-hour shift, upon which the NCES benchmark is based. After adjusting for the 7.5-hour shift, CFCSD is 2.3 FTEs above the benchmark. However, the District's custodians are responsible for minor maintenance, such as changing light bulbs, and snow removal in addition to their cleaning/custodial duties. Further, only 1.0 FTE custodian is assigned to the second shift at four school buildings while an additional two buildings which are leased by outside organizations, Newberry Elementary and Schnee Learning Center, only have 1.0 FTE custodian assigned to the day shift. Schnee Learning Center reimburses the District for 61.0 percent of the custodian's salary and benefits. Overall, CFCSD's total buildings and grounds staffing is lower than the benchmarks by 2.4 FTEs.

Transportation

Table B-20 shows a comparison of the District's total diesel and gasoline fuel costs in FY 2017-18 compared to the price if the same purchases were made through the DAS Cooperative Purchasing Program (CPP). This is important as it highlights the financial significance of the District's current fuel purchasing practices.

Table B-20: Annual Fuel Cost Comparison

	CFCSD	DAS CPP	Difference	% Difference
Diesel Fuel Expenditure	\$76,948	\$76,071	\$877	1.2%
Gasoline Expenditure	\$14,668	\$14,859	(\$191)	(1.3%)
CPP Membership Fee	N/A	\$100	(\$100)	N/A
Total Cost	\$91,616	\$91,030	\$586	0.6%
Total Difference				\$500

Source: CFCSD and DAS

As showing in **Table B-20**, the District's fuel expenditures were generally consistent with what it would have spent by utilizing the DAS CPP. Specifically, the District spent a difference of 0.6 percent, or approximately \$500 more, for fuel in FY 2017-18 in comparison to the CPP offering.

Appendix C: Five-Year Forecasts

Chart C-1 shows CFCSD’s May 2018 five-year forecast and **Chart C-2** shows the District’s October 2018 five-year forecast.

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

Line	Actual			Forecasted				
	2015	2016	2017	2018	2019	2020	2021	2022
1.010 General Property (Real Estate)	26,794,056	26,827,845	27,231,217	28,651,750	30,540,134	30,254,436	27,966,701	22,578,457
1.020 Tangible Personal Property Tax	277,109	286,395	299,225	322,058	339,101	345,504	332,821	295,436
1.035 Unrestricted Grants-in-Aid	13,484,914	14,360,639	15,687,384	15,865,223	15,815,774	15,864,719	15,863,951	15,845,834
1.040 Restricted Grants-in-Aid	807,415	655,174	792,481	756,457	742,349	720,784	721,459	720,616
1.050 Property Tax Allocation	4,543,338	3,812,783	3,744,388	3,698,326	3,720,532	3,724,783	3,420,888	2,715,049
1.060 All Other Operating Revenue	3,954,639	3,945,143	5,091,062	5,615,756	5,015,594	5,058,215	5,100,384	5,084,221
1.070 Total Revenue	49,861,471	49,887,979	52,845,757	54,909,570	56,173,484	55,968,441	53,406,205	47,239,614
2.040 Operating Transfers-In		96,771						
2.050 Advances-In	-164							
2.060 All Other Financial Sources	401,810	230,773	259,868	241,837	241,837	241,837	241,837	241,837
2.070 Total Other Financing Sources	401,646	327,544	259,868	241,837	241,837	241,837	241,837	241,837
2.080 Total Revenues and Other Financing Sources	50,263,117	50,215,523	53,105,625	55,151,407	56,415,321	56,210,278	53,648,042	47,481,451
3.010 Personnel Services	26,418,007	26,846,064	27,895,394	27,759,305	29,050,694	30,131,708	31,234,342	32,359,029
3.020 Employees' Retirement/Insurance Benefits	10,975,626	11,612,496	11,872,587	11,584,126	13,182,829	14,429,639	15,723,872	17,162,824
3.030 Purchased Services	10,326,655	10,996,655	10,816,592	11,404,277	12,085,364	12,658,609	13,235,492	13,785,492
3.040 Supplies and Materials	931,208	882,973	1,075,146	1,129,361	1,251,646	1,300,683	1,320,100	1,320,100
3.050 Capital Outlay	539,915	283,374	183,974	496,127	3,216,547	2,504,872	2,586,000	2,594,000
4.010 Debt Service: All Principal (Historical)			27,718					
4.300 Other Objects	558,489	577,508	518,038	544,587	579,130	591,248	603,608	603,608
4.500 Total Expenditures	49,749,900	51,199,070	52,389,449	52,917,783	59,366,210	61,616,758	64,703,414	67,825,053
5.030 All Other Financing Uses	398,826	64,280	468,031	70,000	70,000	70,000	70,000	70,000
5.040 Total Other Financing Uses	398,826	64,280	468,031	70,000	70,000	70,000	70,000	70,000
5.050 Total Expenditure and Other Financing Uses	50,148,726	51,263,350	52,857,480	52,987,783	59,436,210	61,686,758	64,773,414	67,895,053
6.010 Excess Rev & Oth Financing Sources over(under) Exp & Oth Financing	114,391	-1,047,827	248,145	2,163,624	-3,020,889	-5,476,480	-11,125,372	-20,413,602
7.010 Beginning Cash Balance	4,546,917	4,661,308	3,613,480	3,861,626	6,025,250	3,004,361	-2,472,119	-13,597,491
7.020 Ending Cash Balance	4,661,308	3,613,480	3,861,626	6,025,250	3,004,361	-2,472,119	-13,597,491	-34,011,094
8.010 Outstanding Encumbrances	83,995	227,715	408,993	120,000	120,000	120,000	120,000	
10.010 Fund Balance June 30 for Certification of Appropriations	4,577,313	3,385,765	3,452,633	5,905,250	2,884,361	-2,592,119	-13,717,491	-34,011,094
11.020 Property Tax - Renewal or Replacement							2,780,132	9,088,616
11.300 Cumulative Balance of Replacement/Renewal Levies							2,780,132	11,868,748
12.010 Fund Bal June 30 for Cert of Contracts, Salary Sched, Oth Obligations	4,577,313	3,385,765	3,452,633	5,905,250	2,884,361	-2,592,119	-10,937,360	-22,142,346
15.010 Unreserved Fund Balance June 30	4,577,313	3,385,765	3,452,633	5,905,250	2,884,361	-2,592,119	-10,937,360	-22,142,346

Source: CFCSD and ODE

Chart C-2: CFCSD October 2018 Five-Year Forecast

Line	Actual			Forecasted				
	2016	2017	2018	2019	2020	2021	2022	2023
1.010 General Property (Real Estate)	26,827,845	27,231,217	28,652,862	30,768,315	30,387,223	28,080,820	22,648,027	17,188,157
1.020 Tangible Personal Property Tax	286,395	299,225	324,958	344,900	351,302	338,307	300,221	257,184
1.035 Unrestricted Grants-in-Aid	14,360,639	15,687,384	15,923,573	16,319,532	16,456,569	16,430,463	16,902,755	17,085,942
1.040 Restricted Grants-in-Aid	655,174	792,481	810,484	763,894	787,972	784,101	784,410	784,845
1.050 Property Tax Allocation	3,812,783	3,744,388	3,735,724	3,697,813	3,767,916	3,460,577	2,746,738	2,236,092
1.060 All Other Operating Revenue	3,945,143	5,091,062	5,674,910	5,048,376	5,164,639	5,076,073	5,184,050	5,294,055
1.070 Total Revenue	49,887,979	52,845,757	55,122,511	56,942,830	56,915,621	54,170,341	48,566,201	42,846,275
2.040 Operating Transfers-In	96,771							
2.050 Advances-In				22,185				
2.060 All Other Financial Sources	230,773	259,868	260,368	221,837	221,837	221,837	221,837	221,837
2.070 Total Other Financing Sources	327,544	259,868	260,368	244,022	221,837	221,837	221,837	221,837
2.080 Total Revenues and Other Financing Sources	50,215,523	53,105,625	55,382,879	57,186,852	57,137,458	54,392,178	48,788,038	43,068,112
3.010 Personnel Services	26,846,064	27,895,394	27,965,161	29,214,262	30,152,476	31,104,763	32,071,334	33,052,404
3.020 Employees' Retirement/Insurance Benefits	11,612,496	11,872,587	11,490,414	12,295,617	13,039,113	13,834,773	14,686,865	15,600,018
3.030 Purchased Services	10,996,655	10,816,592	11,243,858	12,071,237	12,272,962	12,496,043	12,722,603	12,904,261
3.040 Supplies and Materials	882,973	1,075,146	875,413	1,579,778	1,323,815	1,373,233	1,373,233	1,443,233
3.050 Capital Outlay	283,374	183,974	347,648	2,940,257	2,363,399	3,871,888	4,230,779	4,611,779
4.010 Debt Service: All Principal (Historical)		27,718	4,991					
4.300 Other Objects	577,508	518,038	600,605	658,937	669,301	682,038	693,038	704,038
4.500 Total Expenditures	51,199,070	52,389,449	52,528,090	58,760,088	59,821,066	63,362,738	65,777,852	68,315,733
5.020 Advances - Out			35,114					
5.030 All Other Financing Uses	64,280	468,031	71,142	70,000	70,000	70,000	70,000	70,000
5.040 Total Other Financing Uses	64,280	468,031	106,256	70,000	70,000	70,000	70,000	70,000
5.050 Total Expenditure and Other Financing Uses	51,263,350	52,857,480	52,634,346	58,830,088	59,891,066	63,432,738	65,847,852	68,385,733
6.010 Excess Rev & Oth Financing Sources over(under) Exp & Oth Financing	-1,047,827	248,145	2,748,533	-1,643,236	-2,753,608	-9,040,560	-17,059,814	-25,317,621
7.010 Beginning Cash Balance	4,661,308	3,613,481	3,861,626	6,610,159	4,966,923	2,213,315	-6,827,245	-23,887,059
7.020 Ending Cash Balance	3,613,481	3,861,626	6,610,159	4,966,923	2,213,315	-6,827,245	-23,887,059	-49,204,680
8.010 Outstanding Encumbrances	227,715	408,993	120,000	120,000	120,000	120,000	120,000	120,000
10.010 Fund Balance June 30 for Certification of Appropriations	3,385,766	3,452,633	6,490,159	4,846,923	2,093,315	-6,947,245	-24,007,059	-49,324,680
11.020 Property Tax - Renewal or Replacement						2,804,148	9,167,483	15,295,507
11.300 Cumulative Balance of Replacement/Renewal Levies						2,804,148	11,971,631	27,267,138
12.010 Fund Bal June 30 for Cert of Contracts, Salary Sched, Oth Obligations	3,385,766	3,452,633	6,490,159	4,846,923	2,093,315	-4,143,097	-12,035,428	-22,057,542
15.010 Unreserved Fund Balance June 30	3,385,766	3,452,633	6,490,159	4,846,923	2,093,315	-4,143,097	-12,035,428	-22,057,542

Source: CFCSD and ODE

Client Response

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



CUYAHOGA FALLS CITY SCHOOL DISTRICT
431 Stow Avenue, Cuyahoga Falls, OH 44221
330-926-3800 • cfalls.org

November 27, 2018

Mr. David Yost
Auditor of State
88 East Broad Street, 5th Floor
Columbus, Ohio 43215-3506

Dr. Todd M. Nichols
Superintendent/CEO

Barbara Donohue
Treasurer/CFO

Ellen McClure
Director of
Human Resources

James Marras
Director of
Instructional Technology

Joseph Bagatti
Director of Business
and Operations

Dear Auditor Yost:

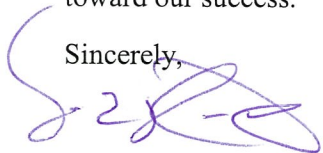
On behalf of the Cuyahoga Falls City School District Board of Education (Board) and Administration, we would like to thank Lori Gabet and the entire Performance Audit team for their time and effort in preparing the audit report for our district. The staff was thorough and professional during all phases of the performance audit. We appreciate having had the opportunity to participate in such a valuable process provided to us by your office at no cost to the district.

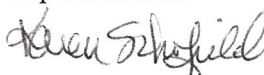
Not only was the examination thorough and professional, it was also a truly collaborative effort. The team, administration and the Board held periodic meetings, throughout this process, as we worked towards a common goal of validating viable options to achieve a positive general fund balance at the end of our five-year forecast.

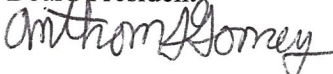
Today's education funding environment finds us joining other districts in the maddening cycle of heading to the ballot nearly every year to renew previously passed levies or ask for additional funds. Annually, the goal of the Board and administration of Cuyahoga Falls City School District has been to maintain a revenue over expenditure mindset. We have been successful in this goal five of the last seven years. That said, we recognize this performance audit addresses expenditures only. It does not take into account any additional or potentially new revenue for our school district.

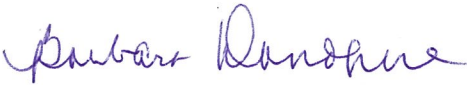
We appreciate your office providing recommendations for efficiency regarding the use of emergency levy funds, human resources, collective bargaining, and extra-curricular subsidies. Having implemented \$2 million in reductions during the 2016-2017 school year and having passed an Emergency Levy in November 2017, the Board and administration are now charged with difficult choices regarding fiduciary responsibility. This audit report will be a helpful guide in our decision-making process. As such, we would like to thank the Performance Audit team for their efforts toward our success.

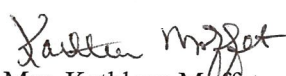
Sincerely,

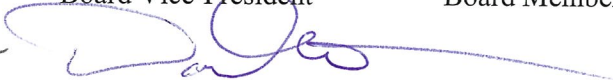

Dr. Todd M. Nichols
Superintendent



Ms. Karen Schofield
Board President


Mr. Anthony Gomez
Board Member


Mrs. Barbara Donohue
Treasurer


Mrs. Kathleen Moffet
Board Vice-President


Mr. David Martin
Board Member


Ms. Patrice White
Board Member

Cuyahoga Falls City School District

"Every Student, Every Day, Every Opportunity."



Dave Yost • Auditor of State

CUYAHOGA FALLS CITY SCHOOL DISTRICT

SUMMIT COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
DECEMBER 13, 2018**