



Talawanda  
City School District

# Performance Audit

March 26, 2020

OHIO AUDITOR OF STATE  
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**To the Talawanda City School District community,**

The Auditor of State's Office recently completed a performance audit for the Talawanda City School District (the District) at the District's request. This review was conducted by the Ohio Performance Team and provides an independent assessment of operations within select functional areas.

This performance audit report contains recommendations, supported by detailed analysis, 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 recommendations contained in the report and to perform its own assessment of operations and develop alternative management strategies independent of the performance audit report.

This data-driven analysis of operations provides the District valuable information which can be used to make important financial decisions. Additional resources related to performance audits are available on the Ohio Auditor of State's website.

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,

Keith Faber  
Auditor of State  
March 26, 2020

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# Introduction

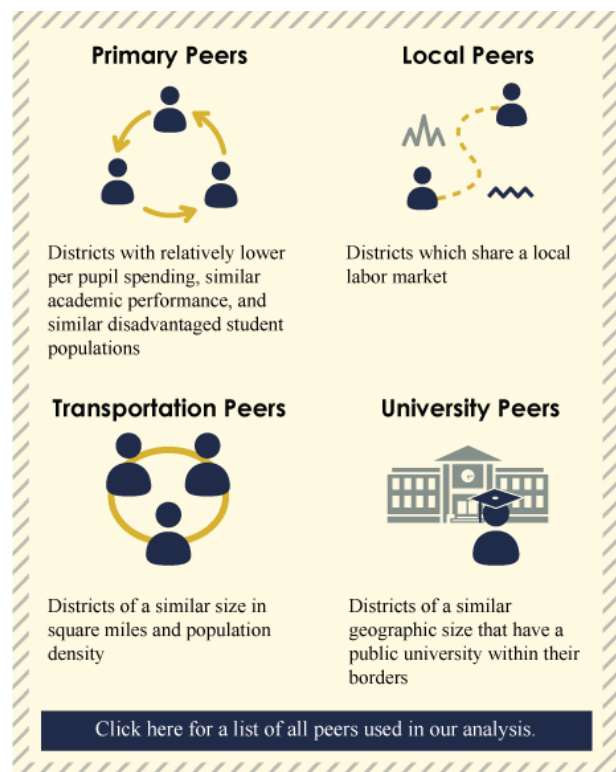
The public expects and deserves government entities to be good stewards of taxpayer dollars. As Ohio’s school districts face progressively higher costs of doing business and uncertainty related to state and local revenue, it is increasingly important to ensure efficiency of operations. One tool that can assist a district’s leadership in decision making is a performance audit. Performance audits, provided by the Ohio Auditor of State’s Ohio Performance Team (OPT), use data-driven analyses in order to identify opportunities for improved operations and cost reductions. While we have the authority to initiate a performance audit for school districts facing financial distress, any school district can request, and benefit from, an audit.

## Talawanda City School District

In 2019, officials from Talawanda City School District (TCSD or the District), located in Butler County, requested a performance audit from OPT as a proactive measure to improve its declining financial condition. While the District is not facing immediate fiscal distress and projects a General Fund ending balance of more than \$21.1 million in fiscal year<sup>1</sup> (FY) 2020, it identified ongoing deficit spending in its most recent five year forecast.<sup>2</sup> The identified operating deficits are projected to reduce the General Fund balance to approximately \$4.5 million by FY 2024.

Balancing a budget is a delicate act, but ultimately there are two primary components – revenues and expenditures. Due to the nature of revenue generally being outside the control of school districts, our audit, conducted at the request of the District, identified several areas where expenditures could be reduced in order to address the operating deficit and prolong fiscal solvency. The recommendations, which we presented to TCSD, are based on a combination of industry standards and peer district analysis.

We typically identify three peer groups to be used in school district performance audits: Local Peers, Primary Peers, and Transportation Peers. Because TCSD is among a small number of districts that overlap boundaries with other



<sup>1</sup> The District operates on a fiscal year beginning on July 1<sup>st</sup> and ending June 30<sup>th</sup>.

<sup>2</sup> Five year forecasts are submitted to the Ohio Department of Education each fiscal year in November and updated every May.

large public entities (Miami University, a four-year public institution, is located within the District) a fourth peer group was analyzed for this report – University Peers.

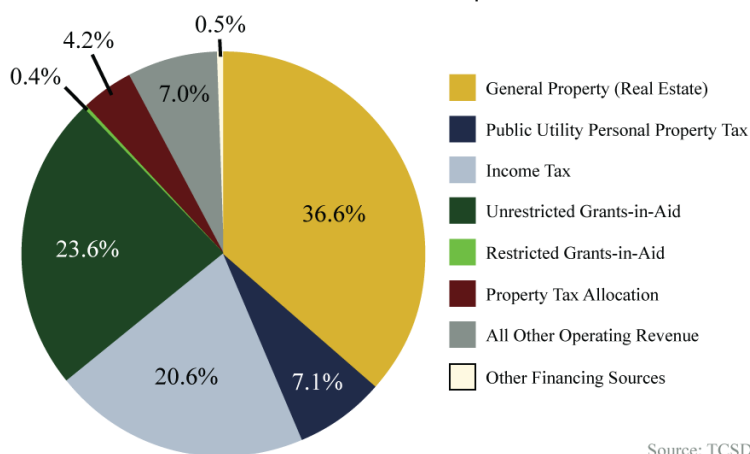
## Revenue

School districts in Ohio receive funding through a variety of sources including local property taxes, local income taxes, state funding, and grants, with the majority of funding typically coming from local property taxes and state funding.<sup>3</sup> It is important to note that the amount of funding a district can receive from the State is based on a variety of formulas and laws. The formula which determines the amount granted takes into account student enrollment and the relative wealth of the district compared to statewide income and property valuations. However, while the formula determines a potential amount to grant districts, individual school districts may not receive the full calculated state funding due to limitations in appropriations. In other words, the formula may calculate more revenue than what was appropriated by the General Assembly. These school districts are known as “capped” districts, since the amount of revenue received is reduced, or capped, to remain within appropriations. School districts are also guaranteed to not receive a lower amount of state funding from one year to the next. School districts receiving more than what the formula calculates are referred to as being on the “guarantee”. The District was not subject to cap restrictions nor on the guarantee in FY 2019 and received the full amount of calculated state funding.

Ohio law exempts public colleges and universities from property taxes, because Miami University is located within the District, the amount of local property tax the District is able to raise is reduced. In order to offset the limitations on property tax revenue, TCSD also has a 1 percent income tax to provide the District additional revenue.

In FY 2019, the District received \$35 million in total revenue. The majority of this funding, more than 80 percent, came from general property taxes, income taxes, and unrestricted grants-in-aid (primarily State foundation funding).

Fiscal Year 2019 Revenue Composition

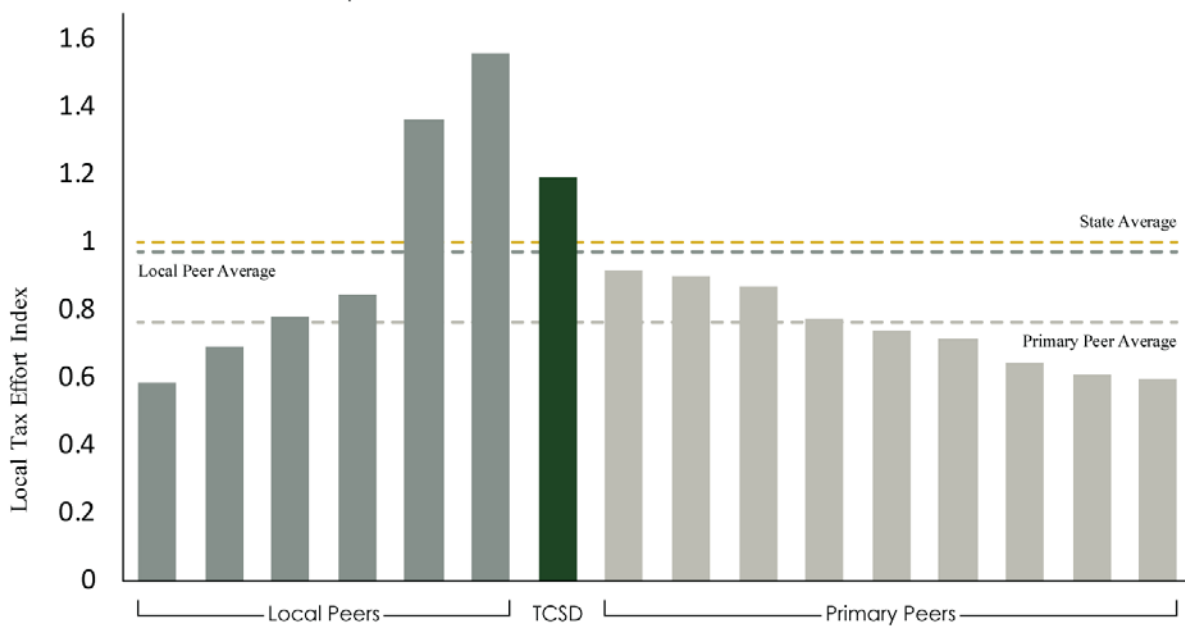


<sup>3</sup> Public school funding was frozen at the FY 2019 level in the state operating budget for FY 2020 and 2021. However, school districts are awarded additional aid for the following categories: Student Wellness and Success, Enrollment Growth Supplement, Preschool Special Education, and Special Education Transportation. In FY 2020 TCSD is receiving an additional \$488,302 for these additional aid items. Students Wellness and Success funds are to be coded to a restricted state fund, and is not shown on the five-year forecast.

## Revenue Comparisons

ODE uses the Local Tax Effort Index in order to compare taxpayer support between school districts in Ohio. This index provides an understanding of a community’s tax burden compared to other districts while taking into account economic demographics; a value below the state average of 1.0 indicates that a district’s residents provide a smaller portion of their available income to public education whereas a value above 1.0 indicates the community pays a larger portion of their available income to public education compared to other school districts. The index is updated by ODE annually as part of its District Profile Reports, also known as the Cupp Report, to reflect changes in local conditions from year to year.<sup>4</sup>

Local Tax Effort Comparison to Peers



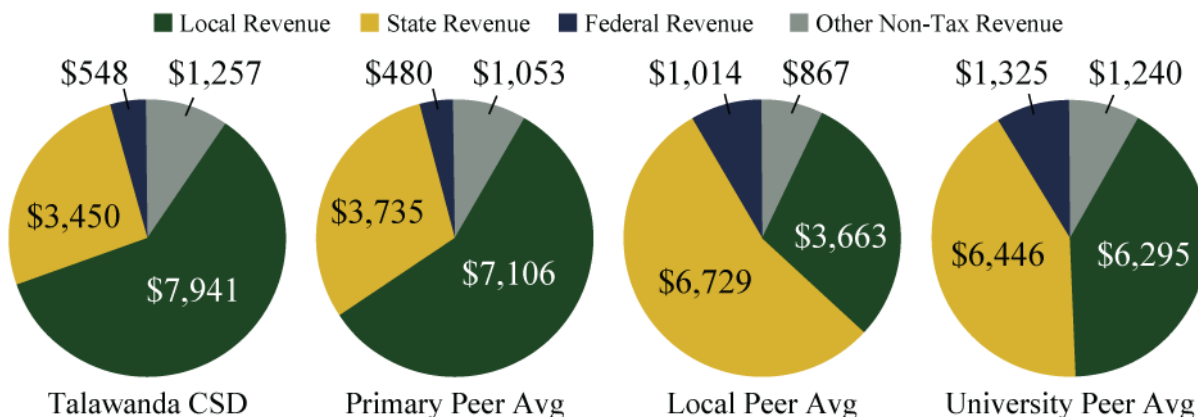
We compared the District’s local tax effort to the state average and both local and primary peers. TCSD has a local tax effort of 1.19, which is higher than all three comparisons. This indicates that the residents of the District pay more of their available income in taxes than the state average as well as both comparison groups.

Another way to compare funding sources between Ohio student districts is using revenue per pupil, broken down by the type of funding. TCSD receives \$13,196 per pupil, with 60.2 percent coming from local revenue sources. Because TCSD has a large public university within its boundaries, we used the University Peers group for an additional comparison. The graphic on the following page shows revenue sources per pupil for the District compared to the average for primary, local, and university peer groups.

<sup>4</sup> The FY 2019 Local Tax Effort Index reflects revenue raised in Tax Year (TY) 2017, which is collected in 2018, or the first half of FY 2019.



## Revenue per Pupil



Compared to all three peer groups, and despite not collecting tax revenue from Miami University, TCSD has more revenue per pupil from local sources both on a percentage and total dollar basis.

## Local Tax Revenue

Property taxes levied by Ohio schools are subject to restrictions in the Ohio Constitution<sup>5</sup> and Ohio Revised Code (ORC)<sup>6</sup>. Each school district receives a portion of 10 mills of property tax that is levied on every parcel of property in Ohio. This is known as inside millage and school districts collect additional revenue on this millage when property values increase. Additionally, school districts are permitted to levy taxes in addition to inside millage by a vote of its residents. This is known as outside millage. Inside millage and outside millage levies are used to fund the school district's operations. Outside millage is subject to what is known as tax reduction factors, which restrict the revenue raised by outside millage property taxes to what is raised in the first year of collections<sup>7</sup>. There is a minimum current expense<sup>8</sup> millage floor of 20 mills, in which tax reduction factors no longer apply. Essentially, the 20-mill floor eliminates the effect of tax reduction factors and allow school districts to collect additional revenue due to property value increases up to 20 mills.

In Tax Year 2018 (collection in 2019) the District received 2.19 mills for its General Fund current expenses and effective, after tax reduction factors, outside current expense millage of 17.89 mills for a total effective current expense rate of 20.08 mills, placing it at the 20-mill

<sup>5</sup> Article XII of the Ohio Constitution

<sup>6</sup> ORC § 5705.10 and ORC § 5705.02

<sup>7</sup> ORC § 319.301

<sup>8</sup> Current expense refers to revenue generated from levies that is not restricted in their use. It does not include bonds or levies that generate revenues for restricted funds, such as Permanent Improvement.

floor.<sup>9</sup> As such, the District is not subject to further tax reduction factors and sees the full increase in revenue whenever property values increase following reappraisals and updates from the Butler County Auditor.

## Noteworthy Accomplishment

The District has developed formal strategic and capital plans that guide long-term decision making. As a part of its capital planning efforts, TCSD has identified its capital asset needs and developed spending goals for its Permanent Improvement Fund. In 2013, the District received a comprehensive facilities master plan from the Ohio Facilities Construction Commission (OFCC) that has since guided its capital developments. The District also commissioned a facilities condition assessment in 2018.

## Results of the Audit

We identified the following scope areas to conduct detailed review and analyses: Financial Management, Human Resources, Facilities, Transportation, and Food Service. Based on industry standards and peer analysis, we identified ten recommendations which would result in reduced expenses or improve the District’s operational management. In addition to the recommendations, we provided several analyses in each scope area for the District so that they could have an in depth understanding of their operations in comparison to specified criteria. Our recommendations and additional analyses can be used by TCSD officials to assist in achieving efficient and economic operations of the District.

### Financial Forecast with Performance Audit Recommendations

	FY 2021	FY 2022	FY 2023	FY 2024
Original Ending Fund Balance	\$18,251,158	\$15,483,359	\$10,630,533	\$4,458,851
Cumulative Balance of Performance Audit Recommendations	\$3,653,919	\$8,009,618	\$12,451,842	\$16,984,980
Revised Ending Fund Balance	\$21,905,077	\$23,492,977	\$23,082,375	\$21,443,831

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 for R.4, R.5, and R.6 are assumed implemented in FY 2022 as that is the first year following expiration of the collective bargaining agreements.

The recommendations include reductions in staffing, renegotiations of existing employee contracts, and the renegotiation of contracts with outside vendors. The total impact of these recommendations could save the District an average of more than \$4.3 million in each year of implementation over the forecasted period.

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<sup>9</sup> The District allocated 2.00 mills of its inside millage to the Permanent Improvement Fund. Millage dedicated to the Permanent Improvement Fund is exempt from calculations to determine the 20-mill floor.

# Financial Management

Any organization needs to consider both short-term needs and long-term goals when developing policies and procedures related to financial management. This requires strategic planning in order to identify the best use of available resources. School districts in particular must have sound planning processes in place so that they can effectively and transparently provide services to their residents. We reviewed TCSD’s financial management policies in order to determine if there were areas for improved management.

The District submits a five-year forecast to ODE on an annual basis; we analyzed their forecast to determine if they were accurately estimating their future financial position. We determined that the District is doing a reasonable and accurate job of forecasting and that the existing forecast is a reliable source of information in order to identify potential cost savings. In addition to a reasonable forecasting process, the District also has a formalized strategic capital plan which allows for the identification of future spending needs and guides capital developments. The ability to accurately reflect both future revenues and expenditures along with large capital projects will allow the District to provide citizens with transparency regarding its fiscal health.

## Recommendation 1: Consider reducing the General Fund subsidy of extracurricular activities to the local peer level

### Financial Implication

Reducing expenditures and/or increasing revenue to bring the General Fund subsidy of extracurricular activities in line with the local peer average would save the District an average of \$367,200 annually in each year of implementation.

### Methodology and Analysis

In FY 2019, TCSD spent approximately \$1 million on student extracurricular activities. More than \$812,500, or 81.0 percent of expenditures, were subsidized by the General Fund. On a per pupil basis this equates to a General Fund expenditure of \$270.94 per pupil. We compared the District’s per pupil General Fund subsidy for extracurricular activities to local peer averages. The local peer average was \$148.49 per pupil, a difference of \$122.45 per pupil. Lowering per pupil spending to the peer average would reduce the total General Fund subsidy by \$367,200.

Pay-to-participate fees were eliminated by the District beginning in FY 2019. As a result, the District’s net cost per pupil for FY 2019 was \$43.72 higher than the average of FY 2017 and FY 2018. Reinstating the

$$\frac{(\text{Revenue} - \text{Expenditures})}{\text{Enrollment}} = \text{Per Pupil Subsidy}$$

To see our math, click here.

pay-to-participate fees could generate approximately \$131,100 of revenue.

## Conclusion

The District subsidizes its extracurricular activities on a per pupil basis more than the local peers. Reinstating the pay-to-participate fee could help offset some of the District's General Fund subsidy.

TCSD could further offset the General Fund subsidy through the following measures:

- Further increasing pay-to-participate fees;
- Increasing admissions and sales;
- Increasing booster club spending;
- Reducing the supplemental salary schedule; and/or
- Eliminating programs.

Instituting any of these measures would help reduce the General Fund subsidy, allowing more resources to be dedicated to student instruction. However, the District leadership should consider the families and students within TCSD and the financial impact of having to pay increased fees.

# Human Resources


Human resource expenditures are significant to both the operational and financial conditions within school districts. Specifically, personnel costs (i.e., salaries and benefits) accounted for 71.9 percent of TCSD’s General Fund expenditures in FY 2019, a significant impact on the District’s budget and financial condition. OPT reviewed TCSD’s staffing levels, salaries, insurance benefits, and collective bargaining agreement (CBA) provisions compared to peer districts and Ohio Revised Codes (ORC) and Ohio Administrative Code (OAC) requirements to determine areas where the District could save money through reductions.<sup>10</sup>

## District Staffing Comparisons

School districts report staffing to the Ohio Department of Education through the Education Management Information System (EMIS). The information is collected in EMIS based on several codes related to job category and function. We gather this information and compare it to primary peers in order to provide data driven recommendations.

While the report highlights areas where staffing could be reduced based on peer averages, we analyzed several other categories which did not result in a recommendation. In the areas where there is no recommendation, TCSD has staffing levels in line with, or below, primary peer averages.

[Click here for our full staffing analysis.](#)



<sup>10</sup> Both Title 1 and Special Education staffing is excluded from our analysis due to various requirements. Appendix B contains additional detail regarding our methodology for staffing analysis.

## Recommendation 2: Eliminate administrative and administrative support positions above the peer average

### Financial Impact

By reducing administrative and administrative support staff to be in line with the primary peer averages, the District could save an average of \$407,400 in each year of the forecasted period.<sup>11</sup>

### Methodology and Analysis

Staffing levels for the District were identified and compared to primary peer averages. A Full-Time Equivalent (FTE)<sup>12</sup> was used to identify staffing levels, based on ODE reporting guidelines.

Because TCSD and the primary peers are not identical in size and in order to make data-driven decisions, the data was normalized on a per 1,000 student level.<sup>13</sup> This means that rather than analyzing raw staffing numbers we compared how many staff in each category for every 1,000 students there were.

Areas where the District has administrative or administrative support staffing levels above the primary peer average and could make reductions include:

- 1.0 FTE central office administrators
- 0.5 FTE building administrators
- 0.5 FTE audio-visual staff
- 0.5 FTE publicity relations positions
- 2.5 FTE building office support

Reductions in staffing would bring the District in line with primary peer averages based on FY 2020 data.

### Central Office Administrators

Central Office Administrators generally include district leadership who lead or coordinate programs on a district-wide basis. TCSD employs 7.0 FTE central office administrators, by

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<sup>11</sup> The value of the savings for all staffing recommendations were based on the lowest tenured employee salaries and benefits inflated over the forecasted period for contractual wage increases and increases in the costs of benefits. Benefits include medical, prescription drug, dental, vision, and life insurance, Medicare, and retirement.

<sup>12</sup> ODE defines full-time equivalency as "...the ratio between the amount of time normally required to perform a part-time assignment and the time normally required to perform the same assignment full-time. The number 1.00 represents one full-time assignment. One (1.0) FTE is equal to the number of hours in a regular working day for that position, as defined by the district." (*ODE Education Management Information System Manual*, October 2019).

<sup>13</sup> See [Appendix C](#), Human Resources for more information on the staffing analysis used for this recommendation.

eliminating 1.0 FTE central office administrator the District could save an average of \$128,800 in each year of implementation over the forecasted period, bringing the District’s baseline staffing ratio to a level consistent with the primary peer average.

## Building Administrators

Building Administrators is the broad category for individuals who are responsible for the daily operations of a school building, such as a Principal, Assistant Principal, or Dean of Students. TCSD employs 8.0 FTE building administrators across its five buildings. By eliminating 0.5 FTE building administrator the District could save an average of \$73,400 in each year of implementation over the forecasted period, bringing the District’s baseline staffing ratio to a level consistent with the primary peer average.<sup>14</sup>

## Audio-Visual Staff

TCSD employs 1.0 FTE audio-visual staff position. By eliminating 0.5 FTE audio-visual staff position the District could save an average of \$48,800 in each year of implementation over the forecasted period, bringing the District’s baseline staffing ratio to a level consistent with the primary peer average.

## Publicity Relations Staff

TCSD employs 1.0 FTE publicity relations staff position. By eliminating 0.5 FTE publicity relations staff position the District could save an average of \$67,700 in each year of implementation over the forecasted period, bringing the District’s baseline staffing ratio to a level consistent with the primary peer average.

## Building Office Support Staff

Building Office Support Staff is a range of positions that provide administrative or clerical support to individual school buildings. These positions could include school secretaries, bookkeepers, or individuals responsible for records management. TCSD employs 14.0 FTE office staff positions across its five buildings. By eliminating 2.5 FTE building office support staff position the District could save an average of \$88,700 in each year of implementation over the forecasted period, bringing the District’s baseline staffing ratio to a level consistent with the primary peer average.

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<sup>14</sup> The primary peer group had a similar number of buildings when compared to TCSD. For purposes of analysis, there were 5.0 identified buildings for TCSD and 4.9 buildings for the primary peer average.

## Recommendation 3: Reduce direct student education and support positions above the peer average

### Financial Implication

By reducing direct education and student support staff to be in line with the primary peer averages, the District could save an average of \$1.9 million in each year of the forecasted period.<sup>15</sup>

### Methodology and Analysis

As with **Recommendation 2**, staffing levels for the District were identified and compared to primary peer averages on a normalized FTE per 1,000 student basis. Areas where TCSD could reduce direct student education and support positions include:

- 11.0 FTE general education teachers
- 1.0 FTE gifted and talented teachers
- 1.5 FTE curriculum specialists
- 2.5 FTE counselors
- 2.5 FTE other educational positions
- 1.5 FTE psychologists
- 2.5 FTE social workers
- 2.5 FTE library staff positions
- 1.0 teaching aide positions
- 4.0 monitor positions

These recommended reductions in staffing would bring the District in line with primary peer averages based on FY 2020 data.

### General Education Teachers

TCSD employs 140.15 FTE general education teachers and has a resulting student to teacher ratio of 18.96 students for every teacher. By eliminating 11.0 FTE general education teachers the District could save an average of \$777,000 in each year of implementation over the forecasted period, bringing the District's baseline staffing ratio to a level consistent with the primary peer average and increasing its student to teacher ratio to 20.57 students for every teacher.

Implementing this recommendation would not cause the District's student to teacher ratio to exceed the state minimum standard of 25 students for every teacher.

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<sup>15</sup> The value of the savings for all staffing recommendations were based on the lowest tenured employee salaries and benefits inflated over the forecasted period for contractual wage increases and increases in the costs of benefits. Benefits include medical, prescription drug, dental, vision, and life insurance, Medicare, and retirement.



## Gifted and Talented Teachers

TCSD employs 3.0 FTE gifted and talented teachers. By eliminating 1.0 FTE gifted and talented teacher the District could save an average of \$78,900 in each year of implementation over the forecasted period, bringing the District's baseline staffing ratio to a level consistent with the primary peer average.

## Curriculum Specialists

TCSD employs 2.0 FTE curriculum specialists. By eliminating 1.5 FTE curriculum specialists, the District could save an average of \$162,100 in each year of implementation over the forecasted period, bringing the District's baseline staffing ratio to a level consistent with the primary peer average.

## Counselors

TCSD employs 9.62 FTE counselors. By eliminating 2.5 FTE counselors, the District could save an average of \$126,700 in each year of implementation over the forecasted period, bringing the District's baseline staffing ratio to a level consistent with the primary peer average.

## Other Educational Positions

TCSD employs 3.0 FTE other educational positions consisting of an English Second Language (ESL) Coordinator, Wellness Coordinator, and Student Assistance Program (SAP) Coordinator. By eliminating 2.5 FTE other educational positions, the District could save an average of \$248,400 in each year of implementation over the forecasted period, bringing the District's baseline staffing ratio to a level consistent with the primary peer average.

## Psychologists

TCSD employs 3.0 FTE psychologists. By eliminating 1.5 FTE psychologists, the District could save an average of \$148,900 in each year of implementation over the forecasted period, bringing the District's baseline staffing ratio to a level consistent with the primary peer average.

## Social Workers

TCSD employs 3.0 FTE social workers. By eliminating 2.5 FTE social workers, the District could save an average of \$209,600 in each year of implementation over the forecasted period, bringing the District's baseline staffing ratio to a level consistent with the primary peer average.

## Library Staff Positions

TCSD employs 6.71 FTE library staff positions. By eliminating 2.5 FTE library staff positions, the District could save an average of \$84,800 in each year of implementation over the forecasted period, bringing the District's baseline staffing ratio to a level consistent with the primary peer average.

## Teaching Aides

TCSD employs 10.98 FTE teaching aides. By eliminating 1.0 FTE teaching aide, the District could save an average of \$21,300 in each year of implementation over the forecasted period, bringing the District's baseline staffing ratio to a level consistent with the primary peer average.

## Monitoring

TCSD employs 8.44 FTE monitoring positions. By eliminating 4.0 FTE monitoring positions, the District could save an average of \$78,000 in each year of implementation over the forecasted period, bringing the District's baseline staffing ratio to a level consistent with the primary peer average. It is important to note that the District's comparatively higher monitor staffing is likely at least in part due to a provision in the certificated CBA that precludes teaching staff from participating in cafeteria monitoring duties, which could necessitate a higher number of dedicated monitoring staff than what would be otherwise needed.<sup>16</sup>

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<sup>16</sup> None of the local peer contracts preclude teachers from cafeteria monitoring duties.

## Recommendation 4: Negotiate a salary base freeze for members of the Talawanda Educator’s Association

### Financial Implication

By negotiating a salary base freeze for FY 2022 the District could save \$986,400 over a three year period, or approximately \$328,800 annually.

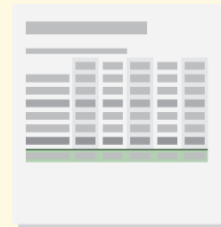
### Methodology and Analysis

The Talawanda Educator’s Association (TEA) has a collective bargaining agreement with the District which governs certificated staff.<sup>17</sup> Under the TEA collective bargaining agreement, members received a 2.75 percent base increase in FY 2020 and will receive a 2.0 percent base increase in FY 2021. The existing contract expires at the end of FY 2021.

### Collective Bargaining Agreements

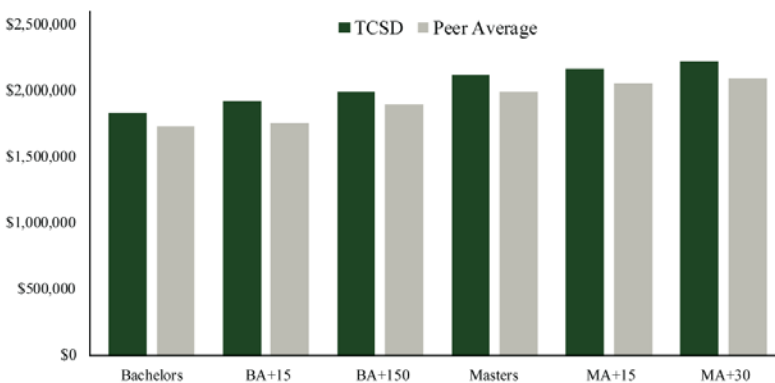
The District maintains two CBAs – one for classified and one for certificated staff. The same salary analysis was done for both CBAs. While the certificated CBA had a salary structure which resulted in total compensation being higher than peer averages, the classified CBA did not.

In addition to salary structure, we also reviewed several key elements of the CBAs to determine if they were in line with peer districts.



[Click to learn more about our salary comparisons and other CBA analyses](#)

Certificated Career Salary Comparison



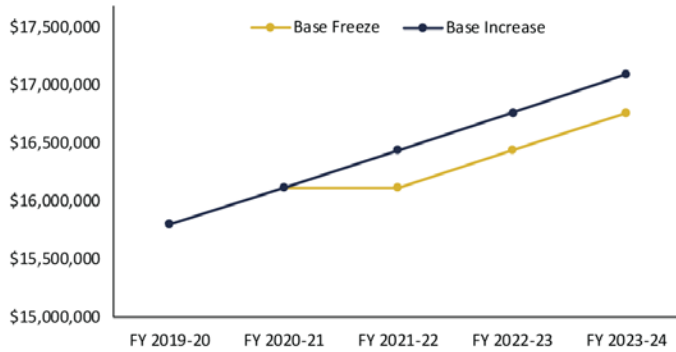
We reviewed certificated salaries over a 30-year career and compared them to local peer averages for each education level indexed in the salary schedule.<sup>18</sup> The total career compensation for TCS D certificated staff is higher than the peer average for all education levels, ranging from 4.8 to 9.2 percent, based on our analysis. Based on the number of employees the District

<sup>17</sup> Employees covered under the District’s certificated CBA include regularly employed, nonsupervisory certificated employees such as: regular classroom teachers, special education teachers, vocational teachers (not employed by the Butler County JVS), counselors, media specialists, librarians, nurses, individual/small group instructors, psychologists, speech/language pathologists, and instructional leaders.

<sup>18</sup> The following education levels are indexed in the salary schedule: Bachelor’s Degree (BA), Bachelor’s Degree + 15 semester hours (BA+15), Bachelor’s Degree + 150 semester hours (BA+150), Master’s Degree (MA), Master’s Degree + 15 semester hours (MA+15), and Master’s Degree + 30 semester hours (MA+30).

currently has and their current salary schedule, TCSD pays approximately \$890,000 more in salary compensation than the local peer average annually.

Impact of Base Salary Freeze



In order to bring salaries for members of the TEA more in line with the peer average, the District could consider implementing a base salary freeze for FY 2022. For the forecasted period through FY 2024, this would result in an average annual savings of approximately \$328,800, and a cumulative savings of approximately \$986,400. This freeze would be subject to the negotiations of the new collective bargaining agreement with TEA.

## Conclusion

The District could generate savings of \$328,800 annually by implementing a base salary freeze for FY 2022. This recommendation is subject to negotiations with the TEA and cannot be implemented until the expiration of the current collective bargaining agreement in July 2021.

## Recommendation 5: Reduce employer cost of dental insurance

### Financial Implication

Reducing the District’s cost for dental insurance premiums to the average for the Cincinnati region could save the District approximately \$57,200 in each year of implementation during the forecasted period.<sup>19</sup>

### Methodology and Analysis

The State Employee Relations Board (SERB) releases information related to public employee benefits. The premiums paid by TCSD were compared to the Cincinnati regional averages for health, vision, and dental insurance. Our review showed that the District has a higher employer cost than the regional average for dental insurance.

TCSD purchases dental insurance through Delta Dental and offers basic, standard, or premium plans to certificated and classified employees. While the respective plans offered to employees are the same, the District pays 85 percent of full-time certificated employee premiums and 100 percent of full-time classified employee premiums. Dental plans for part-time employees have prorated employee contributions and therefore are not included in this analysis.

Our analysis compared the premium plans for full-time certificated and full-time classified staff to the Cincinnati regional average. We selected the premium plans as they had the highest participation rate and are the highest cost. We found that both the total insurance premium and percentage paid by the employer were higher than the regional average for all dental insurance plans.

For the certificated employee plans, the percentage paid by employers is similar – while TCSD pays 85 percent, the regional average is approximately 81.5 percent for individual plans and 84.8 percent for family plans. However, the District plan in total is more expensive than the regional average which results in just more than \$27,000 in additional expense.

The regional average indicates that employees pay some amount of insurance premium for comparable classified plans. TCSD purchases a plan which is more expensive than the regional average, and pays 100

### District Insurance Benefits

The District offers multiple medical and dental insurance plans to employees. We reviewed the plans offered and determined that the medical plans are all less expensive to the District when compared to the peer group. The premium dental plan highlighted in this recommendation was the only area where our auditors found potential for cost savings.

All insurance analyses can be found here.

<sup>19</sup> The District predicts a 5.0 percent increase in insurance costs annually. The cost savings applied to the five-year forecast are therefore inflated by 5.0 percent for each forecasted year.

percent of the premium, resulting in more than \$30,000 in additional expense. This could be reduced by either finding a less expensive dental insurance plan, or by requiring classified employees pay a portion of the premium.

## **Conclusion**

TCSD could generate dental insurance savings of approximately \$57,200 annually by bringing its employer contributions in line with the Cincinnati regional average. This could be done through purchasing a less expensive plan in line with the regional average or by increasing the employee portion of the premium. Any changes to the employer/employee cost share, however, are subject to negotiation and savings would not be realized until FY 2022.

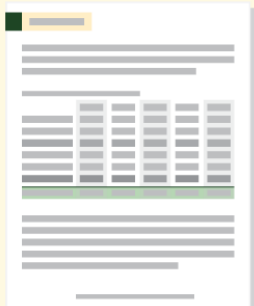
# Facilities

The changing landscape of education requires periodic reviews of facility usage and maintenance to ensure that a district is using limited resources wisely. We reviewed TCSD’s use of existing facilities in comparison to best practices and industry standards to determine if there were any areas for improvement.

Specifically, our office reviewed the areas of grounds keeping, custodial, and maintenance staffing. These areas each have unique benchmarks which are set by industry leaders and can be used for comparative purposes.

## Maintaining School Buildings

Our office reviewed the District’s staffing levels for grounds keeping, custodial, and maintenance positions. Each of these areas have specific staffing benchmarks set by industry leaders that can be used for comparative purposes. We also looked at the District’s unique custodial operations which use a combination of District staff and contracted services, which resulted in a multi-tiered recommendation.



Additional information regarding out facilities analyses can be found here.

## Recommendation 6: Outsource all custodial operations

### Financial Impact

Contracting out the in-house custodial services could save the District an average of \$262,700 in each year of implementation, beginning in FY 2022.

### Methodology and Analysis

TCSD has five school buildings, Board of Education office, field house, bus garage, maintenance garage, and professional development center. All buildings are maintained by custodial staff through a mixed service model. Custodial services for Kramer Elementary and Talawanda High School are contracted out to Alpha & Omega Building Services, Inc. District employees provide custodial services for the remaining buildings.

We compared the District’s in-house custodial service model to its contracted services model using expenditures per square foot. This type of analysis gives an indication of the cost effectiveness of each service model by normalizing size variances of the areas cleaned. We found that the in-house custodial costs for FY 2020 are \$2.77 per square foot, compared to \$1.80 per square foot for contracted services. Therefore, the contracted service model is more cost efficient than providing custodial services in-house.

While fully outsourcing custodial services is the most efficient option, the District could improve cost-effectiveness to lesser extents by implementing one of the following options:

- **Alternative 1: Right Size In-house Staffing.** The District could continue with its current mixed service model, but right-size the in-house staffing level to the industry benchmark. The National Center for Educational Statistics (NCES) states that 1.0 FTE custodial staff should clean a median of 29,500 square feet. TCSD has 12.0 FTE custodians, but based on the benchmark, only needs 8.2 FTE to clean the 240,890 square feet maintained by in-house staff. The District could eliminate 3.5 FTE in-house custodians, saving an average of \$163,300 annually beginning in FY 2021.
- **Alternative 2: Insource and Add Staff for Contracted Buildings.** The District could bring all custodial services in-house, retaining the current in-house staffing levels and adding additional staff to maintain the currently outsourced facilities. Per the NCES benchmark, the District would require an additional 9.0 FTEs to replace the contracted staff in Kramer Elementary and Talawanda High School. This option could save an average of \$23,300 annually, beginning in FY 2021.
- **Alternative 3: Right Size In-house Staffing and Insource.** The District could bring all custodial services in-house and right-size the staffing levels across all facilities. A right-sized custodial staffing level per the NCES benchmark would require an additional 5.5 FTEs. The option could save an average of \$182,400 annually, beginning in FY 2021.

## Conclusion

The District should evaluate its options for improving the cost efficiency of its custodial operations. Fully contracting out custodial services is the most cost efficient option, but is not implementable until FY 2022 due to language in the current collective bargaining agreement expiring in June 2021.



# Transportation

Transportation of students is a critical function for school districts. Ensuring that busing services are provided in a safe and efficient manner is important for both the well-being of students and the fiscal health of the school district. We reviewed TCSD's transportation routing plan in comparison to best practices and industry standards to determine if there were any areas for improvement.

The District uses a third party to contract for transportation services. The vendor, Petermann Ltd., provides buses and drivers to TCSD based on an hourly rate. In order to fully review the District's transportation expenses as they relate to contracted services, we used a second set of transportation peers who also use private vendors for busing.

## Recommendation 7: Eliminate 4 bus routes from the active bus fleet

### Financial Implication

Eliminating four routes on each tier would allow the District to eliminate four buses which could save an average of \$228,800 in contracted costs in each year of implementation over the forecasted period.

### Methodology and Analysis

The District has 32 routes on a two-tier system. The first tier is for middle and high school students; the second tier is for elementary students. Per contract, TCSD is charged a contractual rate of \$328.83 per daily route based on a six hour day.

We evaluated the District's ridership on each tier in comparison to industry benchmarks. In *Hidden Savings in Your Bus Budget* (2017), the American Association of School Administrators recommends transporting 80 percent of the bus's rated capacity. Any routes on either tier one or tier two which met capacity criteria were excluded from our analysis. In addition to capacity standards, we also consider student ride times as a part of our analyses. While there is no set standard for student ride time, we adhered to the District's policy on the topic.

The District's first tier has a peak usage of 49.9 percent of the rated capacity; the second tier has a peak usage of 58.9 percent.<sup>20</sup> Our analysis found that eliminating seven routes from the first tier would yield a usage rate of 74.6 percent in that tier, and eliminating four routes from the second tier would yield a usage rate of 76.3 percent in that tier. Because the District needs to

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<sup>20</sup> This analysis excludes special needs transportation and routes to non-public schools, as the District must adhere to the respective schools' bus schedules.

maintain the same number of routes on both tiers, it could consider eliminating four total routes in order to be closer to the industry benchmark for capacity.

## Conclusion

TCSD should eliminate four routes from its transportation operation. Since the District is charged by the vendor on a per route basis, eliminating four routes would reduce TCSD's contracted costs by an average of \$228,800 annually. This could be implemented beginning in FY 2021.<sup>21</sup>

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<sup>21</sup> FY 2021 is the school year beginning August 2020.

## Recommendation 8: Negotiate to align key provisions in the transportation contract to peers

### Financial Implication

Aligning the terms of key provisions in its transportation contract could save approximately \$657,000 annually.

### Methodology and Analysis

We reviewed the District's contract in comparison to other school districts with similar contracts.<sup>22</sup> The contract's structure is generally consistent with peer contracts in terms of equipment and expense responsibilities. The pricing structure is also generally consistent with peer contracts, except for provisions for excess charges, capital cost charges, and a higher daily rate for regular routes.

Per the District's contract, transportation is provided according to a base rate of six hours per day, per bus. Time spent transporting students in excess of six hours is charged according to an excess charges rate of \$41.29 per hour. Two of the three peers reviewed did not have a similar provision. Eliminating this provision would save the District approximately \$199,000 annually.

The TCSD contract stipulates a daily charge for capital costs of \$64.20 per bus. Two of the three peers reviewed did not have a provision for capital cost charges. The remaining peer had a fee for bus replacement that was rolled into the daily rate for regular routes. Eliminating this provision would save the District approximately \$402,000 annually.

In comparing the District's daily rate per regular bus route to the two peers with the most comparable service levels, the District's daily rate is higher than the peer average by \$10.05. Reducing the regular route rate to the peer average would save the District approximately \$56,000 annually.

### Conclusion

Aligning the transportation contract with peer school districts would eliminating costly contract provisions and reduce the daily contracted rate, which could save the District approximately \$657,000 annually.

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<sup>22</sup> We analyzed the peer contracts for Goshen LSD, Xenia Community CSD, and Monroe LSD.

## Recommendation 9: Increase scrutiny of monthly transportation excess charges

### Financial Implication

While no financial implication is associated with this recommendation, reducing excess charges will improve the cost efficiency of the transportation operation.

### Methodology and Analysis

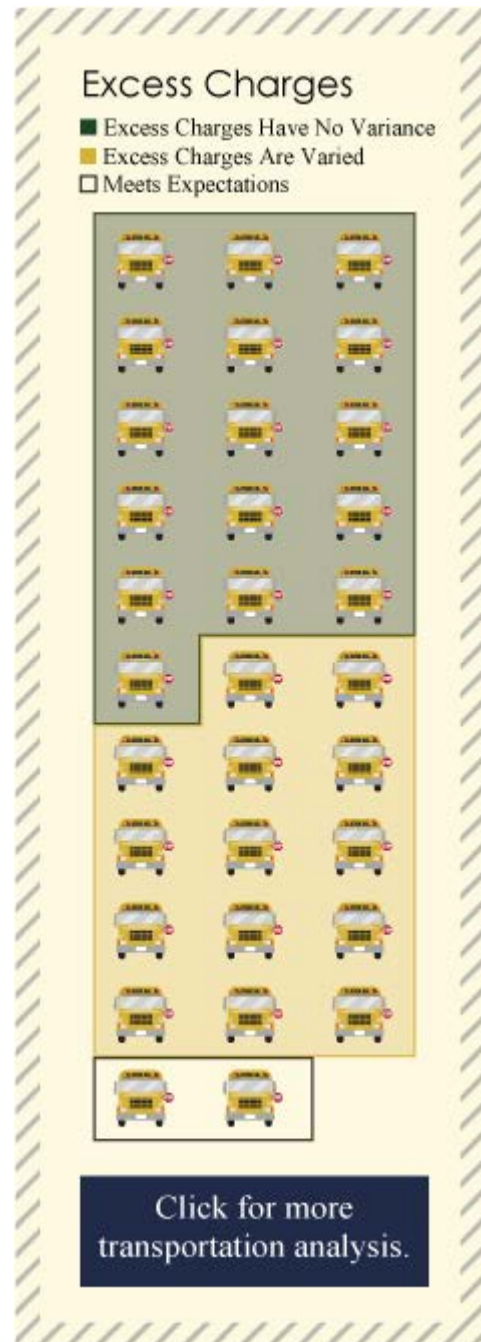
District administration has raised concerns over the assessment of the excess charges identified in **Recommendation 8**. We reviewed the District's excess charges from the October 2019 invoices and found that 30 of 32 routes averaged more than six hours on a daily basis, which is the existing contracted amount.

Of the 30 routes that routinely exceeded the six hour base, there were 16 recorded route times with no variation in each of the 22 operating days in October 2019, indicating that actual route times are not being recorded accurately and warranted further review.

In October 2019, Petermann recorded 227.54 average daily hours of total bus route time fleet-wide, which included all additional route times above and beyond the contracted 6-hour per bus daily base rate. During the month reviewed, the District was charged an excess fee for an average of 34.80 hours each day. Some amount of time beyond the contracted 6-hour schedule can be expected due to school events requiring transportation. However, Petermann has been unable to provide sufficient explanation to the District of the cause or reasoning behind the majority of the excess charges. The unexplained overage portion is 24.84 hours per day, which equates to \$178,462 per year in unaccounted for overage charges.

### Conclusion

The District has withheld payment to Petermann for these excess charges until sufficient explanation is provided. The District should continue to scrutinize the excess charges each month. Implementation of **Recommendation 8** would also address this issue by eliminating the contract provision for excess charges.



# Food Service

Providing meal to students is a critical component to any school district’s operations. The manner in which districts choose to provide and fund food services can have a significant impact on the annual budget and overall fiscal health of the organization.

## Recommendation 10: Eliminate 41.5 daily labor hours from the food service operation

### Financial Implication

Reducing the total food service daily labor hours by 41.5 hours could save the District approximately \$157,600 in each year of implementation over the forecasted period.

### Methodology and Analysis

Ohio school districts have a separate enterprise fund, the Food Service Fund, for all expenditures and revenues related to the food service operation. The cost of the operation must be fully recovered through fees and/or charges. Any Food Service Fund loss is required to be subsidized by the General Fund, which affects the District’s forecasted financial position.

In FY 2017 through FY 2019, the District had a Food Service Fund operating loss averaging \$61,502 per year. This operating loss has been covered by the fund balance, but continued operating losses will eventually spend down the fund, requiring General Fund subsidies. The District’s five-year forecast projects a General Fund subsidy of \$48,081 each year beginning in FY 2022.

We evaluated TCSD’s food service labor efficiency against industry benchmarks. *School Food and Nutrition Service Management for the 21<sup>st</sup> Century* (Pannell-Martin and Boettger, 2014) recommends measuring meals per labor hour to evaluate labor efficiency. In FY 2019, the District produced a total of 1,776.93 meals and meal equivalents per day, staffed with 152.75 labor hours per day. Based on the industry standard, the District requires 111.1 total labor hours for a high efficiency operation, indicating that the District has 41.62 excess labor hours daily. Eliminating a district-wide total of 41.5 labor hours would reduce salary and benefits expenditures by \$157,600, covering the Food Service fund operating losses.

The District should also assess additional ways to operate its food service program without incurring losses, such as monitoring participation and meal prices. *Best Practices Could Help School Districts Reduce Their Food Service Program*

### Food for Thought...

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Our analysis takes into account many factors on both a districtwide and building level in order to develop our recommendation.

The full analysis can be found here.

*Costs* (Florida Legislature’s Office of Program Policy Analysis & Government Accountability, 2009) details strategies school districts can adopt to help reduce operational costs and/or increase revenues, including:

- Develop long-term program plans;
- Reduce food costs by matching food items to supplier stock items;
- Ensure staff has appropriate training;
- Share managers;
- Promote the food service program;
- Identify and reduce participation barriers; and
- Revise meal prices.

## Conclusion

Due to the historical trend of operating losses and the projected need for transfers from the General Fund beginning in FY 2022, the District should consider aligning their food service staffing more closely with industry standards. Eliminating 41.5 daily labor hours from the food service operation would result in annual savings of approximately \$157,600.

# Appendix A: Purpose, Methodology, Scope, and Objectives of the Audit

## Performance Audit Purpose and 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.

Generally accepted government auditing standards (GAGAS) 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.

We conducted this performance audit in accordance with GAGAS. Those standards require that we 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. We believe that the evidence obtained provides a reasonable basis for our findings and conclusions based on our audit objectives.

## Audit Scope and Objectives

In order to provide the District with appropriate, data driven, recommendations, the following questions were assessed within each of the agreed upon scope areas:

## Audit Scope, Objectives and Recommendations

Objective	Recommendation
<b>Financial Management</b>	
Are the District's forecasting practices consistent with leading practices and is the five-year forecast reasonable and supported?	<b>No Recommendation</b>
Are the District's strategic planning practices consistent with leading practices?	<b>No Recommendation</b>
Is the District's General Fund subsidy of extracurricular activities appropriate in comparison to local peers and the District's financial condition?	<b>R.1</b>
Are the District's purchasing practices consistent with leading practices and appropriate based on the District's financial condition?	<b>Verbal</b>
<b>Human Resources</b>	
Are the District's staffing levels appropriate in comparison to primary peers, state minimum standards, demand for services, and the District's financial condition?	<b>R.2 and R.3</b>
Are the District's salaries and wages appropriate in comparison to local peers and the District's financial condition?	<b>R.4</b>
Are the District's collective bargaining agreement provisions appropriate in comparison to local peers, minimums requirements, and the District's financial condition?	<b>No Recommendation</b>
Are the District's insurance costs appropriate in comparison to other governmental entities within the local market and the District's financial condition?	<b>R.5</b>
<b>Facilities</b>	
Are the District's facilities staffing levels appropriate in comparison to leading practices, industry standards, and the District's financial condition?	<b>No Recommendation</b>
Is the District's outsourced custodial service cost-effective compared to its insourced service?	<b>R.6</b>



Are the District’s facilities non-regular labor expenditures appropriate in comparison to peers, leading practices, industry standards, and the District’s financial condition?	<b>No Recommendation</b>
Are the District’s facilities preventive maintenance practices consistent with leading practices and industry standards?	<b>No Recommendation</b>
<b>Transportation</b>	
Is the District’s fleet sized appropriately and routed efficiently in comparison to leading practices, industry standards, and the District’s financial condition?	<b>R.7</b>
Is the District’s transportation service contract cost-effective in comparison to those of similar transportation contracted services?	<b>R.8</b>
Are the District’s contract management practices effective in comparison to leading practices and do they result in appropriate and efficient service levels?	<b>R.9</b>
<b>Food Service</b>	
Is the District’s food service program operated in a manner that is consistent with leading practices and industry standards and appropriate based on the District’s financial condition?	<b>R.10</b>

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. The following internal control components and underlying principles were relevant to our audit objectives<sup>[1]</sup>:

- Control environment
  - We assessed the district’s exercise of oversight responsibilities in regards to detecting improper payroll reporting and benefits administration
- Risk Assessment
  - We considered the District’s activities to assess fraud risks
- Information and Communication
  - We considered the District’s use of quality information in relation to its financial and data reporting to ODE, specifically its five-year forecast, transportation, and staffing data

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<sup>[1]</sup> We relied upon standards for internal controls obtained from *Standards for Internal Control in the Federal Government* (2014), the U.S. Government Accountability Office, report GAO-14-704G

- Control Activities
  - We considered the District’s compliance with applicable laws and contracts, including with its vendors and employees
- Monitoring
  - We considered the District’s monitoring activities concerning its vendor contracts and payments to those vendors

No internal control deficiencies were identified during the course of the audit.

## 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 similar 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 A-2 shows the Ohio school districts included in these peer groups.

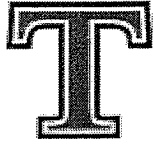
## Peer Group Districts

<b>Primary Peers</b>
<ul style="list-style-type: none"> <li>• Aurora City School District (Portage County)</li> <li>• Canfield Local School District (Mahoning County)</li> <li>• Chardon Local School District (Geauga County)</li> <li>• Copley-Fairlawn City School District (Summit County)</li> <li>• Highland Local School District (Medina County)</li> <li>• Howland Local School District (Trumbull County)</li> <li>• Lake Local School District (Stark County)</li> <li>• Lexington Local School District (Richland County)</li> <li>• Monroe Local School District (Butler County)</li> <li>• Tipp City Exempted Village School District (Miami County)</li> </ul>
<b>Local Peers (Compensation, Benefits, and Bargaining Agreements)</b>
<ul style="list-style-type: none"> <li>• Edgewood City School District (Butler County)</li> <li>• Hamilton City School District (Butler County)</li> <li>• New Miami Local School District (Butler County)</li> <li>• Preble-Shawnee Local School District (Preble County)</li> <li>• Ross Local School District (Butler County)</li> <li>• Southwest Local School District (Hamilton County)</li> </ul>
<b>University Peers</b>
<ul style="list-style-type: none"> <li>• Athens City School District (Athens County)</li> <li>• Bowling Green City School District (Wood County)</li> <li>• Kent City School District (Portage County)</li> <li>• Portsmouth City School District (Scioto County)</li> <li>• Xenia Community City School District (Greene County)</li> </ul>
<b>Transportation Peers</b>
<ul style="list-style-type: none"> <li>• Goshen Local School District (Clermont County)</li> <li>• Monroe Local School District (Butler County)</li> <li>• Xenia Community City School District (Greene County)</li> </ul>

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. 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. Each recommendation in this report describes the specific methodology and criteria used to reach our conclusions.

## Client Response Letter

Audit standards and AOS policy allow clients to provide a written response to an audit. The letter on the following page is the Talawanda City School District's official statement in regards to this 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.



# TALAWANDA SCHOOL DISTRICT

131 W. Chestnut Street, Oxford, Ohio 45056 | [www.talawanda.org](http://www.talawanda.org)

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*Talawanda School District EMPOWERS Every  
Learner Every Day!*

March 12, 2020

Keith Faber  
Auditor of State  
88 East Broad Street, 5th Floor  
Columbus, OH 43215

Dear Auditor of State Faber,

The Talawanda School District sends its appreciation of the services conducted by your staff. Cody Koch and James Ringer were professional, knowledgeable, and provided our district with a wealth of information.

The district level leadership team and the Talawanda Board of Education has reviewed the audit findings. We also have engaged in conversations with Cody and James to better understand the audit findings.

Again, thank you for your time.

In Education,

Dr. Edward Theroux  
Talawanda School District Superintendent

## Appendix B: Financial Management

One area of financial management which is routinely reviewed by our office is a district's practice of subsidizing extracurricular activities through the General Fund. Districts are allowed, but are not required, to subsidize activities offered to the student population such as athletics or academic clubs. These activities may also receive funding through other means such as activity fees, ticket sales, or booster clubs. Subsidizing these activities is a decision which must be made by District officials based on the needs of the community. We analyzed TCSD's subsidy compared to local peer districts and found that the District provides a higher subsidy on a per pupil basis.

### Student Extracurricular Activity Net Cost Comparison

			Talawanda CSD	Local Peer Avg.
Students			2,999	3,772
Activity Type	Revenue	Exp.	Net Cost	
Academic Oriented	\$161,671	\$184,052	(\$22,381)	(\$160,172)
Occupation Oriented	\$0	\$0	\$0	(\$1,852)
Sport Oriented	\$92,163	\$749,890	(\$657,727)	(\$612,571)
School & Public Service Co-Curricular	\$0	\$68,994	(\$68,994)	(\$619)
Bookstore Sales	\$0	N/A	\$0	\$1
Other Extracurricular	\$49,630	N/A	\$49,630	\$90,897
Non-Specified <sup>1</sup>	\$0	N/A	\$0	\$201,970
<b>Total</b>	<b>\$303,464</b>	<b>\$1,002,936</b>	<b>(\$699,472)</b>	<b>(\$482,346)</b>
Total General Fund Direct Revenue			\$2,325.00	\$30,643.67
Total General Fund Direct Expenditures			\$814,887.55	\$581,883.37
Total General Fund Transfers			\$0.00	\$8,875.35
<b>Total General Fund Subsidy of Extracurricular Activities</b>			<b>\$812,562.55</b>	<b>\$560,115.05</b>
<b>Total General Fund Subsidy of Extracurricular Activities per Pupil</b>			<b>\$270.94</b>	<b>\$148.49</b>
Total Difference in General Fund Subsidy to Local Peer Average			\$367,227.55	
Remaining General Fund Subsidy			\$445,335.00	

Source: TCSD, local peers, and ODE

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

If the District were to reduce their subsidy to be in line with local peers it would save approximately \$367,000 annually. The District would still be providing more than \$445,000 in subsidy from the General Fund for extracurricular activities.

Historically, TCSD instituted a pay to participate fee within the District. This fee was eliminated beginning in FY 2019 which resulted in an increased per-pupil subsidy from the general fund. The District could decide to reinstate a participation fee in order to reduce the General Fund subsidy of extracurricular activities.

### Historical Net Cost Comparison

	<b>FY 2016-17</b>	<b>FY 2017-18</b>	<b>FY 2018-19</b>	<b>Difference</b>	<b>% Difference</b>
<b>Students</b>	2,839	2,967	2,999	160	5.6%
<b>Net Cost per Pupil</b>	(\$196.84)	(\$182.20)	(\$233.24)	(\$36.40)	18.5%
Avg. Net Cost per Pupil, FY 2016-17 to FY 2017-18					(\$189.52)
Difference from FY 2018-19					(\$43.72)
<b>Impact of Reinstating Pay to Participate Fees</b>					<b>(\$131,116.28)</b>

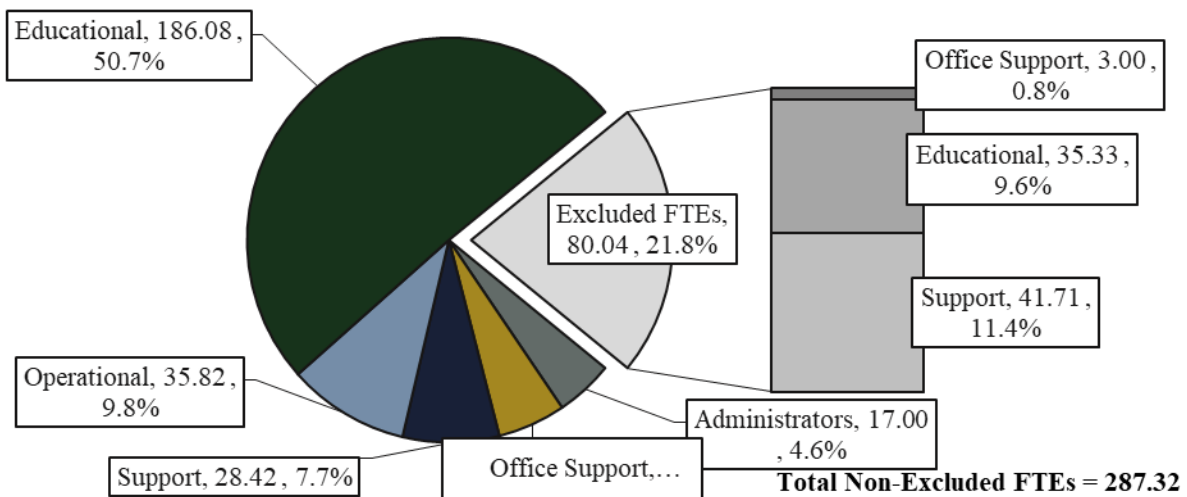
Source: TCSD and ODE

Based on enrollment and historic participation levels, the District could expect \$131,000 in revenue if participation fees were reinstated; these funds could be used to offset the General Fund subsidy and make up a significant portion of the recommended reduction.

## Appendix C: Human Resources

As discussed in the report, personnel costs represent nearly 72 percent of the District’s spending. Because of this, we conduct several analyses relating to the expense associated with maintaining existing staffing levels. During the course of our analysis we routinely exclude staff that are designated as Title 1 or Special Education as a result of specific rules relating to funding of these individuals.

### District-wide Staffing with Exclusions



We excluded approximately 80 FTE District employees from our analysis because they are considered Special Education or Title 1 employees. This represents nearly 22 percent of all TCSD staff.

All non-excluded staff were then compared on a district-wide level to primary peer staffing levels. Staffing was analyzed using the District and peer district Education Management Information System (EMIS) reports. Data reliability testing for the District’s EMIS data was performed by comparing the EMIS report to payroll reports corresponding to the time of the report. Variances between EMIS and payroll were discussed with the District, with adjustments made as necessary. Adjustments were also made to the peer EMIS data in order to account for coding variations among TCSD and the peers. Following testing, the EMIS data was considered reliable for use.

The following tables reflect our analysis for all EMIS staffing categories which were used during the course of this audit. Those categories where TCSD employed more staff than the primary peer averages are discussed in **Recommendation 2** and **Recommendation 3**.



## Staffing Comparison Tables

Central Office Administrator Staff Comparison					
Students	Talawanda		Primary Peer Avg.	Difference	
Students Educated	2,889		2,764	125	
Students Educated (Thousands)	2.889		2.764	0.125	
Position	Talawanda		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTE Per 1,000 Students	Total Above/(Below)
Assistant, Deputy/Associate Superintendent	0	0	0.25	-0.25	-0.72
Supervisor/Manager	0	0	0.4	-0.4	-1.16
Coordinator	2	0.69	0.57	0.12	0.35
Education Administrative Specialist	0	0	0.04	-0.04	-0.12
Director	5	1.73	0.57	1.16	3.35
Building Manager	0	0	0.04	-0.04	-0.12
Other Official/Administrative	0	0	0.11	-0.11	-0.32
<b>Total</b>	<b>7</b>	<b>2.42</b>	<b>1.98</b>	<b>0.44</b>	<b>1.27</b>

Building Administrator Staff Comparison					
	Talawanda		Primary Peer Avg.	Difference	
Students Educated	2,889		2,764	125	
Students Educated (Thousands)	2.889		2.764	0.125	
Buildings	5		4.9	0.1	
Position	Talawanda		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/(Below)
Assistant Principal	3	1.04	0.9	0.14	0.4
Principal	5	1.73	1.63	0.1	0.29
<b>Total</b>	<b>8</b>	<b>2.77</b>	<b>2.53</b>	<b>0.24</b>	<b>0.69</b>
Position	Talawanda		Primary Peer Avg.	Difference	
	FTEs	FTEs per Building	FTEs per Building	FTEs per Building	Total Above/(Below)
Assistant Principal	3	0.6	0.51	0.09	0.45
Principal	5	1	0.92	0.08	0.4
<b>Total</b>	<b>8</b>	<b>1.6</b>	<b>1.43</b>	<b>0.17</b>	<b>0.85</b>

Teaching Staff Comparison					
Students	Talawanda		Primary Peer Avg.	Difference	
Students Educated	2,889		2,764	125	
Students Educated (thousands)	2.889		2.764	0.125	
	Talawanda		Primary Peer Avg.	Difference	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below)
General Education	140.15	48.51	44.55	3.96	11.44
Gifted and Talented	3	1.04	0.53	0.51	1.47
Career-Technical Programs/Career Pathways	1	0.35	0.8	-0.45	-1.3
LEP Instructional Program	0	0	0.06	-0.06	-0.17

K-8 Teaching Staff Comparison					
Students	Talawanda		Primary Peer Avg.	Difference	
Students Educated	2,032		1,854	178	
Students Educated (thousands)	2.032		1.854	0.178	
	Talawanda		Primary Peer	Difference	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below)
Art Education K-8	3	1.48	2	-0.52	-1.06
Music Education K-8	5.5	2.71	2.61	0.1	0.2
Physical Education K-8	5	2.46	2.46	0	0

Non-Teaching Educational Staff Comparison					
Students	Talawanda		Primary Peer Avg.	Difference	
Students Educated	2,889		2,764	125	
Students Educated (thousands)	2.889		2.764	0.125	
	Talawanda		Primary Peer Avg.	Difference	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/(Below)
Curriculum Specialist	2	0.69	0.11	0.58	1.68
Counseling	9.62	3.33	2.32	1.01	2.92
Remedial Specialist	0	0	0.5	-0.5	-1.44
Tutor/Small Group Instructor	6.1	2.11	2.61	-0.5	-1.44
Audio-Visual Staff	1	0.35	0.04	0.31	0.9
Full-time (Permanent) Substitute Teacher	0	0	0.02	-0.02	-0.06
Other Educational	3	1.04	0.14	0.9	2.6

Professional Staff Comparison					
Students	Talawanda		Primary Peer Avg.	Difference	
Students Educated	2,889		2,764	125	
Students Educated (thousands)	2.889		2.764	0.125	
	Talawanda		Primary Peer Avg.	Difference	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/(Below)
Dietitian/Nutritionist	0	0	0.04	-0.04	-0.12
Psychologist	3	1.04	0.45	0.59	1.7
Publicity Relations	1	0.35	0.14	0.21	0.61
Social Work	3	1.04	0.06	0.98	2.83

### Technical Staff Comparison

Students	Talawanda		Primary Peer Avg.	Difference	
Students Educated	2,889		2,764	125	
Students Educated (thousands)	2.889		2.764	0.125	
	Talawanda		Primary Peer Avg.	Difference	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/(Below)
Computer Operating	0	0	0.29	-0.29	-0.84
Computer Programming	0	0	0	0	0
Other Technical	0	0	0.36	-0.36	-1.04

### Central Office Support Staff Comparison

Students and Buildings	Talawanda		Primary Peer Avg.	Difference	
Students Educated	2,889		2,764	125	
Students Educated (thousands)	2.889		2.764	0.125	
	Talawanda		Primary Peer Avg.	Difference	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/(Below)
Administrative Assistant	0	0	0.04	-0.04	-0.12
Accounting	2	0.69	0.11	0.58	1.68
Bookkeeping	0	0	0.36	-0.36	-1.04
Central Office Clerical	4	1.38	1.58	-0.2	-0.58
Records Managing	0	0	0.07	-0.07	-0.2
Telephone Operator	0	0	0.07	-0.07	-0.2
Other Office/Clerical	0	0	0.18	-0.18	-0.52
<b>Total</b>	<b>6</b>	<b>2.07</b>	<b>2.41</b>	<b>-0.34</b>	<b>-0.98</b>

Library Staff Comparison					
Students	Talawanda		Primary Peer Avg.	Difference	
Students Educated	2,889		2,764	125	
Students Educated (thousands)	2.889		2.764	0.125	
	Talawanda		Primary Peer Avg.	Difference	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/(Below)
Librarian/Media	1	0.35	0.47	-0.12	-0.35
Library Aide	5.71	1.98	0.98	1	2.89
<b>Total</b>	<b>6.71</b>	<b>2.33</b>	<b>1.45</b>	<b>0.88</b>	<b>2.54</b>

Nursing Staff Comparison					
Students	Talawanda		Primary Peer Avg.	Difference	
Students Educated	2,889		2,764	125	
Students Educated (thousands)	2.889		2.764	0.125	
	Talawanda		Primary Peer Avg.	Difference	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/(Below)
Registered Nursing	1	0.35	0.39	-0.04	-0.12
Practical Nursing	1	0.35	0.32	0.03	0.09
<b>Total</b>	<b>2</b>	<b>0.7</b>	<b>0.71</b>	<b>-0.01</b>	<b>-0.03</b>

Classroom Support Staff Comparison

Students	Talawanda		Primary Peer Avg.	Difference	
Students Educated	2,889		2,764	125	
Students Educated (thousands)	2.889		2.764	0.125	
	Talawanda		Primary Peer Avg.	Difference	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/(Below)
Instructional Paraprofessional	0	0	0.27	-0.27	-0.78
Teaching Aide	10.98	3.8	3.39	0.41	1.18
<b>Total</b>	<b>10.98</b>	<b>3.8</b>	<b>3.66</b>	<b>0.14</b>	<b>0.4</b>

Other Support Staff Comparison

Students	Talawanda		Primary Peer Avg.	Difference	
Students Educated	2,889		2,764	125	
Students Educated (thousands)	2.889		2.764	0.125	
	Talawanda		Primary Peer Avg.	Difference	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/(Below)
Attendance Officer	0	0	0.04	-0.04	-0.12
Guard/Watchman	0	0	0.04	-0.04	-0.12
Monitoring	8.44	2.92	1.42	1.5	4.33

Other Clerical Staff Comparison

Students	Talawanda		Primary Peer Avg.	Difference	
Students Educated	2,889		2,764	125	
Students Educated (thousands)	2.889		2.764	0.125	
	Talawanda		Primary Peer Avg.	Difference	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/(Below)
Messenger	0	0	0.01	-0.01	-0.03

Extra Curricular/Intra Curricular Staff Comparison					
Students	Talawanda		Primary Peer Avg.	Difference	
Students Educated	2,889		2,764	125	
Students Educated (thousands)	2.889		2.764	0.125	
	Talawanda		Primary Peer Avg.	Difference	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/(Below)
Coaching	0	0	0.13	-0.13	-0.38
Other Extra/Intra - Curricular Activities	0	0	0.11	-0.11	-0.32

Building Office Support Staff Comparison					
Students and Buildings	Talawanda		Primary Peer Avg.	Difference	
Students Educated	2,889		2,764	125	
Students Educated (thousands)	2.889		2.764	0.125	
Buildings	5		4.9	0.1	
	Talawanda		Primary Peer Avg.	Difference	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/(Below)
School Building Clerical	14	4.85	3.64	1.21	3.5
Other Office/Clerical	0	0	0.3	-0.3	-0.87
<b>Total</b>	<b>14</b>	<b>4.85</b>	<b>3.94</b>	<b>0.91</b>	<b>2.63</b>
	Talawanda		Primary Peer Avg.	Difference	
Position	FTEs	FTEs per Building	FTEs per Building	FTE per Building	Total Above/(Below)
School Building Clerical	14	2.8	2.05	0.75	3.75
Other Office/Clerical	0	0	0.17	-0.17	-0.85
<b>Total</b>	<b>14</b>	<b>2.8</b>	<b>2.22</b>	<b>0.58</b>	<b>2.9</b>

In each of the tables above, the staffing levels within each position code were compared to peer groups based on the number of staff per 1,000 students. This ratio was used to determine if the District could eliminate positions in order to reduce staffing to peer levels.

In addition to comparing staffing levels we also review actual salary data and compare the District's compensation schedules to those of local peers. We review both the average annual salary for employees and the expected total compensation for a 30 year career. These comparisons are divided into two sections based on collective bargaining agreements. The following tables show the salary comparisons for both classified and certificated employees.

## Salary Comparison Tables

Certificated Career Comparison Table

	TCS D	Local Peer Average	Difference	% Difference
Bachelors	\$1,834,720	\$1,736,784	\$97,936	5.6%
BA+15	\$1,920,205	\$1,758,616	\$161,589	9.2%
BA+150	\$1,993,595	\$1,902,960	\$90,635	4.8%
Masters	\$2,122,540	\$1,991,295	\$131,245	6.6%
MA+15	\$2,171,740	\$2,053,872	\$117,868	5.7%
MA+30	\$2,220,940	\$2,095,560	\$125,380	6.0%

Certificated Annual Salary Comparison Table

	Client	Peer Average	\$ Difference	% Difference	# of Employees	Annual Impact
<b>Bachelors</b>	\$61,157	\$57,893	\$3,265	5.60%	<b>9</b>	<b>\$29,381</b>
<b>BA+15</b>	\$64,007	\$58,621	\$5,386	9.20%	<b>2</b>	<b>\$10,773</b>
<b>BA+150</b>	\$66,453	\$63,432	\$3,021	4.80%	<b>57</b>	<b>\$172,206</b>
<b>Masters</b>	\$70,751	\$66,377	\$4,375	6.60%	<b>77</b>	<b>\$336,862</b>
<b>MA+15</b>	\$72,391	\$68,462	\$3,929	5.70%	<b>33</b>	<b>\$129,654</b>
<b>MA+30</b>	\$74,031	\$69,852	\$4,179	6.00%	<b>51</b>	<b>\$213,146</b>
<b>Total</b>					<b>229</b>	<b>\$892,021</b>

Classified Career Compensation Comparison

	TCS D	Local Peer Average	Difference	% Difference
Secretary	\$1,009,073	\$1,006,162	\$2,912	0.3%
Maintenance	\$1,358,859	\$1,275,596	\$83,263	6.5%
Bldg Custodian	\$1,088,753	\$1,185,011	(\$96,258)	(8.1%)
FS Worker	\$692,456	\$676,569	\$15,887	2.3%



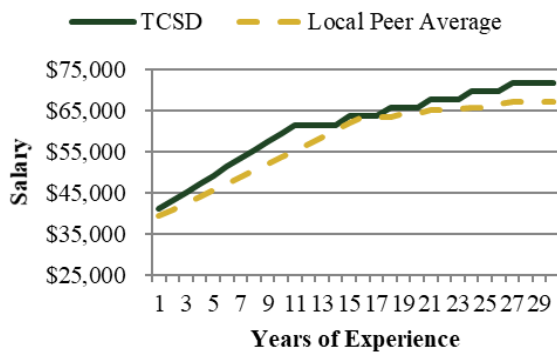
### Classified Hourly Wage Comparison

	Secretary	Maintenance	Bldg Custodian	FS Worker
<b>Client</b>	\$18.44	\$21.86	\$17.52	\$15.51
<b>Peer Average</b>	\$18.39	\$20.52	\$19.06	\$15.16
<b>\$ Difference</b>	\$0.05	\$1.34	(\$1.55)	\$0.36

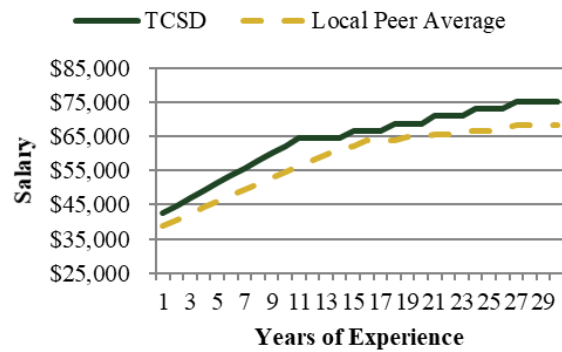
We also looked at the average annual salary over the course of a career for all certificated and classified employees. The charts which follow show how the average annual salary compares to peer districts.

### Certificated Annual Salary Comparison:

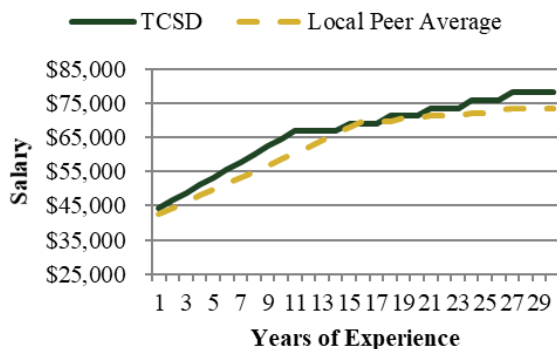
#### Salaries: Bachelor's



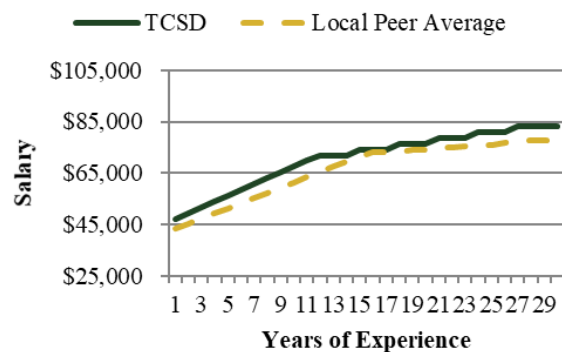
#### Salaries: BA+15



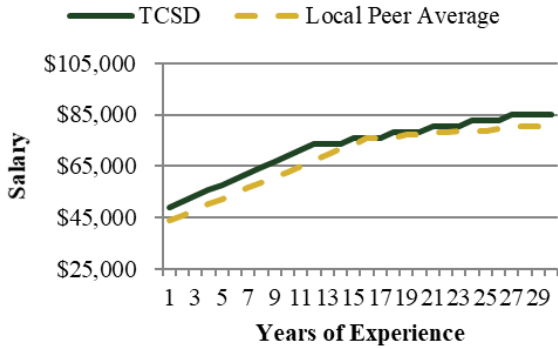
#### Salaries: BA+150



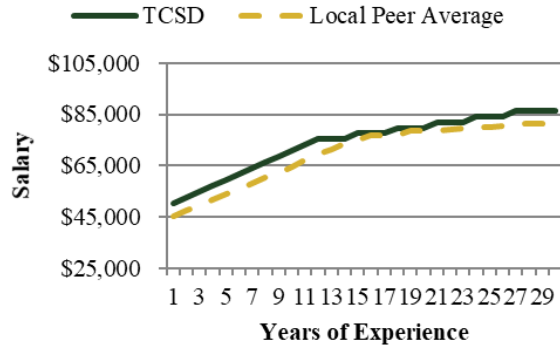
#### Salaries: Master's



Salaries: MA+15

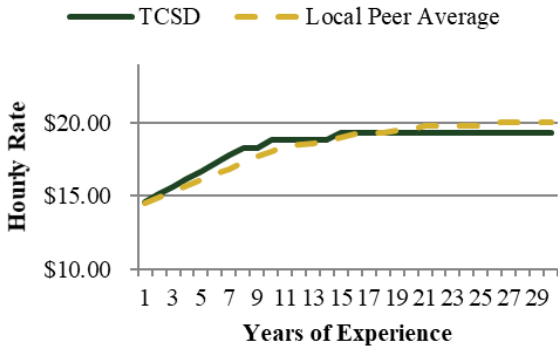


Salaries: MA+30

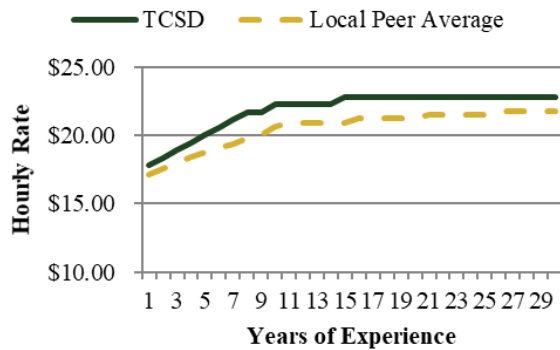


**Classified Hourly Rate Comparison:**

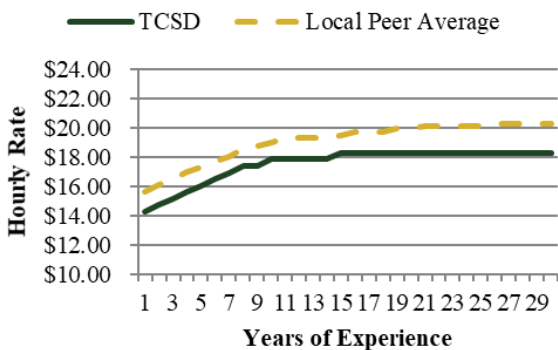
Salaries: Secretary



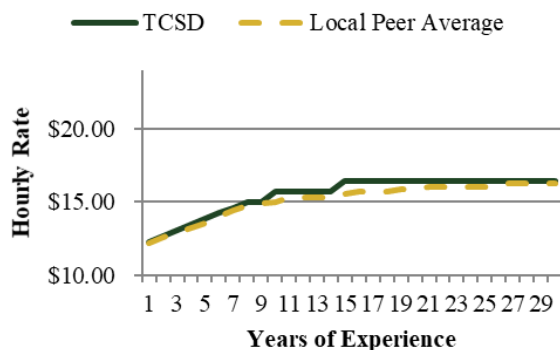
Salaries: Maintenance



Salaries: Food Service Worker



Salaries: Custodian



Lastly, we reviewed CBAs for key provisions and found that the District’s provisions are generally in line with those of the primary peers and state minimum requirements. Insurance is reviewed based on regional information from the State Employee Relations Board, and TCSD falls under the Cincinnati region. The District offers two medical insurance plans to employees, a high deductible plan and a PPO plan. In both cases, the District’s cost for both plans was lower than the Cincinnati regional averages for certified and classified employee groups.

## Medical Insurance Comparisons to Regional Average

### Medical- PPO

	TCSD	SERB Avg.	Difference
<b>Single</b>			
Total Monthly Premium	\$569.00	\$638.75	(\$69.75)
<b>Employer Share</b>	<b>\$469.42</b>	<b>\$540.83</b>	<b>(\$71.41)</b>
Employee Share	\$99.58	\$97.92	\$1.66
<b>Family</b>			
Total Monthly Premium	\$1,465.00	\$1,613.51	(\$148.51)
<b>Employer Share</b>	<b>\$1,208.62</b>	<b>\$1,354.94</b>	<b>(\$146.32)</b>
Employee Share	\$256.38	\$258.56	(\$2.18)

### Medical- HDHP

	TCSD	SERB Avg.	Difference
<b>Single</b>			
Total Monthly Premium	\$500.00	\$531.38	(\$31.38)
<b>Employer Share</b>	<b>\$412.50</b>	<b>\$455.76</b>	<b>(\$43.26)</b>
Employee Share	\$87.50	\$75.61	\$11.89
<b>Family</b>			
Total Monthly Premium	\$1,290.02	\$1,386.96	(\$96.94)
<b>Employer Share</b>	<b>\$1,064.26</b>	<b>\$1,168.00</b>	<b>(\$103.74)</b>
Employee Share	\$225.76	\$218.96	\$6.80

We reviewed the cost of dental insurance and found that the premium plan offered to employees has a higher cost for the District when compared to the regional average. This analysis is discussed in **Recommendation 5.**

## Dental Insurance Comparisons to Regional Averages

### Dental- Certified "Premium" Plan

	TCSA	SERB Avg.	Difference	Number of Participants	Monthly Significance	Annual Significance
<b>Single</b>						
Total Monthly Premium	\$48.00	\$40.81	\$7.19	38	\$273.15	\$3,277.83
<b>Employer Share</b>	<b>\$40.80</b>	<b>\$33.25</b>	<b>\$7.55</b>	<b>38</b>	<b>\$287.02</b>	<b>\$3,444.27</b>
Employee Share	\$7.20	\$7.57	(\$0.36)	38	(\$13.87)	(\$166.44)
<b>Family</b>						
Total Monthly Premium	\$113.00	\$92.61	\$20.39	112	\$2,283.75	\$27,405.04
<b>Employer Share</b>	<b>\$96.05</b>	<b>\$78.51</b>	<b>\$17.54</b>	<b>112</b>	<b>\$1,964.48</b>	<b>\$23,573.76</b>
Employee Share	\$16.95	\$14.10	\$2.85	112	\$319.27	\$3,831.28

### Dental- Classified "Premium" Plan

	TCSA	SERB Avg.	Difference	Number of Participants	Monthly Significance	Annual Significance
<b>Single</b>						
Total Monthly Premium	\$48.00	\$35.45	\$12.55	27	\$338.82	\$4,065.84
<b>Employer Share</b>	<b>\$48.00</b>	<b>\$32.17</b>	<b>\$15.83</b>	<b>27</b>	<b>\$427.32</b>	<b>\$5,127.84</b>
Employee Share	\$0.00	\$3.28	(\$3.28)	27	(\$88.50)	(\$1,062.00)
<b>Family</b>						
Total Monthly Premium	\$113.00	\$91.30	\$21.70	78	\$1,692.95	\$20,315.45
<b>Employer Share</b>	<b>\$113.00</b>	<b>\$86.16</b>	<b>\$26.84</b>	<b>78</b>	<b>\$2,093.24</b>	<b>\$25,118.84</b>
Employee Share	\$0.00	\$5.13	(\$5.13)	78	(\$400.28)	(\$4,803.38)

## Appendix D: Facilities

We reviewed the district’s staffing for facilities compared to industry standards. Depending on the type of work that is done, a different standard is used; however, each uses a metric to define the time or personnel needed to maintain a specified amount of space.

### Facilities Staffing Comparisons to Industry Standards

<b>Grounds Staffing</b>	
Grounds FTEs	0.2
Acreage Maintained	220.7
AS&U Benchmark - Acres per FTE	40.2
Benchmarked Staffing Need	5.5
<b>Grounds FTEs Above/(Below) Benchmark</b>	<b>(5.3)</b>
<b>Custodial Staffing</b>	
Custodial FTEs	12.0
Square Footage Cleaned <sup>1</sup>	240,890
NCES Level 3 Cleaning Benchmark <sup>2</sup> - Median Square Footage per FTE	29,500
Initial Benchmarked Staffing Need	8.2
Custodial FTEs Above/(Below) Benchmark	3.8
Adjusted NCES Level 3 Benchmark	29,500
Adjusted Benchmarked Staffing Need	8.2
<b>Custodial FTEs Above/(Below) Benchmark</b>	<b>3.8</b>
<b>Maintenance Staffing</b>	
Maintenance FTEs	3.0
Square Footage Maintained	510,596
AS&U Benchmark - Square Footage per FTE	94,872
Benchmarked Staffing Need	5.4
<b>Maintenance FTEs Above/(Below) Benchmark</b>	<b>(2.3)</b>
<b>Total Buildings &amp; Grounds Staffing</b>	
Total FTEs Employed	15.2
Total Benchmarked Staffing Need	19.0
<b>Total FTEs Above/(Below) Benchmark</b>	<b>(3.8)</b>

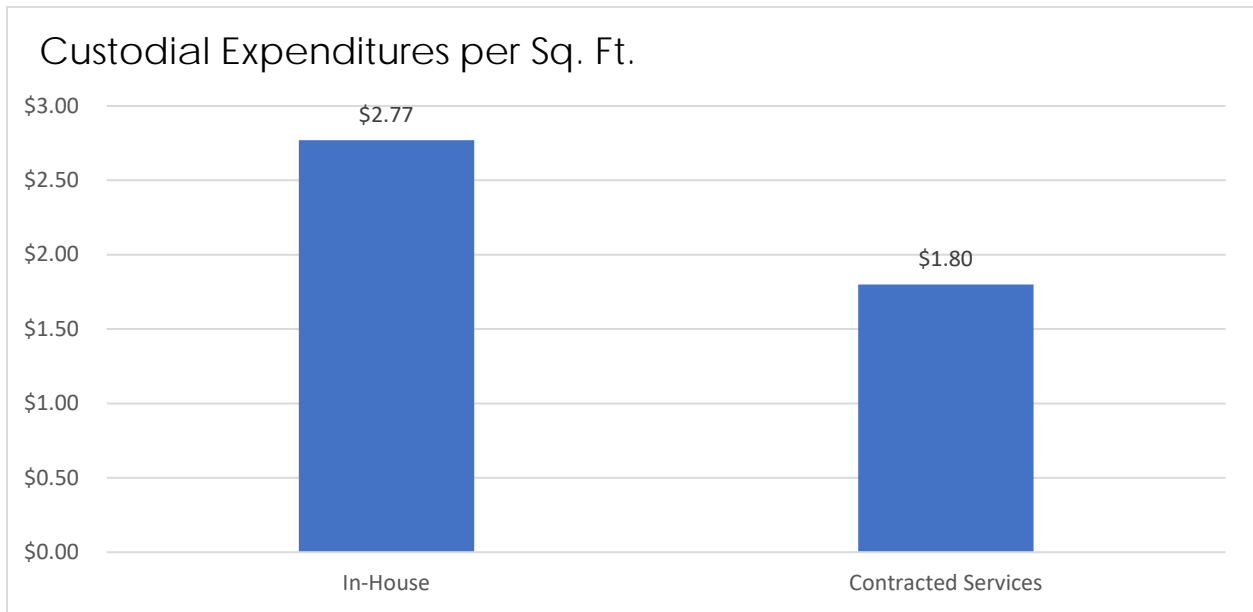
Source: TCSD, AS&U, NCES, and OFCC

<sup>1</sup> 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.

<sup>2</sup> Calculation does not include Kramer Elementary, Talawanda High School, or Field House as custodians are outsourced in those buildings.

<sup>3</sup> Kramer Elementary, Talawanda High School, and Field House.

The District’s maintenance staffing and grounds staffing are both below the respective industry standards. The custodial staffing is above the industry standard. The District’s use of a contractor for some custodial services made additional analyses necessary. The charts on the following provide additional information relating to **Recommendation 6**.



If the District chooses to outsource all custodial staffing, the financial implication annually through FY2024 is on the following page.

Cost Per Square Foot Analysis of Various Options

	FY 2019-20	FY 2020-21	FY 2021-22	FY 2022-23	FY 2023-24
Current	\$2.26	\$2.32	\$2.38	\$2.44	\$2.50
Right-Size	\$1.96	\$2.01	\$2.06	\$2.11	\$2.16
In-House +9.0 FTE	\$2.20	\$2.27	\$2.33	\$2.40	\$2.47
In-House +5.5 FTE	\$1.91	\$1.96	\$2.02	\$2.08	\$2.14
Contract All	\$1.80	\$1.84	\$1.87	\$1.91	\$1.95

Total Cost Analysis of Various Options

	Current	Right Size Current	Contract All	In-House + 9.0	In-House + 5.5
<b>FY20</b>	\$1,153,563.97	\$999,847.54	\$919,606.30	\$1,125,443.50	\$975,924.41
<b>FY21</b>	\$1,182,657.39	\$1,024,367.41	\$938,961.98	\$1,156,505.27	\$1,002,440.67
<b>FY22</b>	\$1,212,977.80	\$1,049,891.64	\$956,103.17	\$1,189,187.11	\$1,030,348.55
<b>FY23</b>	\$1,244,607.04	\$1,076,486.03	\$975,851.55	\$1,223,610.30	\$1,059,752.45
<b>FY24</b>	\$1,277,633.75	\$1,104,221.78	\$995,802.18	\$1,259,906.44	\$1,090,765.75

### Financial Implication of Outsourcing

	<b>Current</b>	<b>Contract</b>	<b>Difference</b>
<b>FY21</b>	\$1,182,657.39	\$938,961.98	\$243,695.41
<b>FY22</b>	\$1,212,977.80	\$956,103.17	\$256,874.63
<b>FY23</b>	\$1,244,607.04	\$975,851.55	\$268,755.49
<b>FY24</b>	\$1,277,633.75	\$995,802.18	\$281,831.57
<b>Average Annual Savings</b>			<b>\$262,789.28</b>

In addition to regular facilities staffing, we reviewed the District’s use of temporary and overtime labor. The analysis, as shown in the table below, indicates that TCSD uses both temporary and overtime labor less than the peer average both as a percentage of regular salaries and as a total dollar amount.

### Facilities Non-Regular Salaries & Wages Comparison

	<b>Talawanda City SD</b>	<b>Peer Average</b>	<b>Difference</b>	<b>% Difference</b>
Regular	\$590,289.28	\$829,392.83	(\$239,103.55)	(28.8%)
Temporary	\$30,541.33	\$47,460.63	(\$16,919.30)	(35.6%)
Supplemental	\$0.00	\$1,010.80	(\$1,010.80)	(100.0%)
Overtime	\$11,193.60	\$33,129.90	(\$21,936.30)	(66.2%)
Other Certificated and Non-Certificated Salaries	\$0.00	\$202.50	(\$202.50)	(100.0%)
<hr/>				
<b>Total Regular Salaries &amp; Wages</b>	<b>\$590,289.28</b>	<b>\$829,392.83</b>	<b>(\$239,103.55)</b>	<b>(28.8%)</b>
<b>Total Non-Regular Salaries &amp; wages</b>	<b>\$41,734.93</b>	<b>\$81,803.82</b>	<b>(\$40,068.89)</b>	<b>(49.0%)</b>
<b>Total Certificated &amp; Non-Certificated Salaries &amp; Wages</b>	<b>\$632,024.21</b>	<b>\$911,196.65</b>	<b>(\$279,172.44)</b>	<b>(30.6%)</b>
<hr/>				
<b>Non-Regular As % Of Total Salaries &amp; Wages</b>	<b>6.6%</b>	<b>9.0%</b>	<b>(2.4%)</b>	<b>(26.4%)</b>
<hr/>				
<b>Overtime As % Of Regular Salaries &amp; Wages</b>	<b>1.9%</b>	<b>4.0%</b>	<b>(2.1%)</b>	<b>(52.5%)</b>

# Appendix E: Transportation

The District’s busing was compared to industry standards which suggest that a bus route should operate at 80 percent usage rate on average. TCSD’s routes on both the first and second tier operate at a significantly lower usage rate.

## Baseline Usage by Tier

Tier	Total Routes	Average Capacity	Total Capacity	Peak Riders	Baseline Usage
Tier I	25	72.0	1,800	899	49.9%
Tier II	24	72.0	1,728	1,017	58.9%

In order to develop our recommendation we reviewed both tiers independently to determine how many routes could be eliminated in order to bring the usage rate closer to the industry standard.

## Tier I Detailed Review

Tier	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Tier I	25	72.0	1,800	899
<b>Tier I Exclusions</b>				
Reason for Exclusion	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Already at Standard	1	72.0	72	59
80th+ Percentile Time	3	72.0	216	88
<b>Tier I Routes Reviewed for Additional Efficiency Opportunity</b>				
Tier	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Tier I	21	72.0	1,512	752
<b>Tier I Route Elimination Sensitivity Analysis and Impact on Utilization</b>				
Routes Eliminated	6	7	8	9
Capacity Eliminated	432.0	<b>504.0</b>	576.0	648.0
Adjusted Total Capacity	1,080	<b>1,008</b>	936	864
Adjusted Total Utilization	69.6%	<b>74.6%</b>	80.3%	87.0%

Source: TCSD and ODE



### Tier II Detailed Review

Tier	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Tier II	24	72.0	1,728	1,017
<b>Tier II Exclusions</b>				
Reason for Exclusion	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Already at Standard	2	72.0	144	120
80th+ Percentile Time	4	72.0	288	128
<b>Tier II Routes Reviewed for Additional Efficiency Opportunity</b>				
Tier	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Tier II	18	72.0	1,296	769
<b>Tier II Route Elimination Sensitivity Analysis and Impact on Utilization</b>				
Routes Eliminated	3	<b>4</b>	5	6
Capacity Eliminated	216.0	<b>288.0</b>	360.0	432.0
Adjusted Total Capacity	1,080	<b>1,008</b>	936	864
Adjusted Total Utilization	71.2%	<b>76.3%</b>	82.2%	89.0%

Source: TCSD and ODE

The results of our analysis are identified in **Recommendation 7**.

## Appendix F: Food Services

Over the past three fiscal years, the District's food services fund has had an operating deficit. In order to address this, we reviewed the operations and compared it to the industry standard of meals per labor hour.

### Historical Food Service Fund Key Financial Results

	FY 2016-17	FY 2017-18	FY 2018-19	Three-Year Avg.
Total Revenue	\$1,072,226.85	\$1,025,204.75	\$1,047,758.92	\$1,048,396.84
Total Expenditures	\$1,119,131.08	\$1,113,876.01	\$1,096,689.57	\$1,109,898.89
<b>Results of Operations</b>	<b>(\$46,904.23)</b>	<b>(\$88,671.26)</b>	<b>(\$48,930.65)</b>	<b>(\$61,502.05)</b>
Beginning Fund Balance	\$271,817.78	\$226,190.94	\$142,974.50	\$213,661.07
<b>General Fund Subsidy</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>	<b>\$0.00</b>
Advances Out	\$0.00	\$0.00	\$0.00	\$0.00
Refund from Prior Year	\$0.00	\$0.00	\$0.00	\$0.00
<b>Ending Fund Balance</b>	<b>\$224,913.55</b>	<b>\$137,519.68</b>	<b>\$94,043.85</b>	<b>\$152,159.03</b>
<b>Fund Balance as % of Expenditures</b>	<b>20.1%</b>	<b>12.3%</b>	<b>8.6%</b>	<b>13.7%</b>

### FY 2019 Meals Per Labor Hour – High Productivity Benchmark

Building	Meal Equivalents Served per Day	Daily Labor Hours	MPLH	Industry Benchmark MPLH	Over / (Under)	Total Labor Hours Needed	Labor Hours Over (Under) Standard
Bogan Elementary	254	20.00	12.7	15.0	(2.29)	16.9	3.06
Kramer Elementary School	315	20.00	15.8	16.0	(0.24)	19.7	0.30
Maude Marshall Elementary School	255	20.25	12.6	15.0	(2.42)	17.0	3.27
Talawanda High School	557	51.25	10.9	17.0	(6.14)	32.7	18.51
Talawanda Middle School	396	41.25	9.6	16.0	(6.39)	24.8	16.48
<b>Total</b>	<b>1,776.92</b>	<b>152.75</b>	<b>61.5</b>	<b>79.0</b>	<b>(17.49)</b>	<b>111.1</b>	<b>41.62</b>

The District's labor hours are higher than the industry standard at each school building, and reducing labor hours would address the operating deficit for the food services fund.

# OHIO AUDITOR OF STATE KEITH FABER



TALAWANDA CITY SCHOOL DISTRICT  
BUTLER COUNTY

## CLERK'S CERTIFICATION

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

*Susan Babbitt*

CLERK OF THE BUREAU

CERTIFIED  
MARCH 26, 2020