

OHIO AUDITOR OF STATE
KEITH FABER



Rootstown
Local School District

Performance Audit

November 16, 2021

OHIO AUDITOR OF STATE
KEITH FABER



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OHIO AUDITOR OF STATE
KEITH FABER



To the Rootstown Local School District community,

The Auditor of State's Office recently completed a performance audit for the Rootstown Local School District (the District). The District was selected for a performance audit based on its projected financial condition. This review was conducted by the Ohio Performance Team and provides an independent assessment of operations within select functional areas. The performance audit has been provided at no cost to the District through state funds set aside to provide analyses for districts that meet certain criteria, including conditions that would lead to fiscal distress.

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,

A handwritten signature in cursive script that reads 'Keith Faber'.

Keith Faber
Auditor of State
Columbus, Ohio

November 16, 2021

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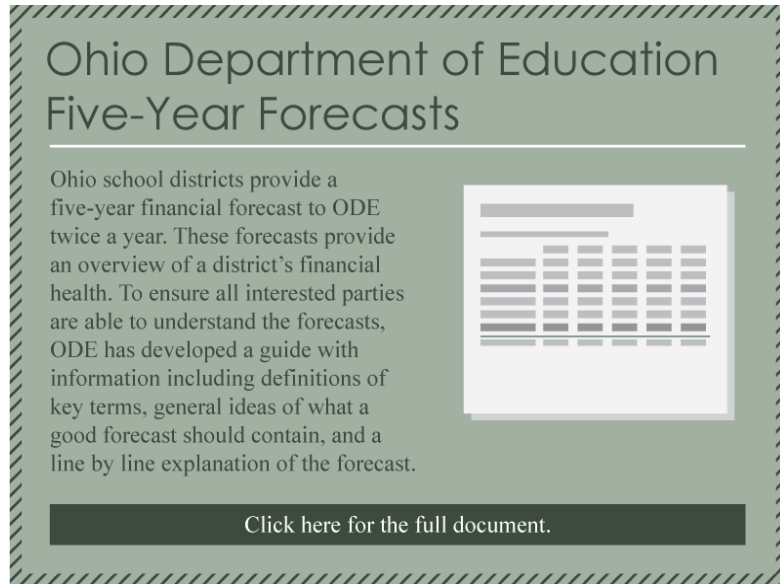
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Introduction

The public expects and deserves government entities to be good stewards of taxpayer dollars. School officials have a responsibility to maximize program outcomes and success while minimizing costs.

Transparent management of taxpayer dollars promotes a good relationship with the constituents served by a school district. School districts in Ohio are required to submit budget forecasts to the Ohio Department of Education (ODE) annually in the fall, with updates to the forecast submitted in the spring.¹ These documents provide three years of historical financial data, as well as the projected revenues and expenses for a five-year period.



The Ohio Auditor of State’s Office Ohio Performance Team (OPT) routinely reviews the submitted forecasts in order to identify districts which may benefit from a performance audit. These audits are designed to assist school districts that are struggling financially. We use data-driven analyses to produce and support recommendations that identify opportunities for improved operations, effectiveness, increased transparency and reductions in cost. 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.²



NOTE TO REPORT USERS

Our report is largely based on information available prior to the State of Ohio’s state of emergency declaration in March of 2020 due to the COVID-19 pandemic. Our analysis takes into account changes to revenues and expenditures, as well as operational changes in response to the pandemic where necessary. However, the events of the pandemic could have lasting and unforeseen impacts on the District and its operations, and report users and District administrators should take this into account as they consider implementation of the recommendations contained in this report.

¹ Ohio Rev. Code § 5705.391 and Ohio Admin. Code 3301-92-04.

² Performance audits are conducted using Generally Accepted Government Auditing Standards guidelines, see **Appendix A** for more details.

Rootstown Local School District

Rootstown Local School District (RLSD or the District) is located in Portage County and in FY 2020 had 1,075 students enrolled. The District spans 28 square miles and has a median income of \$40,759. RLSD is comprised of three educational buildings located on one 36-acre campus.

Of the total enrollment in FY 2019, 14.6 percent were students with disabilities and 25.8 percent were economically disadvantaged. State of Ohio law permits open enrollment. RLSD has more students leaving the District for other schools than entering, the majority of which are leaving to attend Bio-Med Science Academy across the street from the District campus. Over the last decade, the District has experienced an enrollment decline of nearly 16 percent.



Financial Condition

In May 2020, Rootstown LSD released its semi-annual five-year forecast, which showed progressively declining year-end fund balances throughout the forecast period. That forecast showed deficit spending projected for FY 2020 and a negative fund balance in FY 2022 and beyond. Due to the declining fiscal condition, and in consultation with ODE, we chose to conduct a performance audit for the District.

RLSD Financial Condition Overview (May 2020)

	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024
Total Revenue	\$13,613,288	\$13,428,123	\$13,397,426	\$12,953,057	\$13,044,119
Total Expenditures	\$14,525,881	\$15,196,716	\$16,227,924	\$17,273,796	\$18,407,822
Results of Operations	(\$912,593)	(\$1,768,593)	(\$2,829,498)	(\$4,320,739)	(\$5,363,703)
Beginning Cash Balance	\$3,949,359	\$3,036,766	\$1,268,173	(\$1,561,325)	(\$5,882,064)
Ending Cash Balance	\$3,036,766	\$1,268,173	(\$1,561,325)	(\$5,882,064)	(\$11,245,767)
Outstanding Encumbrances	\$57,500	\$57,500	\$57,500	\$57,500	\$57,500
Reservations	\$10,000	\$10,000	\$10,000	\$10,000	\$10,000
Property Tax Renewal or Replacement	\$0	\$0	\$503,993	\$1,097,135	\$1,188,346
Cumulative Balance of Replacement/Renewal Levies	\$0	\$0	\$503,993	\$1,601,128	\$2,789,484
Ending Fund Balance	\$2,969,266	\$1,200,673	(\$1,124,832)	(\$4,348,436)	(\$8,523,793)

Source: ODE

The District’s most recent five-year forecast released in May 2021 indicates an improving financial condition throughout the forecast period, although it still shows a projected fund balance deficit by FY 2024. The following table reflects a portion of the May 2021 five-year forecast. The shift in financial outlook is due to reduced expenditures and higher than expected revenues from both state and federal sources.

RLSD Financial Condition Overview (May 2021)

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Revenue	\$14,160,345	\$14,654,505	\$14,796,349	\$14,772,949	\$14,985,900
Total Expenditures	\$14,844,590	\$15,309,414	\$16,053,067	\$16,802,376	\$17,620,689
Results of Operations	(\$684,245)	(\$654,909)	(\$1,256,718)	(\$2,029,427)	(\$2,634,789)
Beginning Cash Balance	\$3,185,918	\$2,501,673	\$1,846,764	\$590,045	(\$1,439,382)
Ending Cash Balance	\$2,501,673	\$1,846,764	\$590,045	(\$1,439,382)	(\$4,074,171)
Property Tax Renewal or Replacement	\$0	\$0	\$87,194	\$174,389	\$174,379
Cumulative Balance of Replacement/Renewal Levies	\$0	\$0	\$87,194	\$261,583	\$435,962
Ending Fund Balance	\$2,501,673	\$1,846,764	\$677,239	(\$1,177,799)	(\$3,638,209)

Source: ODE

School Funding

Historically, school funding in Ohio has been a partnership between the state and local districts. Local districts can raise funds through property and income taxes and the state provides funding primarily through a foundation formula, which is intended to ensure a basic level of education funding for all students. Districts may also receive some funding from other sources, such as federal grants. In FY 2019, of the approximately \$23.5 billion in reported revenue for public education, nearly 85 percent came from state and local sources.

State Funding

On June 20, 2021 House Bill 110 of the 134th General Assembly (the biennial budget bill) was signed by the Governor. This bill included changes to the state foundation funding formula, commonly referred to as the Fair School Funding Plan, which replaced the previous state funding allocation model. This new model establishes and implements a cost methodology using student teacher ratios, minimum staffing levels, local property values, and district-level income data. Further, the legislation includes guarantees to ensure no school district receives less funding than it did in FY 2021.

The model is planned to be phased-in over several years, which will impact the amount of state funding received under the new formula over the period of the phase in. During the phased-in period, the amount of state funding received in any given year will be less than what would have been received if the formula were fully funded. ODE is currently working to modify their

systems in order to process payments according to the new funding model and districts began to see some changes to their payments in July of 2021. Payments reflecting all changes under the new funding model, as phased-in, are expected to begin in October of 2021.

Local Funding

Local revenue can be raised through a combination of property and income taxes. While property taxes are assessed on both residential and business properties within a district, income tax is assessed only on residents – that is, individuals who work in a district but do not reside there would not be assessed an income tax on wages. Approximately one third of districts currently have an income tax.

Property taxes levied in Ohio are subject to restrictions in the Ohio Constitution³ and the Ohio Revised Code (ORC).⁴ These restrictions limit the amount of tax that can be levied without voter approval to 10 mills⁵ or 1 percent of property value. While the Constitutional limitation is based on fair market value, the ORC sets a more restrictive limit based on taxable value which is defined as 35 percent of fair market value. These taxes are split between the various taxing districts that operate where a property is located.

The 10 mills allowed by the Constitution are typically referred to as inside, or un-voted mills. School districts usually receive revenue from 4 to 6 inside mills and the remainder of property tax revenue would come from voted, or outside millage.

School districts can obtain additional property tax revenue through voter approved bonds and levies. These taxes can have a variety of purposes that are defined in the authorizing language which are generally divided into three broad categories: general operations, permanent improvement, and construction.

Levies may be defined as either a fixed-rate or a fixed-sum. A fixed-rate levy identifies an amount of mills that will be assessed in order to raise revenues. If new construction occurs within the district, the rate would

Inside Millage

In Ohio, millage is referred to as "inside" millage and "outside" millage. "Inside" millage is provided by the Constitution of the State of Ohio and is levied without a vote of the people. It is called "inside" millage because it is "inside" the law. Another term would be un-voted millage.

The Constitution allows for 10 mills of inside millage in each political subdivision. Public schools, counties, townships, and other local governments are allocated a portion of the 10 inside mills. Cities can collect additional inside millage if it is a part of the City's charter.

Outside Millage

Outside millage is any millage "outside" the 10 mills provided by the Constitution of the State of Ohio. This millage is voted in by the public. Another term for outside millage is voted millage. This millage can be used for general purposes or it may be restricted, depending on the language of the law which enables it.

³ Ohio Const. Art. XII, Section 2.

⁴ Ohio Rev. Code § 5705.02.

⁵ A mill is defined as one-tenth of one percent or \$1 for every \$1,000 of taxable value.

apply and the district would realize additional revenues. Levies for current expenses, general operations, and permanent improvement are typically fixed-rate. A fixed-sum levy identifies an amount that will be generated from the levy. While there may be an estimated millage rate, the actual rate will vary based on assessed property values. If new construction occurs within the district, there would be no new revenues for a fixed-sum levy. Emergency levies⁶ for general operations, and bond levies for the financing of new buildings, are typically fixed-sum levies.

Ohio has historically had laws which limit the impact rising property values can have on property taxes. The most recent version of these limitations was enacted in 1976, and requires that the amount collected on fixed-rate millage is frozen at the dollar value collected in its first year.⁷ In subsequent years, with exceptions such as new construction, a district would not receive additional revenue from a levy as property values increased.⁸ Instead, the outside mills are subject to reduction factors⁹ which lower the effective millage rate in order to maintain the preceding year's level of revenue from the same properties.¹⁰

However, under state law, in order to receive state foundation funding, a district must collect a minimum of 20 mills in property taxes for general purposes, or current expenses.¹¹ In order to prevent a district from failing to meet this minimum threshold, reduction factors stop being applied once a district reaches an effective rate of 20-mills, colloquially known as the 20-mill floor. Practically speaking, this means that if a district's effective tax rate is reduced to 20 mills for current expenses, the amount of revenue generated from levies will increase with property values unless a new operating levy is approved by voters. It is important to note, as discussed below, not all levies count toward the 20-mill floor.

Ultimately, the mixture of property taxes approved by voters can have a wide ranging impact on both the revenues collected by a district and the amount of tax that individual property owners are required to pay on an annual basis.

⁶ Authorized by ORC § 5705.194.

⁷ Am.Sub.H.B. No. 920, 136 Ohio Laws, Part II, 3182, 3194.

⁸ If property value decreased due to reappraisal, it is possible that a district would receive less revenue than originally intended.

⁹ ORC § 319.301

¹⁰ We are providing this information for historical purposes only. The law which regulates collection of on outside millage has been amended since enacted in 1976. The District should consult with the most current version of the law for a clear understanding of how this process works today.

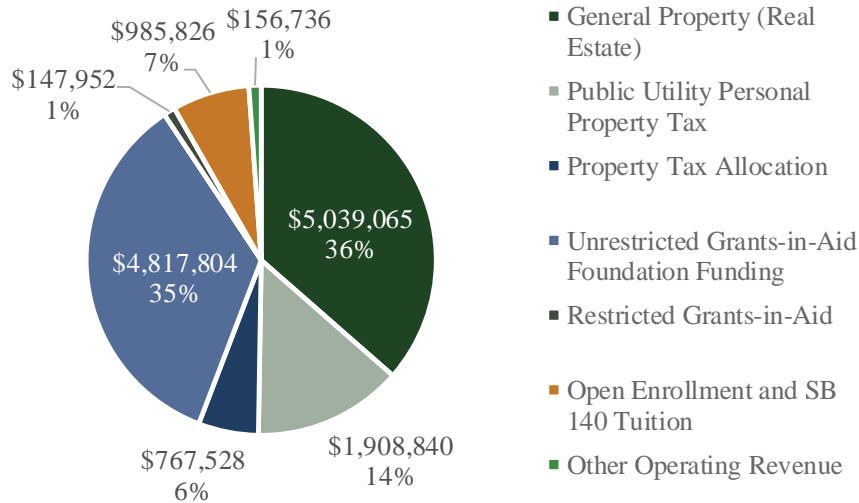
¹¹ The term 'current expense' refers to revenue generated from levies that are not restricted in their use. It does not include bonds or levies that generate revenues for restricted funds, such as PI levies. See generally *Sanborn v. Hamilton Cty. Budget Comm.*, 2014-Ohio-5218, 12.

RLSD Revenues

In FY 2020, RLSD’s total general fund revenue was approximately \$13.9 million.¹² The District’s primary sources of revenue are general property taxes and state foundation funding. The remaining revenue is comprised of a variety of sources including a state property tax allocation.¹³

FY 2020 Total General Fund Revenue Composition

Total: \$13,823,751



Source: ODE

In 2020, RLSD collected revenues on 31.32 mills of property tax for residential properties.¹⁴ This included 5.6 inside mills and 14.4 outside mills for its General Fund current expenses. The District’s current expense millage rate is at the 20-mill floor. As such, the District is not subject

¹² A total of \$1,067,335 of this revenue was transferred to Community Schools and STEM schools, and another \$133,408 in scholarships were paid to other providers for qualified students with disabilities. With changes to the State funding plan for schools effective for FY 2022, these revenues will be paid directly to those educating districts or providers.

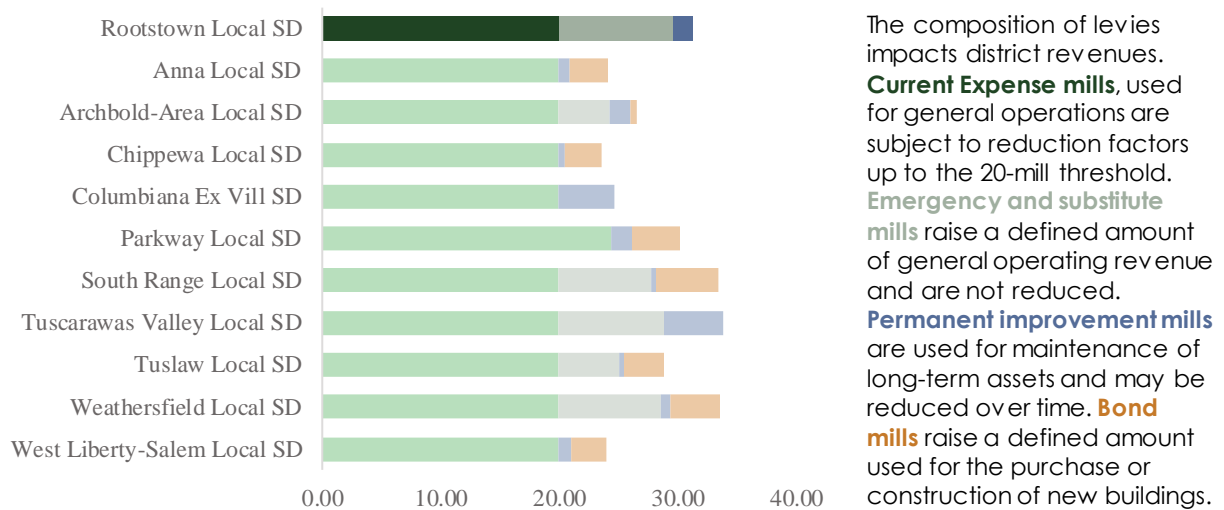
¹³ In addition to the state foundation formula, districts receive state aid through what is known as the ‘property tax allocation’. See Ohio Rev. Code § 5751.20. Included are payments to reimburse revenue lost due to property tax relief programs granted by the state to taxpayers under the Homestead Exemption program and property tax rollbacks such as the non-business credit (former 10 percent credit) and the owner-occupied credit (former 2.5 percent credit). See Ohio Rev. Code § 323.152. Also included in the property tax allocation payments are receipts to offset lost property tax resulting from the phase-out of the general business tangible personal property tax (TPP) and the reduction of property tax assessment rates on utility property. See Ohio Rev. Code § 5751.21.

¹⁴ Residential and agricultural property is considered Class 1 real estate. Commercial Property is considered Class 2 real estate and subject to a different set of reduction factors. The effective millage rate for Class 2 property in 2020 was 37.58.

to further tax reduction factors and sees the full increase in revenue whenever property values increase following reappraisals and updates from the Portage County Auditor.

Because the total millage rate can be rolled back as a result of reduction factors, we compared the total effective millage for RLSD to that of its peers. The primary peer comparison is shown in the chart below. The green portion of the bar represents the current expense millage rate; several of the peers are also on the 20-mill floor. The grey portion represents emergency and substitute revenue which is not subject to reduction factors. The blue represents permanent improvement (PI) funds, and the orange represents bond funding.

2020 General Fund Millage | Primary Peers



Source: tax.ohio.gov

Overall, the District’s effective millage rate of 31.32 is in line with several of its primary peers. However, as previously mentioned, the different types of mills collected within each district can have a significant impact on revenue generation. It is important to understand that the revenue generated from bond and emergency levies will remain the same regardless of changes to property values as they are voted as a fixed-sum levy. The current expense millage and permanent improvement millage also stay the same, until the 20-mill floor is reached for current expense taxes. At that point, a district on the floor would see additional revenues from increases in value to existing properties.

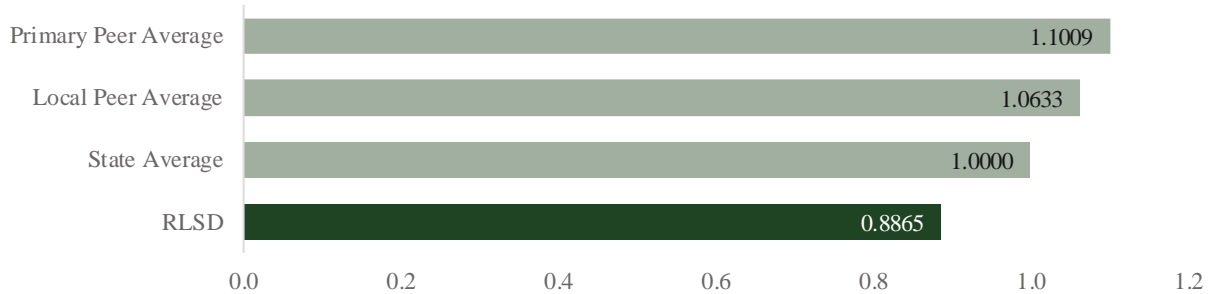
Local Tax Effort

ODE uses the Local Tax Effort Index as a measure of taxpayer support for the district in which they reside. This index, one of a number of possible measures for evaluating local effort, was initially developed by the Division of Tax Analysis within the Ohio Department of Taxation and is calculated in the context of the residents’ abilities to pay by determining the relative position of each school district in the state in terms of the portion of residents’ income devoted to

supporting public education. This index uses median income data and provides context to better understand a community’s tax burden, not only compared to other districts, but also as a function of the residents’ ability to pay.

On this sliding scale, a value of 1.0 indicates the state average, a baseline against which all districts in the state are weighed. If a district has a local tax effort below 1.0, 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 the state average. The index is updated annually by ODE as part of its District Profile Reports, also known as the Cupp Report, to reflect changes in local conditions from year to year.

FY 2020 Local Tax Effort Comparison



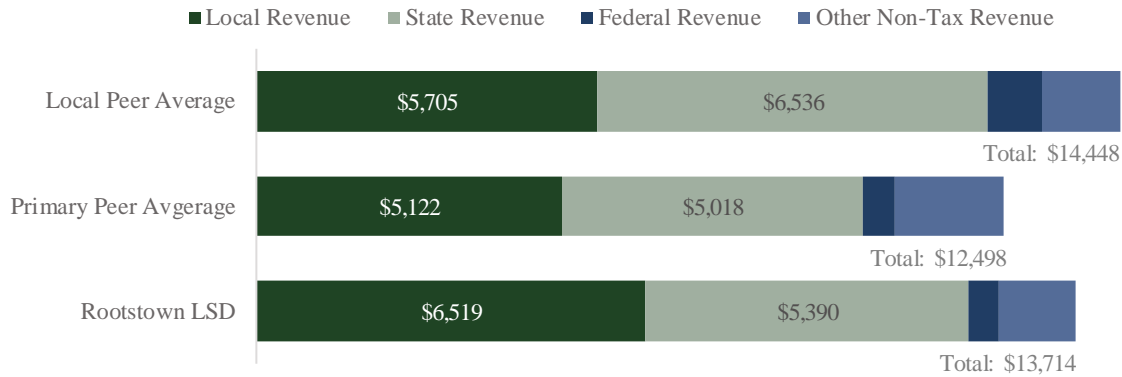
Source: ODE

As shown above, the District’s local tax effort of 0.8865 is lower than the peers and the statewide average. RLSD’s local tax effort could change as a result of the passage of any additional levy initiatives, such as a levy for raising local dollars for the construction of a new school building.

Revenue per Pupil

Revenue per pupil, broken down by type of funding, is another way to compare funding sources between Ohio school districts. The chart on the following page shows a breakdown of the District’s revenue per pupil relative to the peers.

FY 2020 Revenue Per Pupil



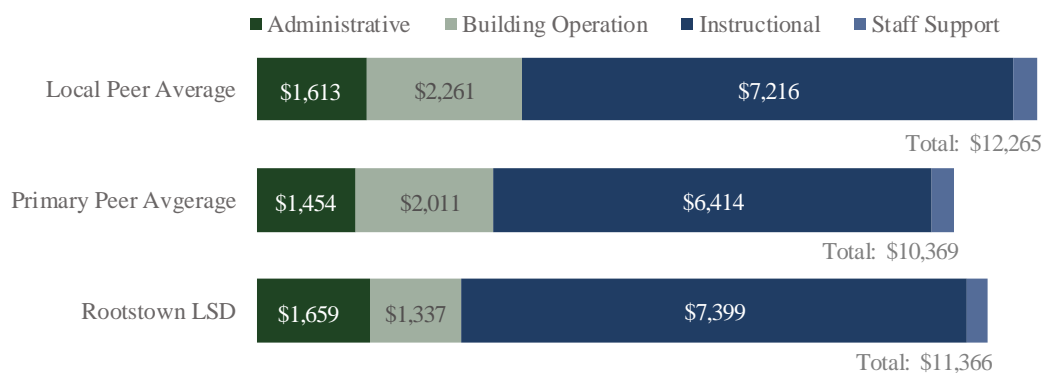
Source: RLSD and Peers

RLSD receives \$13,713.78 per pupil, with 47.5 percent from local revenue sources. The District’s local revenue is higher than the primary and local peers on both a total dollar amount and percentage basis; however, its total revenue is higher than the primary peer average and lower than the local peer average. The District has several students participating in school choice options through open enrollment, community school enrollment, and scholarship transfers, and much of the revenue associated with state funding is transferred over to these educating schools (See R.4).

Expenditures

In addition to analyzing the District’s revenue per pupil as compared to the local and primary peers, it can be useful to assess the District’s expenditures per pupil in order to identify areas for possible savings. In FY 2020, RLSD spent approximately \$11,365.84 per pupil. The following chart provides a comparison of RLSD’s expenditures relative to the primary and local peers.

FY 2020 Expenditures Per Pupil



Source: RLSD and Peers

Community School Enrollment

RLSD has experienced declining enrollment due to a number of students electing to attend community or STEM schools. In FY 2020, approximately 138 student FTEs or 11.6 percent, transferred to a local community school. Of that total number, 85.4 percent went to the Bio-Med Science Academy. Over the last five years, RLSD has transferred significant amounts of revenue due to enrollment decline (See Appendix B).

Historically, payments to community schools take the form of deductions from the state foundation funding of school districts which the community school students are entitled to attend. Community school students are counted as part of the enrollment base of their resident school district to generate funding for the district. However, under the new state funding model, payments from ODE will be made directly to the school or district of attendance.

In FY 2020, RLSD transferred \$933,927 in revenue for students attending Community Schools and Bio-Med Science Academy, and another \$133,408 in scholarships paid to other providers for qualified students with disabilities. With the offset of additional net revenue generated by open enrollment, the District experienced a net revenue reduction of \$930,253.

Results of the Audit

After initial analysis of the District’s data as compared to its peer groups, the following scope areas were selected for detailed review and further analyses: Financial Management, Human Resources, Facilities, Transportation, and Food Service. Based on industry standards and peer comparisons, we identified 18 recommendations which would result in reduced expenses or improve RLSD’s operational management. A summary of the recommendations and their average annual savings are listed in the following table.

Summary of Recommendations

Recommendations		Savings
R.1	Develop Strategic and Capital Plans	N/A
R.2	Address Aging Facilities	N/A
R.3	Reduce Extracurricular Activities Subsidy	\$27,500
R.4	Evaluate Open Enrollment	N/A
R.5	Eliminate Administrative and Administrative Support Positions above the Peer Average	\$180,100
	Eliminate 2.0 FTE Central Office Administrator Positions	\$165,200
	Eliminate 0.5 FTE School Building Office Support Positions	\$14,900
R.6	Eliminate Direct Student Education and Support Positions above the Peer Average	\$506,900
	Eliminate 3.5 FTE General Education Teacher Positions	\$239,800
	Eliminate 0.5 FTE K-8 Art Teacher Positions	\$51,400

	Eliminate 1.0 FTE K-8 Music Teacher Positions	\$56,400
	Eliminate 0.5 FTE Counselor Positions	\$46,300
	Eliminate 0.5 FTE Library Positions	\$15,900
	Eliminate 3.5 FTE Classroom Support Staff Positions	\$75,400
	Eliminate 1.32 FTE Monitoring Positions	\$21,700
R.7	Align Custodial Salary Schedule	N/A
R.8	Renegotiate Selected Provisions in Collective Bargaining Agreements	\$5,800
R.9	Align Employer Insurance Costs	\$79,600
R.10	Formalize Preventative Maintenance	N/A
R.15	Formalize Preventative Maintenance and Inventory Management	N/A
R.16	Procure Fuel through Cooperative Purchasing Program	N/A
R.17	Formalize Bus Replacement Plan	N/A
<hr/>		
	Total Cost Savings from Performance Audit Recommendations (General Fund)	\$799,900
R.11	Reduce Facilities Staffing	\$131,300
R.12	Improve Building Utilization	\$92,100
R.13	Eliminate Bus Routes	\$42,300
R.14	Apply Existing Transportation Policy	\$25,600
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	Total Cost Savings from Items Dependent on Pandemic Response and Duration (General Fund)	\$291,300
	Total Cost Savings to the General Fund	\$1,091,200
R.18	Restructure Food Service Operations	\$28,200
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	Consider Additional Measures to Fully Eliminate the Operational Deficit (Enterprise Fund)	
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	Total Cost Savings from Performance Audit Recommendations	\$1,119,400

Recommendations above that can be implemented immediately regardless of the duration of the response to COVID-19 would save an average of \$799,900 annually to the General Fund and \$28,200 annually to the Food Service Fund. Implementation of the remainder of the General Fund recommendations that are dependent on the pandemic response and duration will be necessary by year five of the forecast period in order to avoid a cash balance and ending fund balance deficit, as shown in the following table.

Impact of Recommendations on Five-Year Forecast

	FY 2022	FY 2023	FY 2024	FY 2025
May 2021 FYF Ending Fund Balance	\$1,846,764	\$677,239	(\$1,177,799)	(\$3,638,209)
Recommendation Impact	\$747,100	\$779,429	\$816,371	\$858,494
Cumulative Impact of Rec's	\$747,100	\$1,526,529	\$2,342,900	\$3,201,393
Revised Ending Fund Balance	\$2,593,864	\$2,203,768	\$1,165,101	(\$436,816)

Source: ODE

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 RLSD’s financial management policies in order to determine if there were areas for improved management.

Recommendation 1: Develop Strategic and Capital Plans

RLSD should continue to develop a long-term strategic plan concurrently with a long-term financial plan. As part of its strategic plan, the District should create a capital improvement plan for all capital assets. These plans should follow Government Finance Officers Association (GFOA) guidelines and be linked to a formal budgeting process that involves key stakeholders.

Impact

Developing long-term strategic and capital plans linked to the budget could provide the District with necessary guidance on overall spending and program allocations based on outcome. The development of these plans could also assist the District in making more efficient and effective long-term decisions.

Methodology and Analysis

We interviewed District officials to confirm that the District does not have a formal strategic or capital plan. We also interviewed a representative of the Ohio Facilities Construction Commission (OFCC) and obtained documentation indicating the District’s intent for capital planning and building replacement efforts. We reviewed RLSD’s current practices and compared them to GFOA best practices, which are developed by government finance experts for the purposes of governmental capital planning and budgeting.

RLSD does not have a comprehensive strategic plan that guides long-term operations and spending decisions, nor does it have a formal capital plan linked to the budget. As a result, the District’s annual budget is not directly linked to formal goals, objectives, and/or performance measures.¹⁵ The District has been discussing potential construction projects with the OFCC for

¹⁵ The District has been in the planning stages of a strategic and capital plan since January of 2020, but has not developed one as of the completion of this audit.

many years, with interest in various capital projects changing as board members and administrations change.

Criteria

Establishment of Strategic Plans (GFOA, 2005) indicates that governments should develop a strategic plan to provide a long-term perspective for service delivery and budgeting. The strategic plan should establish logical links between spending and goals. In addition, the focus of the strategic plan should be on aligning organizational resources to bridge the gap between present conditions and the envisioned future. The GFOA recommends the following steps when developing a strategic plan:

- Initiate the strategic planning process;
- Prepare a mission statement;
- Identify and assess the environmental factors and critical issues;
- Agree on a small number of goals and develop strategies and action plans to achieve them;
- Develop measurable objectives and incorporate performance measures;
- Approve, implement, and monitor the plan; and,
- Reassess the strategic plan annually.

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

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

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

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

Conclusion

By not having formal strategic and capital plans linked to the budget, RLSD is not able to effectively address all financial, programmatic and operational needs of the District. Therefore, it should concurrently develop such plans in order to improve program and funding decisions. Without a goal and resource-oriented strategic plan based on input from key financial, operational, and instructional participants, the District is at risk of not fully evaluating the relationship between its spending decisions and program outcomes.

Recommendation 2: Address Aging Facilities

In order to address the condition of its aging facilities and future facility needs, RLSD should develop a formal long-range facilities plan tied to its strategic and capital plans. The District should consider the financial implications associated with facility improvements as well as the educational needs of the community.

Impact

Capital projects, such as new or renovated buildings, are costly endeavors, have long-term financial implications, and often involve community support through the passage of levies. Appropriately planning and budgeting for facility needs will allow the District to address necessary repairs while minimizing the financial impact on the community.

Background

RLSD has three school buildings on a single campus. These buildings are outdated and have several components in need of repair:

- **High School:** Serves grades nine through twelve and also houses administrative offices. It was built in 1966 with no major renovations. The building is currently not ADA compliant and has no sprinkler system or air conditioning.
- **Middle School:** Serves grades six through eight. It was built in 1917 with numerous updates and additions, the most recent one done in 1976. The building has no sprinkler system, open staircases, and limited air conditioning.
- **Elementary School:** Serves kindergarten through grade five. It was built in 1957 with three subsequent additions. The building has significant asbestos containing material that requires removal. The building also lacks a sprinkler system.

In addition to the fact that all buildings are in need of updates, the District has also experienced declining enrollment (**See R.4**) which results in underutilization of facility space (**See R.12**). One option to improve utilization and use current building space more efficiently would be through the closure of the middle school. However, the District would have to restructure the building configurations of the elementary and high schools in order to accommodate grades six through eight and this may result in some additional expenses as part of the reconfiguration.

In May 2021, the District decided to pursue a project with the Ohio Facilities Construction Commission (OFCC). The District initially decided to construct a new PK-12 building, but due to the three previous levy failures for large building projects, have since chosen to go a different route. RLSD is currently working with Hasenstab Architects to create a renovation project focused on condensing educational operations into the elementary and high schools, and hopes to have an issue on the ballot in May 2022. At the same time, the District is evaluating what to do with the middle school building. Continuing to operate the building at any capacity will negate some or all of the savings related to utilities and maintenance (**See R.12**).

The District has continued to meet with the OFCC to assess the available options for the renovation or replacement of its facilities. In determining the amount of funding a district is eligible for through the Classroom Facilities Assistance Program (CFAP), the OFCC uses property valuation per student. This metric is used to determine the local share of project expenses. According to the OFCC, RLSD currently qualifies for 41 percent funding from the State while being responsible for funding 59 percent of the project locally. RLSD was required to select a project by April 2021, or risk losing eligibility for funding. Renovating and reconfiguring facilities without the OFCC does not allow for state funding.

Levy History

RLSD has passed and attempted to pass several levies in recent years. In November 2020, RLSD attempted a 4.67-mill substitute levy that would have raised \$1.045 million and replaced a couple existing emergency operating levies. It was defeated 2,178 to 2,595. Historically, operating levies have not had trouble passing. District officials believe that citizens did not understand that the replacement levy would not have increased their taxes.

In May 2021, a 10-year renewal tax levy was passed 773 to 579. The last new emergency operating levy (five-year, 5.96 mills) was passed in August 2011. A PI levy has also been renewed several times, most recently in May 2019.

In both November 2017 and November 2018, the District attempted to pass a combination PI and new construction bond. Both were intended for the construction of a new PK-12 building, but both were defeated. The District's attempt to pass a PI and construction bond for a new PK-8 building and renovated high school was also defeated in November 2019. The District sent out surveys to the community to obtain feedback in between levies. The primary reason for levy failure given by the survey respondents was the additional cost to District residents.

With three separate operating levies in place within the District, there is a levy on the ballot nearly every year. The District believes that citizens are experiencing ballot fatigue, which is why attempts at new facility construction bond levies have failed. In July 2019, they discussed combining the three emergency operating levies into one, but it was decided that the combined millage would just be too high for that to pass. They have discussed replacing the emergency levies with an income tax, but with the COVID-19 pandemic, income tax receipts have dropped. After discussion with the Ohio Department of Taxation, the District decided that the required tax would be too high for it to pass.

Methodology

We reviewed criteria and best practices from American School & University Magazine (AS&U) regarding long-range facilities planning as well as criteria from Asset Insights, an organization focused on asset management, regarding facility lifecycle stages.

We then reviewed existing OFCC building assessments and conducted interviews with members of the OFCC Planning Department in order to understand the current state of the District’s buildings and available options for building renovations and replacement. We also gathered information on the District’s available funding and what the required circumstances are to receive funding.

Also, we interviewed District officials to obtain information on past and present actions related to facilities planning. The District confirmed that there is not a long-range facilities plan tied to formal strategic and capital plans. We also compiled documentation regarding the District’s previous bond issues and the actions taken by voters on capital projects. Lastly, we obtained a workbook from the Portage County Auditor to calculate additional necessary millage for each building renovation or replacement scenario.

Analysis

Criteria

According to AS&U (*Inspired Planning*, 2009), a long-range facilities plan (LRFP) can help educational institutions meet current needs and prepare for the future. A LRFP evaluates how facilities support programs and the educational needs of students, staff, and the community. Each school district has unique needs and challenges; it may need to address enrollment growth or decline, changing demographic patterns and shifts, changing educational delivery and curriculum, phasing out or repair of aging facilities, grade-level reconfiguration, community needs, and other issues.

Rather than addressing issues independently, the LRFP is an opportunity to consolidate all items into one plan. RLSD has not had a plan, and as such, all of its educational facilities have multiple components in need of replacement or repair. When establishing an LRFP, a school district should do the following, in addition to ensuring adequate funding and practicality:

- Establish benchmarks to compare conditions with standards;
- Set planning criteria for learning space sizes, outfitting spaces, class-size guidelines, grade configurations, and other essentials;
- Assess each building’s physical conditions to determine useful life, long-term maintenance costs, and operational energy efficiencies;
- Evaluate educational adequacy to determine if spaces and equipment effectively support learning;
- Obtain staff input on improving learning environments (e.g. for individual study, team learning, project-based work, class instruction, and large group presentations); and,
- Generate conceptual design options to address shortfalls.

Per Asset Insights, all facilities of a facility class typically follow a similar pattern whereby operating costs and the need for significant capital renewals and adaptations changes as the facility ages. The five broad facility life cycle stages are as follows:

- Pre-Natal/Planning (Year 0);
- Childhood (Years 1-16);
- Adolescence (Years 17-29);
- Adulthood (Years 30-49); and,
- Old Age (Years 50+).

At a building's 50-year mark, all of the major assets have been through one renewal cycle. Therefore, stage five is essentially a return to lifecycle stage two. The operators must now prepare for the next cycle of asset renewals as the building moves beyond its 50th anniversary and embarks upon the next 50 years of operations. All of RLSD's buildings are in the old age stage of the cycle where renovation or replacement is of high importance.

RLSD has many options available regarding the state of its facilities. It can choose to build new or undergo major and/or minor renovations. All options have an associated cost, some higher than others.

OFCC Assessments

OFCC assessments of RLSD's buildings were completed in 2010 and 2011. A project was not selected at that time, but the OFCC noted that all of the District's educational facilities were in poor condition. In April 2021, those assessments were updated to account for the current costs of building components and materials. This update does not account for what the District has done since the initial assessments, only the updated costs.¹⁶ In 2020, the District replaced the roof on the elementary school at a cost of \$516,200 (multiplied by the regional cost factor of 1.0974). For purposes of our analysis, the amount of \$615,861 was subtracted from renovation costs associated with the elementary school.

The OFCC assessments highlight the building components that are in need of repair or replacement. Each building has several components which are in need of upgrading, such as heating systems, electrical systems, fire alarms, and handicapped access. A full list of repairs and replacements by building, as well as the associated costs, can be found in **Appendix C**.

The OFCC provided the District a master plan option summary that includes the total cost of each potential building construction scenario, including abatement and demolition costs, as well

¹⁶ In order for the OFCC assessments to encompass the updates the District has made to its facilities, rather than just updating costs, the OFCC would have to send architects to the District to conduct new assessments.

as the local share of the total costs. The following table shows the expected total cost and local share for renovation and new construction projects.¹⁷

Building Options

Option	Grades	Local Share	Total Cost
Renovate Elementary School; Renovate High School	PK-7; 8-12	\$24.4M	\$40.5M
New Primary School; Renovate High School	PK-8; 9-12	\$27.4M	\$46.4M
Renovate Elementary School; New High School	PK-5; 6-12	\$28.2M	\$46.9M
New Single School	PK-12	\$29.0M	\$49.2M
New Primary School; New High School	PK-6; 7-12	\$30.8M	\$51.0M
New Primary School; New High School	PK-5; 6-12	\$31.1M	\$51.3M
Renovate All Schools		\$31.9M	\$47.7M

Source: OFCC

For each of these scenarios, the passage of a new bond levy would be needed to fund the renovations or replacement. The Portage County Auditor provided a workbook which contained the necessary formulas to calculate millage. The following table provides the millage and subsequent additional property taxes on a \$100,000 and \$200,000 home in the District.¹⁸

New Millage Impact

Scenario	Additional Mills	Additional Annual Taxes for \$100k Home	Additional Annual Taxes for \$200k Home
Renovate ES and HS ¹	5.068	\$177	\$355
New PK-8 and Renovated HS	5.683	\$199	\$398
New 6-12 and Renovated ES	5.836	\$204	\$409
New PK-12	6.013	\$210	\$421
New PK-6 and New 7-12	6.386	\$224	\$447
New PK-5 and New 6-12	6.449	\$226	\$451
Renovate All Buildings	6.610	\$231	\$463

Source: OFCC

¹Renovated High School would house grades 6-12 and assumes the closure of Middle School.

¹⁷ Note: The OFCC only does renovation projects where at least 350 students are enrolled in a building. While some of these scenarios do not allow for renovation or new construction through the OFCC for that reason, OFCC rates were used as an estimate of potential project costs.

¹⁸ Assumes a 37.5-year bond period and a 4% interest rate on the construction.

Note: Calculated millages and taxes are for only the project costs and are not inclusive of the additional 0.5 maintenance mills required for OFCC projects under ORC § 3318.18.

Per ORC § 3318.18, the District must also allocate 0.5 mills for the maintenance of any renovation or construction project. This millage is designated to be used for ongoing maintenance expenses related to the upkeep of renovated or newly constructed buildings. This would include major repairs such as a new roof and minor maintenance such as the replacement of light fixtures, but would not include things such as routine cleaning.

The cost options presented by the OFCC include the remediation of all building components in need of replacement or repair. The District could forgo an OFCC project and seek out a private vendor to address the most pressing needs of individual buildings. This option would eliminate all available funding through the OFCC. Should the District determine that the passage of a levy is unlikely, it could use some or all of its limited PI funds to undertake projects over the course of an extended period of time,¹⁹ while prioritizing projects which are deemed most necessary.

COVID-19 Relief Funds

The District has approximately \$539,100 in federal COVID-19 relief funding that it plans to use on facilities projects during the next two years. The District should work with building experts to ensure that these funds are used in an appropriate manner and to address the most pressing needs of the buildings.

Conclusion

RLSD has three buildings that are in the “old age” stage of the facility life cycle, and multiple building components that are in need of replacement or significant repair. Developing a plan which considers multiple courses of action, and provides a path forward, based on a range of financial scenarios, will allow the District to prioritize facilities projects based on the needs of the students and community.

¹⁹ Note: Between FY 2018 and FY 2020, the District received an average of about \$402,000 in PI revenue, the majority of which has been used to purchase school buses or to make building and other improvements. Even if the District were to use all of the currently approved PI levy revenue it receives, it would take several decades to complete all existing deferred maintenance outlined by the OFCC (See Appendix C).

Recommendation 3: Reduce Extracurricular Activities Subsidy

RLSD should reduce the General Fund subsidy of extracurricular activities to the local peer level to relieve the General Fund of this cost burden.

Impact

Bringing the General Fund subsidy of extracurricular activities in line with the local peer average would save the District an average of about \$27,500 annually in each year of implementation.

Background

School districts use specialized funds to collect revenues and record expenditures related to extracurricular activities. At times, the revenues generated by activities may not be enough to cover all expenses and a subsidy from a district's General Fund is necessary to prevent negative fund balances. RLSD has been using a larger portion of its General Fund subsidy to go towards extracurricular activities than local peers, particularly in regards to sports-oriented activities. The cost per pupil has increased by 8.4 percent over the last three years.

Methodology

The District's per-pupil General Fund subsidy for extracurricular activities was compared to the local and primary peer averages.

Analysis

In FY 2020, the District spent approximately \$425,100 on extracurricular activities, which included the salaries and benefits of directors, coaches, advisors; supplies and materials; transportation services; awards and prizes; and other miscellaneous expenditures. A total of \$326,800 was subsidized by the General Fund. On a per-pupil basis, this amounts to a General Fund expenditure of \$303.77 per pupil. The local peer average was \$278.18 per pupil, which is a difference of \$25.59 per pupil. Lowering per-pupil spending to the peer average would reduce the total General Fund subsidy by \$27,500.

Conclusion

RLSD is subsidizing extracurricular activities from the General Fund at a level that is greater per pupil than its peers. It is recommended that the District reduce its subsidy per pupil in order to be in line with the local peer average. This action could reduce General Fund expenditures by \$27,500 annually.

To achieve additional savings, the District could also consider fully eliminating the General Fund subsidy of \$326,800, which would reduce expenditures an additional \$299,300 per year. To

achieve either of these reductions, the District could consider the following actions, individually or in combination:

- Implement pay-to-participate fees for extracurricular activities;
- Increase admissions and sales;
- Increase booster club funding;
- Reduce the supplemental salary schedule; and/or,
- Eliminate programs that require higher expenses than the revenue generated, or activities that have low participation levels.

While reducing the General Fund subsidy for extracurricular activities would help RLSD officials reduce future potential General Fund deficits, implementing some of these measures may impact students and families within the District. Because of this, the District should determine which actions are appropriate based on the needs of the community.

Recommendation 4: Evaluate Open Enrollment

The District should evaluate its current open enrollment policy and consider making revisions so that it accurately reflects the needs of the community and desired operational levels.

Impact

Combined with continued expected declining enrollment, reducing the total number of students the District allows to attend from outside of its boundaries could result in opportunities to reduce staffing in the future. While this could result in additional cost savings for the District, it may also alter the level and types of services provided to resident families.

Background

State of Ohio law permits school districts to establish an open enrollment policy in order to increase enrollment by allowing students from other districts to attend school there.

Rootstown LSD's open enrollment policy was adopted in 1994 and last revised in 2005. The policy allows for open enrollment and is written such a way that the District should maximize the utility of existing staff and space without adding significant additional costs.

However, enrollment and enrollment trends change over time. Demographics have changed significantly in the 16 years since the District's policy was last revised. Reviewing the policy to reflect the current status of the District is important to ensuring long-term enrollment and financial stability.

Methodology

We researched State of Ohio laws as well as District policies and obtained an understanding of the District's current open enrollment population. We also collected historical data on the District's enrollment trends to see how open enrollment has impacted the District over time.

Analysis

The Ohio General Assembly passed open enrollment into law in the Omnibus Educational Reform Act of 1989, or Senate Bill 140. Initially, students were only allowed to open enroll into adjacent school districts. However, in July 1998, the General Assembly enacted Senate Bill 55, which permitted students to open enroll into any district in the State. Section 3313.98 of the Ohio Revised Code (ORC) requires certain school districts to adopt a resolution establishing one of the following:

- Entirely prohibits open enrollment into their district;
- Permits open enrollment of all students; or,
- Permits open enrollment of students only from adjacent districts.

RLSD has an interdistrict open enrollment policy. Interdistrict open enrollment allows students to enroll into RLSD from any public school district in Ohio. The policy stipulates that no interdistrict transfer will be permitted if the enrollment of the grade level being requested at the receiving building exceeds the 25:1 student-to-teacher ratio in grades K-5 or 100 students in grades 6-12. The guidelines are meant to be consistent with ORC § 3313.98.

Open enrollment students as a percent of RLSD’s total population has ranged from 6.7 percent to 11.3 percent over the last five years. From FY 2019 to FY 2020, total enrollment declined 5.3 percent while students open enrolling into the District increased 15.9 percent. The District gained a net 17 open enrollment student FTEs in that time period. In FY 2020, approximately 112 student FTEs open enrolled into RLSD and approximately 94 student FTEs open enrolled out.

The location of RLSD in proximity to Ravenna, Waterloo, Southeast, and Field School Districts contributes to the open enrollment students entering. Student open enroll out of RLSD to those same districts. Students are also leaving RLSD to attend community and STEM schools.

The October headcount reported to ODE for the FY 2021-21 school year was 986 students in grades K-12 at RLSD. Projections show enrollment continuing to decline through FY 2026.

Grade	Historical Enrollment							Projected Enrollment				
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
K	73	76	87	90	86	78	67	67	67	68	68	68
1	95	83	81	88	86	88	77	67	67	67	67	68
2	93	92	86	80	89	91	84	75	65	65	65	66
3	100	96	92	86	82	96	76	82	74	64	64	64
4	98	97	99	94	88	62	66	76	82	74	64	64
5	101	101	99	103	94	68	62	66	75	82	73	63
6	93	105	104	89	95	92	66	65	69	79	86	76
7	94	109	101	100	91	96	80	67	66	69	80	87
8	103	96	104	97	98	87	89	80	67	66	69	80
9	88	89	87	90	91	96	89	90	81	68	66	70
10	99	94	101	86	100	94	94	88	89	80	67	65
11	62	83	80	64	66	75	59	92	86	87	78	65
12	71	68	84	79	67	68	77	57	90	84	85	76
Total:	1,170	1,189	1,205	1,146	1,133	1,091	986	972	977	951	933	913

Source: RLSD and OFCC

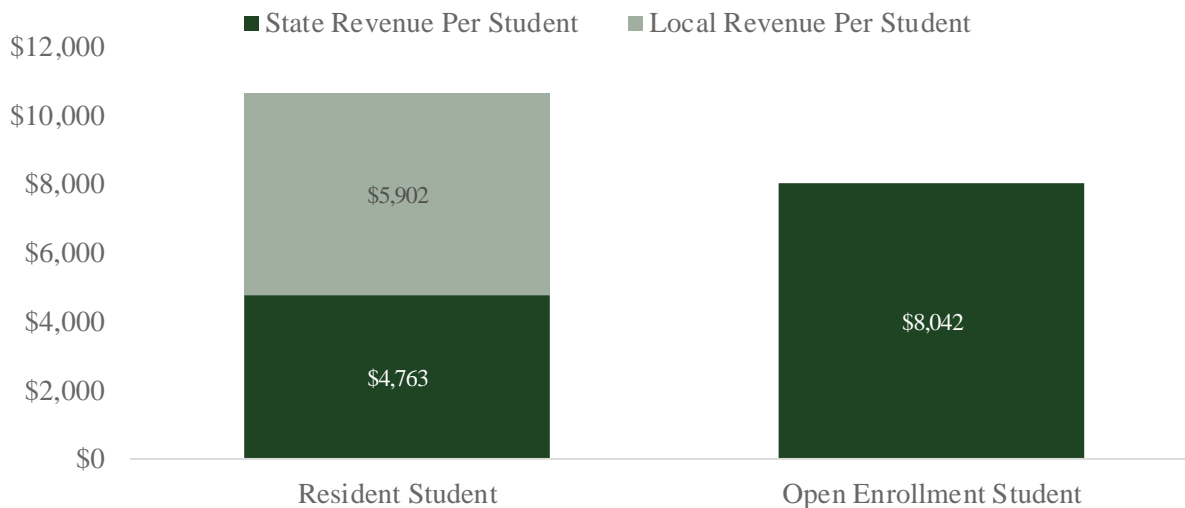
The open enrollment policy, which was last revised in 2005, is outdated. Because of the continuing decline in total enrollment, the District’s policy may result in excessive costs associated with educating non-resident students.

When a student is open enrolled into a district, only the state funds associated with that student are received by the chosen district. The local taxes remain and are allocated to the school district in which the student resides. As seen in the chart on the following page, resident students generate more than \$10,000 in revenue through local taxes and state grants for purposes of

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education. Students who attend the District through open enrollment generate approximately \$8,000 in revenue through state grants.

FY 2021 Revenue Comparisons

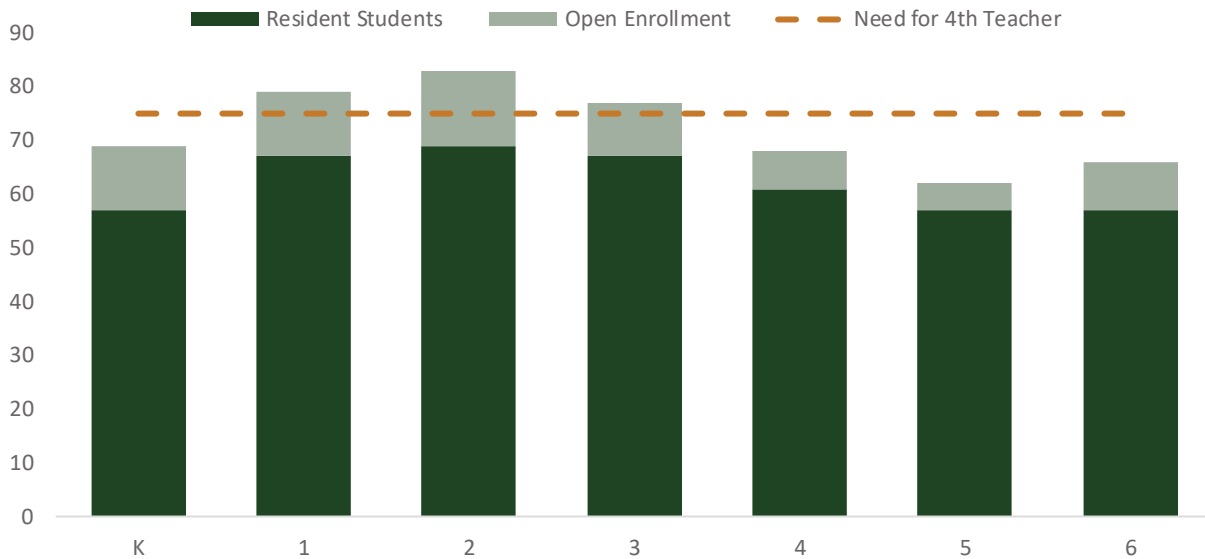


Source: RLSA

Some school district expenditures are fixed costs while others are incremental costs. We allocated costs to students on a percentage basis using a detailed methodology (See Appendix C). The cost of educating open enrollment students was \$1,049,265, and the amount of revenue received through state funding was \$985,826. There was an overall loss of \$63,439 for educating open enrollment students.

While the District’s current open enrollment policy allows for a ratio of 25:1 students-to-teachers in grades K-5 and 100 students in grades 6-12, none of the K-6 grades exceed the 25:1 ratio. Grades K-3 each have four teachers, while grades 4-6 each have three teachers. The following chart shows at what point a particular grade level would require a fourth teacher in order to comply with the contractually obligated 25:1 ratio.

RLSD Students in Grades K-6



Source: RLSD and ODE

Based on current enrollment data, the District could strategically reduce its teaching personnel in grades K-3 through a reduction in the number of students it allows to attend via open enrollment. It is important to note that there are other considerations the District should take into account when determining the optimal open enrollment policy. These considerations include the overall class size and the impact of a smaller student population on activities and other services offered by the District.

Conclusion

RLSD employed four classroom teachers in each of grades K-3 in order to accommodate the number of students open enrolling into the District in FY 2021 and to be in compliance with the 25:1 student-to-teacher ratio required by the District’s collective bargaining agreement (CBA) for certificated employees. However, according to its contract, the District would have been required to only staff three teachers in each of those grade levels to educate its resident students.²⁰

RLSD should evaluate its current open enrollment policy and consider making revisions so that it accurately reflects the needs of the community and the desired operational levels. Combined with continued expected declining enrollment, reducing the total number of students the District allows to attend from outside of its boundaries could result in opportunities to reduce staffing in

²⁰ As of the start of the FY 2022 school year, the District has eliminated three general education teaching positions in these elementary grade levels.

the future. While this could result in additional cost savings for the District, it may also alter the level and types of services provided to resident students.

Human Resources

Human resource (HR) expenditures are significant to both the operational and financial conditions within school districts. OPT reviewed RLSD’s staffing levels, salaries, and CBA provisions and compared them to peer districts. We also reviewed ORC and OAC requirements²¹ to determine areas where the District could save money through reductions.²²

Recommendation 5: Eliminate Administrative and Administrative Support Positions above the Peer Average

RLSD should eliminate administrative and administrative support positions that are above the peer average to reduce overall administrative costs.

Impact

By reducing administrative and administrative support staff to be in line with the primary peer averages, the District could save an average of \$180,100 annually.²³

Background

The District employs individuals in administrative or administrative support positions that are responsible for activities related to the daily operations of the District. While these positions provide critical support to students and educators within RLSD, the District may be able to reduce some positions based on peer comparisons.

Methodology/Analysis

Staffing levels for the District were identified and compared to peer averages for all analyses (See Appendix D).²⁴ In order to make data-driven decisions, the data was normalized on a per-1,000 student level and compared to the peer average.

Areas where RLSD has staffing levels above the primary peer average and could reduce administrative or administrative support staffing include:

²¹ Ohio Rev. Code §§ 124.39, 3319.071, 3319.084, 3319.087, 3319.141, 3319.142, 3319.17, 3319.22 and Ohio Admin. Code § 3301-35-05.

²² Title 1, Special Education, and auxiliary staffing is excluded from our analysis due to various requirements.

²³ The value of the savings for all staffing recommendations were based on the lowest tenured employee salaries. Benefits include medical, dental, and life insurance, Medicare, and retirement.

²⁴ A Full-Time Equivalent (FTE) was used to identify staffing levels, based on ODE reporting guidelines.

- 2.0 FTE Central Office Administrators; and,
- 0.5 FTE Building Office Support Staff.

Central Office Administrators

Ohio school districts are required by law to employ a Superintendent and Treasurer; additional central office administrator staffing is based on the needs of the District.²⁵ These positions generally include district leadership who lead or coordinate programs on a district-wide basis. RLSD employs 6.5 FTE central office administrator staff. Eliminating 2.0 FTE central office administrator positions could save an average of \$165,200 annually, from FY 2022 through FY 2025, bringing the District’s baseline staffing ratio in line with the primary peer average.

Building Office Support Staff

RLSD employs 4.0 FTE building office support staff, which is 0.81 FTE above the primary peer average. This category of positions consists of the building and guidance office administrative assistants. Eliminating 0.5 FTE building office support positions could save an average of \$14,900 in each year of implementation, from FY 2022 through FY 2025, bringing the District’s baseline staffing ratio to a level consistent with the primary peer average.

Conclusion

RLSD should eliminate 2.0 FTE central office administrator positions and 0.5 FTE building office support staff. Eliminating these positions could save an average of approximately \$180,100 in each year of implementation and bring the District’s baseline staffing ratio more in line with the primary peer average.

²⁵ Ohio Rev. Code § 3319.01 requires school districts in Ohio to employ the services of a Superintendent; Ohio Rev. Code § 3313.22 requires school districts in Ohio to employ the services of a Treasurer.

Recommendation 6: Eliminate Direct Student Education and Support Positions above the Peer Average

RLSD should consider eliminating direct student education and support positions above the peer average.

Impact

By reducing direct education and support staff to be in line with the primary peer averages, the District could save an average of \$506,900 annually.

Background

Direct education and support positions are those functions which assist students directly in some manner. This may include a variety of professionals including teachers, educational support specialists, and counselors. Staffing decisions in these areas are based on a variety of factors. However, we found that based on peer comparisons, RLSD could eliminate some staffing in certain categories.

Methodology/Analysis

Staffing levels for the District were identified and compared to primary peer averages (See **Appendix D**) on a normalized FTE per-1,000 student basis. Areas where RLSD could reduce direct student education and support staffing include:

- 3.5 FTE General Education Staff;
- 0.5 FTE K-8 Art Staff;
- 1.0 FTE K-8 Music Staff;
- 0.5 FTE Counseling Staff;
- 0.5 FTE Library Staff;
- 3.5 FTE Classroom Support Staff; and,
- 1.32 FTE Monitoring Staff.

General Education Staff

RLSD employs 50.45 FTE general education teachers and has a student-to-teacher ratio of 17:1. RLSD is 3.90 FTEs above the primary peer average. After a 3.5 FTE reduction, the student-to-teacher ratio increases to 18:1, which is still below the minimum staffing ratio in the District's certificated contract. Eliminating 3.5 general education teacher positions could save an average of approximately \$239,800 per year over the forecasted period, bringing the District's baseline staffing ratio more in line with the primary peer average.

Art and Music Staff

RLSD employs 2.0 FTE art education teachers and 2.55 FTE music education teachers in grades K-8. The District is 0.84 FTEs above the primary peer average for art education and 1.16 FTEs above the primary peer average for music education at the K-8 level. Eliminating 0.5 FTE K-8 Art teacher positions could save an average of \$51,400 in each year of implementation, while eliminating 1.0 FTE Music teacher positions could save an average of \$56,400 per year, bringing the District's baseline staffing ratio to a level consistent with the primary peer average.

Counseling Staff

RLSD employs 3.0 FTE counselors, which is 0.78 FTE above the primary peer average. Eliminating 0.5 FTE counseling positions could save an average of \$46,300 in each year of implementation, from FY 2022 through FY 2025, bringing the District's baseline staffing ratio to a level consistent with the primary peer average.

Library Staff

RLSD employs 2.0 FTE library staff members. This includes the District's librarian and library aide positions. RLSD is 0.74 FTEs above the primary peer average for library staff. Eliminating 0.5 FTE library positions could save an average of \$15,900 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.

Classroom Support Staff

RLSD employs 10.0 FTE classroom support staff. This is 3.87 FTEs above the primary peer average. Eliminating 3.5 FTE classroom support staff positions could save an average of \$75,400 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.

Monitoring Staff

RLSD employs 1.32 FTE monitors. Six of the ten peers cover monitoring duties with some sort of teacher/aide rotation for coverage. Eliminating 1.32 FTE monitoring positions could save an average of \$21,700 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.

Conclusion

RLSD should eliminate 10.82 FTE direct student education and support staff positions. Eliminating these positions could save an average of approximately \$506,900 in each year of implementation and bring the District's baseline staffing ratio more in line with the primary peer average.

Recommendation 7: Align Custodial Salary Schedule

RLSD should align the general custodian salary schedule with the local peer average.

Methodology

The District's classified salaries over a 30-year career were reviewed and compared to the local peer averages.²⁶ A 30-year career was chosen since school district collective bargaining agreements (CBA) are generally structured around a 30-year period. Pay schedules from the CBAs were obtained from the Ohio State Employment Relations Board (SERB) website.²⁷

Analysis

The Ohio Association of Public School Employees (OAPSE) Chapter 569 has a CBA with Rootstown LSD, which governs the District's classified employees, including custodians. The District currently employs 6.75 FTE general custodians.

Over a 30-year career at RLSD, individual 1.0 FTE general custodians can earn a total of \$1,201,490, and individual .75 FTE general custodians can earn a total of \$648,207. RLSD negotiated a classified CBA that offers a more generous salary for general custodians than the local peer districts (**See Appendix D**). A general custodian makes about \$59,700 above the local peer average of \$1,141,766 over a 30-year career.

Conclusion

The base salary for general custodians in RLSD allows them to earn approximately \$59,700 more than their counterparts in peer districts over a 30-year career. By negotiating a reduced hourly salary schedule for newly hired general custodians, the District can avoid costs that exceed the local peer average.

²⁶ Custodians at RLSD are paid hourly and have the potential for earning overtime at 1.5 times their salary, but overtime was not included in the salary comparison to the peers.

²⁷ The State Employment Relations Board (SERB) houses a central repository for CBA provisions from public entities that includes public school districts.

Recommendation 8: Renegotiate Selected Provisions in CBAs

RLSD should renegotiate its CBA provisions regarding vacation leave accrual, personal leave accrual, and internal substitute pay.

Impact

The current CBA provisions related to vacation and personal leave accrual could result in increased liabilities for the District due to excess paid time off accrual by employees. Further, by reducing the internal substitute pay rate to be in-line with peers, the District could realize annual savings of approximately \$5,800 based on FY 2020 data.

Background

RLSD has negotiated two CBAs: the OAPSE Chapter 569 classified CBA and the Rootstown Education Association certificated CBA. The District has negotiated provisions relating to leave accrual and internal substitute pay. These contracts are subject to future negotiations and officially expired on June 20, 2021 and July 31, 2021, respectively. According to the District, an agreement was recently reached on a new certificated contract, but they are still in negotiations with the classified association.

Methodology

Classified and certificated CBA provisions were obtained from the State Employment Relations Board (SERB) for RLSD and peer districts. RLSD's CBAs were then compared to state standards and local peer district CBA provisions.

The CBA provisions we reviewed include the following:

- Sick, Personal, and Vacation leave accrual;
- Severance payouts;
- Professional leave;
- Longevity/Overtime/Extra-duty rates;
- Calamity days;
- Class sizes;
- Attendance, Recruitment, and Insurance incentives;
- Reimbursements; and,
- Health benefits.

Analysis

RLSD classified employees may earn up to 808 days of vacation leave over a 30-year career, or 4,040 hours. The local peer average for vacation leave is 744 days over a 30-year career, or

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3,720 hours. Over the span of a 30-year career, RLSD provides 64 more days of vacation leave than the local peer average.

The District gives 12-month classified employees four days of personal leave per year that are noncumulative from one academic year to the next. All of RLSD's local peer districts offer classified employees three personal days annually per ORC § 3319.142.

Lastly, RLSD pays internal substitutes at an hourly rate of \$32.79. The local peer average for internal substitute pay is \$23.39 hourly.

Conclusion

The District exceeds the local peers in terms of vacation and personal leave offered as well as internal substitute pay rates. The District should consider renegotiating its CBA agreement provisions in order to improve operational efficiency and provide cost savings. Renegotiating the internal substitute rate of pay could save RLSD approximately \$5,800 annually.

Recommendation 9: Align Employer Insurance Costs

The District should align its employer costs for medical insurance premiums with the SERB regional average.

Impact

Aligning employer costs with the State Employment Relations Board (SERB) regional average will reduce employer costs and allow the District to realize savings of approximately \$318,500 over the course of its five-year forecast. Average annual savings would be \$79,600, beginning in FY 2022.

Background

RLSD's total medical insurance premiums are higher than the SERB regional average. This can be due to a number of factors including claims history, plan design, and employee contribution rates.

Methodology/Analysis

SERB releases information related to public employee benefits. We reviewed the available SERB data and compared RLSD's cost for insurance policies to the average of other governmental organizations within SERB Region 1, as well as those that had plans structured similarly to that of RLSD.

The District currently offers employees a choice between single and family insurance plan options, and has 120 total employees enrolled in medical plans.²⁸ Employees are offered medical plans according to their CBA and bargaining unit. RLSD's employer costs for medical premiums were higher than the SERB regional average.

The District's medical plan has some benefits that are more generous than the SERB regional average. District employees are contributing more towards medical premiums than the average, but total plan costs for RLSD are also higher. RLSD's plans also contain provisions that are in line with or slightly less generous than the SERB regional average (**See Appendix D**). In order for the District to align employer costs with the SERB regional average, it may be necessary to increase employee contributions to a level greater than the SERB average to account for the total premium costs, which are greater than the average.

Exploring less expensive premium options is another method to help reduce employer insurance costs. RLSD currently offers medical and prescription coverage as separate plans. SERB data indicates that this is not a common practice within their region. Only 17 school districts within

²⁸ Some part-time District employees pay a pro-rated amount for insurance and were excluded from comparisons to avoid inflating forecasted savings.

RLSD's SERB region offer medical and prescription coverage as separate plans. Another 70 school districts offer them as one. According to SERB data, districts that merge their medical and prescription coverage pay less on average than when those plans are separate for family coverage. Family coverage is the most expensive type of coverage to RLSD, but is also the type of coverage that has the most enrollees.

Conclusion

RLSD should work to align employer costs associated with medical insurance premiums to a level that is more closely aligned with the SERB regional average to realize annual cost savings of approximately \$79,600.

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 RLSD's use of existing facilities in comparison to best practices and industry standards to determine if there were any areas for improvement.

Recommendation 10: Formalize Preventative Maintenance

Rootstown LSD should formalize a preventative maintenance (PM) plan as recommended by the American Public Works Association (APWA) and National Center for Education Statistics (NCES) to help ensure that preventative maintenance of its facilities is conducted at optimal intervals, which could help mitigate otherwise unneeded costly repairs.

Impact

There is no direct financial implication of this recommendation; however, a formal preventative maintenance plan can assist the District in forecasting costs and reducing the impact of emergency repairs or replacements. It is generally more efficient to regularly maintain facilities as repairs and replacements are needed rather than attempt to conduct all repairs and replacements simultaneously (See R.2).

Methodology

We conducted interviews with District officials on their PM practices. Their practices were then compared to industry standards and best practices from the APWA and NCES.

Analysis

According to the APWA, a formal PM program that includes scheduling, recording performance, and monitoring should be developed for all equipment. Planning for PM activities includes:

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

Per NCES criteria, PM is the cornerstone of any effective maintenance initiative. It begins with an audit of the buildings, grounds, and equipment. Once facilities' data has been assembled, structural items and pieces of equipment can be selected for PM. Once the items that should receive PM have been identified, planners can decide on the frequency and type of inspection. Manufacturers' manuals are a good place to start when developing this schedule; they usually

provide guidelines about the frequency of preventative service, as well as a complete list of items that must be maintained.

Although facilities staff at RLSD conduct PM activities regularly, the District does not have a formal maintenance plan. The current system for keeping track of completed PM activities is a dry erase board that lists tasks that need to be done in each of the District's buildings.

In FY 2020, maintenance supplies and materials expenses were higher than the peer average by approximately \$42,700. There was also an 8.1 percent increase in the District's supplies and materials expenses from FY 2019 to FY 2020. This could be due to a large portion of the District's maintenance being conducted in-house rather than contracted out. The District has much lower purchased services costs, which indicates more PM is being conducted in-house at RLSD than in peer districts. The increase in supplies and materials cost could also be due to PM not being conducted at optimal intervals that would be specified in a formal plan.

Conclusion

A lack of a formal PM plan can make it difficult to forecast and accurately plan for expenditures related to maintenance and repairs. The establishment of a formal PM plan as recommended by the APWA and NCES could assist the District in planning for repairs and the costs associated with those repairs.

Recommendation 11: Reduce Facilities Staffing

When appropriate to return to pre-pandemic staffing level benchmarks, RLSD should reduce its facilities staff by 0.5 FTEs. However, should RLSD decide to close its middle school building, it could reduce its facilities staff by a total of 3.0 FTEs.²⁹

Impact

A staffing reduction of 0.5 FTEs will result in average annual savings of about \$16,600. A staffing reduction of 3.0 FTEs will result in average annual savings of \$131,300.

Background

RLSD currently employs 10.8 FTE facilities employees. The facilities employees are responsible for maintenance, grounds, and custodial work. The District's Facilities Director splits his time between administrative and maintenance tasks, with approximately 70 percent of his job being maintenance related. Including the Facilities Director, there are a total of 2.2 FTE maintenance employees. There are 6.8 FTE custodial employees.

Methodology

Criteria from AS&U and the NCES were used to complete four different staffing analyses to identify potential cost savings through staffing reductions. Both the COVID-19 pandemic and the potential middle school building closure were factors in our staffing analyses.

Analysis

The NCES identifies varying levels of cleaning benchmarks that can be used to guide facilities staffing. According to the NCES document *Planning Guide for Maintaining School Facilities*, Level 3 cleaning is the standard for most school facilities whereas Level 2 cleaning is a higher standard of cleaning reserved for areas such as restrooms, food service areas, kindergarten spaces, and special education areas. In this analysis, we considered four different scenarios, three of which would result in cost savings for the District. These scenarios take into account the potential need to heightened cleaning standards due to the COVID-19 pandemic and changes to cleaning needs based on reductions in facilities space identified in **Recommendation 12**.

Scenario 1: According to the NCES, when adhering to a Level 3 standard of cleaning, a custodian can clean approximately 28,000 to 31,000 feet in 8 hours. Based on this standard of cleaning, RLSD's total facilities staffing is 0.8 FTEs above the benchmark when considering all

²⁹ Decisions to make reductions in facilities staffing should be made in conjunction with decisions to undergo future construction projects which may alter the amount of square footage available to custodial and maintenance staff.

current facilities space. The District could reduce 0.5 FTEs which would result in average annual savings of approximately \$16,600.³⁰

Scenario 2: According to the NCES, when adhering to a Level 2 standard of cleaning, a custodian can clean approximately 18,000 to 20,000 square feet in an 8 hour shift. Assuming NCES Level 2 cleaning to account for heightened cleaning by school districts during the COVID-19 pandemic, RLSD is 2.9 FTEs below the benchmark and cannot make any staffing reductions based on its current facilities space.

Scenario 3: If the District implements **Recommendation 12** and closes the existing middle school, the total facilities square footage would be reduced by 59,250 square feet. Based on a Level 3 cleaning standard, the total facilities staffing would exceed benchmark criteria by 3.4 FTEs. A reduction of 3.0 FTEs would result in average annual savings of approximately \$131,300.

Scenario 4: Using the space reduction identified in Scenario 3 and the enhanced cleaning standard identified in Scenario 2, the District's facilities staffing would exceed the benchmark criteria by 0.9 FTEs and would be able to make a reduction of 0.5 FTEs, which would result in average annual savings of approximately \$16,600.

The tables on the following pages provide additional detail on the calculations used in order to develop these scenarios.

³⁰ No reductions can be made in FY 2021, so average savings are based upon numbers beginning in FY 2022.

Buildings & Grounds Staffing Comparisons (Level 3 Standard)

	3 Buildings	2 Buildings
Grounds Staffing		
Grounds FTEs	1.5	1.5
Acreage Maintained	36.5	36.5
AS&U Benchmark - Acres per FTE	40.2	40.2
Benchmarked Staffing Need	0.9	0.9
Grounds FTEs Above/(Below) Benchmark	0.6	0.6
Custodial Staffing		
Custodial FTEs	6.8	6.8
Square Footage Cleaned	195,970	136,720
NCES Level 3 Cleaning Benchmark ¹ - Median Square Footage per FTE	29,500	29,500
Initial Benchmarked Staffing Need	6.6	4.6
Custodial FTEs Above/(Below) Benchmark	0.1	2.1
Adjusted Benchmarked Staffing Need	6.6	4.6
Custodial FTEs Above/(Below) Benchmark	0.1	2.1
Maintenance Staffing		
Maintenance FTEs	2.2	2.2
Square Footage Maintained	195,970	136,720
AS&U Benchmark - Square Footage per FTE	94,872	94,872
Benchmarked Staffing Need	2.1	1.4
Maintenance FTEs Above/(Below) Benchmark	0.1	0.7
Total Buildings & Grounds Staffing		
Total FTEs Employed	10.4	10.4
Total Benchmarked Staffing Need	9.6	7.0
Total FTEs Above/(Below) Benchmark	0.8	3.4

Source: RLSD, AS&U, and NCES

Note: Figures in table are rounded.

Buildings & Grounds Staffing Comparisons (Level 2 Enhanced)

	3 Buildings	2 Buildings
Grounds Staffing		
Grounds FTEs	1.5	1.5
Acreage Maintained	36.5	36.5
AS&U Benchmark - Acres per FTE	40.2	40.2
Benchmarked Staffing Need	0.9	0.9
Grounds FTEs Above/(Below) Benchmark	0.6	0.6
Custodial Staffing		
Custodial FTEs	6.8	6.8
Square Footage Cleaned	195,970	136,720
NCES Level 2 Cleaning Benchmark ¹ - Median Square Footage per FTE	19,000	19,000
Initial Benchmarked Staffing Need	10.3	7.2
Custodial FTEs Above/(Below) Benchmark	(3.6)	(0.4)
Adjusted Benchmarked Staffing Need	10.3	7.2
Custodial FTEs Above/(Below) Benchmark	(3.6)	(0.4)
Maintenance Staffing		
Maintenance FTEs	2.2	2.2
Square Footage Maintained	195,970	136,720
AS&U Benchmark - Square Footage per FTE	94,872	94,872
Benchmarked Staffing Need	2.1	1.4
Maintenance FTEs Above/(Below) Benchmark	0.1	0.7
Total Buildings & Grounds Staffing		
Total FTEs Employed	10.4	10.4
Total Benchmarked Staffing Need	13.3	9.5
Total FTEs Above/(Below) Benchmark	(2.9)	0.9

Source: RLSD, AS&U, and NCES

Note: Figures in table are rounded.

Conclusion

The District has a higher number of facilities staff than is necessary according to the benchmarks. While this may be warranted during the COVID-19 pandemic, when cleaning standards for school districts return normal, RLSD is generally overstaffed in facilities FTEs. Making a reduction of 0.5 FTEs could bring the District more in line with the benchmark standards and save approximately \$16,600 annually. Should the District decide to close its middle school, it could reduce 3.0 FTEs at the current staffing levels and save approximately \$131,300 annually.

Recommendation 12: Improve Building Utilization

RLSD has experienced declining enrollment in recent years and the trend is projected to continue. Due to this, District buildings have been operating at increasingly lower capacity and utilization. As such, the District would be able to close its middle school building, shifting those students into the elementary and high schools, and realize annual cost savings of approximately \$92,100. This would not only reduce overall facilities cost, but allow RLSD to focus its limited maintenance and repair resources on its remaining buildings.

Impact

If the District closed its middle school building, it could save \$92,100 in facilities costs. However, with the closure of a building the District may incur additional costs for “enhanced reprogramming”, which refers to the costs needed to accommodate moving students into a building or buildings that have historically not accommodated their grade levels.³¹

Background

RLSD has three buildings on one piece of property for the purposes of educating students. The elementary school holds grades K-5, the middle school holds grades 6-8, and the high school holds grades 9-12. The District’s board office is located within the high school. The District also has a bus garage on the same piece of property.

Methodology

Benchmark criteria from DeJong & Associates (*Defining Capacity*, 1999) was used to calculate the functional capacity of each of Rootstown’s three buildings. The functional capacity was calculated based on a class size of 25 for the elementary school, and for the middle and high schools a class size of 25 multiplied by 85 percent.³² We determined the amount of staffing reductions that could be made and the associated savings as a result of closing the middle school building.

³¹ The District is currently working with an architecture firm to assess the possibilities of condensing all grade levels into the elementary and high schools (**See R.2**). During that process, the District is evaluating the best options for allocating students from the middle school to the two buildings.

³² A class size of 25 multiplied by 85 percent was used for Rootstown Middle School since it operates as a junior high. According to DeJong criteria, middle schools that do not operate as junior highs do not have class size multiplied by 85 percent. This is used to account for students moving through various classrooms throughout the day.

School districts should not plan for 100 percent capacity within their educational buildings. In *Defining Capacity*, a capacity rate of 90 percent is suggested as the maximum rate. When capacity exceeds 90 percent, it becomes increasingly difficult to schedule students and spaces.³³

Criteria from the National Clearinghouse for Educational Facilities (NCEF) was also used to determine non-payroll related savings when closing a building. According to the criteria, closing a building will decrease total building utilities costs by 60 percent, maintenance costs by 90 percent, and supplies and materials costs by 100 percent.

Lastly, we reviewed criteria from the International Facility Management Association (IFMA) in order to calculate the Gross Square Foot Index (GSF) for each of the District’s buildings.

Analysis

The District is currently operating at 68.7 percent capacity, as shown in the following table. Given the current headcount, enrollment projections, declining enrollment trends, and available capacity within the buildings, the middle school building can be closed. The middle school is the District’s oldest building, holds the least amount of students, and has the lowest capacity.

FY 2019-20 Building Level Capacity & Utilization

Building Level	Buildings	Classrooms	Head Count	Capacity	Utilization
Elementary	1	26	432	650	66.5%
Middle	1	17	235	361	65.1%
High	1	20	319	425	75.1%
Total	3	63	986	1,436	68.7%

Source: RLSD and ODE

Using the Districts FY 2021 enrollment headcount number of 986, if the District decided to close the middle school, it would be at 91.7 percent capacity, which is above the DeJong benchmark of 90 percent. This analysis excludes three classrooms or teaching spaces that are currently being used as spaces for isolating students who are experiencing symptoms of COVID-19. When these three rooms are included, the District is at 87.9 percent capacity, or below the benchmark.

With the declining enrollment comes a declining utilization rate. Based on projections (**See R.4**), RLSD will remain below the 90 percent benchmark in years to come. If the District closed the middle school, it could save approximately \$92,100 annually. Using NCEF criteria, Rootstown will save approximately \$9,700 on avoidable purchased services, \$58,200 on supplies and materials, and \$24,200 on utilities.

³³ In *Defining Capacity*, it is stated, “Experience will also show that once a building surpasses 90 percent utilization, scheduling of spaces and students becomes increasingly difficult” indicating a 90 percent usage for school buildings would be an accurate benchmark.”

Funds may need to be spent to accommodate the middle school students shifting into the elementary and high schools. Due to this, the above savings may be offset by these “reprogramming” expenses.

Gross Square Foot (GSF) Index

According to the IFMA,

“The [GSF] is expressed as a ratio of annual facility maintenance operating expenditures to the building’s gross area. Annual facility maintenance operating expenditures include all expenditures related to providing service and routine maintenance to facilities and grounds. It also includes expenditures for major maintenance funded by the annual facilities maintenance operating budget.”

In other words, the GSF shows the relative cost of operation among an organization’s various facilities. The results of the average GSF index calculations between FY 2018 and FY 2020 were 0.73, 0.75, and 0.69 for the elementary school, middle school, and high school, respectively. The GSF index indicates that more funds are being spent on the middle school per square foot than the other buildings. As the middle school is the oldest building and has the oldest components, it stands to reason that it requires the most maintenance and is the most costly to operate.

Gross Square Foot Index



Source: RLSD

Conclusion

The District is not operating at 90 percent capacity and enrollment is projected to decline. RLSD can opt to discontinue operating its middle school building for educational purposes and relocate the middle school students to the elementary and high schools. Doing this, the District can realize savings of up to approximately \$92,100 annually.

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 examined RLSD's reporting policies and procedures as well as bus routing, preventative maintenance, fuel purchasing, and bus replacement practices in comparison to industry standards and best practices to determine whether there were any areas for improvement.

Recommendation 13: Eliminate Bus Routes

RLSD should eliminate two bus routes from its active bus fleet to raise ridership to benchmark levels.

Impact

Eliminating two bus routes could save the District about \$42,300 annually.

Methodology

The District's ridership was compared to industry benchmarks and a bus reduction analysis was performed based on the number of routes the District has. Criteria from the American Association of School Administrators (AASA) that establishes an 80 percent school bus utilization benchmark was used. Any routes which met capacity criteria were excluded from the analysis. Because ridership had declined so much for FY 2021 based on responses to COVID-19, the analysis of routes is based on FY 2020 ridership levels to approximate utilization under normal conditions.

Bus utilization was analyzed without the inclusion of a maximum ride time. The District's transportation director tries to avoid having students on a bus longer than an hour, but the District does not have an official maximum ride time dictating how long a student may be on a bus.

Analysis

RLSD owns fourteen assigned buses and five spare buses. The District transports both Tier I (middle and high school) students and Tier II (elementary school) students. In FY 2020, 700 total Tier I and Tier II riders were reported by the District during the October count week. According to the ODE T-1 Report for FY 2021, 434 students were transported. That number includes special education students, students living within one mile of the school, and students living one mile or more away from the school. In FY 2020, the year selected for analysis, the baseline school bus utilization for Tier I routes was 60.4 percent and 49.9 percent for Tier II routes.

The District’s bus routes have not been regularly analyzed for efficiency in the past. As such, the District’s fleet is not operating as efficiently as possible and is operating with more buses than necessary.

The following tables show what the total utilization for Tier I and Tier II routes would be if the recommended reductions are implemented. Tier I would be at 70.1 percent utilization and Tier II would be at 61.1 percent utilization.

Tier I Detailed Review

Tier	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Tier I	11	47.7	525	317

Tier I Exclusions

Reason for Exclusion	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Already at Standard	2	47.0	94	82
80th+ Percentile Time	0	0.0	0	0

Tier I Routes Reviewed for Additional Efficiency Opportunity

Tier	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Tier I	9	47.9	431	235

Tier I Route Elimination Sensitivity Analysis and Impact on Utilization

Routes Eliminated	1	2	3	4
Capacity Eliminated	47.9	95.8	143.7	191.6
Adjusted Total Capacity	383	335	287	240
Adjusted Total Utilization	61.4%	70.1%	81.9%	97.9%

Source: RLSD and ODE

Note: Route utilization analysis based on FY 2020 data. This is because FY 2021 count data was skewed by COVID-19 pandemic due to dramatic decrease in student ridership. The objective was to see what the District’s bus utilization was prior to the pandemic.

Tier II Detailed Review

Tier	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Tier I	10	71.4	714	349

Tier II Exclusions

Reason for Exclusion	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Already at Standard	0	0.0	0	0
80th+ Percentile Time	0	0.0	0	0

Tier II Routes Reviewed for Additional Efficiency Opportunity

Tier	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Tier II	10	71.4	714	349

Tier II Route Elimination Sensitivity Analysis and Impact on Utilization

Routes Eliminated	1	2	3	4
Capacity Eliminated	71.4	142.8	214.2	285.6
Adjusted Total Capacity	643	571	500	428
Adjusted Total Utilization	54.3%	61.1%	69.8%	81.5%

Source: RLSD and ODE

Note: Route utilization analysis based on FY 2020 data. This is because FY 2021 count data was skewed by COVID-19 pandemic due to dramatic decrease in student ridership. The objective was to see what the District's bus utilization was prior to the pandemic.

Conclusion

As of FY 2020, RLSD has active buses which are not meeting the industry benchmark of 80 percent utilization. The District should right-size its fleet by eliminating two routes from its active bus fleet. By eliminating two active bus routes, the District could save about \$42,300 annually in each year of implementation, which only takes into account the reduced bus driver salaries and benefits costs.

Recommendation 14: Apply Existing Transportation Policy

RLSD should apply its existing Board Policy 8600 and follow ORC § 3327.01 by discontinuing the transportation of students living within one mile from the school, thereby reducing one additional route and bus from the active fleet. However, the District should evaluate the ability of students to safely walk to school when considering the eliminating of transportation services for these students. If route service for students living within one mile is to continue, parents should be required to register these students for pickup and the District should regularly monitor throughout the school year whether or not these students are actually riding.

Impact

Eliminating one additional bus route and active bus could save the District \$25,600 annually. These potential cost savings are in addition to the potential cost savings from eliminating two bus routes from its active bus fleet (**See R.13**).

Methodology

The District's two-tiered routing system was reviewed to determine whether any routes could be eliminated in order to bring the usage rate closer to the industry standard if not transporting students living within one mile.

ORC § 3327.01 establishes state minimum transportation requirements, including an obligation to transport all resident K-8 students living two or more miles from their assigned schools.

RLSD's own transportation Policy 8600 does not require the transportation of students living within one mile of the school.

Most school districts provide school bus service when students live more than a specified minimum distance from school, generally one to two miles. However, many districts bus children to school if the walking conditions are unsafe even when they do not meet the distance threshold; this is known as "hazard busing."³⁴

Analysis

The District is transporting Tier I and Tier II students beyond what is required by its own transportation policy and the ORC. The following tables show the total utilization for Tier I and Tier II routes should the recommended reductions be implemented. Tier I will be at 78 percent utilization and Tier II will be at 61 percent utilization.

³⁴ From a 2014 Case Study on Hazard Busing

Tier I Detailed Review

Tier	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Tier I	11	47.7	525	317

Tier I Exclusions

Reason for Exclusion	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Already at Standard	2	47.0	94	81
80th+ Percentile Time	0	0.0	0	0

Tier I Routes Reviewed for Additional Efficiency Opportunity

Tier	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Tier I	9	47.9	431	224

Tier I Route Elimination Sensitivity Analysis and Impact on Utilization

Routes Eliminated	1	2	3	4
Capacity Eliminated	47.9	95.8	143.7	191.6
Adjusted Total Capacity	383	335	287	240
Adjusted Total Utilization	58.4%	66.8%	78.0%	93.3%

Source: RLSD and ODE

Note: Route utilization analysis based on FY 2020 data. This is because FY 2021 count data was skewed by COVID-19 pandemic due to dramatic decrease in student ridership. The objective was to see what the District's bus utilization was prior to the pandemic.

Tier II Detailed Review

Tier	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Tier I	10	71.4	714	305

Tier II Exclusions

Reason for Exclusion	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Already at Standard	0	0.0	0	0
80th+ Percentile Time	0	0.0	0	0

Tier II Routes Reviewed for Additional Efficiency Opportunity

Tier	Total Routes	Avg. Capacity	Total Capacity	Peak Riders
Tier II	10	71.4	714	305

Tier II Route Elimination Sensitivity Analysis and Impact on Utilization

Routes Eliminated	2	3	4	5
Capacity Eliminated	142.8	214.2	285.6	357.0
Adjusted Total Capacity	571	500	428	357
Adjusted Total Utilization	53.4%	61.0%	71.3%	85.4%

Source: RLSD and ODE

Note: Route utilization analysis based on FY 2020 data. This is because FY 2021 count data was skewed by COVID-19 pandemic due to dramatic decrease in student ridership. The objective was to see what the District's bus utilization was prior to the pandemic.

Conclusion

The District should apply its Board Policy 8600 and follow ORC § 3327.01 by discontinuing the transportation of students living within one mile of the schools who can walk to school safely. The District could then reduce one additional bus route, and by doing so could save the District approximately \$25,600 annually.

Recommendation 15: Formalize Preventative Maintenance and Inventory Management

RLSD should establish a formal preventative maintenance program and a formal inventory management system.

Background

The District does not have a formal preventative maintenance plan for its bus fleet or a formal inventory management system. Mechanics keep track of the mileage on each bus to determine when maintenance needs to be performed, such as an oil change or tire rotation.

Methodology

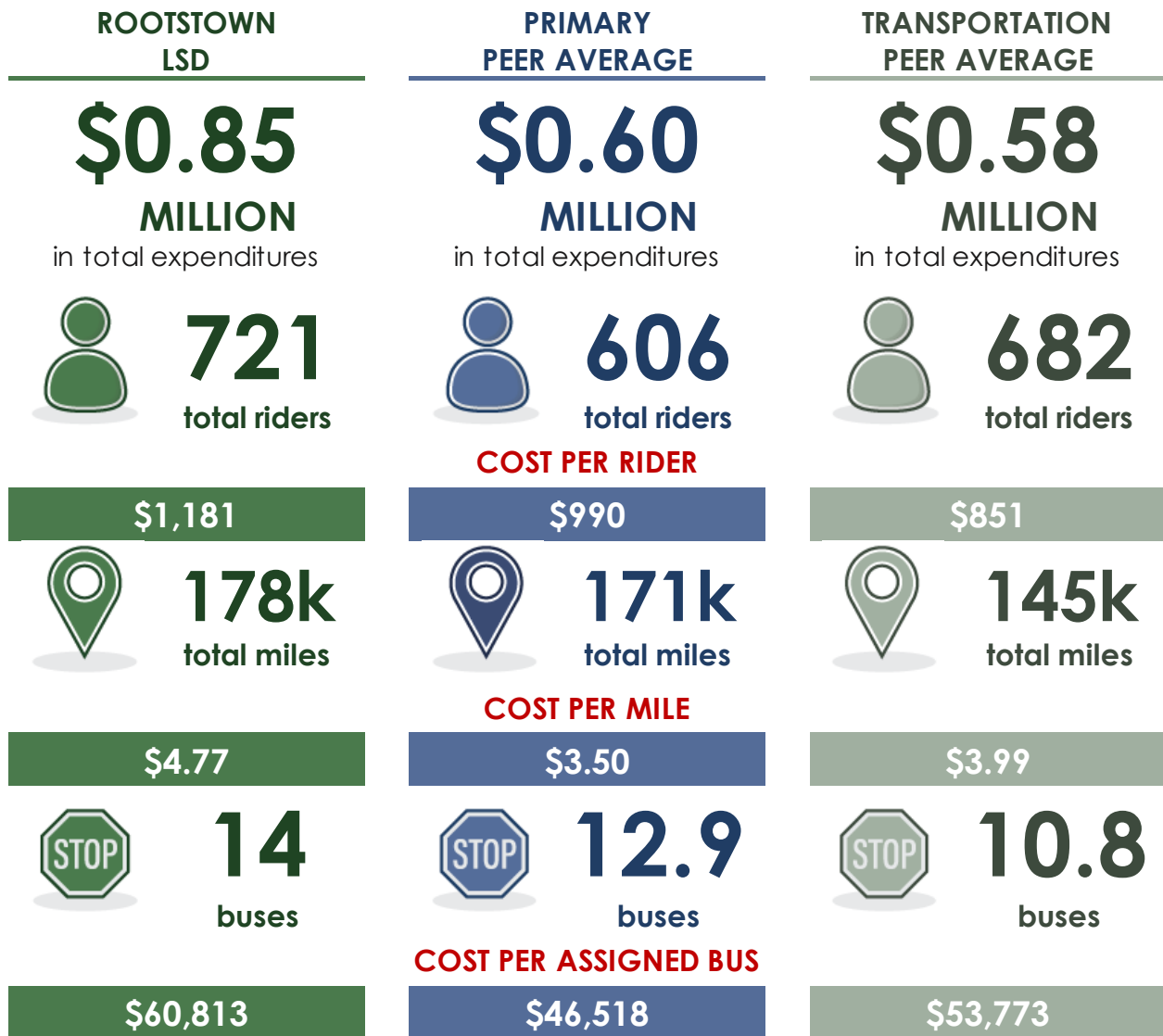
Total transportation expenditures for RLSD for FY 2020 were analyzed and compared to the primary and transportation peers as well as the average of all districts statewide. Expenditures for just supplies and materials were also analyzed. According to OAC 3301-83-22, school buses and other vehicles used to transport children should be maintained in safe operating condition through a systematic PM program. According to *5 Best Practices for Fleet Management* (21Tech³⁵, 2016), it is important to "...manage the purchasing of inventory parts so you can cut down on purchasing redundant or obsolete inventory. It's also good to know what parts have a high level of use and are constantly being reordered."

Analysis

As shown on the following page, RLSD's total transportation expenditures exceed the average of the transportation and primary peers as well as the statewide average per rider, per mile, and per bus. These higher costs may be the result of operating too many buses (See **R.13** and **R.14**) or may be indicative of increased mechanical failures arising with the buses, which may be due to the lack of a formal PM plan and the possible purchasing of redundant inventory.

³⁵ 21Tech specializes in managing large-scale implementations in project management, business process re-engineering and organizational change management.

Transportation Expenditure Peer Comparisons – FY 2020



We also compared Rootstown to the statewide averages of **\$1,109 per rider**, **\$3.55 per mile**, and **\$59,400 per assigned bus**.

Source: RLSD, Peers, and ODE

Note: Comparisons to the statewide average come from ODE and only reflect costs of Type I & II riders, which are only board-owned or contracted bus riders. It does not include expenditures related to employees' retirement and insurance benefits. The ODE cost per rider does not take into account special education riders and the ODE cost per mile does not include either special education miles or non-routine miles. All of these were included in the comparison of Rootstown to the peer groups in order to make a more accurate comparison. Not included in the cost comparison of Rootstown to the peer groups were capital expenditures (object code 600s), such as for bus purchases, because these can vary significantly from year to year.

Total transportation expenditures, as well as expenditures for just supplies and materials, are above the peer average per rider, per mile, and per bus. The lack of a formal and systematic PM plan in conjunction with the absence of a formal inventory management system increases the likelihood of higher maintenance and repair expenditures, or a decrease in the reliability of buses. The District may also pay for redundant or obsolete equipment due to the lack of a formal inventory management plan.

Conclusion

Developing and ultimately implementing a formal preventative maintenance program will help ensure the District receives the maximum useful life of its assets, properly allocates resources for maintenance and replacement, and does not incur unnecessary costs. Having a formal inventory management system in place will help ensure that the District is not purchasing unneeded inventory.

Recommendation 16: Procure Fuel through Cooperative Purchasing Program

RLSD should consider using the cooperative purchasing program (CPP) of the Ohio Department of Administrative Services (DAS) for fuel procurement in order to experience savings on each gallon of diesel fuel purchased. In recent years, the District could have saved \$0.04 to \$0.13 per gallon if it had used the DAS program.

Background

RLSD has its own fuel storage tanks and purchases fuel in bulk from a local supplier, Ullman Oil, Inc. The District has one above-ground tank for gasoline (200-350 gallons) that is used only by the mechanics, and one below-ground tank for diesel fuel that holds 2,000 gallons that is used for buses.

RLSD did not participate in the DAS CPP for diesel fuel offered through DAS in FY 2020 or FY 2021. The DAS CPP offers political subdivisions, including school districts, the benefits and cost savings of procuring goods and services through State contracts.

In FY 2020, RLSD paid an average of \$2.59 per gallon and diesel fuel procurement expenditures totaled \$50,227. From July 2019 through April 2021,³⁶ RLSD paid an average of \$2.47 per gallon for diesel fuel. In FY 2020, RLSD's cost per pupil for fuel was \$48.43.

Methodology

A comparison was performed to determine what RLSD paid for fuel through Ullman Oil, Inc. versus what would have been paid through the DAS CPP. State and federal taxes that need to be paid by the District in addition to the base rate for diesel fuel through CPP were also determined.³⁷

According to ORC § 125.04 (C),

“A [school district] may purchase supplies or services from another party, including a political subdivision, instead of through participation in contracts described in division (B) of this section if the [school district] can purchase those supplies or services from the other party upon equivalent terms, conditions, and specifications but at a lower price than it can through those contracts.”

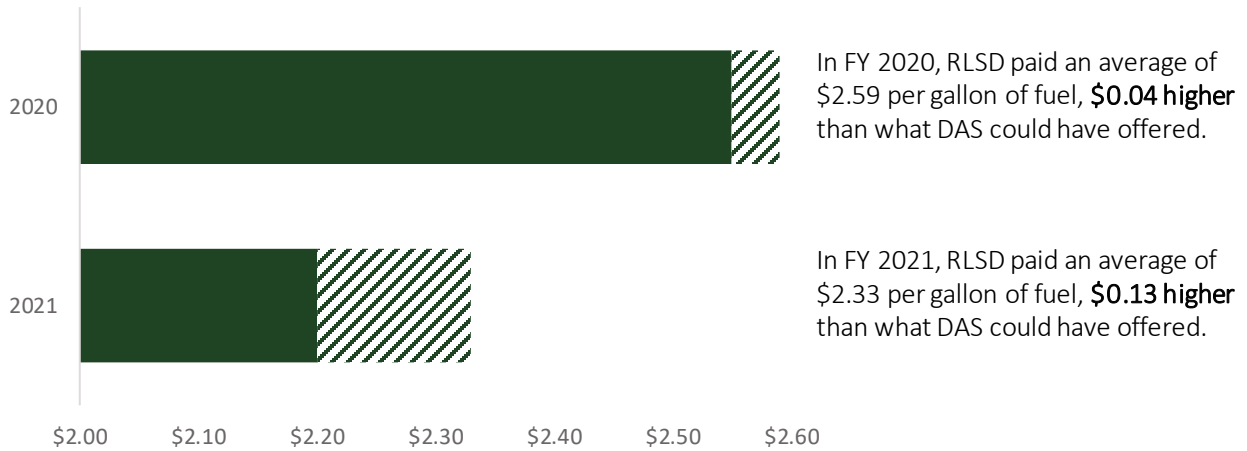
³⁶ Most recent invoice obtained was from April 2021.

³⁷ Confirmed with Ohio Department of Taxation that all school districts are obligated to pay state excise tax.

Analysis

From July 2019 to April 2021, RLSD could have purchased diesel fuel through the DAS CPP for \$2.40 per gallon, a savings of \$0.07 per gallon. The following chart shows the price comparison between what RLSD paid and what the DAS CPP offered for FYs 2020 and 2021.

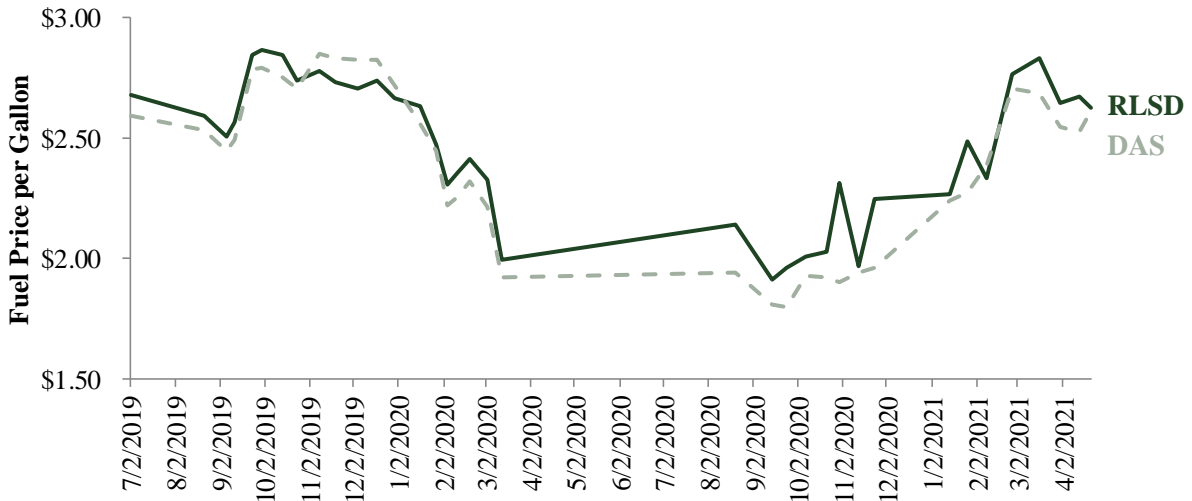
FY 2020-21 DAS Diesel Fuel Price per Gallon Comparison



Source: Ohio Department of Administrative Services (DAS), RLSD and Ullman Oil, Inc.

The following chart shows a comparison between the District’s cost per gallon for diesel fuel and the price offered through the DAS CPP on the same dates.

DAS Diesel Fuel Price per Gallon Comparison



Source: Ohio Department of Administrative Services (DAS), RLSD and Ullman Oil, Inc.

Conclusion

If RLSD chooses to participate in the DAS CPP for fuel purchasing, rather than purchasing from a local vendor, it could experience savings on each gallon purchased.

Recommendation 17: Formalize Bus Replacement Plan

RLSD should develop a formal bus replacement plan that considers the full cost of bus operations. Doing so would allow the District to communicate to leadership and to the public about the needs of its bus fleet. It would also allow the District to communicate its progress in meeting its schedule of replacement and any risks posed by the current state of the fleet.

Impact

The adoption of a formal bus replacement plan could reduce overall operating costs and help to avoid the need to replace a major portion of the fleet at the same time.

Background

RLSD has a total of nineteen buses. The average age of an assigned or active bus is 7 years and the average mileage is 74,747. The average age of the spare buses is 19 years and the average mileage is 182,595.

Methodology

The current state of the District's bus fleet was compared to industry benchmarks. The National Association of State Directors of Pupil Transportation Services (NASDPTS)³⁸ suggests a replacement cycle of 12 to 15 years.

Analysis

All five of the District's spare buses and one active bus meet or exceed the NASDPTS replacement criteria of 15 years. A lack of a formal bus replacement plan and the associated fleet management practices may be contributing to why the District is operating with too many regular route buses (**See R.13**). A lack of a plan could also contribute to the District's higher than the peer average fleet maintenance and overall transportation costs (**See R.15**).

In determining when a bus should be selected for replacement from the fleet, the District should consider its overall cost per year. Otherwise, the District would likely just be replacing buses based on age and mileage, rather than based on which bus is the most costly in terms of maintenance, repair, and operation. Based on its average cost per bus (**See R.15**), the District could then determine a certain break-even threshold criteria for replacement.

³⁸ NASDPTS provides leadership, assistance and motivation to the nation's school transportation community with the goal of providing safe, secure, efficient, economical, and high-quality transportation to school children on their trips to and from school and school-related activities.

Conclusion

RLSD should develop a formal bus replacement plan that considers the full cost of bus operation to include fuel, parts, labor, and vehicle depreciation. Doing so would allow the District to communicate its progress in meeting its schedule of replacement as well as any risks posed by the current state of the fleet. Adopting a plan could reduce overall operating costs and help to avoid the need to replace a major portion of the fleet at the same time.

Issue for Further Study: Fleet Size Optimization

Our audit identified an area for additional study. This issue concerns the ability of the District to determine the optimal size of its bus fleet. RLSD does not have a formal bus replacement plan (See R.17). After analyzing regular route bus utilization, we found an opportunity for potential route eliminations (See R.13 and R.14). With the reduction in routes, there may also be an opportunity to consider the elimination of a corresponding number of buses from the total fleet. However, in order to optimize its fleet size, the District should collect specific data to determine the total cost of ownership for each bus. This would include net capital cost (purchase costs minus salvage value) as well as daily utilization and maintenance records for each bus. Capturing the full cost of maintenance should include fuel, parts, and labor. Capturing the total cost of ownership for each bus would help the District develop a formal bus replacement plan based on key performance indicators such as cost per mile, cost per rider, and cost per bus rather than just based on age and mileage (See R.15).

If the District determines it could reduce the number of buses in their fleet, there is potential for additional savings in the form of capital and insurance cost avoidance as well as possible salvage value savings for each disposed bus.³⁹ The District has historically used its PI fund to purchase buses, so any identified savings related to capital cost avoidance would not affect the general fund or the District's five-year forecast. However, this savings could affect the general fund and forecast if the District opted to use its PI revenue to address the deferred maintenance costs of their aging facilities (See R.2).

³⁹ In March 2021, RLSD approved a bus purchase for \$87,600. In FY 2021, each bus cost the District \$324 to insure. When RLSD disposed of buses in FY 2021, it received an average of \$1,335 per bus in net salvage value proceeds.

Food Service

Recommendation 18: Restructure Food Service Operations

RLSD should restructure food service operations in order to eliminate or reduce its operating deficit.

Impact

Fully eliminating the remaining operational deficit of approximately \$28,200 in FY 2020 in its food service program would allow RLSD to remain self-sustaining and avoid the potential for fund balance deficits in the near future. It would also prevent a Food Service Fund deficit while maintaining compliance with ORC § 3315.20.

Background

RLSD provides food service to its three buildings using a central kitchen model. The central kitchen is located in Rootstown Elementary School and the two remaining schools have satellite kitchens to which food is delivered daily. According to the District, lunch prices had not been raised since the FY 2014 school year until the FY 2021 school year. ODE performed a review of the District’s food service operations in FY 2018, and recommended that meal prices not be raised until the large cash balance was spent down.

Food service operations are accounted for in an enterprise fund (i.e. the Food Service Fund), which is used to account for services whose costs are intended to be funded by fees and/or charges. The financial performance of an enterprise fund is measured in terms of positive or negative operations.

The Food Service Fund has consistently been depleted over the last three fiscal years. The District has not transferred money from the General Fund because of a positive cash reserve in the Food Service Fund. However, based on the three-year average results of operations, if no further action is taken, a transfer may be required in FY 2025. With expenditures exceeding revenues, the negative results of operations have averaged approximately \$50,500 in each of the previous three fiscal years. The following table displays the results of operations for the Food Service Fund from FY 2018 to FY 2020.

Food Service Fund Performance

	FY 2018	FY 2019	FY 2020
Beginning Fund Balance	\$416,629	\$369,012	\$327,719
Revenues	\$325,559	\$337,089	\$258,769
Expenditures	\$373,178	\$378,395	\$321,379
Results of Operations	(\$47,640)	(\$41,306)	(\$62,610)
Advance-In from General Fund	\$0	\$0	\$0
Ending Fund Balance	\$368,990	\$327,706	\$265,108

Source: RLSD

Methodology

We reviewed District staffing, cost of meals, food service participation, and spending. We then compared RLSD's food service operations to that of the peers and the statewide average.

Analysis

In FY 2020, the Food Service Fund operated at a \$62,600 deficit, which is attributed to expenditures exceeding incoming revenue by one dollar per meal. In order to prevent the need for a General Fund subsidy to the Food Service Fund, the District must increase revenue and/or decrease expenditures. This can be achieved by implementing one or more of the following actions:

- Increase breakfast and lunch prices;
- Increase food service participation;
- Decrease labor costs;
- Restructure food service operations in the District; and/or,
- Decrease food costs through competitive bidding.

Between FY 2017 and FY 2019, the cost to the District for each meal served was higher than other school districts in Portage County, peer districts, and districts statewide.⁴⁰ Rootstown LSD's food service participation rate has also been approximately 10 percent lower than the statewide average.⁴¹

The meal prices charged by RLSD in FY 2019 were less than those of the peer and statewide averages. In September 2020, the District raised its meal prices from \$2.50 to \$2.75 for elementary school students and from \$2.75 to \$3.00 for middle and high school students,

⁴⁰ Data is from the ODE Fiscal Benchmark Report and considers all expenditures from Food Service Fund (excluding expenses in Object Codes 6**, 7**, 8**, and 9**) divided by total lunches and breakfasts served.

⁴¹ Data is from the ODE Fiscal Benchmark Report. ODE calculates participation rate by taking the total lunches served and dividing by the product of 180 days times the Average Daily Membership (ADM) of a district (Lunches/180*ADM).

bringing it more in line with State and peer averages. This price increase generates an additional \$24,800, reducing the food service deficit from \$62,600 to approximately \$37,800.

The resignation of a staff member who worked three daily labor hours in FY 2019 and will not be replaced further reduces the deficit by \$9,600 in salary and benefit costs. The remaining operating deficit is \$28,200.

Conclusion

RLSD food service operations have been operating at a deficit for the past several years. Its revenues are lower than expenditures, participation rates are lower, and food costs are higher than the peers. As such, the District should work to restructure food service operations and eliminate its remaining operating deficit of \$28,200.

Client Response Letter

Audit standards and AOS policy allow clients to provide a written response to an audit. The letter on the following pages is the 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.



ROOTSTOWN BOARD OF EDUCATION

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Mr. Andrew Hawkins
Superintendent

"The Standard Is Excellence"

Ms. Connie Baldwin
Treasurer

October 28, 2021

Mr. Keith Faber
Auditor of State
88 East Broad Street. 5th Floor
Columbus, Ohio 43215

Dear Auditor Faber,

On behalf of the Rootstown Local Schools Board of Education, I would like to thank the entire performance audit team for their time and effort in preparing the performance audit for our school district. The Rootstown Board of Education will use this performance audit as a guide to improve district efficiencies. Here is a listing of the recommendations and the district's responses:

Recommendation #1: Develop Strategic and Capital Plans

The district has begun the process of developing a strategic plan and a capital plan was formulated a few months ago.

Recommendation #2: Address Aging Facilities

Recommendation #12: Improve Building Utilization

The district has been working with the OFCC and Hasenstab Architects over the past year to develop a renovation plan that would eliminate the middle school building.

Recommendation #3: Reduce Extracurricular Activities Subsidy

The district will be analyzing this recommendation in the near future.

Recommendation #4: Evaluate Open Enrollment

The district will be analyzing this recommendation along with the impact the new state funding formula will have on open enrollment.

Recommendation #5: Eliminate Administrative and Administrative Support Systems above the Peer Average

Recommendation #6: Eliminate Direct Student Education and Support Positions above the Peer Average

The district

The district has eliminated 6 teaching positions, 3 educational aide positions, and 1 cafeteria positions in the past 2 years and will further analyze the recommendations. However, the district believes eliminating 2.0 FTE central office administrator positions and 0.5 FTE counseling positions will have a negative impact on student learning and mental health at this time. However, this recommendation will be reviewed in the near future.

Recommendation #7: Align Custodial Salary Schedule**Recommendation #8: Renegotiate Selected Provisions in Collective Bargaining Agreements****Recommendation #9: Align Employer Insurance Costs****Recommendation #11: Reduce Facilities Staffing**

The district will be negotiating with both the certified and classified staffs this year and will work to address this recommendation during negotiations.

Recommendation #10: Formalize Preventative Maintenance**Recommendation #15: Formalize Preventative Maintenance and Inventory Management****Recommendation #16: Procure Fuel through Cooperative Purchasing Program****Recommendation #17: Formalize Bus Replacement Plan**

The district will be working to establish a plan for these recommendations in the near future.

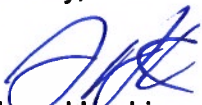
Recommendation #13: Eliminate Bus Routes**Recommendation #14: Apply Existing Transportation Policy**

The district restructured all bus routes this year and eliminated 1 bus route but the district will continue to analyze ways to improve efficiencies in the transportation department.

Recommendation #18: Restructure Food Service Operations

The district will be analyzing this recommendation in the near future.

Sincerely,



Andrew Hawkins

Superintendent, Rootstown Local Schools

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
Financial Management	
Are the District’s forecasting practices consistent with leading practices and is the five- year forecast reasonable and supported?	No Recommendation: The District’s forecast was evaluated and met recommended practices.
Are the District’s strategic planning practices consistent with leading practices?	See R.1 based on comparison of district practices with GFOA benchmarks.
How do the District’s open enrollment practices impact its operations?	See R.4 based on the need for staffing relative to resident student population.
Is the District’s General Fund subsidy of extracurricular activities appropriate in comparison to local peers and the District’s financial condition?	See R.3 based on comparison to peers.

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What impact will the performance audit recommendations have on forecasted revenues and/or expenditures?	No Recommendation: Impact of recommendations on revenues and/or expenditures was analyzed.
Human Resources	
Are the District’s staffing levels appropriate in comparison to primary peers, state minimum standards, demand for services, and the District’s financial condition?	See R.5, R.6 based on comparisons to peer averages per 1,000 students.
Are the District’s salaries and wages appropriate in comparison to local peers and the District’s financial condition?	See R.7 based on comparison to peers.
Are the District’s collective bargaining agreement provisions appropriate in comparison to local peers, minimum requirements, and the District’s financial condition?	See R.8 based on a comparison to peers.
Are the District’s insurance costs appropriate in comparison to other governmental entities within the local market and the District’s financial condition?	See R.9 based on a comparison to SERB regional average costs.
Facilities	
Are the District’s staffing levels for facilities and grounds appropriate in comparison to leading practices, industry standards, and the District’s financial condition?	See R.11 based on a comparison of District staffing practices relative to AS&U and NCES criteria.
Are the District’s facilities non-regular labor expenditures appropriate in comparison to peers, leading practices, industry standards, and the District’s financial condition?	No Recommendation: The District’s non-regular labor expenditures were comparable compared to peers.
Are the District’s facilities preventive maintenance practices consistent with leading practices and industry standards?	See R.10 based on comparison of District practices relative to APWA and NCES criteria.
Is the District’s building utilization appropriate in comparison to leading practices, industry standards, and the District’s financial condition?	See R.12 based on a comparison of District’s building utilization relative to criteria from DeJong & Associates.
What best practices should the District consider when pursuing building replacement or renovations?	See R.2 based on District practices relative to criteria from Asset Insights and AS&U.
Transportation	
Is the District’s fleet sized appropriately and routed efficiently in comparison to leading practices, industry standards, and the District’s financial condition?	See R.13 District’s bus utilization was compared to AASA criteria. See R.14 based on District practices relative to its own policy for bus riders.
Is the District’s fleet maintained efficiently and appropriately in comparison to transportation peers, leading practices, industry standards, and the District’s financial condition?	See R.15 based on comparison of District practices with OAC and industry best practices. See R.16 based on District costs for fuel compared to DAS cooperative purchasing program pricing.
Are the District’s fleet replacement practices consistent with leading practices and industry standards and appropriate based on the District’s financial condition?	See R.17 based on comparison of District practices with criteria from NASDPTS.

Food Service	
Is the District’s food service program operated in a manner that is consistent with leading practices and industry standards and appropriate based on the District’s financial condition?	See R.18 based on comparisons to best practices for meal costs and participation rates relative to County, District, and statewide averages.

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:

- Control environment:
 - We assessed the District’s exercise of oversight responsibilities in regards to detecting improper payroll reporting and benefits administration, and
 - We assessed the District’s activities associated with its purchasing practices.
- 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, facility, food service, and staffing data.
- Control Activities:
 - We considered the District’s compliance with applicable laws and contracts, including with outside stakeholders and employees
- Monitoring:
 - We considered the District’s monitoring activities concerning its financial systems, bus routing and ridership, building usage and enrollment, and food service.

Audit Methodology

To complete this performance audit, auditors gathered data, conducted interviews with numerous individuals associated with the areas of District’s 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,

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- 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 the general fund subsidy of extracurricular activities, 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. The table below shows the Ohio school districts included in these peer groups.

Peer Group Districts

Primary Peers

- Anna Local School District (Shelby County)
- Archbold-Area Local School District (Fulton County)
- Chippewa Local School District (Wayne County)
- Columbiana Exempted Village School District (Columbiana County)
- Parkway Local School District (Mercer County)
- South Range Local School District (Mahoning County)
- Tuscarawas Valley Local School District (Tuscarawas County)
- Tuslaw Local School District (Stark County)
- Weathersfield Local School District (Trumbull County)
- West Liberty-Salem Local School District (Champaign County)

Local Peers

- Field Local School District (Portage County)
- Kent City School District (Portage County)
- Ravenna City School District (Portage County)
- Southeast Local School District (Portage County)
- Waterloo Local School District (Portage County)

Transportation Peers

- Brookfield Local School District (Trumbull County)
- Chesapeake Union Exempted Village School District (Lawrence County)
- Chippewa Local School District (Wayne County)
- Crestview Local School District (Columbiana County)
- Pleasant Local School District (Marion County)

Where reasonable and appropriate, peer districts were used for comparison. However, industry standards or leading practices were used in some operational areas for primary comparison. District policies and procedures as well as pertinent laws and regulations contained in the OAC and ORC were also assessed. Each recommendation in this report describes the specific methodology and criteria used to reach our conclusions.

Appendix B: Additional Financial Analysis

Financial Condition

RLSD was selected for a performance audit based on their May 2020 five-year forecast submission. As the audit was being initiated, the November 2020 five-year forecast was released. Although conditions improved since the May forecast, the District had deficit spending in FY 2020 and the forecast still projected an unreserved fund balance deficit of \$778,869 by FY 2023, which would grow to a \$6,066,700 deficit by FY 2025.

RLSD Financial Condition Overview (November 2020)

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Revenue	\$13,804,550	\$13,655,084	\$13,175,823	\$13,144,470	\$13,442,214
Total Expenditures	\$14,661,365	\$15,452,628	\$16,091,180	\$16,760,496	\$17,486,275
Results of Operations	(\$856,815)	(\$1,797,544)	(\$2,915,357)	(\$3,616,026)	(\$4,044,061)
Beginning Cash Balance	\$3,185,919	\$2,329,104	\$531,560	(\$2,383,797)	(\$5,999,823)
Ending Cash Balance	\$2,329,104	\$531,560	(\$2,383,797)	(\$5,999,823)	(\$10,043,884)
Property Tax Renewal or Replacement	\$0	\$505,914	\$1,099,014	\$1,186,189	\$1,186,067
Cumulative Balance of Replacement/Renewal Levies	\$0	\$505,914	\$1,604,928	\$2,791,117	\$3,977,184
Ending Fund Balance	\$2,329,104	\$1,037,474	(\$778,869)	(\$3,208,706)	(\$6,066,700)

Source: ODE

Community Schools

A number of Rootstown's resident students have transferred to community or STEM schools. The table on the following page indicates the number of student FTEs that have left to attend community schools over the last five years, as well as the schools they have chosen to attend.

Students Attending Community Schools

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Ohio Connections Academy	(6.00)	(3.00)	(2.22)	(4.93)	(0.54)
QDA	(0.54)	0.00	0.00	0.00	0.00
Summit Academy Second Canton	(0.09)	0.00	(0.63)	(0.20)	0.00
Summit Academy Second Youngstown	(2.00)	(2.60)	(1.20)	0.00	0.00
Cascade Career Prep HS	(0.01)	0.00	0.00	0.00	0.00
Insight School of Ohio	(1.27)	0.00	0.00	0.00	0.00
Bio-Med Science Academy STEM School	(44.85)	(40.60)	(71.97)	(82.09)	(118.54)
Electronic Classroom of Tomorrow	(4.80)	(6.03)	(2.34)	0.00	0.00
Ohio Virtual Academy	(5.31)	(1.33)	(10.15)	(14.48)	(14.74)
TRECA Digital Academy	(1.38)	0.00	0.00	(0.01)	(0.16)
Alternative Education Academy	(2.79)	(0.51)	(1.18)	(0.75)	(0.34)
Virtual Community School of Ohio	(0.80)	0.00	0.00	0.00	0.00
Valley Virtual	(0.72)	0.00	0.00	0.00	0.00
Buckeye On-Line School	0.00	0.00	(0.46)	(2.00)	(3.28)
Mahoning Unlimited Classroom	0.00	0.00	0.00	(0.37)	(0.16)
Youthbuild Columbus Community	0.00	0.00	0.00	(0.75)	0.00
GSCELC	0.00	0.00	0.00	0.00	(1.00)
Ohio Digital Learning School	0.00	0.00	0.00	0.00	(0.06)
Totals	(70.56)	(54.07)	(90.15)	(105.58)	(138.82)

Source: ODE

The following table displays how much RLSD transferred to community schools over the last five years. In FY 2020, the District transferred \$933,927 to various community schools. In future years, these payments will be made directly by ODE.

Revenue Transferred to Community Schools

	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Ohio Connections Academy	(\$36,799)	(\$18,000)	(\$13,342)	(\$30,812)	(\$3,203)
QDA	(\$3,186)	\$0	\$0	\$0	\$0
Summit Academy Second Canton	(\$544)	\$0	(\$8,874)	(\$3,219)	\$0
Summit Academy Second Youngstown	(\$25,355)	(\$43,284)	(\$14,676)	\$0	\$0
Cascade Career Prep HS	(\$77)	\$0	\$0	\$0	\$0
Insight School of Ohio	(\$7,493)	\$0	\$0	\$0	\$0
Bio-Med Science Academy STEM School	(\$271,670)	(\$279,345)	(\$492,146)	(\$581,438)	(\$804,752)
Electronic Classroom of Tomorrow	(\$35,643)	(\$39,334)	(\$14,194)	\$0	\$0
Ohio Virtual Academy	(\$31,329)	(\$7,980)	(\$61,002)	(\$96,792)	(\$87,823)
TRECA Digital Academy	(\$8,142)	\$0	\$0	(\$60)	(\$949)
Alternative Education Academy	(\$16,461)	(\$3,060)	(\$7,092)	(\$4,515)	(\$2,017)
Virtual Community School of Ohio	(\$7,429)	\$0	\$0	\$0	\$0
Valley Virtual	(\$4,248)	\$0	\$0	\$0	\$0
Buckeye On-Line School	\$0	\$0	(\$2,765)	(\$14,643)	(\$23,459)
Mahoning Unlimited Classroom	\$0	\$0	\$0	(\$2,276)	(\$5,051)
Youthbuild Columbus Community	\$0	\$0	\$0	(\$10,044)	\$0
GSCELC	\$0	\$0	\$0	\$0	(\$6,317)
Ohio Digital Learning School	\$0	\$0	\$0	\$0	(\$356)
Totals	(\$448,376)	(\$391,003)	(\$614,090)	(\$743,798)	(\$933,927)

Source: ODE

Appendix C: Financial Management

Aging Facilities

The following table shows the critical repairs needed for each of RLSD’s buildings and the associated costs. The components were assessed and the costs were determined by the OFCC. Should the District decide to close the middle school, there will be additional “reprogramming” costs of shifting students from the middle school to the elementary and/or high school.

Critical Repair Costs

	Elementary School	Middle School	High School
Electrical Systems	\$1,481,068	\$1,419,038	\$1,793,376
Emergency/Egress Lighting	\$61,840	\$59,250	\$74,880
Exterior Doors	\$60,000	\$43,500	\$72,500
Fire Alarm	\$151,508	\$145,163	\$183,456
General Finishes	\$1,279,992	\$1,280,607	\$1,857,725
Handicapped Access	\$382,468	\$474,250	\$528,276
Hazardous Material	\$250,934	\$197,475	\$268,363
Heating System	\$2,485,968	\$2,381,850	\$3,010,176
Interior Lighting	\$401,960	\$385,125	\$486,720
Life Safety	\$202,888	\$264,600	\$279,616
Loose Furnishings	\$401,960	\$385,125	\$486,720
Plumbing & Fixtures	\$183,200	\$444,430	\$718,160
Roofing	N/A	\$296,300	\$547,658
Site Condition	\$501,578	\$578,723	\$451,225
Structure: Floors & Roofs	N/A	N/A	\$62,100
Structure: Foundation	N/A	N/A	\$5,000
Structure: Walls & Chimneys	\$108,300	\$119,675	\$120,975
Technology	\$742,080	\$651,750	\$823,680
Ventilation/Air Conditioning	N/A	\$25,000	N/A
Windows	\$625,548	\$684,447	\$635,414
Total	\$9,321,292	\$9,836,308	\$12,406,020

Source: OFCC

Note: The cost to replace security systems in each of the buildings is not included above because the District has declared that those have been addressed; however, OFCC has indicated that, even if recently addressed, those systems will still have to be replaced based on structural changes if those buildings are renovated. The District and the community should consider those additional costs when making decisions about their facilities. The OFCC estimates that the replacement cost for those security systems would be about \$238,000 for the elementary school, \$228,000 for the middle school, and \$288,000 for the high school. Additionally, OFCC would apply a regional cost factor of 109.7 percent to the total project based on costs in the Rootstown region and would also build in an additional cost for contingencies.

Open Enrollment

The following five percentage factors were calculated and used to estimate the cost of educating open enrollment students:

- **Fixed Costs (0.0 percent)**
 - These costs remain consistent regardless of the number of students enrolled.
- **Regular Instruction Costs (8.9 percent)**
 - This percentage was determined by evaluating the potential reduction of instructional staff (teachers) if open enrollment students were not present at the District. Specifically, it represents the percent of “extra” instructional staff required to provide education to the open enrollment population.
- **Special Instruction Costs (3.3 percent)**
 - Special instruction and special education support services expenditures were multiplied by the open enrollment special education students as a percentage of the District’s total special education students.
- **Open Enrollment as a percent of the Total Student Population (11.3 percent)**
 - Some expenses were multiplied by the total percent of open enrollment students, as these expenses may be able to be reduced at that same percentage due to the nature of the expense.
- **Operations and Maintenance Costs (14.1 percent)**
 - The expenditures included in this cost category were evaluated individually to determine the additional costs associated with providing education to open enrollment students.

The following table represents these costs as well as other cost categories associated with the open enrollment population.

FY 2020 Open Enrollment Cost Breakout

Expenditure Type	Total Cost	Open Enrollment Cost	Resident Student Cost
Regular Instruction	\$5,860,147	\$520,902	\$5,339,245
Special Instruction	\$2,514,448	\$82,826	\$2,431,623
Vocational Instruction	\$203,291	\$18,070	\$185,220
Other Instruction	\$1,703,628	\$0	\$1,703,628
Support Services - Pupils	\$652,107	\$265	\$651,841
Support Services - Instructional Staff	\$339,496	\$30,177	\$309,319
Support Services - Board of Education	\$102,893	\$0	\$102,893
Support Services - Administration	\$1,074,305	\$64,828	\$1,009,478
Fiscal Services	\$435,281	\$0	\$435,281
Support Services - Business	\$12,739	\$0	\$12,739
Operation & Maintenance of Plant Services	\$933,407	\$131,471	\$801,937
Support Services - Pupil Transportation	\$1,029,048	\$116,334	\$912,715
Support Services - Central	\$170,199	\$0	\$170,199
Food Service Operations	\$321,379	\$36,332	\$285,047
Extracurricular Activities	\$425,122	\$48,060	\$377,062
Total Expenditures	\$15,777,491	\$1,049,265	\$14,728,227
Total Revenue	\$13,823,751	\$985,826	\$12,837,925
Net Revenue / (Loss)	(\$1,953,740)	(\$63,439)	(\$1,890,302)

Source: RLSD

Appendix D: Human Resources

Staffing

Staffing was analyzed using Education Management Information System (EMIS) records for RLSD and the primary peer districts. 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. Comparisons were made on a per-1,000 student basis using the full-time equivalent (FTE), based on ODE reporting guidelines. The following tables are those associated with the analyses conducted in **R.5** and **R.6**.

Central Office Administrator Staff Comparison

Students	Rootstown Local SD		Primary Peer Avg.	Difference	
Students Educated	970		1,115	(145)	
Students Educated (Thousands)	0.970		1.115	(0.145)	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Assistant, Deputy/Associate Superintendent	1.00	1.03	0.00	1.03	1.00
Supervisor/Manager	0.00	0.00	1.26	(1.26)	(1.22)
Coordinator	1.50	1.55	1.12	0.43	0.42
Director	4.00	4.12	1.69	2.43	2.36
Other Official/Administrative	0.00	0.00	0.27	(0.27)	(0.26)
Total	6.50	6.70	4.34	2.36	2.29

Source: RLSD and ODE

Building Office Support Staff Comparison

Students and Buildings	Rootstown Local SD		Primary Peer Avg.	Difference	
Students Educated	970		1,115	(145)	
Students Educated (thousands)	0.970		1.115	(0.145)	
Buildings	3.00		2.50	0.50	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
School Building Clerical	4.00	4.12	3.14	0.98	0.95
Bookkeeping	0.00	0.00	0.00	0.00	0.00
Records Managing	0.00	0.00	0.00	0.00	0.00
Telephone Operator	0.00	0.00	0.00	0.00	0.00
Other Office/Clerical	0.00	0.00	0.14	(0.14)	(0.14)

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Total	4.00	4.12	3.28	0.84	0.81
Position	FTEs	FTEs per Building	FTEs per Building	Difference in FTE per Building	Adjusted Difference in FTEs
School Building Clerical	4.00	1.33	1.40	(0.07)	(0.21)
Bookkeeping	0.00	0.00	0.00	0.00	0.00
Records Managing	0.00	0.00	0.00	0.00	0.00
Telephone Operator	0.00	0.00	0.00	0.00	0.00
Other Office/Clerical	0.00	0.00	0.06	(0.06)	(0.18)
Total	4.00	1.33	1.46	(0.13)	(0.39)

Teaching Staff Comparison

Students	Rootstown Local SD		Primary Peer Avg.	Difference	
Students Educated	970		1,115	(145)	
Students Educated (thousands)	0.970		1.115	(0.145)	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
General Education	50.45	52.01	47.99	4.02	3.90
Gifted and Talented	0.00	0.00	0.45	(0.45)	(0.44)
Career-Technical Programs/Career Pathways	1.00	1.03	0.71	0.32	0.31

K-8 Teaching Staff Comparison

Students	Rootstown Local SD		Primary Peer Avg.	Difference	
Students Educated	673		781	(108)	
Students Educated (thousands)	0.673		0.781	(0.108)	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Art Education K-8	2.00	2.97	1.73	1.24	0.84
Music Education K-8	2.55	3.79	2.06	1.73	1.16
Physical Education K-8	1.00	1.49	1.66	(0.17)	(0.12)

Non-Teaching Educational Staff Comparison

Students	Rootstown Local SD		Primary Peer Avg.	Difference	
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Students Educated		970	1,115		(145)
Students Educated (thousands)		0.970	1.115		(0.145)
		FTEs per 1,000	FTEs per 1,000	Difference per 1,000	Adjusted Difference in FTEs
Position	FTEs	Students	Students	Students	Students
Curriculum Specialist	0.00	0.00	0.08	(0.08)	(0.08)
Counseling	3.00	3.09	2.29	0.80	0.78
Remedial Specialist	0.00	0.00	0.27	(0.27)	(0.26)
Tutor/Small Group Instructor	0.00	0.00	0.79	(0.79)	(0.77)
Other Educational	0.00	0.00	0.11	(0.11)	(0.11)

Library Staff Comparison

			Primary Peer Avg.	Difference	
Students	Rootstown Local SD				
Students Educated		970	1,115	(145)	
Students Educated (thousands)		0.970	1.115	(0.145)	
		FTEs per 1,000	FTEs per 1,000	Difference per 1,000	Adjusted Difference in FTEs
Position	FTEs	Students	Students	Students	Students
Librarian/Media	1.00	1.03	0.18	0.85	0.82
Library Aide	1.00	1.03	1.12	(0.09)	(0.09)
Total	2.00	2.06	1.30	0.76	0.74

Classroom Support Staff Comparison

			Primary Peer Avg.	Difference	
Students	Rootstown Local SD				
Students Educated		970	1,115	(145)	
Students Educated (thousands)		0.970	1.115	(0.145)	
		FTEs per 1,000	FTEs per 1,000	Difference per 1,000	Adjusted Difference in FTEs
Position	FTEs	Students	Students	Students	Students
Instructional Paraprofessional	0.00	0.00	0.56	(0.56)	(0.54)
Teaching Aide	10.00	10.31	5.76	4.55	4.41
Total	10.00	10.31	6.32	3.99	3.87

Other Support Staff Comparison

			Primary Peer Avg.	Difference	
Students	Rootstown Local SD				
Students Educated		970	1,115	(145)	

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Students Educated (thousands)		0.970	1.115	(0.145)	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Attendance Officer	0.30	0.31	0.00	0.31	0.30
Monitoring	1.32	1.36	1.80	(0.44)	(0.43)

Building Administrator Staff Comparison

	Rootstown Local SD	Primary Peer Avg.	Difference		
Students Educated	970	1,115	(145)		
Students Educated (Thousands)	0.970	1.115	(0.145)		
Buildings	3.0	2.5	0.5		
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Assistant Principal	0.00	0.00	0.63	(0.63)	(0.61)
Principal	3.00	3.09	2.51	0.58	0.56
Total	3.00	3.09	3.14	(0.05)	(0.05)
Position	FTEs	FTEs per Building	FTEs per Building	Difference in FTE per Building	Adjusted Difference in FTEs
Assistant Principal	0.00	0.00	0.28	(0.28)	(0.84)
Principal	3.00	1.00	1.12	(0.12)	(0.36)
Total	3.00	1.00	1.40	(0.40)	(1.20)

Professional Staff Comparison

Students	Rootstown Local SD	Primary Peer Avg.	Difference		
Students Educated	970	1,115	(145)		
Students Educated (thousands)	0.970	1.115	(0.145)		
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Psychologist	0.00	0.00	0.53	(0.53)	(0.51)

Technical Staff Comparison

Students	Rootstown Local SD	Primary Peer Avg.	Difference	
Students Educated	970	1,115	(145)	
Students Educated (thousands)	0.970	1.115	(0.145)	

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Position	FTEs	FTEs per	FTEs per	Difference	Adjusted
		1,000	1,000		
		Students	Students	per 1,000	Difference
				Students	in FTEs
Computer Operating	0.00	0.00	0.27	(0.27)	(0.26)
Other Technical	0.00	0.00	0.18	(0.18)	(0.17)

Central Office Support Staff Comparison

Students and Buildings	Rootstown Local SD	Primary		Difference	Adjusted
		Peer Avg.			
		FTEs per	FTEs per	per 1,000	Difference
		1,000	1,000	Students	in FTEs
		Students	Students		
Students Educated	970	1,115		(145)	
Students Educated (thousands)	0.970	1.115		(0.145)	
Position	FTEs	FTEs per	FTEs per	Difference	Adjusted
		1,000	1,000	per 1,000	Difference
		Students	Students	Students	in FTEs
Administrative Assistant	0.00	0.00	0.18	(0.18)	(0.17)
Bookkeeping	0.70	0.72	1.88	(1.16)	(1.13)
Central Office Clerical	0.50	0.52	1.12	(0.60)	(0.58)
Records Managing	0.00	0.00	0.17	(0.17)	(0.16)
Other Office/Clerical	0.00	0.00	0.18	(0.18)	(0.17)
Total	1.20	1.24	3.53	(2.29)	(2.22)

Nursing Staff Comparison

Students	Rootstown Local SD	Primary		Difference	Adjusted
		Peer Avg.			
		FTEs per	FTEs per	per 1,000	Difference
		1,000	1,000	Students	in FTEs
		Students	Students		
Students Educated	970	1,115		(145)	
Students Educated (thousands)	0.970	1.115		(0.145)	
Position	FTEs	FTEs per	FTEs per	Difference	Adjusted
		1,000	1,000	per 1,000	Difference
		Students	Students	Students	in FTEs
Registered Nursing	0.00	0.00	0.54	(0.54)	(0.52)
Practical Nursing	0.00	0.00	0.15	(0.15)	(0.15)
Total	0.00	0.00	0.69	(0.69)	(0.67)

Insurance

The following charts illustrate RLSD's plans compared to the SERB averages.

FY 2020-21 Single Medical Insurance Employer Cost

RLSD Employees Enrolled by Plan Type		
Medical Certificated & Admin		14
Medical Classified		32
Prescription Certificated & Admin		14
Prescription Classified		32
Annual Cost		
	RLSD Annual Employer Cost	SERB County Average Annual Employer Cost
Medical Certificated & Admin	\$6,787.56	\$6,660.68
Medical Classified	\$6,479.28	\$6,660.68
Prescription Certificated & Admin	\$1,369.80	\$1,946.67
Prescription Classified	\$1,389.36	\$1,946.67
Annual Difference per Employee		
Medical Certificated & Admin		\$126.88
Medical Classified		(\$181.40)
Prescription Certificated & Admin		(\$576.87)
Prescription Classified		(\$557.31)
Total Annual Cost Savings per Type		
Medical Certificated & Admin		\$1,776.33
Medical Classified		(\$5,804.77)
Prescription Certificated & Admin		(\$8,076.13)
Prescription Classified		(\$17,833.80)
Total Annual Savings for Single Medical Plans		(\$29,938.36)

Source: SERB

FY 2020-21 Family Medical Insurance Total Cost

RLSD Employees Enrolled by Plan Type		
Medical Certificated & Admin		69
Medical Classified		5
Prescription Certificated & Admin		69
Prescription Classified		5
Annual Cost		
	RLSD Annual Employer Cost	SERB County Average Annual Total Cost
Medical Certificated & Admin	\$17,144.76	\$16,144.44
Medical Classified	\$16,335.96	\$16,144.44
Prescription Certificated & Admin	\$3,460.32	\$4,957.21
Prescription Classified	\$3,503.16	\$4,957.21

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Annual Difference per Employee

Medical Certificated & Admin	\$1,000.32
Medical Classified	\$191.52
Prescription Certificated & Admin	(\$1,496.89)
Prescription Classified	(\$1,454.05)

Total Annual Cost Savings per Type

Medical Certificated & Admin	\$69,022.08
Medical Classified	\$957.60
Prescription Certificated & Admin	(\$103,285.25)
Prescription Classified	(\$7,270.24)

Total Annual Savings for Family Medical Plans **(\$40,575.81)**

Source: SERB

Copayments Comparison

	RLSD PPO Plan 1	SERB Regional	Difference	RLSD PPO Plan 2	SERB Regional	Difference
Office Visit	\$10	\$12	(\$2)	\$10	\$12	(\$2)
Urgent Care Visit	\$35	\$32	\$3	\$35	\$32	\$3
Emergency Room Visit	\$75	\$71	\$4	\$75	\$71	\$4

Deductible Comparison

	RLSD PPO Plan 1	SERB Regional	Difference	RLSD PPO Plan 2	SERB Regional	Difference
Network						
Single	\$250	\$244	\$6	\$250	\$244	\$6
Family	\$500	\$491	\$9	\$500	\$491	\$9
Non-Network						
Single	\$500	\$468	\$32	\$500	\$468	\$32
Family	\$1,000	\$950	\$50	\$1,000	\$950	\$50

Out-of-Pocket Maximum Comparison

	RLSD PPO Plan 1	SERB Regional	Difference	RLSD PPO Plan 2	SERB Regional	Difference
Network						
Single	\$1,000	\$1,188	(\$188)	\$1,000	\$1,188	(\$188)
Family	\$2,000	\$2,335	(\$335)	\$2,000	\$2,335	(\$335)
Non-Network						
Single	\$2,000	\$60,579	(\$58,579)	\$2,000	\$60,579	(\$58,579)
Family	\$4,000	\$62,350	(\$58,350)	\$4,000	\$62,350	(\$58,350)

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Coinsurance Comparison

	RLSD PPO Plan 1	SERB Regional	Difference	RLSD PPO Plan 2	SERB Regional	Difference
Network						
Office Visit	10%	10%	0%	10%	10%	0%
Urgent Care Visit	10%	11%	(1%)	10%	11%	(1%)
Emergency Room Visit	10%	12%	(2%)	10%	12%	(2%)
Non-Network						
Office Visit	30%	36%	(6%)	30%	36%	(6%)
Urgent Care Visit	30%	32%	(2%)	30%	32%	(2%)
Emergency Room Visit	30%	35%	(5%)	30%	35%	(5%)

Prescriptions – Retail Comparison

	RLSD PPO Plan 1	SERB Regional	Difference	RLSD PPO Plan 2	SERB Regional	Difference
Tier 1- Generic	\$10	\$8	\$2	\$10	\$8	\$2
Tier 2-Formulary Preferred	\$20	\$16	\$4	\$15	\$16	(\$1)
Tier 3- Non-Formulary	\$35	\$31	\$4	\$30	\$31	(\$1)

Prescriptions – Mail Order Comparison

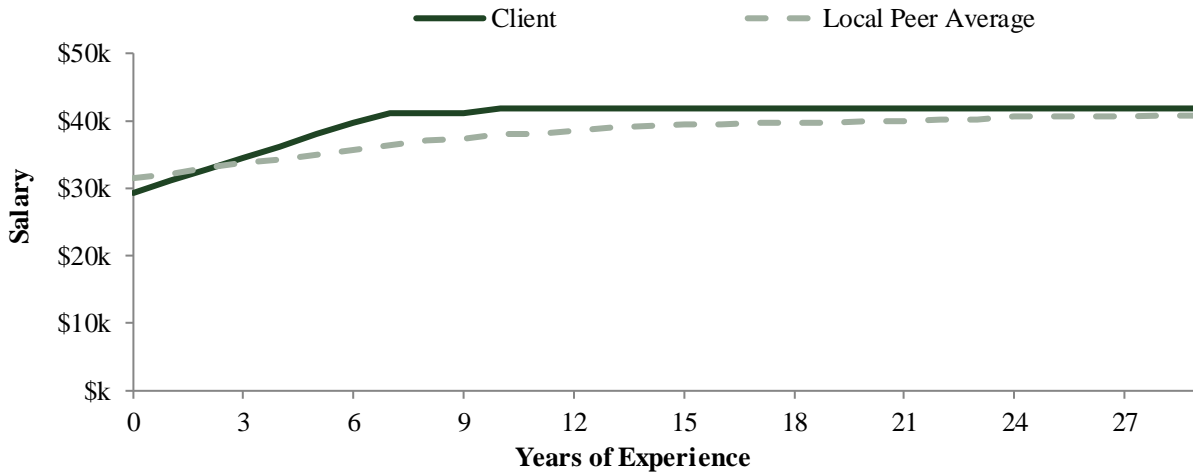
	RLSD PPO Plan 1	SERB Regional	Difference	RLSD PPO Plan 2	SERB Regional	Difference
Tier 1- Generic	\$20	\$14	\$6	\$20	\$14	\$6
Tier 2-Formulary Preferred	\$40	\$29	\$11	\$30	\$29	\$1
Tier 3- Non-Formulary	\$70	\$58	\$12	\$60	\$58	\$2

Source: SERB

Salaries

The chart below shows the average salary of an RLSD custodian compared to the local peers over a 30-year career.

General Custodian Career Salary Comparison



Source: SERB

The following table shows two potential salary step schedules for FY 2021 that would allow RLSD’s general custodian salary schedule over 30 years to match the peer average. One sample step schedule assumes an annual fixed percent increase and the other assumes a fixed rate increase of custodian salaries.

General Custodian Example Salary Schedules

Years Worked	Sample #1 Fixed Percent	Sample #2 Fixed Rate
0	\$15.75	\$15.75
1	\$16.11	\$16.14
2	\$16.48	\$16.53
3	\$16.87	\$16.91
4	\$17.25	\$17.30
5	\$17.65	\$17.69
6	\$18.06	\$18.08
7	\$18.48	\$18.47

Source: OPT

OHIO AUDITOR OF STATE KEITH FABER



ROOTSTOWN LOCAL SCHOOL DISTRICT

PORTAGE COUNTY

AUDITOR OF STATE OF OHIO CERTIFICATION

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



Certified for Release 11/16/2021

88 East Broad Street, Columbus, Ohio 43215
Phone: 614-466-4514 or 800-282-0370

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