

OHIO AUDITOR OF STATE
KEITH FABER



Ottawa Hills
Local School District

Performance Audit

February 2024

OHIO AUDITOR OF STATE
KEITH FABER



88 E. Broad St.
Columbus, Ohio 43215
Phone: (614) 466-4514
Toll Free: (800) 282-0370
www.ohioauditor.gov



To the Ottawa Hills Local School District community,

The Auditor of State's Office recently completed a performance audit for the Ottawa Hills Local School District (the District). The performance audit was conducted as a result of the District's Academic Distress status, pursuant to ORC § 3302.103. This review was conducted by the Ohio Performance Team and provides an independent assessment of operations within select functional areas, specifically as they relate to the District's Academic Improvement Plan. The performance audit has been provided at no cost to the District.

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 black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

February 16, 2024

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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 and Workforce (DEW)¹ annually in the fall, with updates to the forecast submitted in the spring.² These documents provide three years of historical financial data, as well as the projected revenues and expenses for a five-year period.

Five-Year Forecasts

Ohio school districts provide a five-year financial forecast to the Ohio Department of Education and Workforce (DEW) twice a year. These forecasts provide an overview of a district's financial health. To ensure all interested parties are able to understand the forecasts, DEW has developed a guide with information including definitions of key terms, general ideas of what a good forecast should contain, and a line-by-line explanation of the forecast.

[View the Full Document](#)

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.³



NOTE TO REPORT USERS

Due to the COVID-19 pandemic, districts received federal funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The aid was provided through Elementary and Secondary School Emergency Relief (ESSER) funding. Nearly \$500 million was allocated to traditional public schools and community schools throughout Ohio. Districts are allowed to use this funding on a variety of expenditures, and may, for a short time, impact the five-year forecasts.

¹ On July 4, 2023, the state budget bill (House Bill 33 of the 135th General Assembly) was passed, which included several legislative changes impacting the Ohio Department of Education. Under the new legislation ODE was renamed the Department of Education and Workforce and became a cabinet-level agency reporting to the Governor of Ohio. Except for the duties and powers retained by the State Board, as enumerated in HB 33, the Department of Education and Workforce is responsible for primary, secondary, special, and career-technical education in Ohio.

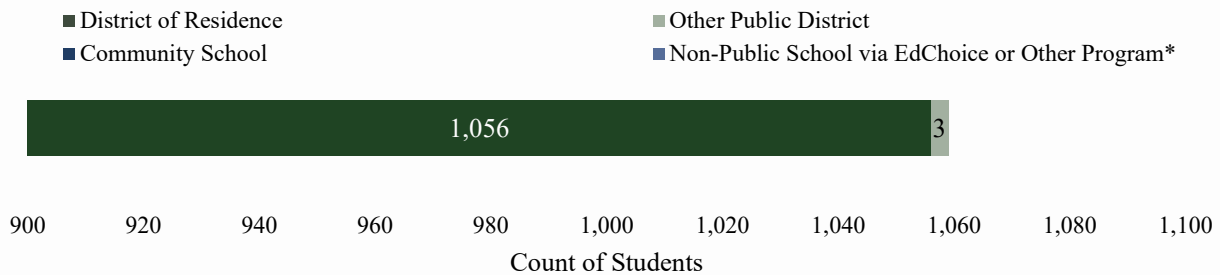
²ORC § 5705.391 and OAC 3301-92-04.

³Performance audits are conducted using Generally Accepted Government Auditing Standards guidelines, see [Appendix A](#) for more details.

Ottawa Hills Local School District

Ottawa Hills Local School District (OHLSD or the District) is located in Lucas County and, as of fiscal year (FY) 2023, had 1,076 students enrolled. The District spans approximately 2 square miles and has a median income of \$78,271. Of the total enrolled students, approximately 7.01 percent were students with disabilities. Based on available data from DEW, which tracks state funding on a per-student basis, the visual below shows where students living in OHLSD are attending schools. It should be noted that this visual does not include students who choose to attend private schools and do not receive state assistance and those students who are home schooled.

Place of Enrollment, Students Living in OHLSD, FY 2023



Source: DEW School Report Card

*Includes students participating in the EdChoice or EdChoice Expansion Scholarship Programs, the Cleveland Scholarship Program, the Ohio Autism Scholarship Program, or the Jon Peterson Special Needs Scholarship Program.

OHLSD has projected deficits in the near future. To address the current budget shortfall, the District has a proposed continuing tax levy on the upcoming March 2024 ballot. If passed, this 12.9-mill levy would raise approximately \$2.3 million annually and be used for general operating expenses, and collections would begin in January 2025. The levy would cost residential property owners an additional \$38 per month for every \$100,000 in assessed property value.

Further, the District began implementing cost saving measures in FY 2023 which are expected to result in savings of approximately \$2.6 million once fully in effect. These measures included the reduction of several employees, reorganization of departments, a salary freeze, spending freezes for specific budgets, and increased pay-to-participate fees for extracurricular activities. These actions were included in the District’s financial recovery plan submitted to DEW.⁴

⁴ In July 2023, the District approved an updated forecast as part of the financial recovery plan required of districts that receive a pre-caution notification from DEW. See: <https://resources.finalsite.net/images/v1692796482/ohschools/12ohus/gn2v615dmmfecaa8ym8q/Fiveyearforecastapproved723.pdf>

Audit Methodology

Our audit focuses on identifying opportunities where expenditures may be reduced as the District administration can make decisions in these areas. The information, which was presented to District officials, is based on a combination of peer district comparisons, industry standards, and statewide requirements.

Two groups of peer districts were identified for the purpose of this audit. The first, local peers, is comprised of districts in the surrounding area and is used for labor market comparisons, such as salary schedules. The second peer group, primary peers, are districts located throughout Ohio and are chosen based on having similar or better academic performance while maintaining relatively lower spending per pupil. Primary peer districts are used for financial comparisons and analyses regarding operations such as staffing levels. See [Appendix A](#) for a list of all districts used in our peer comparisons.

Financial Condition

In May 2023, the District released its semi-annual five-year forecast that showed negative year-end fund balances in the forecast period beginning in FY 2027. The forecast assumed the passage of a levy which was intended to be on the November 2023 ballot. A summary of this forecast is in the table below. As seen in this table, the District has negative results of operations in each of the five years of the forecast period. This deficit spending is possible in the short-term because of the existing positive fund balance. However, based on projected deficit spending, the District will have a negative ending cash balance beginning in FY 2025. Due to the declining fiscal condition of the District, and in consultation with DEW, we chose to conduct a performance audit.

Financial Condition Overview (May 2023 Forecast)

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Total Revenue	\$16,804,267	\$16,554,644	\$16,692,852	\$16,738,929	\$16,761,092
Total Expenditures	\$19,198,400	\$17,357,667	\$18,431,402	\$19,838,997	\$20,556,624
Results of Operations	(\$2,394,133)	(\$803,023)	(\$1,738,550)	(\$3,100,068)	(\$3,795,532)
Beginning Cash Balance	\$4,017,800	\$1,623,667	\$820,644	(\$917,906)	(\$4,017,974)
Ending Cash Balance	\$1,623,667	\$820,644	(\$917,906)	(\$4,017,974)	(\$7,813,506)
Encumbrances	\$0	\$0	\$0	\$0	\$0
Cumulative Balance of Replacement/Renewal Levies	\$0	\$0	\$0	\$0	\$0
Cumulative Balance of New Levies	\$0	\$898,671	\$2,695,905	\$4,493,645	\$6,292,620
Ending Fund Balance	\$1,623,667	\$1,719,315	\$1,777,999	\$475,671	(\$1,520,886)

Source: DEW

In November 2023, the District released its required annual forecast, which projected year-end fund balances throughout the forecast period. In this new forecast, which shows a marginally improved financial condition, the District continues to project negative results of operations resulting in a negative ending cash balance beginning in year FY 2026. The change in projections is due in part to the cost saving measures implemented by the District. As part of the cost saving measures, the District made staffing reductions between FY 2023 and FY 2024 that were not reflected in the May forecast.

The District released an updated December forecast, as seen in the table below, which projects the same year-end fund balances as the November forecast, but included a correction which moved the projected levy funds from the Cumulative Balance of Replacement/Renewal Levies line to the Cumulative Balance of New Levies line. The District has placed a 12.9-mill operating levy on the March 2024 ballot after an error excluded the levy from the November 2023 ballot.

Financial Condition Overview (December 2023 Forecast)

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Total Revenue	\$17,289,119	\$17,383,977	\$17,528,211	\$17,374,732	\$17,423,564
Total Expenditures	\$17,732,158	\$18,518,757	\$19,019,185	\$19,555,511	\$20,117,237
Results of Operations	(\$443,039)	(\$1,134,780)	(\$1,490,974)	(\$2,180,779)	(\$2,693,673)
Beginning Cash Balance	\$1,721,261	\$1,278,222	\$143,442	(\$1,347,531)	(\$3,528,311)
Ending Cash Balance	\$1,278,222	\$143,442	(\$1,347,531)	(\$3,528,311)	(\$6,221,983)
Encumbrances	\$150,000	\$100,000	\$100,000	\$100,000	\$100,000
Cumulative Balance of Replacement/Renewal Levies	\$0	\$0	\$0	\$0	\$0
Cumulative Balance of New Levies	\$0	\$1,159,285	\$3,499,285	\$5,839,285	\$8,179,285
Ending Fund Balance	\$1,128,222	\$1,202,727	\$2,051,754	\$2,210,974	\$1,857,302

Source: DEW

If the 12.9-mill levy passes in March, it will generate approximately \$2.3 million annually. This new revenue would be sufficient to address the District’s projected deficits and would result in a positive ending fund balance in each year of the forecast.

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 2023, of the approximately \$27.3 billion in reported revenue for public education in Ohio, nearly 80 percent, or \$21.3 billion, came from state and local sources.

State Funding

On July 4, 2023, House Bill 33 of the 135th General Assembly (the biennial budget bill) was signed by the Governor. This bill included changes to the state foundation funding formula, which was enacted in 2021, and is commonly referred to as the Fair School Funding Plan and is expected to increase funding for most public schools. The funding increases will be phased-in at 50 percent in FY 2024 and 66.67 percent in FY 2025.⁵ During the phase-in period, the amount of state funding received in any given year may be less than what would have been received if the formula were fully funded. DEW transitioned to the new funding model in January of 2022.

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.⁶ Approximately one-third of Ohio school districts currently have an income tax.

Property Tax

Property taxes levied in Ohio are subject to restrictions in the Ohio Constitution⁷ and the Ohio Revised Code (ORC).⁸ These restrictions limit the amount of tax that can be levied without voter approval to 10 mills⁹ 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. On average, school districts have approximately 4.7 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 the number of mills that will be assessed in order to raise revenues. If new construction occurs within the district, the rate will apply, and the district would realize additional revenues. Current

⁵ See <https://www.legislature.ohio.gov/download?key=21197&format=pdf>

⁶ See <https://tax.ohio.gov/wps/portal/gov/tax/individual/school-district-income-tax>

⁷ Ohio Const. Art. XII, Section 2.

⁸ Ohio Rev. Code § 5705.02.

⁹ A mill is defined as one-tenth of one percent or \$1 for every \$1,000 of taxable value.

expense levies, used for general operations, and permanent improvement levies 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 levies¹⁰ 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.¹¹ In subsequent years, with exceptions such as new construction, a district would not receive additional revenue from a levy as property values increased.¹² Instead, the outside mills are subject to reduction factors¹³ which lower the effective millage rate in order to maintain the preceding year's level of revenue from the same properties.¹⁴

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.¹⁵ 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 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.

Income Tax

A school district income tax is an alternative method of raising local revenue. Like property taxes, an income tax must be approved by voters and may be for either general use or specific purposes, such as bond repayment. Once approved, a tax becomes effective on January 1st of the following year. Unlike municipal income taxes which are generally levied on wages earned in

¹⁰ Authorized by ORC §5705.194.

¹¹ Am.Sub.H.B. No. 920, 136 Ohio Laws, Part II, 3182, 3194.

¹² If property value decreased due to reappraisal, it is possible that a district would receive less revenue than originally intended.

¹³ ORC § 319.301.

¹⁴ 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.

¹⁵ 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 Permanent Improvement levies.

the municipality by both residents and nonresidents, school district income taxes are levied on wages earned by residents of the district, regardless of where the resident may work. Businesses operating within the school district are not required to pay the income tax.

A school board, when determining that an income tax is necessary for additional revenue, must submit a resolution to the Ohio Tax Commissioner identifying the amount of revenue to be raised and the tax base to be used for calculations. A school district income tax can be assessed on either a traditional tax base or an earned income tax base. The traditional tax base uses the same income base as Ohio's income tax and the earned income tax base is only earned income from an employer or self-employment. Under the earned income tax base, income such as capital gains or pension payments is not taxable, though this type of income may be taxed under the traditional tax base. Once this information is received, the Tax Commissioner identifies the income tax rate and equivalent property tax millage for the district.

The Ohio Department of Taxation collects income tax through employer withholding, individual quarterly estimated payments, and annual returns. Employers are required to withhold the tax and submit payments to the state under the same rules and guidelines as are currently used for state income taxes. Districts receive quarterly payments from the Department of Taxation and each payment is for the amount collected during the prior quarter. A district receives the total amount of revenue collected less a 1.5 percent fee retained by the state for administration purposes. The amount of revenue collected via income tax each year will vary based on the earnings of the district's residents.

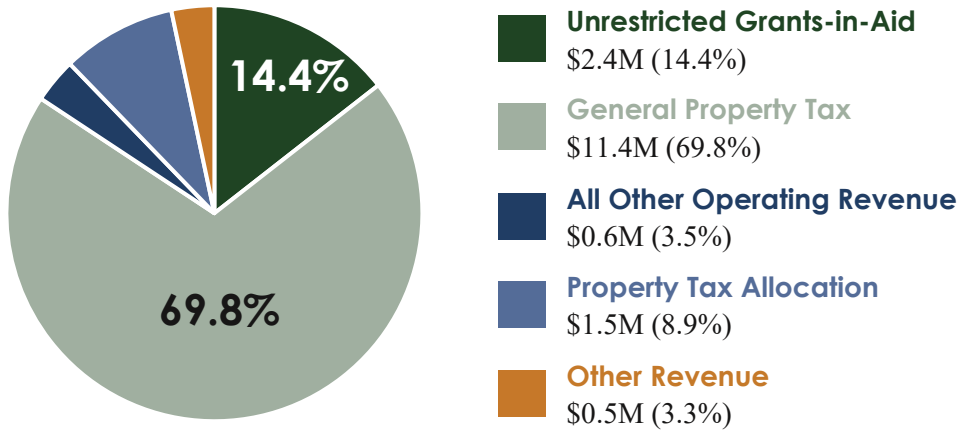
OHLSD Revenues

A school district budget is comprised of revenues and expenditures. In FY 2023, the District's total General Fund revenue was approximately \$16.3 million.¹⁶ The District's primary sources of revenue are general property taxes. The remaining revenue is comprised of a variety of sources as seen below.

¹⁶ This total excludes advances to the General Fund. For purposes of comparison, we excluded advances to the General Fund for both OHLSD and the peer groups throughout the Revenues section.

FY 2023 Total General Fund Revenue Composition

Total: \$16.3M



Note: Unrestricted grants-in-aid is comprised primarily of state foundation funding.

Note: All Other Operating Revenue includes tuition, fees, earnings on investments, rentals, and donations.

Note: Property Tax Allocation consists of reimbursements from the state for local taxpayer credits or reductions.

Note: Other Revenue may include Tangible Personal Property Tax, Income Tax, Restricted Grants-in-Aid, Operating Transfers-In, and All Other Financing Sources.

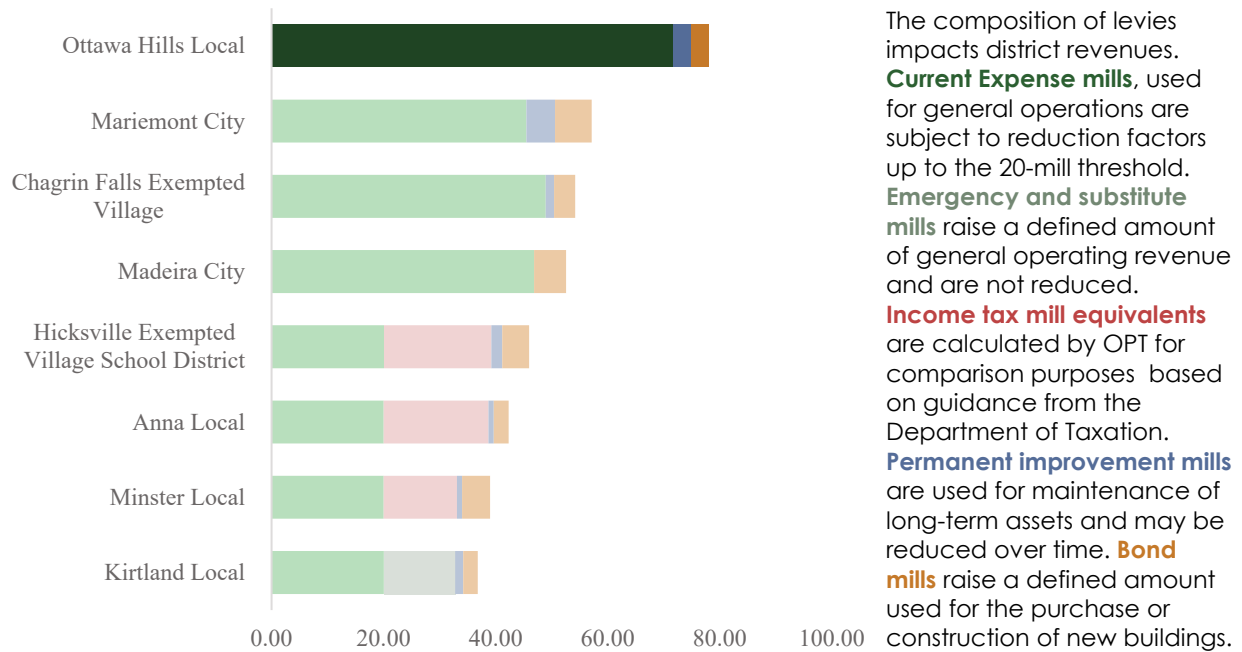
Note: Due to rounding, revenue categories may not sum up to the total listed.

In 2022, OHLSD collected revenues on 78.06 mills of property tax for residential properties.¹⁷ This included 3.90 inside mills and 67.73 outside mills for current expenses. In addition to the 71.63 mills collected for current expenses, the District collects additional property tax revenue. In 2022, this additional millage totaled 6.43 mills, and was comprised of a bond levy of 3.10 mills and a permanent improvement levy of 3.33 mills.

Because the total millage rate can be rolled back as a result of reduction factors, we compared the total effective millage for OHLSD to that of its primary peers. This comparison is found in the chart below. The green portion of the bar represents the current expense millage rate, where four of the peers are 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 funds, and the orange represents bond funding. While OHLSD does not have a school district income tax, three peers do collect revenue from income tax. For comparison purposes, OPT calculated an estimated millage for the revenue generated from income taxes based on guidance from the Department of Taxation, which is represented by the pink portion of the bars in the chart below.

¹⁷ 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 2022 was 115.70.

2022 Millage and Millage Equivalents | Primary Peers



Source: Ohio Department of Taxation

The composition of levies impacts district revenues. **Current Expense mills**, used for general operations are subject to reduction factors up to the 20-mill threshold. **Emergency and substitute mills** raise a defined amount of general operating revenue and are not reduced. **Income tax mill equivalents** are calculated by OPT for comparison purposes based on guidance from the Department of Taxation. **Permanent improvement mills** are used for maintenance of long-term assets and may be reduced over time. **Bond mills** raise a defined amount used for the purchase or construction of new buildings.

The composition of levies impacts district revenues. Current expense mills, used for general operations are subject to reduction factors up to the 20-mill threshold. Emergency and substitute mills raise a defined amount of general operating revenue and are not reduced. Income tax mill equivalents are calculated by OPT based on guidance provided by the Department of Taxation for comparison purposes. Permanent improvement mills are used for maintenance of long-term assets and may be reduced over time. Bond mills raise a defined amount used for the purchase or construction of new buildings.

Overall, the District’s total effective millage rate of 78.06 is higher than all of the primary peers. It is important to understand that revenue generated from bond and emergency levies remains the same regardless of changes to property values as they are voted as fixed-sum levies. The current expense millage and permanent improvement millage also stay the same until the 20-mill floor is hit for current expense taxes. At that point, a district at the floor would see additional revenues from increases in value to existing properties. This means that if property values increase within the District, it will not see additional revenues based on growth.

Local Tax Effort

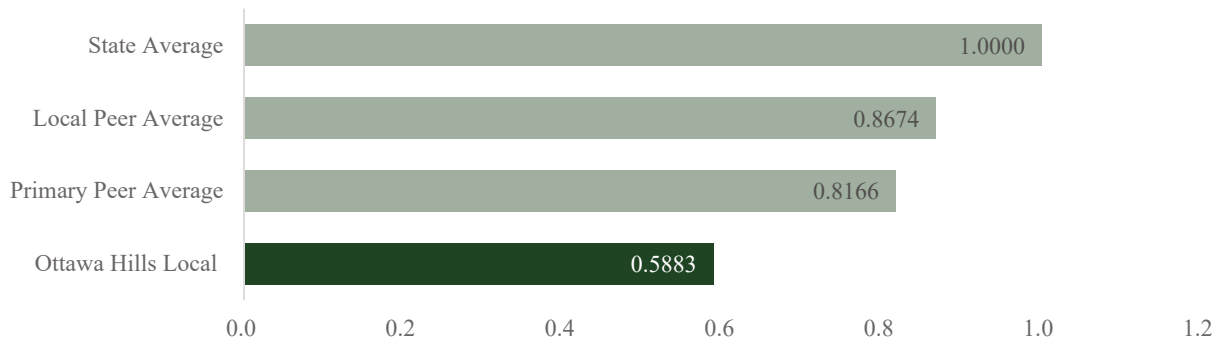
DEW uses the Local Tax Effort Index as a measure of taxpayer support for the district in which they reside. This index, one of a number of possible measures for evaluating local effort, was initially developed by the Division of Tax Analysis within the Ohio Department of Taxation and

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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 DEW as part of its District Profile Reports, also known as the Cupp Report, to reflect changes in local conditions from year to year.

FY 2023 Local Tax Effort Comparison



Source: DEW

The District's local tax effort was compared to the local peers, primary peers, and the state average. The District has a local tax effort of 0.5883, which is well below the state average. This is driven by the District's higher than average property value and median income. OHLSD has a LTE that is among the lowest in the state and ranks 574th out of 606 districts statewide. By comparison, the local peer average of 0.8674 is also lower than the statewide average and would rank approximately 398th out of all 606 districts. It should be noted that districts with higher property value and median incomes often have low LTE scores, even with a large millage effort, similar to OHLSD.

Revenue per Pupil

Revenue per pupil, broken down by type of funding, is another way to compare funding sources between Ohio school districts. Because our audit focuses on the projected deficit in the five-year forecast, we reviewed only the forecasted fund revenues for this purpose.¹⁸ In FY 2023, the District received approximately \$15,153 per pupil, with 72.1 percent, or approximately \$10,918,

¹⁸ Forecasted funds include the District's General Fund and funds derived from emergency levies.

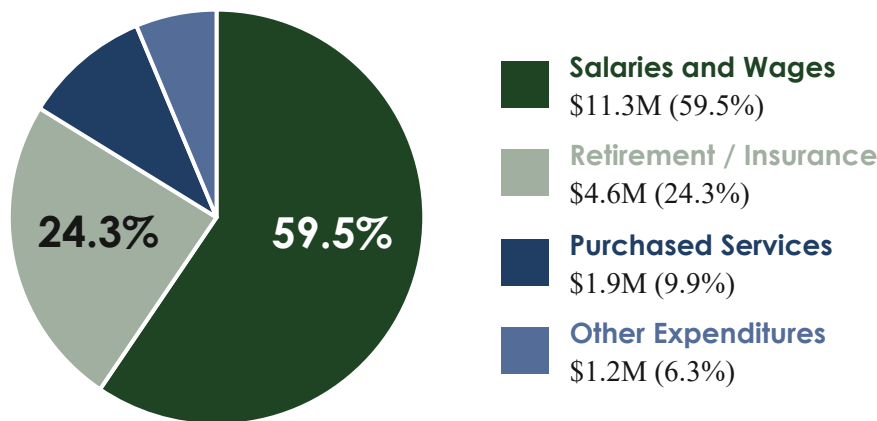
coming from local taxes.¹⁹ In FY 2023, the primary peer average was \$16,148 in revenue per pupil, with 70.5 percent, or approximately \$11,377, coming from local taxes. The District’s local revenue was lower than the primary peer average in FY 2023.

OHLSD Expenditures

In FY 2023, the District’s total expenditures were approximately \$19 million.²⁰ The largest source of expenditures was human resources, which includes salaries, wages, and benefits, followed by purchased services. The chart that follows provides additional detail regarding District expenditures.

FY 2023 Total General Fund Expenditure Composition

Total: \$19.0M



Note: Other Expenditures may include Supplies and Materials, Capital Outlay, Principal on Loans, Interest & Fiscal Charges, Other Objects, Operating Transfers-Out, and All Other Financing Uses.

Note: Due to rounding, expenditure categories may not sum up to the total listed.

Expenditures per Pupil

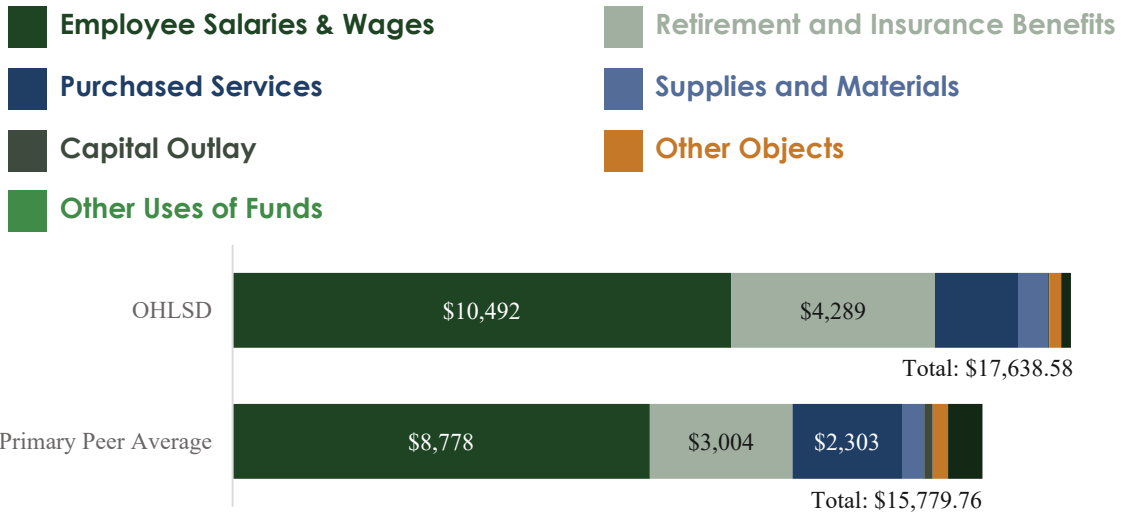
In FY 2023, OHLSD spent approximately \$17,639, or 11.8 percent more, per pupil when compared to the primary peer average of \$15,780 per pupil. The District spent more than the primary peer average on employee salaries and wages, employee benefits, and supplies and materials. The District spent less than the primary peer average on purchased services, capital

¹⁹ The Cupp Report, issued by DEW, provides information on all revenues received by a district. Because of this, the percentage of revenues from local revenues in the Cupp report may vary from the amount in our report due to the inclusion of additional revenues. This is particularly true when reviewing FY 2021 data as districts received federal funding for COVID-19 relief through ESSER grants.

²⁰ This total excludes advances from the General Fund. For purposes of comparison, we excluded advances from the General Fund for both OHLSD and the peer groups throughout the Expenditures section.

outlay, other objects, and other uses of funds.²¹ The chart that follows provides a graphic comparison of expenditures per pupil for OHLSD and the primary peer average.

FY 2023 Total Expenditures Per Pupil



Source: OHLSD and Peers

Note: Excludes Advances

²¹ The category of “Other Objects” includes things such as interest on loans, memberships in professional organizations, County Board of Education contributions, and various types of non-healthcare insurance. “Other Uses of Funds” mainly consists of transfers, and contingencies within the various accounting dimensions.

Results of the Audit

Based on an initial analysis of the District’s data as compared to its peer group, the following scope areas were included for detailed review and further analyses: Financial Management and Human Resources. We also analyzed Facilities Staffing but found that the District is operating efficiently in comparison to industry benchmarks. Notably, the District does not provide food service or transportation to students, so we were unable to identify efficiencies in those operational areas. We identified six recommendations which would result in reduced expenses or improve the District’s operational management based on industry standards. The table below provides a summary of these recommendations. The savings of each recommendation represents the estimated average annual savings in each year of implementation.

Summary of Recommendations

Standard Recommendations	Savings
R.1 Develop Formal Plans	\$0
R.2 Eliminate Administrative and Administrative Support Positions above the Peer Average	\$152,000
Eliminate 1.0 FTE Building Administrator Staff	\$152,000
R.3 Eliminate Direct Student Education and Support Positions above the Peer Average	\$270,000
Eliminate 0.5 FTE Remedial Specialist	\$85,000
Eliminate 2.0 FTE Tutor / Small Group Instructor	\$157,000
Eliminate 0.5 FTE Athletic Trainer	\$28,000
R.4 Renegotiate Collective Bargaining Agreement Provisions	\$81,000
R.5 Align Salary Schedules	\$0
R.6 Align Employer Insurance Costs with SERB Regional Average	\$377,000
Total Cost Savings from Performance Audit Recommendations	\$880,000

Note: Numbers in this table are rounded down to provide conservative estimates and for readability purposes.

Note: These estimated savings reflect the average annual savings that could be achieved in FY 2025 through the remainder of the forecast period.

Our recommendations that are based on industry standards and peer comparisons are projected to save the District an average of approximately \$880,000 annually, if fully implemented. The financial impact of these recommendations on the December 2023 five-year forecast is shown in the table on the following page. This table reflects the actual annual financial impact along with the cumulative financial impact of the implementation of these recommendations on the five-year forecast and the associated reduction in the projected deficit. It should be noted that some of these recommendations may require contract negotiations and savings may not be realized immediately.

Results of the Audit Recommendations (December 2023 Forecast)

	FY 2025	FY 2026	FY 2027	FY 2028
Original Ending Fund Balance	\$43,442	(\$1,447,531)	(\$3,628,311)	(\$6,321,983)
Cumulative Balance of Standard Recommendations	\$633,729	\$1,546,695	\$2,512,680	\$3,532,532
Revised Ending Fund Balance with Standard Recommendations	\$677,171	\$99,164	(\$1,115,631)	(\$2,789,451)

Source: OHLSD

Note: Numbers in table were rounded down for readability purposes.

The District’s current financial condition is such that implementation of the recommendations identified using industry standards and peer comparisons would not fully address the projected deficit. Because of this, OHLSD officials will need to consider additional cost saving measures. Our audit identified areas where the District could further reduce expenditures by going beyond alignment with peer averages and industry standards. In some cases, these cost saving measures may include reducing services to state minimum levels.

The additional cost saving measures are identified in the table below. The implementation of these measures could change the type or level of services offered by the District. It is important for OHLSD officials to carefully consider the needs of the students and families served by the District when implementing any of these additional cost saving measures. The potential cost savings associated with the additional recommendations are seen in the table below. These estimated savings reflect the average annual savings that could be achieved in FY 2025 through the remainder of the forecast period.

Additional Recommendations

Recommendations	Savings
R.7 Eliminate the General Fund Subsidy for Extracurricular Activities	\$518,000
R.8 Implement a Base and Step Salary Freeze	\$630,000
R.9 Eliminate 1.0 FTE Additional Building Administrator Staff	\$139,000
R.10 Eliminate Teacher Positions	\$2,643,000

Note: Numbers in this table are rounded down to the nearest \$1,000 to provide conservative estimates and for readability purposes.

The amount of savings realized from staffing reductions identified in Recommendation 10 would be dependent on a variety of factors including the number of teaching positions that are eliminated along with the impact of the implementation of other cost savings measures identified in this report or by the District itself. Our estimated savings of up to \$2.6 million identified for this recommendation are based on reductions to state minimum teaching levels and represent the maximum savings possible. The District could identify a smaller amount of cost savings through strategic staffing reductions, if necessary.

When considering implementation of recommendations that may take services below industry standards, the District must consider the impact on overall operations. District officials may wish to consider implementing any of these additional recommendations, or some combination of them, based on the current financial condition of the District.

Standard Recommendations

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

Recommendation 1: Develop Formal Plans

OHLSD should develop formal capital improvement and facilities preventative maintenance plans in order to meet financial, programmatic, and operational needs.

Impact

School districts should have multiple formal plans that identify future needs and guide each operational area of the district. It is important that a district has a long-term strategic plan tied to a capital plan, as well as a facilities preventative maintenance plan. This allows the district to ensure all operational areas can be met in an efficient and effective manner.

Methodology

We interviewed District officials and confirmed that the District does have a strategic plan, as well as components of a capital plan and facilities preventative maintenance plan. We then compared the District’s current planning practices to industry standards and best practices to identify opportunities for improvement.

Analysis

Each operational area within the District has specific planning needs which should be considered and included in planning documents. Specific criteria related to each type of plan is addressed below.

Capital Plan

According to *Multi-Year Capital Planning* (GFOA, 2022), public entities should “prepare and adopt comprehensive, fiscally sustainable, and multi-year capital plans to ensure effective management of capital assets.” The GFOA further states that “a prudent multi-year capital plan identifies and prioritizes expected needs based on a strategic plan, establishes project scope and

cost, details estimated amounts of funding from various sources, and projects operating and maintenance costs.”

The District’s capital improvement plan partially meets GFOA best practices. The District’s plan is linked to the strategic plan, identifies and prioritizes expected needs, prioritizes capital requests, and determines financial impacts of planned projects. However, the plan does not identify funding sources, detail estimated amounts of funding from various sources, contain capital asset life cycles for major capital assets, project future operating and maintenance costs, or cover a period of 5 to 25 years as the plan is currently outdated. The District would benefit from improving their capital planning practices in alignment with these best practices.

Facilities Preventative Maintenance Plan

According to the *Planning Guide for Maintaining School Facilities* (National Center for Education Statistics, 2003), a comprehensive facility maintenance program is a school district’s foremost tool for protecting its investment in school facilities and is the cornerstone of any effective maintenance initiative. A good maintenance program is built on a foundation of preventative maintenance. An effective maintenance program begins with an audit of buildings, grounds, and equipment. Once facilities data has been assembled, structural items and pieces of equipment can be selected for preventative maintenance.

Once the items that should receive preventative maintenance are identified, planners must decide on the frequency and type of inspections. 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. Once this information is assembled, it must be formatted so that preventative maintenance tasks can be scheduled easily. Ideally, scheduling should be handled by a computerized maintenance management program; however, tasks can be efficiently managed using a manual system as well.

OHLSD has a basic preventative maintenance schedule of building and equipment checks which occur on a regular basis, a full-time maintenance employee who conducts preventative maintenance activities, as well as a few maintenance contracts. However, this does not constitute a formal facilities preventative maintenance plan as it does not include a comprehensive list of all assets and equipment to be maintained, the frequency of which maintenance tasks should be completed, and tracking of task completion.

Conclusion

Formal plans, from a multi-year capital plan to a routine maintenance plan, help an organization to address financial, programmatic, and operational needs. By developing these plans, the District will be able to efficiently and effectively allocate its limited resources. In particular, by understanding and mapping out both routine expenditures and those large purchases, the District will improve its ability to avoid unexpected or unnecessary expenses.

Human Resources

Human resources (HR) expenditures are significant to both the operational and financial conditions within school districts. OPT reviewed OHLSD’s staffing levels, CBA provisions, salaries, and insurance offerings and compared them to peer districts. Certain staff, including Title I and Special Education staffing, were excluded from our analyses due to various legal and contractual requirements within these programs.

Recommendation 2: Eliminate Administrative Positions above the Peer Average

OHLSD should consider eliminating building administrator positions above the primary peer average.

Impact

By reducing building administrator positions to be in line with the primary peer average, the District could save an average of approximately \$152,000 annually.²²

Background

The District employs individuals in building administrator positions who are responsible for activities related to the daily operations of the District. While these positions provide support to students and educators at OHLSD, 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 primary peer averages on a per-1,000 student and per-building basis.²³ OHLSD could reduce 1.0 FTE building administrators.

Building Administrators

OHLSD employs 4.0 FTEs as building administrators including 2.0 FTE principals, 1.0 FTE assistant principal, and 1.0 FTE dean of students. This is 0.01 FTEs below the peer average on a per-1,000 student basis, but 1.06 FTEs above the peer average on a per-building basis. Eliminating 1.0 FTE building administrator position could save an average of approximately \$152,000 annually.

²² Calculated savings are based on the salary and benefits of the lowest tenured employee in each category.

²³ A Full-Time Equivalent (FTE) was used to identify staffing levels, based on DEW reporting guidelines.

Conclusion

The District should eliminate 1.0 FTE building administrator positions. Eliminating these positions could save an average of approximately \$152,000 annually and bring staffing to a level consistent with the primary peer average.

Recommendation 3: Eliminate Direct Student Support Positions above the Peer Average

OHLSD should consider eliminating direct student support positions above the primary peer average.

Impact

By reducing direct student support positions to be in line with the primary peer average, the District could save an average of approximately \$270,000 annually.²⁴

Background

Direct student support positions perform functions that assist students in an educational setting directly in some manner. Positions may include a variety of professionals including tutors, educational support specialists, and counselors. Based on peer comparisons, OHLSD could eliminate staffing positions in several categories.

Methodology/Analysis

Staffing levels for the District were identified and compared to primary peer averages on a per-1,000 student and per-building basis. Areas where OHLSD could reduce direct student support positions include:

- 0.5 FTE Remedial Specialist;
- 2.0 FTE Tutor/Small Group Instructors; and,
- 0.5 FTE Athletic Trainer.

Remedial Specialist

OHLSD employs 1.0 FTE remedial specialist, which is 0.51 FTEs above the peer average. Eliminating 0.5 FTE remedial specialist position could save an average of approximately \$85,000 annually.

Tutor/Small Group Instructors

OHLSD employs 4.0 FTE tutor/small group instructors, which is 2.06 FTEs above the peer average. Eliminating 2.0 FTE tutor/small group instructor positions could save an average of approximately \$157,000 annually.

²⁴ Calculated savings are based on the salary and benefits of the lowest tenured employee in each category.

Athletic Trainer

OHLSD employs 0.5 FTE athletic trainers, which is 0.51 FTEs above the peer average. Eliminating 0.5 FTE athletic trainer position could save an average of approximately \$28,000 annually.

Conclusion

The District should eliminate 3.0 FTEs from its direct student support positions. Eliminating these positions could save an average of approximately \$270,000 annually and bring staffing to a level consistent with the primary peer average.

Recommendation 4: Renegotiate Collective Bargaining Agreement Provisions

OHLSD should renegotiate and align its collective bargaining agreement (CBA) provisions with ORC requirements and local peer districts in order to reduce future expenditures and decrease the risk for future liabilities.

Impact

Eliminating the Recognition of Excellence Incentive provision offered to all District employees could save an average of approximately \$81,000 annually. The District's certificated and classified CBAs contain certain additional provisions which may increase future liabilities, however, there is no identified financial implication for these provisions.

Background

OHLSD maintains two collective bargaining agreements:

- Ottawa Hills Education Association, representing certificated staff, effective through December 31, 2024; and,
- Ottawa Hills Support Staff Association, representing classified staff, effective through June 30, 2024.

Methodology

The District's CBAs were obtained from the State Employment Relations Board (SERB). OHLSD's CBAs were then analyzed and compared to ORC requirements and local peer districts' CBAs to highlight any overly generous provisions or potential opportunities to reduce costs or increase operational efficiency.

Analysis

In addition to the following provisions analyzed in depth, we also compared several other provisions which were not selected for further analysis due to being in line with the local peer averages and/or ORC requirements. These provisions, for certificated staff, include planning time, retirement incentive, tuition reimbursement and internal substitute rate. For classified staff, the District's overtime, personal leave, holidays and holiday pay provisions were not selected for further analysis.

Sick Leave Accumulation and Severance Payout: ORC § 124.39 requires that public employees must be paid one quarter of accrued sick leave at requirement, based on a maximum accrual of 120 days. Based on this requirement, employees are eligible for up to 30 days of severance pay. However, public entities may choose to provide severance pay in excess of ORC requirements.

According to the District’s CBAs, certificated and classified employees may accrue up to 320 and unlimited days of sick leave, respectively, and may each receive up to 97 days of paid severance. The District’s sick leave accrual allowance for both certificated and classified employees is above the local peer average, however, one peer district also offers unlimited sick leave accrual. The severance payout offered by the District is lower than the local peer average of 121 days for certificated employees and 111 days for classified employees. Further, the District’s sick leave accrual of 320 and unlimited days is higher than the ORC requirement of 120 days and its maximum severance of 97 days is higher than the ORC requirement of 30 days.

Excessive sick leave accrual increases the likelihood of severance payouts that are larger than required by state law and can increase the cost associated with substitutes or overtime.

Personal Leave: The District’s certificated employees are provided with annual personal leave accrual of four days, which exceeds the local peer average by one day. The ORC does not have a requirement of personal leave accrual for certificated staff. Providing employees with more personal days could increase substitute costs and increase future liabilities.

Vacation Leave: Under the District’s classified CBA, employees are entitled to annual vacation accrual whereby they can earn 538 vacation leave days over the course of a 30-year career. This is higher than the local peer average of 532 days and also higher than the requirement of 460 days in ORC § 3319.084. Providing employees with more vacation days could increase substitute and overtime costs and increase future liabilities. Direct savings from reducing the vacation schedule could not be quantified; however, this would serve to increase the number of available work hours, at no additional cost to the District.

Recognition of Excellence Incentive: DEW District Report Cards provide annual overall ratings and star ratings for five components for each school district in Ohio. For each year OHLSD receives “5 Stars,” all District employees are offered a one percent bonus on their salaries corresponding to the most recently issued District Report Card. The bonus is paid in a lump sum in the last pay of January. The bonus is not offered by any of the local peer districts and is not an ORC requirement. Between FY 2022 and FY 2024, the District has paid approximately \$291,000 in these bonuses. The District projects these bonuses in each year of the forecast. Eliminating this provision will save the District an average of approximately \$81,000 annually.²⁵

Conclusion

The District has negotiated CBA provisions or offered benefits to its certificated and classified staff that exceed ORC requirements and local peer averages. OHLSD should consider renegotiating the provisions discussed above in order to provide cost savings and reduce potential liabilities.

²⁵ Savings for this provision can be partially implemented in FY 2025 and fully implemented in FY 2026 due to the expiration dates of the District’s CBAs.

Recommendation 5: Align Salary Schedules

OHLSD should align its certificated and classified salary schedules with the local peer average.

Impact

While cost savings are not calculated for this recommendation, aligning certificated and classified salary schedules with the local peer average would result in future cost savings and allow the District to improve its overall fiscal condition.

Background

The District has CBAs for both certificated and classified employees which contain salary schedules. The certificated CBA is in effect until December 31, 2024, and the classified CBA is in effect until June 30, 2024.

Methodology

We used the District's CBAs and salary schedules which were in effect during FY 2023 for purposes of our analysis. The District's certificated and classified salaries over a 30-year career were reviewed and compared to the local peer averages (see [Appendix C](#)). A 30-year career was chosen since school district CBAs are generally structured around a 30-year period. Position categories used in our analysis were determined based on the identification of comparable positions and corresponding salary schedules at the local peer districts. As such, this analysis did not include all of the District's salary schedules. Pay schedules from peer district CBAs were obtained from the SERB website. When updated contracts and salary schedules were unavailable from SERB, they were obtained directly from peer districts.

Analysis

The following certificated categories were identified for salary comparison between the District and the local peers:

- BA;
- BA+15;
- MA; and,
- MA+15.

OHLSD has a higher starting salary in all certificated categories analyzed. Further, the 30-year career compensation for the District is higher than the local peers for all categories examined, ranging from 1.4 percent to 11.4 percent higher.

The following classified categories were identified for salary comparison between the District and the local peers:

- Administrative Assistant;
- Paraprofessional;
- Custodian;
- Maintenance; and,
- Grounds.

With the exception of paraprofessional, OHLSD had a higher starting salary in all classified categories analyzed. Further, the 30-year career compensation for the District is higher than the local peers for all categories examined, ranging from 3.6 percent to 13.3 percent higher.

Conclusion

The salary schedules for the District's certificated and classified employees, for all categories analyzed, have a higher 30-year career compensation than the local peer average. To achieve savings, the District should align its salaries with the local peer average. Any future savings would affect forecasted funds.

Recommendation 6: Align Employer Insurance Costs with SERB Regional Average

The District should align its employer costs for medical, dental, and vision insurance premiums with the SERB regional average for other school districts.

Impact

Aligning employer costs with the SERB regional average for school districts would reduce expenditures and result in average annual savings of approximately \$377,000 beginning in FY 2025. This alignment could be accomplished by increasing employee premium contributions and exploring alternative insurance options. Due to union contracts which stipulate the employee cost share, these savings could not be implemented in FY 2024 and can be only partially implemented in FY 2025.

Background

The District is part of the Jefferson Health Plan insurance consortium, an organization which provides insurance to participating members. OHLSD offers three separate insurance plans for medical and prescription coverage:

- High Deductible Health Plan (HDHP);
- Health Maintenance Organization (HMO) Plan 1; and,
- HMO Plan 2.

Each of the medical insurance plans offer options for single or family coverage. The District also offers an annual Health Savings Account (HSA) contribution for employees that elect the HDHP plan. The annual HSA contribution is \$500 for HDHP single plan participants and \$1,500 for HDHP family plan participants. In addition, the District offers one plan for dental coverage, with an option for single or family coverage, and one plan for vision coverage, with an option for single or family coverage. The District covers 100 percent of the dental and vision premiums. These plans are obtained through the Jefferson Health Plan consortium.

At the time of analysis, OHLSD had 111 enrollees in one of its three medical plans. The District had 61 enrollees in a family medical plan and 50 enrollees in a single medical plan. Prescription coverage is included in each medical plan. The District had 75 enrollees in the family dental plan and 39 enrollees in the single dental plan. The District also had 75 enrollees in the family vision plan and 42 enrollees in the single vision plan.

Methodology

We compared the District's medical, dental and vision insurance provisions and costs to the SERB regional peer average for school districts. Peer information was obtained from the 2023 SERB survey. The District's medical plans were compared to 85 regional peers, its dental plan was compared to 82 regional peers, and its vision plan was compared to 73 regional peers. This

peer average excluded outlier districts whose plans were more than two standard deviations outside the mean. Using the District’s assumptions for increases to annual insurance costs, we then projected the potential cost savings over the course of the forecast period.

Analysis

The District offers medical, combined with prescription, as well as dental and vision coverage to both full-time and part-time employees. These insurance benefits are specified in the District’s certificated and classified CBAs, which state that the Board reserves the right and responsibility to select the carrier for the health, dental and vision insurance benefits provided. The insurance premium, or cost of obtaining insurance, is split between the District and the employee on a percentage basis. For full-time employees, the District covers 95 percent of the premium for the HDHP plan, 80 percent of the premium for HMO Plan 1, and 91 percent of the premium for HMO Plan 2. The District covers 100 percent of the dental and vision insurance premiums.

Historically, the District has received insurance premium holidays from the Jefferson Health Plan consortium. These holidays are instances where the insurance has collected revenue that exceeds actual insurance related expenditures in a given year. In FY 2024 the District received one premium holiday. Additional premium holidays are not projected in the five-year forecast.

Medical Insurance

Our review of the District’s medical and prescription insurance plans compared to the SERB regional average found:

- **HMO Plans:** The District’s FY 2023 total premium costs exceeded the SERB regional peer average for both HMO plans. An analysis of HMO Plan 1 found that while the employer cost was higher than the SERB regional average in terms of dollar value, the percentage share of the premium was less than peers. However, an analysis of HMO Plan 2 found that the employer cost was more than the SERB regional peer average, both in terms of dollar value and percentage share of the premium. In addition, some provisions are more generous to the employee than the regional peer group such as lower deductibles and lower out of pocket maximums for both HMO Plans. HMO Plan 1 also offers lower copayments.
- **HDHP:** The District’s FY 2023 total premium costs as well as the District’s share of the premiums were higher than the SERB regional peer average. Plan design comparisons had variable results with OHLSD employees having lower out of pocket maximums, but higher deductibles.

The following table shows a detailed comparison of the District’s medical and prescription insurance costs compared to the SERB regional average. If the District were to maintain the current insurance plans, it would need an adjustment to shift a greater portion of the premium to employees to reduce insurance related expenditures. The results of this adjustment are calculated in the table below and would result in employees paying a higher percentage of the insurance premium compared to the regional peer average.

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2023 Monthly Medical Insurance Costs

			OHLSD		Regional Peer Averages		OHLSD Adjustment	
			Costs	% Share	Costs	% Share	Costs	% Share
HDHP	Single Medical + Rx	District	\$751.29	95.0%	\$647.99	90.0%	\$647.99	81.9%
		Employee	\$39.54	5.0%	\$71.85	10.0%	\$142.84	18.1%
	Family Medical + Rx	District	\$2,027.92	95.0%	\$1,692.12	88.3%	\$1,692.12	79.3%
		Employee	\$106.73	5.0%	\$224.72	11.7%	\$442.53	20.7%
HMO #1	Single Medical + Rx	District	\$753.86	80.0%	\$716.67	85.3%	\$716.67	76.1%
		Employee	\$188.47	20.0%	\$123.24	14.7%	\$225.66	23.9%
	Family Medical + Rx	District	\$2,034.85	80.0%	\$1,802.46	83.2%	\$1,802.46	70.9%
		Employee	\$508.71	20.0%	\$362.84	16.8%	\$741.10	29.1%
HMO #2	Single Medical + Rx	District	\$794.17	91.0%	\$716.67	85.3%	\$716.67	82.1%
		Employee	\$78.54	9.0%	\$123.24	14.7%	\$156.04	17.9%
	Family Medical + Rx	District	\$2,143.62	91.0%	\$1,802.46	83.2%	\$1,802.46	76.5%
		Employee	\$212.01	9.0%	\$362.84	16.8%	\$553.17	23.5%

Source: OHLSD and SERB

Note: The District's HDHP HSA contributions of \$500 for the single plan and \$1,500 for the family plan are not included in this table.

To align itself with the SERB regional average for employer cost, the District would need to shift a portion of the medical premium to its employees. As seen in the table above, all employees would need to take on approximately between 17.9 and 29.1 percent of the single and family medical plan premiums.

Dental Insurance

Under the current dental insurance plan, as seen in the following table, the District pays more for dental insurance on a monthly basis than the regional peer group. If the District were to maintain the current dental insurance plan, it would need an adjustment to shift a greater portion of the premium to employees to reduce insurance related expenditures. The results of this adjustment are calculated in the following table.

2023 Monthly Medical Insurance Costs - Dental

			OHLSD		Regional Peer Averages		OHLSD Adjustment	
			Costs	% Share	Costs	% Share	Costs	% Share
Single Dental	District		\$43.92	100.0%	\$34.38	83.2%	\$34.38	78.3%
	Employee		\$0.00	0.0%	\$6.93	16.8%	\$9.54	21.7%
Family Dental	District		\$124.92	100.0%	\$81.52	80.8%	\$81.52	65.3%
	Employee		\$0.00	0.0%	\$19.42	19.2%	\$43.40	34.7%

Source: OHLSD and SERB

To align itself with the SERB regional average for employer cost, the District would need to shift a portion of the dental premium to its employees. As seen in the table above, employees enrolled in the single dental plan would need to pay \$9.54, or 21.7 percent, of the monthly payment and employees enrolled in the family dental plan would need to pay \$43.40, or 34.7 percent, of the monthly payment.

Vision Insurance

Under the current vision insurance plan, as seen in the following table, the District pays more per for vision insurance on a monthly basis than the regional peer group, however, the total premium is lower. If the District were to maintain the current vision insurance plan, it would need an adjustment to shift a greater portion of the premium to employees to reduce insurance related expenditures. The results of this adjustment are calculated in the following table.

2023 Monthly Medical Insurance Costs - Vision

		OHLSD		Regional Peer Averages		OHLSD Adjustment	
		Costs	% Share	Costs	% Share	Costs	% Share
Single Vision	District	\$6.86	100.0%	\$5.98	66.0%	\$5.98	87.2%
	Employee	\$0.00	0.0%	\$3.08	34.0%	\$0.88	12.8%
Family Vision	District	\$17.48	100.0%	\$13.78	63.5%	\$13.78	78.8%
	Employee	\$0.00	0.0%	\$7.93	36.5%	\$3.70	21.2%

Source: OHLSD and SERB

To align itself with the SERB regional average for employer cost, the District would need to shift a portion of the vision premium to its employees. As seen in the table above, employees enrolled in the single vision plan would need to pay \$0.88, or 12.8 percent, of the monthly payment, and employees enrolled in the family vision plan would need to pay \$3.70, or 21.2 percent, of the monthly payment. Since the overall premium is lower than the regional peer average, even if the District were to adjust payments, the employee portion would remain lower than the regional peer average.

Using the December 2023 forecast submitted by OHLSD, we identified potential cost savings associated with bringing insurance costs in-line with the regional peer average. The District has projected an eight percent increase in health insurance costs for FY 2025 throughout the remainder of the forecast period. The District could save an average of \$377,000 annually in each year of the forecast, beginning in FY 2025, by aligning insurance costs with the regional peer group. The District could pursue insurance cost reductions by adjusting the plan designs, shifting premium costs, or seeking out alternative insurance options.

Conclusion

OHLSD should work to bring its insurance premiums for medical, dental and vision more in line with the SERB regional average. Doing so could result in average annual savings of approximately \$377,000. These savings can be realized by reducing District contributions towards premium costs and exploring alternative insurance options.

Additional Recommendations

As discussed in detail throughout the preceding sections of this report, OHLSD could gain efficiencies by aligning its operations with the peer averages and industry standards and implementing the previously identified baseline recommendations. However, the recommendations identified previously in this report, even if fully implemented, would not resolve the projected deficit in the most recent five-year forecast. The following recommendations are additional actions that District leadership may need to consider when addressing the current fiscal situation.

Implementing the following additional actions could have a significant impact on the District's operations and instructional activities. However, without additional revenue, the District will likely need to consider the implementation of at least one of, or a combination of, the following recommendations in order to remain fiscally solvent.

Eliminate General Fund Subsidy for Extracurricular Activities

In FY 2023, OHLSD spent over \$1 million on student extracurricular activities, which included the salaries and benefits of directors and coaches, supplies and materials, transportation services, and other miscellaneous expenditures. A portion of these expenditures was offset by generating revenue of approximately \$435,269.99 for admissions and other extracurricular activity sources. The remaining expenditures relating to student activities were subsidized by the General Fund.

In FY 2023, the percentage of extracurricular activities expenditures subsidized by the District was 8.8 percent lower than the local peer average. However, if the District chose to, it could eliminate the General Fund subsidy for extracurricular activities. Using FY 2023 data, the District could save approximately \$518,000 if it fully eliminated the General Fund subsidy. In order to accomplish this, the District would need to consider the implementation of one or more of the following options:

- Increase pay-to-participate fees;
- Increase admissions and sales;
- Increase booster club funding;
- Reduce the supplemental salary schedule; and/or,
- Eliminate programs.

OHLSD increased its pay-to-participate fees for the FY 2024 school year. The District should monitor its final General Fund subsidy of extracurricular activities in FY 2024 to determine the potential savings that might be realized.

Prior to implementing this recommendation, the District should consider the potential impact it may have on participation in extracurricular activities. Based on our analysis, the District could eliminate the General Fund subsidy for extracurricular activities. Doing so could save the District approximately \$518,000 annually, based on FY 2023 financial data.

Implement a Base and Step Salary Freeze

The District has implemented a one-year base salary freeze in FY 2024 as part of its cost savings measures. The District could consider extending and implementing additional salary-related measures in order to achieve additional savings. While **Recommendation 5** addresses the potential to reduce future liabilities by bringing certificated and classified salaries in line with the peer average, significant annual savings could be realized by implementing a freeze on all employee salaries.

The District's five-year forecast assumes a 2 percent increase in salaries from FY 2025 through FY 2028. If the District froze salaries at the FY 2024 levels for FY 2025 through FY 2028 instead of implementing the increases shown in its forecast, it could realize average annual savings of approximately \$630,000. These estimated savings reflect the average annual savings that can be achieved in FY 2025 through the remainder of the forecast period.²⁶

Eliminate up to 1.0 FTE Building Administrator Position

OHLSD employs a total of 4.0 FTEs in building administrator positions, which include principals, assistant principals, and a dean of students. When adjusted for students served and buildings, OHLSD has 3.72 FTEs per-1,000 students and 2.0 FTEs per building.

While the District is in line with the primary peer average on a per-1,000 student basis, it is above the primary peer average by 1.06 FTEs on a per-building basis.²⁷ The District could eliminate 1.0 FTE building administrator position for average annual savings of approximately \$152,000 annually (see [Recommendation 2](#)).

The state minimum requirement for building administrators identified in OAC 3301-35-05 consists only of the duties of a principal. This means OHLSD is exceeding the state minimum requirement by 2.0 FTE for its junior/senior high school. The District could eliminate up to 1.0 FTE additional building administrator position for average annual savings of approximately \$139,000.

²⁶ The savings identified in this recommendation do not take into account recommended staffing reductions. If the District were to reduce staffing, actual savings would be reduced.

²⁷ This analysis was calculated based on the District's total of 2 buildings and a peer average of 3.1 buildings.

Eliminate Teacher Positions

If the District successfully implements all of the standard recommendations along with a combination of the previously identified additional recommendations, it can resolve the projected deficits. Some of the previously identified recommendations are subject to negotiations and may be difficult for the District to achieve. If the financial condition of the District does not improve, it may need to consider eliminating teaching positions.

State law requires that for every 25 students, districts employ at least one classroom teacher, for a student to teacher ratio of 25 to 1. In FY 2024, the District had a student to teacher ratio of 15.73 to 1.²⁸ While the District is in-line with the primary peer average for classroom teachers, it could eliminate up to 23.0 FTE teaching positions and remain within state minimum standards. This level of reduction would result in approximately \$2.6 million in annual savings but would represent a 35 percent reduction in teaching staff and substantively impact District operations.

While a reduction to state minimum standards is likely not necessary to address the projected deficit, OHLSD could choose to strategically implement teacher reductions to maximize savings while minimizing the impact on District operations. Ultimately, the total cost savings realized from teacher reductions would be dependent on a variety of factors including the number of positions eliminated, the tenure of the individuals, and the impact of other potential cost savings measures.

If the District decides to pursue reductions to state minimum teacher reductions, it should work with DEW to ensure compliance with the state minimum requirement in OAC 3301-35-05 before reducing classroom teaching levels.

²⁸ The student number used in this ratio represents a regular student population – a formula driven number that reflects students enrolled and educated within the District, excluding categories two through six of special education students. Classroom teachers include K-12 general education teachers as well as art, music, physical education, English language instructional program, and gifted and talented teachers. Preschool teachers, special education teachers, and career-technical teachers are excluded from the ratio (*Source, DEW*).

Client Response Letter

Throughout the audit process, OPT staff met with District officials to ensure substantial agreement on the factual information presented in this audit report. Audit standards and AOS policy allow clients to provide a written response to an audit. District officials were provided the opportunity to formally respond to the final report with a written letter but declined the offer to do so.

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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:

Summary of Objectives and Conclusions

Objective	Recommendation
Financial Management	
Are the District’s planning practices consistent with leading practices?	R.1
Is the District’s General Fund subsidy of extracurricular activities appropriate in comparison to local peers and the District’s financial condition?	Additional Recommendation
Human Resources	
Are the District’s staffing levels appropriate in comparison to primary peers, state minimum standards, demand for services, and the District’s financial condition?	R.2, R.3, Additional Recommendation

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Are the District’s salaries and wages appropriate in comparison to local peers and the District’s financial condition?	R.5, Additional Recommendation
Are the District’s collective bargaining agreement provisions appropriate in comparison to local peers, minimum requirements, and the District’s financial condition?	R.4
Are the District’s insurance costs appropriate in comparison to other governmental entities within the local market and the District’s financial condition?	R.6
Facilities	
Are the District’s facilities staffing levels appropriate in comparison to leading practices, industry standards, and the District’s financial condition?	No Recommendation: The District's facilities staffing is in line with the industry standard.

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:²⁹

- Control environment
 - We considered the District’s control of its EMIS and payroll systems.
- 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 transportation data.
- Control Activities
 - We considered the District’s compliance with applicable laws and contracts.

Internal control deficiencies were not identified during the course of this audit.

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:

²⁹ We relied upon standards for internal controls obtained from *Standards for Internal Control in the Federal Government* (2014), the U.S. Government Accountability Office, report GAO-14-704G.

- Peer Districts;
- Industry Standards;
- Leading Practices;
- Statutes; and,
- Policies and Procedures.

In consultation with the District, two 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. The table below shows the Ohio school districts included in these peer groups.

Peer Group Districts

Primary Peers

- Anna Local School District (Shelby County)
- Chagrin Falls Exempted Village School District (Cuyahoga County)
- Hicksville Exempted Village School District (Defiance County)
- Kirtland Local School District (Lake County)
- Madeira City School District (Hamilton County)
- Mariemont City School District (Hamilton County)
- Minster Local School District (Auglaize County)

Local Peers

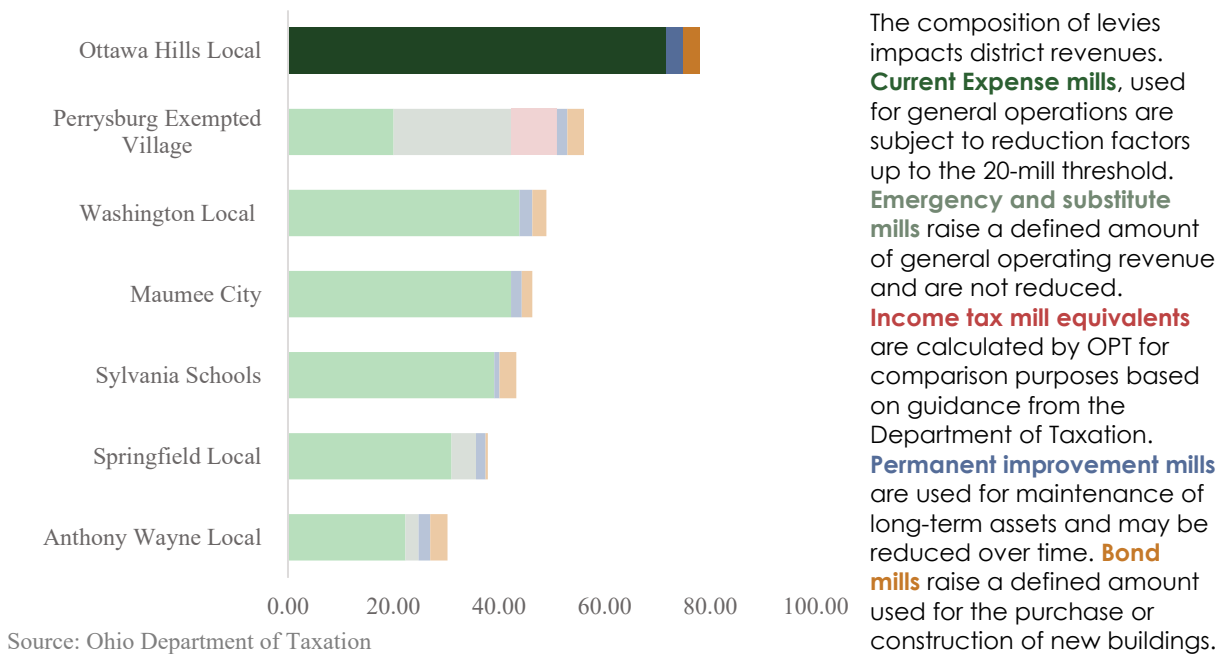
- Anthony Wayne Local School District (Lucas County)
- Maumee City School District (Lucas County)
- Perrysburg Exempted Village School District (Wood County)
- Springfield Local School District (Lucas County)
- Sylvania City School District (Lucas County)
- Toledo City School District (Lucas County)
- Washington Local School District (Lucas 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 Ohio Administrative Code (OAC) and the Ohio Revised Code (ORC) were also assessed. Each recommendation in this report describes the specific methodology and criteria used to reach our conclusions.

Appendix B: Financial Systems

The following chart shows the General Fund millage for local peers. The green portion of the bar represents the current expense millage rate, where one of the local peers is at the 20-mill floor. Overall, the District’s effective millage rate is higher than the local peers. Because the District is not at the 20-mill floor, it will not see continued growth from current expense mills as property value increases.

2022 Millage and Millage Equivalentents | Local Peers



The following tables show the income tax revenue for primary peer districts and local peer districts. Three primary peers and one local peer collect revenue from an income tax.

2022 Income Tax Revenue and Millage Equivalents | Primary Peers

District	Tax Rate	Income Tax Revenue	Estimated Millage Equivalents
Minster Local	1.00%	\$2,408,030.63	13.09
Anna Local	1.50%	\$3,547,605.68	18.72
Hicksville Exempted Village	1.50%	\$2,287,189.81	19.17
Chagrin Falls Exempted Village	0.00%	-	0.00
Kirtland Local	0.00%	-	0.00
Madeira City	0.00%	-	0.00
Mariemont City	0.00%	-	0.00
Ottawa Hills Local	0.00%	-	0.00

Source: Ohio Department of Taxation

2022 Income Tax Revenue and Millage Equivalents | Local Peers

District	Tax Rate	Income Tax Revenue	Estimated Millage Equivalents
Perrysburg Exempted Village	0.50%	\$9,888,777.30	8.69
Anthony Wayne Local	0.00%	-	0.00
Maumee City	0.00%	-	0.00
Ottawa Hills Local	0.00%	-	0.00
Springfield Local	0.00%	-	0.00
Sylvania Schools	0.00%	-	0.00
Washington Local	0.00%	-	0.00

Source: Ohio Department of Taxation

The following tables show the local tax effort (LTE) comparison between OHLSD and the primary peer districts and the local peer districts. The District's LTE is below the statewide average and is among the lowest of the primary and local peer groups.

2023 Local Tax Effort Comparison | Primary Peers

District	LTE	Rank	Percentile
Hicksville Exempted Village	1.4541	97	84.0%
Anna Local	1.1308	218	64.0%
Minster Local	0.7456	501	17.3%
Kirtland Local	0.6452	558	7.9%
Mariemont City	0.6448	559	7.8%
Ottawa Hills Local	0.5883	574	5.3%
Madeira City	0.5696	578	4.6%
Chagrin Falls Exempted Village	0.5265	589	2.8%
Primary Peer Average	0.8166	444	26.7%

Source: DEW

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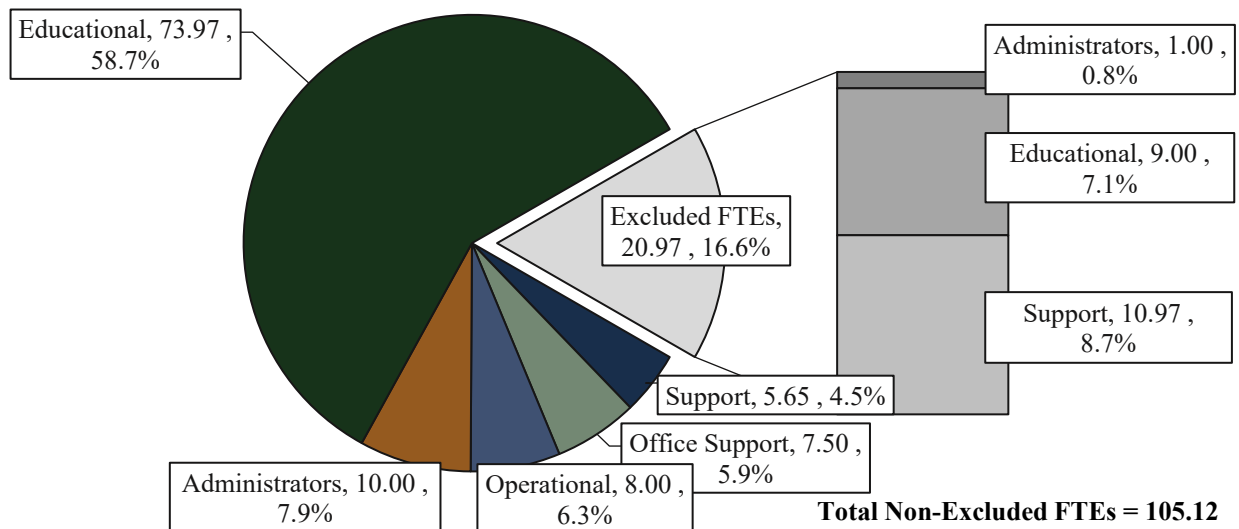
2023 Local Tax Effort Comparison | Local Peers

District	LTE	Rank	Percentile
Washington Local	1.2417	158	73.9%
Maumee City	1.0561	269	55.6%
Springfield Local	0.8463	414	31.7%
Perrysburg Exempted Village	0.8377	427	29.5%
Sylvania Schools	0.7539	489	19.3%
Ottawa Hills Local	0.5883	574	5.3%
Anthony Wayne Local	0.4688	592	2.3%
Local Peer Average	0.8674	398	34.3%

Source: DEW

Appendix C: Human Resources

Personnel costs represent over 84 percent of the District’s spending. Due to this, we conduct several analyses relating to the expense associated with maintaining existing staffing levels. During the course of our analysis, we routinely exclude staff that are designated as Title 1 or Special Education as a result of specific rules relating to the funding of these employees.



In the chart above, there are approximately 20.97 excluded staff FTEs, which includes individuals that are associated with Special Education or Title 1 programming. These programs have certain legal and contractual requirements that would make reductions difficult.

Staffing Comparison Tables

The following tables illustrate the District’s employee FTEs compared to the primary peer average. In order to allow for more precise comparison, employees were compared on an FTE per 1,000 student basis. These variances are then converted to FTEs for the client district. This calculation (shown below) allows for a more accurate comparison between districts when student counts differ.

$$\left[\frac{\text{Client FTE}}{\left(\frac{\text{Client Enrollment}}{1,000} \right)} \right] - \left[\frac{\text{Peer Avg FTE}}{\left(\frac{\text{Peer Avg Enrollment}}{1,000} \right)} \right] * \left(\frac{\text{Client Enrollment}}{1,000} \right)$$

Central Office Administrator Staff Comparison

		Ottawa Hills Local SD	Primary Peer Avg.	Difference	
Students					
Students Educated		1,075	1,235	(160)	
Students Educated (Thousands)		1.075	1.235	(0.160)	
		FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Position	FTEs				
Assistant, Associate Superintendent	0.00	0.00	0.23	(0.23)	(0.25)
Supervisor/Manager	1.00	0.93	1.27	(0.34)	(0.37)
Coordinator	0.00	0.00	0.54	(0.54)	(0.58)
Education Administrative Specialist	0.00	0.00	0.12	(0.12)	(0.13)
Director	3.00	2.79	0.98	1.81	1.95
Building Manager	0.00	0.00	0.12	(0.12)	(0.13)
Total	4.00	3.72	3.26	0.46	0.49

Source: OHLSD and DEW

Building Administrator Staff Comparison

		Ottawa Hills Local SD	Primary Peer Avg.	Difference	
Students Educated		1,075	1,235	(160)	
Students Educated (Thousands)		1.075	1.235	(0.160)	
Buildings		2.0	3.1	(1.1)	
		FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Position	FTEs				
Assistant Principal	1.00	0.93	0.87	0.06	0.06
Principal	2.00	1.86	2.69	(0.83)	(0.89)
Dean of Students	1.00	0.93	0.17	0.76	0.82
Total	4.00	3.72	3.73	(0.01)	(0.01)
		FTEs per Building	FTEs per Building	Difference in FTE per Building	Adjusted Difference in FTEs
Position	FTEs				
Assistant Principal	1.00	0.50	0.34	0.16	0.32
Principal	2.00	1.00	1.06	(0.06)	(0.12)
Dean of Students	1.00	0.50	0.07	0.43	0.86
Total	4.00	2.00	1.47	0.53	1.06

Source: OHLSD and DEW

Teaching Staff Comparison

Students	Ottawa Hills Local SD	Primary Peer Avg.	Difference		
Students Educated	1,075	1,235	(160)		
Students Educated (thousands)	1.075	1.235	(0.160)		
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
General Education	59.28	55.14	54.41	0.73	0.78
Gifted and Talented	0.00	0.00	0.35	(0.35)	(0.38)
Technical Programs/Career Pathways	0.00	0.00	0.46	(0.46)	(0.49)
Total	59.28	55.14	55.22	(0.08)	(0.09)

Source: OHLSD and DEW

K-8 Teaching Staff Comparison

Students	Ottawa Hills Local SD	Primary Peer Avg.	Difference		
Students Educated	727	870	(143)		
Students Educated (thousands)	0.727	0.870	(0.143)		
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	1.93	2.65	2.18	0.47	0.35
Music Education K-8	2.03	2.79	2.64	0.15	0.11
Physical Education K-8	1.13	1.55	1.95	(0.40)	(0.29)
Total	5.09	7.00	6.77	0.23	0.17

Source: OHLSD and DEW

Non-Teaching Educational Staff Comparison

Students	Ottawa Hills Local SD	Primary Peer Avg.	Difference		
Students Educated	1,075	1,235	(160)		
Students Educated (thousands)	1.075	1.235	(0.160)		
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Curriculum Specialist	0.00	0.00	0.29	(0.29)	(0.31)
Counseling	3.60	3.35	3.41	(0.06)	(0.06)
Remedial Specialist	1.00	0.93	0.46	0.47	0.51
Tutor/Small Group Instructor	4.00	3.72	1.80	1.92	2.06
Full-time (Permanent) Substitute Teacher	0.00	0.00	0.35	(0.35)	(0.38)
Other Educational	0.00	0.00	1.43	(1.43)	(1.54)

Source: OHLSD and DEW

Professional Staff Comparison

Students	Ottawa Hills Local SD	Primary Peer Avg.	Difference		
Students Educated	1,075	1,235	(160)		
Students Educated (thousands)	1.075	1.235	(0.160)		
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Audiologist	0.00	0.00	0.01	(0.01)	(0.01)
Psychologist	0.00	0.00	0.51	(0.51)	(0.55)
Publicity Relations	0.00	0.00	0.20	(0.20)	(0.22)

Source: OHLSD and DEW

Technical Staff Comparison

Students	Ottawa Hills Local SD	Primary Peer Avg.	Difference		
Students Educated	1,075	1,235	(160)		
Students Educated (thousands)	1.075	1.235	(0.160)		
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Computer Operating	1.00	0.93	0.33	0.60	0.65
Other Technical	0.00	0.00	0.46	(0.46)	(0.49)
Total	1.00	0.93	0.79	0.14	0.16

Source: OHLSD and DEW

Central Office Support Staff Comparison

Students and Buildings		Ottawa Hills Local SD	Primary Peer Avg.	Difference	
Students Educated		1,075	1,235	(160)	
Students Educated (thousands)		1.075	1.235	(0.160)	
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Administrative Assistant	0.00	0.00	0.69	(0.69)	(0.74)
Accounting	0.00	0.00	0.35	(0.35)	(0.38)
Bookkeeping	1.50	1.40	0.58	0.82	0.88
Central Office Clerical	2.00	1.86	1.60	0.26	0.28
Records Managing	0.00	0.00	0.12	(0.12)	(0.13)
Total	3.50	3.26	3.34	(0.08)	(0.09)

Source: OHLSD and DEW

Building Office Support Staff Comparison

Students and Buildings		Ottawa Hills Local SD	Primary Peer Avg.	Difference	
Students Educated		1,075	1,235	(160)	
Students Educated (thousands)		1.075	1.235	(0.160)	
Buildings		2.000	3.143	(1.143)	
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	3.72	4.14	(0.42)	(0.45)
Other Office/Clerical	0.00	0.00	0.35	(0.35)	(0.38)
Total	4.00	3.72	4.49	(0.77)	(0.83)
Position	FTEs	FTEs per Building	FTEs per Building	Difference in FTE per Building	Adjusted Difference in FTEs
School Building Clerical	4.00	2.00	1.63	0.37	0.74
Other Office/Clerical	0.00	0.00	0.14	(0.14)	(0.28)
Total	4.00	2.00	1.77	0.23	0.46

Source: OHLSD and DEW

Library Staff Comparison

Students	Ottawa Hills Local SD	Primary Peer Avg.	Difference		
Students Educated	1,075	1,235	(160)		
Students Educated (thousands)	1.075	1.235	(0.160)		
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Librarian/Media	1.00	0.93	0.58	0.35	0.38
Library Aide	0.00	0.00	1.34	(1.34)	(1.44)
Total	1.00	0.93	1.92	(0.99)	(1.06)

Source: OHLSD and DEW

Nursing Staff Comparison

Students	Ottawa Hills Local SD	Primary Peer Avg.	Difference		
Students Educated	1,075	1,235	(160)		
Students Educated (thousands)	1.075	1.235	(0.160)		
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Registered Nursing	1.00	0.93	0.53	0.40	0.43
Practical Nursing	0.00	0.00	0.46	(0.46)	(0.49)
Total	1.00	0.93	0.99	(0.06)	(0.06)

Source: OHLSD and DEW

Classroom Support Staff Comparison

Students	Ottawa Hills Local SD	Primary Peer Avg.	Difference		
Students Educated	1,075	1,235	(160)		
Students Educated (thousands)	1.075	1.235	(0.160)		
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Instructional Paraprofessional	3.00	2.79	0.62	2.17	2.33
Teaching Aide	0.15	0.14	7.54	(7.40)	(7.96)
Total	3.15	2.93	8.16	(5.23)	(5.62)

Source: OHLSD and DEW

Other Support Staff Comparison

Students	Ottawa Hills Local SD	Primary Peer Avg.	Difference	
Students Educated	1,075	1,235	(160)	
Students Educated (thousands)	1.075	1.235	(0.160)	
Position	FTEs	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Monitoring	0.00	0.00	(0.65)	(0.70)

Source: OHLSD and DEW

Extra-Curricular/Intra-Curricular Staff Comparison

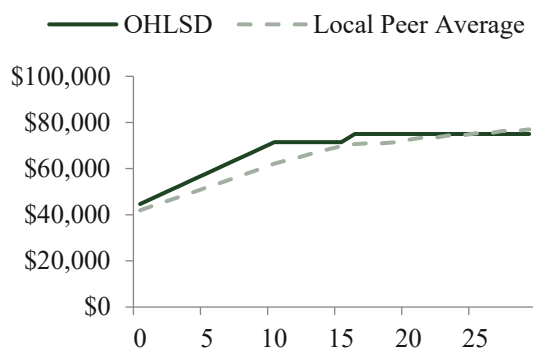
Students	Ottawa Hills Local SD	Primary Peer Avg.	Difference	
Students Educated	1,075	1,235	(160)	
Students Educated (thousands)	1.075	1.235	(0.160)	
Position	FTEs	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Coaching	0.00	0.00	(0.35)	(0.38)
Athletic Trainer	0.50	0.47	0.03	0.51
Other Extra/Intra - Curricular Activities	0.00	0.00	(0.06)	(0.06)

Source: OHLSD and DEW

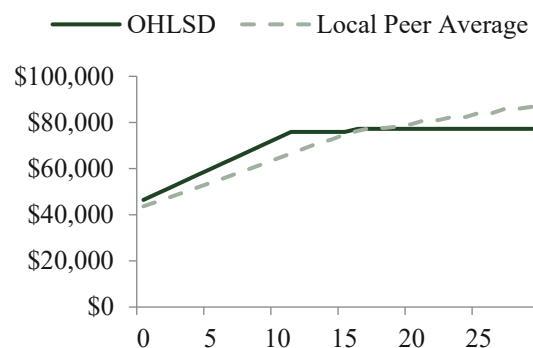
We also looked at annual salaries for all certificated employees and the hourly wage rates for various classified employee positions over the course of a career, as seen in the following charts.

Certificated Career Compensation

Bachelor's

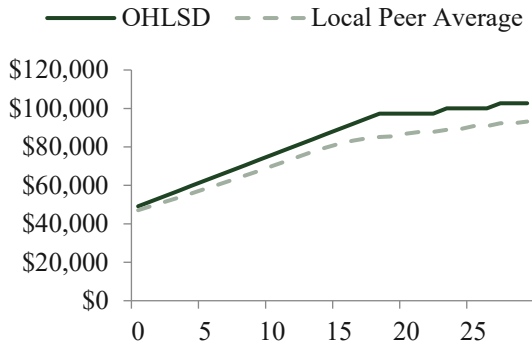


BA+15

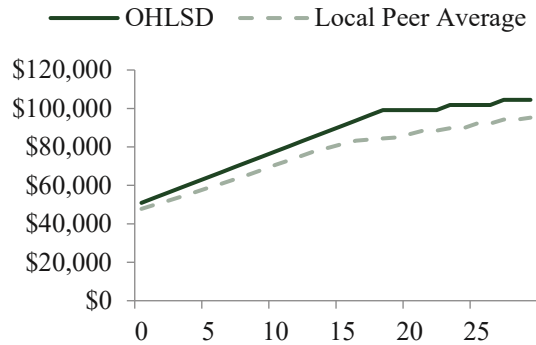


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Master's



MA+15

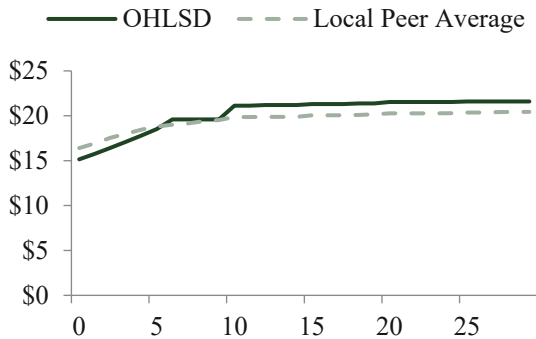


Certificated Career Compensation Comparison

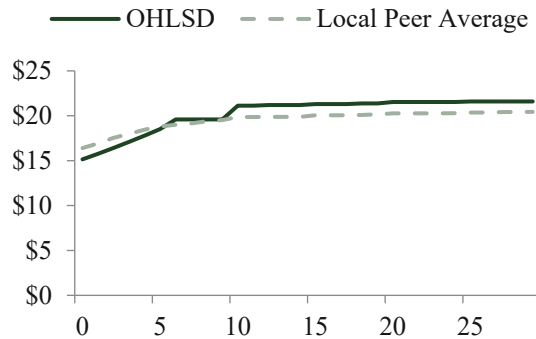
	Ottawa Hills Local	Local Peer Average	Difference	% Difference
BA	\$2,045,778	\$1,937,352	\$108,426	5.6%
MA	\$2,488,682	\$2,266,321	\$222,361	9.8%
MA+15	\$2,542,258	\$2,283,052	\$259,206	11.4%
BA+15	\$2,118,994	\$2,089,916	\$29,078	1.4%

Classified Career Compensation

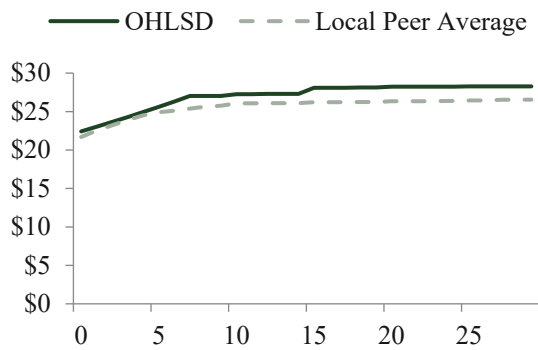
Paraprofessional



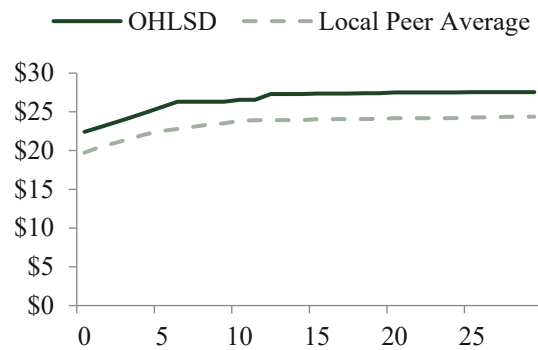
Custodian



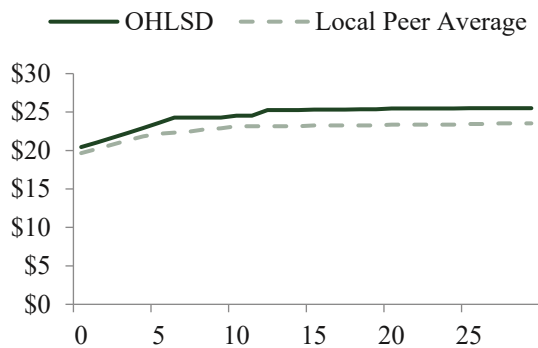
Maintenance



Administrative Assistant



Grounds



Classified Career Compensation Comparison

	Ottawa Hills Local	Local Peer Average	Difference	% Difference
Paraprofessional	\$765,791	\$739,448	\$26,343	3.6%
Custodian	\$1,450,808	\$1,369,260	\$81,548	6.0%
Maintenance	\$1,686,659	\$1,598,635	\$88,024	5.5%
Admin. Assistant	\$1,656,499	\$1,461,660	\$194,840	13.3%
Grounds	\$1,529,807	\$1,420,156	\$109,651	7.7%

OHIO AUDITOR OF STATE KEITH FABER



OTTAWA HILLS LOCAL SCHOOL DISTRICT

LUCAS 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 2/20/2024

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

This report is a matter of public record and is available online at
www.ohioauditor.gov