



Mary Taylor, CPA  
Auditor of State

BROOKLYN CITY SCHOOL DISTRICT  
PERFORMANCE AUDIT

MAY 26, 2009



Mary Taylor, CPA  
Auditor of State

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

In accordance with House Bill 119, a performance audit was conducted in the Brooklyn City School District. The functional areas assessed in the audit were financial systems, human resources, facilities, and transportation. These areas were selected because they are important components of District operations that support its educational mission, and because improvements in these areas can assist the District in improving its financial condition. In addition, each section of the performance audit summarizes the implementation status of the recommendations in the previous performance audit of the District, released in 2000.

The performance audit contains recommendations which identify the potential for cost savings and efficiency improvements. The audit also provides an independent assessment of the District's financial situation and a framework for improvement. While the recommendations contained in the audit report are resources intended to assist in improving operational efficiency and effectiveness, the District is encouraged to assess overall operations and develop additional alternatives.

An executive summary has been prepared which includes the project history; a district overview; the scope, objectives and methodology for the performance audit; and a summary of recommendations, noteworthy accomplishments, assessments not yielding recommendations, issues for further study and financial implications. This report has been provided to the District, and its contents discussed with the appropriate elected officials and administrators. The District has been encouraged to use the results of the performance audit as a resource in further improving its overall operations, service delivery, and financial stability.

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

Sincerely,

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

Mary Taylor, CPA  
Auditor of State

May 26, 2009





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# Executive Summary

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## Project History

In accordance with Ohio House Bill 119, the Auditor of State (AOS) conducted a performance audit of Brooklyn City School District (Brooklyn CSD or the District). Based on a review of Brooklyn CSD's information and discussions with the District, the following functional areas were included in the performance audit:

- Financial Systems;
- Human Resources;
- Facilities; and
- Transportation.

## District Overview

Brooklyn CSD is located in Cuyahoga County. In FY 2007-08, the District employed approximately 178 full-time equivalent (FTE) staff responsible for providing services to 1,431 students. For FY 2008-09, the District employs approximately 148 FTEs. Also, the District met 21 of 30 academic performance indicators and was designated an effective district in FY 2007-08.

Brooklyn CSD's October 2008 forecast projects deficit fund balances beginning in FY 2009-10 and reaching approximately \$5.5 million in FY 2012-13, without a new property tax levy. With a new tax levy and renewal of existing levies, the forecast projects positive fund balances for each year, totaling approximately \$4.7 million in FY 2012-13. During the course of the audit, voters of Brooklyn CSD passed a new property tax levy. By comparison, the revised forecast presented in the **financial systems** section projects a fund balance of approximately \$761,000 in FY 2012-13 when including the new levy (see **Table 2-5**).

## Objectives

A performance audit is defined as engagements that provide assurance or conclusions based on an evaluation of sufficient, appropriate evidence against stated criteria, such as specific requirements, measures, or defined business practices. A performance audit provides objective analysis so that management and those charged with governance and oversight can use the information to improve program performance and operations, reduce costs, facilitate decision

making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

The overall objective of the performance audit was to assist the District in identifying strategies to reduce expenditures and, in turn, help improve its financial standing. The major assessments conducted in this performance audit included the following:

- **Financial Systems:** includes evaluations of Brooklyn CSD's five-year financial forecast, strategic planning, budgeting, fiscal policies, revenue and expenditure comparisons, management of payroll, and implementation status of the 2000 performance audit;
- **Human Resources:** includes analyses of District-wide staffing and salary levels, collective bargaining agreements, benefit costs, sick leave use, special education costs, and implementation status of the 2000 performance audit;
- **Facilities:** includes assessments of custodial, maintenance, and grounds staffing levels, facility related expenditures, benchmarking and performance standards, planning, maintenance management system, and implementation status of the 2000 performance audit; and
- **Transportation:** includes evaluations of operating efficiency, policies and procedures, data reporting, maintenance and repairs, planning, fuel purchasing, and implementation status of the 2000 performance audit.

The ensuing recommendations comprise options that Brooklyn CSD can consider in an effort to help stabilize its financial condition.

## Scope and Methodology

The performance audit of Brooklyn CSD was conducted in accordance with Generally Accepted Government Auditing Standards (GAGAS). These standards require that AOS plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on the audit objectives.

During the course of this performance audit, the AOS was aware of an ongoing federal investigation related to potential public corruption in Cuyahoga County, Ohio. The investigation has focused, in part, on a number of individuals, firms and companies and the nature of their business relationships with several government entities within the county. While the subject of the federal investigation is beyond the scope of this performance audit, any publicly reported

items or business transactions related to the investigation were referred to the AOS Cleveland region responsible for the financial audit of the District.

Audit work was conducted between August and January 2009. To complete this report, the auditors conducted interviews with District personnel, and reviewed and assessed information from Brooklyn CSD, peer school districts, and other relevant sources. Based on the District's significant change in transportation operations after FY 2007-08, the performance audit did not verify bus and mileage reported in the T-2 reports for FY 2006-07 and FY 2007-08, and could not verify the run and rider information in **Table 5-2** (see the **transportation** section). In addition, the performance audit identified some errors related to EMIS staff reporting (see **human resources** section). Peer school district data and other information used for comparison purposes was not tested for reliability, although the information was reviewed for reasonableness.

AOS developed a composite of 10 selected districts which were used for peer comparisons. The Ohio Department of Education (ODE) classifies these ten districts in the same demographical grouping as Brooklyn CSD. In addition, these ten school districts were meeting a high number of performance standards as measured by the Ohio school proficiency tests, at a relatively low cost per pupil. The selected districts were Bath Local (Allen County), Columbiana Exempted Village (Columbiana County), Girard Local (Trumbull County), Lowellville Local (Mahoning County), Tiffin City (Seneca County), Boardman Local (Mahoning County), Dover City (Tuscarawas County), Health City (Licking County), McDonald Local (Trumbull County) and Wheelersburg Local (Scioto County). Furthermore, Lakewood, Berea and Parma City School Districts in Cuyahoga County were used for salary comparisons in the **human resources** section, due to their close proximity to Brooklyn CSD. External organizations and sources were also used to provide comparative information and benchmarks. They included the Government Finance Officers Association (GFOA), the State Employment Relations Board (SERB), the American Schools and Universities (AS&U), and the National Center for Education Statistics (NCES).

The performance audit process involved significant information sharing with Brooklyn CSD, including preliminary drafts of findings and proposed recommendations related to the identified audit areas. Furthermore, periodic status meetings were held throughout the engagement to inform the District of key issues impacting selected areas, and share proposed recommendations to improve or enhance operations. Throughout the audit process, input from the District was solicited and considered when assessing the selected areas and framing recommendations. Finally, Brooklyn CSD provided verbal and written comments in response to various recommendations, which were taken into consideration during the reporting process. Where warranted, AOS modified the report based on the District's comments.

The Auditor of State and staff express appreciation to Brooklyn CSD for its cooperation and assistance throughout this audit.

## **Noteworthy Accomplishments**

This section of the executive summary highlights specific Brooklyn CSD accomplishments identified throughout the course of the audit.

- The District outsourced its payroll process beginning in 2003. According to the District, it has saved a total of \$300,000 by outsourcing this process.
- Due mainly to the staffing reductions implemented for FY 2008-09, Brooklyn CSD lowered its staffing levels per 1,000 students by 17 percent, when compared to FY 2007-08. As a result, the District employs fewer total FTEs per 1,000 students when compared to the peer average. Furthermore, the staffing reductions have improved the District's financial standing.
- By increasing employee health insurance cost sharing requirements to the level of 15 percent for certificated staff hired after April 30, 2003 and classified staff hired after June 30, 2004, Brooklyn CSD's contribution rate exceed SERB averages. This provision helps reduce the District's total expenditures for providing group health insurance benefits.
- The District's total utility costs per square foot appear low when compared to the peer average and AS&U national median. To help manage the cost of utilities, Brooklyn CSD purchases natural gas and electricity at discounted rates through various consortia and maintains control of room temperatures through a centralized computer system managed by the District. By operating its own energy management system, the District realized a cost savings of approximately \$52,000 per year. In addition, the District has a policy for natural and material resource conservation.

## **Assessments Not Yielding Recommendations**

Assessments conducted which did not warrant changes and did not yield recommendations include the following. Each section contains additional detail.

- **Human Resources:** administrator salaries; health insurance costs; sick leave use; and substitute costs; and
- **Transportation:** service levels relative to Board policy and State regulations; and non-routine charges.



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## Conclusions and Recommendations

Each section of the audit report contains recommendations that are intended to provide Brooklyn CSD with options to enhance its operational efficiency and improve its long-term financial stability. In order to obtain a full understanding of the assessed areas, the reader is encouraged to review the recommendations in their entirety. The following summarizes the recommendations from the performance audit report.

*In the area of financial systems, Brooklyn CSD should:*

- Analyze and use **Table 2-5** to evaluate the effect of the recommendations made in this performance audit. The District should consider implementing the recommendations in this performance audit and taking other appropriate actions to avoid the projected operating deficits. In addition, the Treasurer should update **Table 2-5** on an on-going basis to reflect changes, monitor revenue and expenditure activities, and review performance against projected figures.
- Develop a formal and comprehensive strategic plan to help articulate its program and funding decisions, which is approved by the Board and linked to a formal budget, five-year forecast and a capital plan. Subsequently, the District should monitor and report progress toward achieving its goals, and reassess the plan on a regular basis.
- Develop a comprehensive set of financial policies that address pertinent areas. Once in place and adopted by the Board, the District should ensure that its financial practices are consistent with these policies.
- Prepare a formal budget document that is linked to its strategic plan and contains essential components. The District should also develop additional performance benchmarks and measures that are subsequently included in the budget document and used to help determine attainment of established goals.
- Review and implement identified strategies to strengthen the reliability of the five-year forecast. In addition, the Treasurer should present detailed assumptions for the forecast and ensure the stated assumptions match the projected figures. The Treasurer should also maintain detailed documentation to support the expenditure projections, similar to the revenue projections.

*In the area of human resources, Brooklyn CSD should:*

- Develop a formal plan to address current and future staffing needs, based, in part, on current and projected enrollment.
- Consider eliminating 1.0 FTE administrator. This can be accomplished by reviewing related duties to consolidate positions.
- Have a separate District employee(s) review the EMIS data as an internal control measure, and provide the necessary training to the employee(s) performing this function. The District should also ensure that its reporting practices align with the EMIS instructions. In addition, the District should consider sharing the reports with administrators for final review, before submission to ODE.
- Negotiate to adjust the certificated staff pay schedule to be more in line with the three-peer average, further align salary schedules for classified staff that still appear high, and include an ending step increase in the Appendix A schedule for classified staff that is similar to the peers. The District should also ensure that it maintains an ending step increase in the Appendix B schedule and correctly applies the negotiated step increases for classified staff. Furthermore, the District should consider negotiating to freeze salaries and/or minimize increases to base wages which are outside of the step increase.
- Renegotiate employee health care premium contribution rates to increase employee cost sharing to 15 percent for all certificated and classified staff regardless of hire date. The District should seek to do likewise for administrative and exempt staff.
- Seek to reduce its health insurance expenditures by renegotiating the design options in its plan to include more employee cost-sharing features. In considering a change to a Preferred Provider Organization (PPO) plan, the District should ensure that doing so would be cost-effective. Furthermore, the District should ensure its plan design complies with Ohio Administrative Code, which should include conducting a dependent eligibility audit. Lastly, the District should review other potential strategies to contain health insurance costs.
- During future negotiations with its certificated and classified bargaining units, seek to place an appropriate cap on classified sick leave payouts and lower the cap for certificated payouts. The District should also attempt to lower the percentage payout and increase the years of service to qualify for a payout in both agreements. Finally, it should seek to reduce vacation accruals and the number of holidays, and update the drug policy to reflect ORC § 4511.19 for classified staff.

- Exclude retirement incentive language from its collective bargaining agreements. Instead, the District should conduct a cost benefit analysis to determine when to offer such incentives based on its financial condition.

*In the area of facilities, Brooklyn CSD should:*

- Review and regularly monitor facility overtime costs, and track reasons for overtime use. Furthermore, the District should use benchmarks to assess the number of staff needed to operate and maintain its facilities, based on the amount of square footage and acreage, other relevant workload measures, and variables that can impact staffing requirements. Specifically, the District should ensure that its current level of staffing does not pose a risk to operations or the student-learning environment.
- Develop and implement a manual for cleaning staff that details proper procedures. Once the manual is complete, the District should establish a schedule to regularly review the policies and procedures and update them as needed.
- Develop a training and professional development program for its cleaning and maintenance staff.
- Update its facilities master plan to contain building utilization analyses and essential components of a comprehensive capital plan. The District should also create a preventive maintenance plan that is linked to the master plan. Subsequently, the District should regularly update these plans to reflect completed work and other changing conditions.
- Prior to determining potential building closures and consolidations, review building capacity and utilization rates, and identify strategies to avoid potential overcrowding. In conducting this review, Brooklyn CSD should also consider the costs and benefits of such strategies and alternative methods for consolidating buildings, including input from the community and District personnel.
- Consider purchasing a computerized maintenance management system (CMMS).

*In the area of transportation, Brooklyn CSD should:*

- Reconfigure its fleet and related staffing to align with changes in the transportation policy and improve bus utilization rates. The District should also review the 17-passenger bus that is currently out of service and determine whether it should be reinstated to replace a conventional bus or retired. Furthermore, Brooklyn CSD should consider implementing an automated gate system to replace the manual gate system between Brookridge and Roadon schools. Taking the abovementioned strategies and other similar measures will

help the District improve bus utilization and overall efficiency, and lower transportation expenditures over the long-run. Alternatively, the District could explore the option of contracting all of its student transportation services. The District should explore such options based on the results of a cost-benefit analysis.

- Develop written procedures detailing the process used to track and maintain records needed to complete T-Form reports, and create formal vehicle replacement and preventative maintenance plans.
- Develop policies designed to ensure the efficient transportation of special needs students. In addition, the District should involve Transportation personnel in pertinent meetings when transportation needs are included in the IEP.
- Continue its recent practice of filing claims to receive fuel tax refunds from the Ohio Department of Taxation on its fuel purchases.

## **Issues for Further Study**

Auditing standards require the disclosure of significant issues identified during an audit that were not reviewed in depth. These issues may not be directly related to the audit objectives or may be issues that the auditors do not have the time or resources to pursue. AOS has identified the following issues that require further study. Each section contains additional detail.

- **Human Resources:** special education program; and
- **Transportation:** fuel purchasing.

## Summary of Financial Implications

The following table summarizes the performance audit recommendations that contain financial implications. Detailed information concerning the financial implications, including assumptions, is contained within the individual sections of the performance audit.

### Summary of Financial Implications

Recommendations	Estimated Annual Savings	Estimated Annual Costs
<b>Not Subject to Negotiations</b>		
<b>R3.2</b> Consider eliminating 1.0 FTE administrator.	\$94,000	
<b>R4.5</b> Purchase a CMMS System		\$2,000
<b>Subject to Negotiations</b>		
<b>R3.4</b> Adjust salary schedules and consider freezing salaries and/or minimizing base wage increases	\$223,000	
<b>R3.5</b> Increase employee cost sharing to 15 percent of health premiums <sup>1</sup>	\$92,000	
<b>Total Estimated Savings/Costs</b>	<b>\$409,000</b>	<b>\$2,000</b>

Source: AOS Recommendations

<sup>1</sup> Increases for administrative and other exempt staff would not be subject to negotiations.

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# Financial Systems

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## Background

This section focuses on the financial systems in the Brooklyn City School District (Brooklyn CSD or the District), including an assessment of Brooklyn CSD's five-year forecast. Operations were evaluated against leading or recommended practices, industry benchmarks, and selected peer districts<sup>1</sup>. Leading or recommended practices and industry standards were drawn from various sources, including the American Institute of Certified Public Accountants (AICPA) and the Government Finance Officers Association (GFOA). In addition, **Appendix 2-A** summarizes the implementation status of the recommendations in the previous performance audit of Brooklyn CSD, released in 2000.

### *Treasurer's Office Operations*

The Treasurer's Office consists of 3.66 FTEs, including the Treasurer, Assistant Treasurer/Network Manager, Secretary to the Business Office, Accounts Payable, and Clerk Typist. The Treasurer, who reports to the Board, is responsible for keeping an account of all District funds; filing a statement of accounts to the Board, Superintendent, and the County Auditor; and preparing the annual budget and five-year forecast. In addition, he serves as the Food Service Coordinator, Facilities Manager, and Asbestos Coordinator. The Assistant Treasurer/Network Manager, who reports to the Treasurer, assists in preparing the Consolidated Grant Application, making cash requests, performing monthly bank reconciliations, overseeing healthcare benefits enrollments; and serves as a Technology Coordinator for the District. The Secretary to the Business Office has clerical responsibilities along with assisting the Treasurer with human resource administration for non-teaching personnel, obtaining time clocks for payroll, and assisting with property and liability insurance. Accounts Payable is responsible for performing the month-end closing, faxing orders, matching invoices with purchase orders (PO) and issuing checks, tracking fixed assets, and monitoring cash receipts. The Clerk Typist is responsible for food service ordering, the Federal free and reduce lunch program, cash receipts, daily lunch deposit reconciliation, and deposit preparation for the Treasurer.

### *Financial Condition*

Brooklyn CSD receives funding at the local level through a variety of voter-approved levies, including a 6 mil operating replacement levy passed in 2005 and a 1 mil permanent improvement levy passed in 2007. During the course of this audit, the District also passed a 6.6 mil emergency

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<sup>1</sup> See the **executive summary** for a list of the peer districts and an explanation on selection of the methodology.



levy on November 4, 2008. This levy will generate approximately \$2,254,000. In addition, the District ended FY 2007-08 with a surplus fund balance of \$716,059 and a surplus cash balance of \$718,127. Before passage of the new emergency levy, the Treasurer was projecting a fund and cash deficit starting in FY 2009-10. However, the levy subsequently passed and, as a result, the forecast projects a positive fund balance throughout the projection period, reaching \$4,672,127 in FY 2012-13.

**Table 2-1** presents historical and projected revenues and expenditures as of October 2008. This forecast was used as the starting point for assessing the District's financial condition. AOS focused on testing the District's projections that have a material impact (see **R2.4**).

**Table 2-1: Brooklyn CSD Financial History and Forecast (in 000's)**

	Actual 2005-06	Actual 2006-07	Actual 2007-08	Forecast 2008-09	Forecast 2009-10	Forecast 2010-11	Forecast 2011-12	Forecast 2012-13
Real Estate Property Tax	\$7,589	\$7,998	\$8,787	\$8,182	\$8,738	\$8,799	\$8,743	\$9,016
Tangible Personal Property Tax	\$2,775	\$2,250	\$1,396	\$657	\$279	\$139	\$70	\$35
Unrestricted Grants-in-Aid	\$1,440	\$1,720	\$2,187	\$2,654	\$3,052	\$3,008	\$2,893	\$2,400
Restricted Grants-in-Aid	\$10	\$15	\$15	\$0	\$0	\$0	\$0	\$0
Property Tax Allocation	\$711	\$1,018	\$1,143	\$1,159	\$1,164	\$1,169	\$1,174	\$1,179
Other Revenues	\$523	\$530	\$401	\$400	\$405	\$410	\$415	\$420
<b>Total Operating Revenues</b>	<b>\$13,048</b>	<b>\$13,532</b>	<b>\$13,929</b>	<b>\$13,051</b>	<b>\$13,637</b>	<b>\$13,525</b>	<b>\$13,294</b>	<b>\$13,049</b>
Salaries & Wages	\$8,889	\$8,922	\$9,161	\$8,564	\$8,691	\$8,952	\$9,220	\$9,497
Fringe Benefits	\$2,712	\$2,986	\$3,032	\$2,596	\$2,868	\$2,954	\$3,043	\$3,134
Purchased Services	\$2,020	\$1,769	\$1,779	\$1,936	\$1,986	\$2,036	\$2,086	\$2,094
Supplies, Materials, & Textbooks	\$436	\$462	\$374	\$175	\$300	\$300	\$300	\$300
Capital Outlay	\$465	\$207	\$100	\$10	\$100	\$100	\$100	\$100
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Expenditures	\$266	\$608	\$301	\$293	\$250	\$250	\$250	\$250
<b>Total Operating Expenditures</b>	<b>\$14,788</b>	<b>\$14,954</b>	<b>\$14,746</b>	<b>\$13,574</b>	<b>\$14,195</b>	<b>\$14,592</b>	<b>\$14,999</b>	<b>\$15,375</b>
Net Transfers/Advances	(\$170)	\$127	\$226	\$0	\$0	\$0	\$0	\$0
Other Financing Sources/Uses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Net Financing</b>	<b>(\$170)</b>	<b>\$127</b>	<b>\$226</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Result of Operations (Net)</b>	<b>(\$1,910)</b>	<b>(\$1,295)</b>	<b>(\$591)</b>	<b>(\$523)</b>	<b>(\$558)</b>	<b>(\$1,067)</b>	<b>(\$1,705)</b>	<b>(\$2,325)</b>
Beginning Cash Balance	\$4,514	\$2,604	\$1,309	\$718	\$194	(\$364)	(\$1,430)	(\$3,135)
<b>Ending Cash Balance</b>	<b>\$2,604</b>	<b>\$1,309</b>	<b>\$718</b>	<b>\$194</b>	<b>(\$364)</b>	<b>(\$1,430)</b>	<b>(\$3,135)</b>	<b>(\$5,461)</b>
Encumbrances	\$505	\$152	\$0	\$0	\$0	\$0	\$0	\$0
Budget Reserve	\$0	\$0	\$2	\$2	\$4	\$6	\$8	\$10
<b>Ending Fund Balance</b>	<b>\$2,098</b>	<b>\$1,154</b>	<b>\$716</b>	<b>\$192</b>	<b>(\$367)</b>	<b>(\$1,436)</b>	<b>(\$3,143)</b>	<b>(\$5,471)</b>
Property Tax – New Levy (Cumulative Balance)	\$0	\$0	\$0	\$1,127	\$3,381	\$5,635	\$7,889	\$10,143
<b>Ending Fund Balance</b>	<b>\$2,098</b>	<b>\$1,154</b>	<b>\$716</b>	<b>\$1,319</b>	<b>\$3,014</b>	<b>\$4,199</b>	<b>\$4,746</b>	<b>\$4,672</b>

Source: 2008 Forecast

Note: Totals may vary from actual due to rounding.

### Revenue and Expenditure Comparisons

**Table 2-2** compares Brooklyn CSD's General Fund revenues by source and expenditures by object to the peer average in FY 2006-07, and includes FY 2007-08 data for the District. The data is on per student basis to account for differences in student population.

**Table 2-2: Revenues by Source, Expenditures by Object**

	Brooklyn CSD FY 2006-07	Brooklyn CSD FY 2007-08	Peer Average FY 2006-07
Property & Income Tax	\$7,331	\$7,249	\$3,748
Intergovernmental Revenues	\$1,959	\$2,372	\$3,920
Other Revenues	\$467	\$474	\$0
<b>Total Revenue</b>	<b>\$9,758</b>	<b>\$10,095</b>	<b>\$8,733</b>
Wages	\$6,374	\$6,521	\$4,579
Fringe Benefits	\$2,134	\$2,158	\$1,642
Purchased Service	\$1,264	\$1,266	\$1,002
Supplies & Textbooks	\$330	\$266	\$263
Capital Outlays	\$148	\$71	\$131
Debt Service	\$0	\$0	\$72
Miscellaneous	\$434	\$196	\$163
Other Financing Uses	\$1	\$18	\$280
<b>Total Expenditures</b>	<b>\$10,686</b>	<b>\$10,497</b>	<b>\$8,131</b>

**Source:** Brooklyn CSD and peer 4502 and SF-3 Reports

**Note:** Totals may vary due to rounding.

As illustrated in **Table 2-2**, Brooklyn CSD revenues per student are 11.7 percent higher than the peer average. While expenditures per student decreased slightly in FY 2007-08, Brooklyn CSD's expenditures per student were 31.4 percent higher than the peer average in FY 2006-07. The higher expenditures are due to the following:

- Wages and Benefits:* The District spent \$1,795 more per student on wages and \$492 more on benefits in FY 2006-07 when compared to the respective peer averages. In addition, wages and benefits per student increased slightly in FY 2007-08. The higher wages and benefits are due to maintaining higher staffing levels per 1,000 students and higher average salaries. However, the District reduced staffing levels for FY 2008-09. Furthermore, low employee contributions and co-pays towards health insurance contribute to the higher benefit costs per student. See the **human resources** section for an assessment of staffing, salaries and benefits.
- Purchased Services:* The District spent \$262 more per student on purchased services than the peer average, although spending per student was relatively constant from FY 2006-07

to FY 2007-08. The higher spending in FY 2006-07 was mainly attributable to professional and technical services, and property services. Specifically, the District spent \$95 more per student than the peer average for professional and technical services. This includes attorney fees for negotiations, and the dismissal of a principle and a staff member. Additionally, the District spent \$112 more per student than the peer average on property services, which includes contracted services for major repairs. See the **facilities** section for more information on maintenance and repairs.

- *Supplies and Materials:* The District spent \$68 more per student compared to the peer average. This was due to the purchase of new instructional materials. However, the District's supplies and materials per student declined in FY 2007-08, to a level similar to the peer average in FY 2006-07.
- *Miscellaneous:* Although the District spent significantly more per student in the miscellaneous category in FY 2006-07, expenditures per student declined by approximately 55 percent in FY 2007-08. This category includes blanket purchases, payroll charges to the vendor, and rental fees.

**Table 2-3** compares Brooklyn CSD's governmental operating spending per student and as a percent of total expenditures to the peer average for FY 2006-07. **Table 2-3** also includes the District's data for FY 2007-08.

**Table 2-3: Governmental Operating Expenditures by Function (in 000's)**

USAS Function Classification	Brooklyn CSD FY 2006-07		Brooklyn CSD FY 2007-08		Peer Average FY 2006-07	
	\$ Per Pupil	% of Exp	\$ Per Pupil	% of Exp	\$ Per Pupil	% of Exp
<b>Instructional Expenditures:</b>	<b>\$6,254</b>	<b>55.0%</b>	<b>\$6,409</b>	<b>56.2%</b>	<b>\$5,435</b>	<b>60.8%</b>
Regular Instruction	\$5,019	44.1%	\$5,084	44.6%	\$4,293	48.0%
Special Instruction	\$1,159	10.2%	\$1,235	10.8%	\$861	9.6%
Vocational Education	\$73	0.6%	\$74	0.7%	\$48	0.5%
Adult/Continuing Education	\$0	0.0%	\$0	0.0%	\$0	0.0%
Extracurricular Activities	\$0	0.0%	\$0	0.0%	\$0	0.0%
Classroom Materials and Fees	\$0	0.0%	\$0	0.0%	\$0	0.0%
Miscellaneous	\$0	0.0%	\$0	0.0%	\$0	0.0%
Other Instruction	\$3	0.0%	\$15	0.1%	\$233	2.7%
<b>Support Service Expenditures:</b>	<b>\$4,552</b>	<b>40.0%</b>	<b>\$4,396</b>	<b>38.6%</b>	<b>\$3,122</b>	<b>34.9%</b>
Pupil Support Services	\$986	8.7%	\$1,036	9.1%	\$454	5.1%
Instructional Support Services	\$174	1.5%	\$196	1.7%	\$358	4.0%
Board of Education	\$19	0.2%	\$17	0.2%	\$36	0.4%
Administration	\$1,142	10.0%	\$1,219	10.7%	\$675	7.6%
Fiscal Services	\$564	5.0%	\$377	3.3%	\$270	3.0%
Business Services	\$109	1.0%	\$75	0.7%	\$6	0.1%
Plant Operation & Maintenance	\$1,062	9.3%	\$1,049	9.2%	\$906	10.2%
Pupil Transportation	\$289	2.5%	\$309	2.7%	\$361	4.0%
Central Support Services	\$209	1.8%	\$119	1.1%	\$55	0.6%
<b>Non-Instructional Expenditures</b>	<b>\$223</b>	<b>2.0%</b>	<b>\$255</b>	<b>2.2%</b>	<b>\$54</b>	<b>0.6%</b>
<b>Extracurricular Activities Expenditures</b>	<b>\$347</b>	<b>3.1%</b>	<b>\$338</b>	<b>3.0%</b>	<b>\$333</b>	<b>3.7%</b>
<b>Total Operational Expenditures</b>	<b>\$11,376</b>	<b>100.0%</b>	<b>\$11,398</b>	<b>100.0%</b>	<b>\$8,943</b>	<b>100.0%</b>

Source: Brooklyn CSD and peer 4502 and SF-3 Reports

Note: Totals may vary due to rounding.

As shown in **Table 2-3**, the District spent \$2,433 more per student than the peer averages in FY 2006-07, although expenditures increased less than one percent in FY 2007-08. Explanations for the higher per student expenditures include the following:

- *Regular Instruction-* Although the District spent \$726 more per student on regular instruction in FY 2006-07 than the peer average, it eliminated 9 FTE regular education teachers for FY 2008-09. However, the District's higher salary levels contribute to the higher costs per student (see the **human resources** section).
- *Special Instruction-* While the District spent \$298 more per student on special instruction when compared to the peer average, the District reduced 2.5 special education FTEs and 2.0 supplemental special education FTEs for FY 2008-09. However, higher salaries for special education teachers contribute to the higher cost per student. See the **human resources** section for further analysis of special education spending, staffing and salaries.

- *Vocational Instruction-* The District spent \$25 more per student on vocational instruction in FY 2006-07, when compared to the peer average. All districts are required under Ohio Revised Code (ORC) §3313.90 to maintain a vocation education either in house, through a joint vocational district, or by partnering with another district. According to the Treasurer, the costs for vocational instruction in **Table 2-3** are for home economics. All other vocational classes are contracted out through the Polaris Career Center, which is not supported through the General Fund, but instead through a separate levy.
- *Pupil Support Services-* The District spent \$532 more per student on pupil support services than the peer average in FY 2006-07. These costs should decrease in FY 2008-09 because of a reduction of 1.0 FTE guidance counselor. Salaries and benefits for the Director of Pupil Services, guidance counselors, nurses/health services, psychologists and monitors comprised 66 and 51 percent of total expenditures for pupil support services in FY 2006-07 and FY 2007-08, respectively (see **human resources** for staffing and compensation assessments).
- *Administration-* The District spent \$467 more per student on administration in FY 2006-07, when compared to the peer average. This is due to higher staffing and salary levels. See the **human resources** section for further assessment. However, the District implemented a wage freeze in FY 2008-09 for the administration staff.
- *Fiscal Services-* The District spent more than double the peer average per student in FY 2006-07 than the peer average. A return of an advance to the County that was given in error comprised approximately 42 percent of the total fiscal service expenditures in FY 2006-07, while salaries and benefits for the Treasurer, Assistant Treasurer, and secretarial support comprised approximately 30 percent. While expenditures per pupil in fiscal services declined by 33 percent in FY 2007-08, they were approximately 40 percent higher than the peer average in FY 2006-07. Salaries and benefits for the Treasurer, Assistant Treasurer, and secretarial support comprised approximately 58 percent of total fiscal service expenditures in FY 2007-08 (see **human resources** for staffing and compensation assessments).
- *Business Services-* The District spent significantly more per student in business services in both years, compared to the peer average in FY 2006-07. Purchased services comprised approximately 87 and 81 percent of total business service expenditures in FY 2006-07 and FY 2007-08, respectively. These expenditures are attributable to copy machine rentals. See **Table 2-2** for a discussion of purchased service expenditures.
- *Plant Operations and Maintenance-* While expenditures declined in FY 2007-08, the District spent \$156 more per student on plant operations and maintenance than the peer average in FY 2006-07. However, the District's total facility expenditures per square foot

basis are lower than the peer average. See the **facilities** section for further analysis of expenditures per square foot.

- *Central Support Services-* The District spent significantly more per student in central support services in both years, compared to the peer average in FY 2006-07. The majority of these expenditures are related to salaries and benefits, and capital outlay. See the **human resources** section for staffing and compensation assessments, and **Table 2-2** for a discussion of overall capital outlay expenditures.
- *Non-Instructional Services-* Although the District spent more per student in non-instructional services in both years when compared to the peer average in FY 2006-07, expenditures were from non-General Fund sources.
- *Extracurricular Activities-* Although the District spent \$14 more per student in extracurricular activities than the peer average in FY 2006-07, the District reduced spending in FY 2007-08 to a level that is closer to the peer average.

Lastly, increasing employee cost sharing for health insurance would reduce the expenditures in **Table 2-3**. See the **human resources** section for further discussion.

## Audit Objectives for the Financial Systems Section

The following is a list of the questions used to evaluate the financial systems functions at Brooklyn CSD:

- What has been the district's financial history and does the district have policies and procedures to ensure effective and efficient management?
- Does the five-year financial forecast reasonably and logically project the future financial position of the District?
- Is the District's budgetary process consistent with recommended or leading practices?
- How do the District's revenues and expenditures compare with the peer districts?
- Does the District effectively manage payroll operations?
- Has the district developed a strategic plan that links to educational and operation plans and meets recommended or leading practices?

## **Noteworthy Accomplishments**

Noteworthy accomplishments acknowledge significant accomplishments or exemplary practices. The District's payroll processing qualifies as a noteworthy accomplishment. Specifically, the District outsourced its payroll process beginning in 2003. According to the District, it has saved a total of \$300,000 by outsourcing this process.

## Recommendations

### *Planning, Policies and Budgeting*

**R2.1 Brooklyn CSD should develop a formal and comprehensive strategic plan to help articulate its program and funding decisions, which is approved by the Board and linked to a formal budget (see R2.1), five-year forecast and a capital plan (see facilities section). The strategic plan should include key elements, such as a mission statement, goals, measurable objectives, performance measures, and timeframes. Subsequently, the District should monitor and report progress toward achieving its goals, and reassess the plan on a regular basis. A strategic plan will help guide overall operations and help ensure that Brooklyn CSD appropriately allocates its resources.**

The District does not have a formal strategic plan, but it would like to develop one in the future. The District does have a Continuous Improvement Plan (CIP). However, as the CIP was created before most of the current staff was employed at Brooklyn CSD, including the superintendent, it is not used by the District. While the District lacks a formal and comprehensive strategic plan, it has developed four goals with general action steps for FY 2007-08 and FY 2008-09. According to the Superintendent, the process of creating these goals began with the District sending out surveys to the staff and to the community to obtain their ideas and priorities of goals, and to ascertain what areas need improvement. Then, the Superintendent, the administration staff, and the principals discussed what goals they felt were most important and most applicable to the District. Finally, the principals create their own goals for each of their individual buildings.

While the District has developed goals, the four goals in FY 2007-08 were the same as for FY 2008-09. Additionally, two of the four goals were not expressed in measurable terms. Rather, they were expressed as continuations of current District initiatives. Likewise, the goals and action steps lack timeframes and responsible parties.

*Recommended Budget Practice on the Establishment of Strategic Plans* (Government Finance Officers Association (GFOA), 2005)<sup>2</sup> recommends that all governmental entities use some form of strategic planning to connect organizational goals with spending. It states that the organizations objectives for a strategic plan will help determine how the resources available can be tied to future goals. It also recommends the following steps for the strategic planning process:

- Initiate the strategic planning process;
- Prepare a mission statement;

<sup>2</sup> This document can be found at: <http://www.gfoa.org/downloads/budgetStrategicPlanning.pdf>



- Assess environmental factors;
- Identify critical issues;
- Agree on a small number of broad goals;
- Develop strategies to achieve broad goals;
- Create an action plan that includes related costs, responsibility designations, and timeframes;
- Develop measurable objectives;
- Incorporate performance measures;
- Obtain approval of the plan;
- Implement the plan;
- Monitor progress; and
- Reassess the plan.

Without a formal and comprehensive strategic plan, Brooklyn CSD increases the risk of ineffectively allocating resources, and unsuccessfully evaluating the relationship between its spending decisions and program outcomes.

**R2.2 Brooklyn CSD should develop a comprehensive set of financial policies that address pertinent areas. Once in place and adopted by the Board, the District should ensure that its financial practices are consistent with these policies.**

While the District has some financial policies, it lacks policies in the following areas as recommended in *Recommended Budget Practices: A Framework for Improved State and Local Government Budgeting* (GFOA, 1998)<sup>3</sup>:

- Contingency planning;
- Budget stabilization funds;
- Fees and charges;
- Debt issuance and management;
- Debt level and capacity;
- Use of one-time revenue;
- Use of unpredictable revenues;
- Balancing the operating budget; and
- Revenue diversification.

Developing policies in the aforementioned areas could help the District better manage its resources, help ensure consistency in financial practices, and help in the decision-making process.

<sup>3</sup> This publication can be found at: <http://www.gfoa.org/services/dfl/budget/RecommendedBudgetPractices.pdf>, pgs 17-27 of the document.

**R2.3 Brooklyn CSD should prepare a formal budget document that is linked to its strategic plan (see R2.1) and contains a description of key policies, plans, and goals, and identification of key issues. The document should also include a financial overview of short and long-term plans (obtained from the five-year forecast), a guide to operations, an explanation of the basis of accounting and a budget summary. The District should also develop additional performance benchmarks and measures that are subsequently included in the budget document and used to help determine attainment of established goals.**

The District does not have a formal budget document that it creates, but it does create an appropriation document along with the five year forecast. Furthermore, the budget process is not linked to a strategic plan (see **R2.1**). The District indicated that it does use some measures to assess its operations. According to the Superintendent, to determine if academic goals are met, test scores are the main performance measures. Specifically, various test scores are compared to the national averages for those tests. The District monitors its test scores to see where improvements are needed. Additionally, the District has a master plan to help assess its facilities (see the **facilities** section). Lastly, the budget meetings that are held help the District make sure that it is staying within the budget, and the budget goes through a review process and public hearing.

*Recommended Budget Practices: A Framework for Improved State and Local Government Budgeting* (GFOA, 1998) <sup>4</sup> recommends that governments develop budget documents that are consistent with approaches to achieve goals. Some features of a budget document include the following:

- Description of key policies, plans and goals;
- Identification of key issues;
- A financial overview of the short and long-term financial plan;
- A guide to operations;
- Explanation of the budgetary basis of accounting; and
- A budget summary.

GFOA also indicates that performance measures, including efficiency and effectiveness measures, should be presented in the operating budget document, and should be available to stakeholders. Performance measures should be reported using actual data, where possible. At least some of these measures should document progress toward achievement of previously developed goals and objectives as defined by a strategic plan (see **R2.1**).

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<sup>4</sup> This publication can be found at: <http://www.gfoa.org/services/dfl/budget/RecommendedBudgetPractices.pdf> pg 54-62 of the document.

Developing a formal budget document would enhance communication with stakeholders and ensure the effective allocation of resources. In addition, linking the budget to a strategic plan and expanding on the use of performance measures will help Brooklyn CSD prioritize its resources and better ensure attainment of goals.

### *Financial Forecast*

**R2.4 The Treasurer should ensure that the impact of reappraisals, updates and expiring abatements are accurately accounted for in the real estate projections. The Treasurer should also ensure that the projections for tangible personal property taxes match the supporting documentation and update the assumptions related to delinquency payments as conditions change. In addition, the Treasurer should consider preparing a spreadsheet that tracks step increases by employee for each year of the forecast period, and includes a negotiated wage increase based on historical trends and current financial conditions. The Treasurer should also consider analyzing and forecasting health insurance costs separately from the other benefit expenditures. Likewise, the Treasurer should consider using a separate forecast methodology for the categories comprising the majority of purchased service expenditures. Taking these measures would provide the District with a more reliable forecast.**

**Furthermore, the Treasurer should present detailed assumptions for the forecast and ensure the stated assumptions match the projected figures. Lastly, the Treasurer should maintain detailed documentation to support the expenditure projections, similar to the revenue projections.**

Based on a review of the Brooklyn CSD's forecast and related assumptions, the District's projections for state funding and supplies and materials appear reasonable. However, the District's projections for real estate and tangible personal property taxes, salaries, benefits and purchased services warranted some modifications. A summary analysis of these line-items includes the following:

- **Property Taxes:** The Treasurer maintains documentation that supports the projections for property taxes, including the methodology used to account for reappraisals and updates. In addition, the Treasurer's total projection for revenues in FY 2008-09 was materially in line with the certificate of estimated resources provided by the County, and the assumptions for real estate and tangible personal property taxes appear reasonable based on historical trends and current legislation. However, the Treasurer's supporting documentation incorrectly included the collections related to the reappraisal in FY 2011-12, rather than in FY 2012-13. Similarly, the Treasurer incorrectly added revenue related to an expiring tax abatement beginning in FY 2010-11, when it should have been added only to FY

2012 and FY 2013. Furthermore, the supporting documentation for the tangible personal property taxes did not match the actual projections in the five-year forecast. Although the Treasurer's original projections for tangible personal property taxes did not consider delinquencies of approximately \$1.2 million from a particular company, the Treasurer is subsequently assuming to collect approximately \$300,000 in FY 2011-12 and \$300,000 in FY 2012-13 of this delinquent amount. Lastly, District voters passed a 6.6 mil levy on November 7, 2008.

- **Salaries:** Due to staffing reductions, the Treasurer projects salaries to decline by 6.5 percent in FY 2008-09. Based on actual salary expenditures through September 2008, the District is on pace to spend approximately \$8.34 million in FY 2008-09. The Treasurer's projection of approximately \$8.56 million is only 2.7 percent higher than the annualized expenditures through September. As such, the projection for FY 2008-09 appears generally reasonable and somewhat conservative. The Treasurer projects salaries to increase 1.5 percent in FY 2009-10 and 3 percent thereafter. However, the projection of 1.5 percent contradicts the assumption, which states that salaries are projected to increase 3 percent. Additionally, the forecasted increases of 3 percent appear low based on historical trends and the current salary schedules. Specifically, classified staff received an average negotiated wage increase of 3.6 percent for the last three years and an average step increase of 1 percent. Certified staff received an average negotiated wage increase of 3 percent for the last three years. Over the course of 30 years of service, the impact of step increases would amount to an average increase in salaries of approximately 3 percent per year for a teacher (see **human resources** for more information). The administration staff is on a wage freeze for FY 2008-09. However, in the past, administrative wage increases were based on their respective step schedules and cost of living adjustment (COLA) data reported by the Social Security Administration (SSA). From 2005 to 2008, COLAs reported by SSA averaged approximately 4 percent per year.
- **Benefits:** The Treasurer's benefit projections are based on a trend of benefits being 33 percent of salaries. However, this implies that all benefit categories are directly linked to salaries, which is not the case for health insurance. Health insurance expenditures comprised approximately 47 percent of total benefits in FY 2007-08. Since 1996, single and family medical premiums increased an average of approximately 5 percent per year. Similarly, Kaiser reported in its 2008 survey that average premiums increased by approximately 5 percent from 2007 to 2008. In addition, the State Employment Relations Board (SERB) reported in its 2007 survey that the average statewide single and family premiums increased by 4.2 percent for single plans and 4.8 percent for family plans, although the 2007 survey is partially skewed because it includes only 10 months of data for 2007.

Furthermore, the District is on pace to spend approximately \$3.05 million in benefits, based on the year-to-date expenditures through September. However, the Treasurer's projection of approximately \$2.60 million is 14.8 percent lower than this annualized figure.

- **Purchased Services:** The Treasurer projects purchased services to increase 8.8 percent from FY 2007-08 to FY 2008-09. Thereafter, the Treasurer projects increases of \$50,000 each year until FY 2012-13, which is projected to increase by only 0.4 percent. The Treasurer's assumptions indicate that increases in purchased services are related to increases in utility costs. From FY 2004-05 to FY 2007-08, purchased services increased by an average of only one percent per year, although expenditures increased by 14 percent in FY 2005-06 and declined by 12 percent in FY 2006-07. Coupled with the lack of detailed assumptions for this line item, it is difficult to determine whether the Treasurer's assumptions appear reasonable.

Based on the issues noted above, Brooklyn CSD's real estate property tax projections will be adjusted to correctly account for the expiring tax abatement and to reflect passage of the 6.6 mil levy which occurred subsequent to the District's forecast submission to ODE. Similarly, the tangible personal property tax projections will be corrected to match the supporting documentation, and will include the Treasurer's assumed collections for delinquencies. To re-project salaries, the District's salary schedules will be used to plot out the salaries for the next five years, assuming 3 percent annual negotiated increases to base wages. Administrative salaries will be increased by 4 percent per year, which is assumed to also account for potential step increases because the District has more flexibility in providing wage increases to administrative staff. Additionally, while the average COLA was 4 percent from 2005 to 2008, COLA data reported by SSA was only 2.3 percent in 2007 and 3.3 percent in 2006. AOS used the historical trends (FY 2003-04 to FY 2007-08) to project other components of salaries, such as substitute and overtime costs. Benefits will be adjusted to reflect 5 percent annual increases in health insurance expenditures and the required retirement and Medicare contribution rates based on the revised salary projections. Workers compensation and unemployment benefits are based on a review of historical data. Adjustments to purchased service expenditures are based on a review of historical data for the areas comprising the majority of expenditures, as explained by the following:

- Professional and technical services comprised approximately 23 percent of total purchased service expenditures in FY 2007-08. Because this category did not exhibit a consistent trend from FY 2004-05 to FY 2007-08, it will be projected at the average annual expenditure of approximately \$391,000 from FY 2004-05 to FY 2007-08.

- Utilities comprised approximately 24 percent of total purchased service expenditures in FY 2007-08. This category did not reveal a consistent trend from FY 2004-05 to FY 2007-08. However, in order to capture the District's most recent utility usage data, expenditures will be projected based on 2008 actual expenditures and a five percent annual increase for inflation, to be conservative. For instance, while expenditures increased by approximately 19 percent from FY 2006-07 to FY 2007-08, expenditures in FY 2007-08 were only 1.6 percent higher than expenditures in FY 2005-06. Furthermore, expenditures were the highest in FY 2007-08.
- Tuition comprised approximately 35 percent of total purchased service expenditures in FY 2007-08. Expenditures each year fell within a relatively close range, totaling approximately \$689,000 in FY 2004-05, \$615,000 in FY 2005-06, \$638,000 in FY 2006-07, and \$615,000 in FY 2007-08. As a result, tuition will be forecasted at the four year average amount of approximately \$639,000.
- All other purchased service line items comprised approximately 19 percent of total purchased service expenditures in FY 2007-08. With the exception of expenditures totaling approximately \$330,000 in FY 2007-08, all other expenditures since FY 2004-05 were relatively similar, totaling approximately \$444,000 in FY 2004-05, \$469,000 in FY 2005-06, and \$459,000 in FY 2006-07. Therefore, this category will be forecasted at the average dollar amount from FY 2004-05 to FY 2006-07 of approximately \$457,000 per year.

Finally, in contrast to the revenue projections, the assumptions for salaries, benefits and purchased services lack detailed supporting documentation. According to *The Guide for Prospective Financial Information* (American Institute of Certified Public Accountants (AICPA), 2008), the process used to develop financial forecasts should provide adequate documentation of both the financial forecast and the process used to develop them. Documentation includes recording the underlying assumptions and summarizing the supporting evidence for the assumptions. As a result of well-supported documentation, users can trace forecasted results back to the support for the basic underlying assumptions.

Although the Treasurer was able to verbally explain and confirm the basis for the projections, not fully disclosing the supporting reasons in the assumptions for some line items and not providing supporting documentation prevents readers from fully understanding the District's forecast. It also hinders the ability of other stakeholders (e.g., the Board) to effectively review the forecast and ensure it reasonably reflects the District's future financial condition.

**Table 2-4** compares the AOS revised projections to the District's original projections.

**Table 2-4: Comparison of Projections (000's)**

	FY 2008-09	FY 2009-10	FY 2010-11	FY 2011-12	FY 2012-13
<b>AOS Revised Projections:</b>					
Real Estate	\$9,313	\$10,911	\$10,934	\$10,909	\$11,046
Tangible Personal	\$656	\$328	\$164	\$382	\$341
<b>Total Revenues</b>	<b>\$9,969</b>	<b>\$11,239</b>	<b>\$11,098</b>	<b>\$11,290</b>	<b>\$11,387</b>
Salaries	\$8,592	\$9,027	\$9,496	\$9,915	\$10,451
Benefits	\$2,965	\$3,113	\$3,272	\$3,426	\$3,604
Purchased Services	\$1,932	\$1,954	\$1,977	\$2,002	\$2,027
<b>Total Expenditures</b>	<b>\$13,488</b>	<b>\$14,094</b>	<b>\$14,746</b>	<b>\$15,343</b>	<b>\$16,083</b>
<b>Brooklyn CSD Projections:</b>					
Real Estate <sup>1</sup>	\$9,309	\$10,992	\$11,053	\$10,997	\$11,270
Tangible Personal	\$657	\$279	\$139	\$70	\$35
<b>Total Revenues</b>	<b>\$9,965</b>	<b>\$11,270</b>	<b>\$11,193</b>	<b>\$11,067</b>	<b>\$11,304</b>
Salaries	\$8,564	\$8,691	\$8,952	\$9,220	\$9,497
Benefits	\$2,596	\$2,868	\$2,954	\$3,043	\$3,134
Purchased Services	\$1,936	\$1,986	\$2,036	\$2,086	\$2,094
<b>Total Expenditures</b>	<b>\$13,096</b>	<b>\$13,545</b>	<b>\$13,942</b>	<b>\$14,349</b>	<b>\$14,725</b>
<b>Difference in Revenues</b>	<b>\$4</b>	<b>(\$32)</b>	<b>(\$95)</b>	<b>\$224</b>	<b>\$82</b>
<b>Difference in Expenditures</b>	<b>\$392</b>	<b>\$549</b>	<b>\$804</b>	<b>\$993</b>	<b>\$1,358</b>

Source: AOS revised projections and Brooklyn CSD forecast

<sup>1</sup> To provide an accurate comparison to AOS revised projections, the District's projections include the passage of the new levy.

**R2.5 Brooklyn CSD should analyze and use Table 2-5 to evaluate the effect of the recommendations made in this performance audit. The District should consider implementing the recommendations in this performance audit and taking other appropriate actions to avoid the projected operating deficits. In addition, the Treasurer should update Table 2-5 on an on-going basis to reflect changes, monitor revenue and expenditure activities, and review performance against projected figures.**

Table 2-5 presents a revised forecast to demonstrate the impact of the recommended revised projections (see R2.4) on the District's five-year forecast, and the impact of the other performance audit recommendations. The revised projections are italicized in Table 2-5. The revised forecast in Table 2-5 will depend on the attainment of the District and AOS revised projections, and assumes renewals of current levies. Therefore, monitoring the attainment of the projections and updating the forecast as necessary will ensure the District bases future decisions on the most current information. Furthermore, while Table 2-5 shows projected positive ending fund balances in each year, it also shows that expenses will exceed revenues in FY 2011-12 and FY 2012-13. As a result, the District will need to take actions to avoid these potential deficits, which can be aided, in part, by reviewing and implementing the recommendations in this performance audit. For

instance, **Table 2-5** shows that by implementing all of the performance audit recommendations, the projected ending balance increases from approximately \$761,000 to \$2.4 million in FY 2012-13.

**Table 2-5: Revised Financial Forecast**

	Actual 2005-06	Actual 2006-07	Actual 2007-08	Forecast 2008-09	Forecast 2009-10	Forecast 2010-11	Forecast 2011-12	Forecast 2012-13
Real Estate Property Tax	\$7,589	\$7,998	\$8,787	\$9,313	\$10,911	\$10,934	\$10,909	\$11,046
Tangible Personal Property	\$2,775	\$2,250	\$1,396	\$656	\$328	\$164	\$382	\$341
Unrestricted Grants-in-Aid	\$1,440	\$1,720	\$2,187	\$2,654	\$3,052	\$3,008	\$2,893	\$2,400
Restricted Grants-in-Aid	\$10	\$15	\$15	\$0	\$0	\$0	\$0	\$0
Property Tax Allocation	\$711	\$1,018	\$1,143	\$1,159	\$1,164	\$1,169	\$1,174	\$1,179
Other Revenues	\$523	\$530	\$401	\$400	\$405	\$410	\$415	\$420
<b>Total Revenues</b>	<b>\$13,048</b>	<b>\$13,532</b>	<b>\$13,929</b>	<b>\$14,182</b>	<b>\$15,860</b>	<b>\$15,685</b>	<b>\$15,772</b>	<b>\$15,386</b>
Salaries & Wages	\$8,889	\$8,922	\$9,161	\$8,592	\$9,026	\$9,496	\$9,915	\$10,451
Fringe Benefits	\$2,712	\$2,986	\$3,032	\$2,965	\$3,113	\$3,272	\$3,426	\$3,604
Purchased Services	\$2,020	\$1,769	\$1,779	\$1,932	\$1,954	\$1,977	\$2,002	\$2,027
Supplies, Materials, & Textbooks	\$436	\$462	\$374	\$175	\$300	\$300	\$300	\$300
Capital Outlay	\$465	\$207	\$100	\$10	\$100	\$100	\$100	\$100
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Expenditures	\$266	\$608	\$301	\$293	\$250	\$250	\$250	\$250
<b>Total Expenditures</b>	<b>\$14,788</b>	<b>\$14,954</b>	<b>\$14,746</b>	<b>\$13,966</b>	<b>\$14,744</b>	<b>\$15,396</b>	<b>\$15,993</b>	<b>\$16,733</b>
Net Transfers/Advances	(\$170)	\$127	\$226	\$0	\$0	\$0	\$0	\$0
Other Financing Sources/Uses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
<b>Net Financing</b>	<b>(\$170)</b>	<b>\$127</b>	<b>\$226</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>	<b>\$0</b>
<b>Result of Operations (Net)</b>	<b>(\$1,910)</b>	<b>(\$1,295)</b>	<b>(\$591)</b>	<b>\$216</b>	<b>\$1,116</b>	<b>\$289</b>	<b>(\$221)</b>	<b>(\$1,347)</b>
Beginning Cash Balance	\$4,514	\$2,604	\$1,309	\$718	\$934	\$2,050	\$2,339	\$2,119
<b>Ending Cash Balance</b>	<b>\$2,604</b>	<b>\$1,309</b>	<b>\$718</b>	<b>\$934</b>	<b>\$2,050</b>	<b>\$2,339</b>	<b>\$2,119</b>	<b>\$771</b>
Encumbrances	\$505	\$152	\$0	\$0	\$0	\$0	\$0	\$0
Budget Reserve	\$0	\$0	\$2	\$2	\$4	\$6	\$8	\$10
<b>Ending Fund Balance</b>	<b>\$2,098</b>	<b>\$1,154</b>	<b>\$716</b>	<b>\$932</b>	<b>\$2,046</b>	<b>\$2,333</b>	<b>\$2,111</b>	<b>\$761</b>
Cumulative Impact of Performance Audit Recs.	N/A	N/A	N/A	N/A	\$271	\$645	\$1,055	\$1,602
<b>Adjusted Ending Fund Balance</b>	<b>\$2,098</b>	<b>\$1,154</b>	<b>\$716</b>	<b>\$932</b>	<b>\$2,317</b>	<b>\$2,978</b>	<b>\$3,165</b>	<b>\$2,363</b>

Source: AOS revised projections and Brooklyn CSD forecast



## Appendix 2-A: 2000 Performance Audit Recommendations and Implementation Status

**Table 2-A** summarizes the 2000 Performance Audit recommendations and status of each recommendation; implemented, partially implemented, not implemented, or no longer applicable. Of the 12 recommendations issued in the 2000 Performance Audit for the financial systems section, Brooklyn CSD fully implemented 7 and partially implemented 4, while 1 recommendation was no longer applicable. The 2008 Performance Audit addresses the recommendations in the 2000 Performance Audit that were partially implemented, if the related issues fell within the scope of the 2008 Performance Audit.

**Table 2-A: 2000 Performance Audit Recommendations**

Recommendation	Implemented	Partially Implemented	Not Implemented	No Longer Applicable
<p><b>R2.1</b> By presenting more detailed historical and projected financial information, as well as the inclusion of detailed accompanying assumptions, explanatory comments, and the methodology used in deriving the financial estimates, the District will provide a more comprehensive understanding of the anticipated financial condition.</p>		<p>X (see <b>R2.4</b>)</p>		
<p><b>R2.2</b> Before asking the local community for additional tax dollars, the District should first show that it is accountable by documenting the various reductions made as a result of the financial recovery plan and this performance audit, and managing its other costs in an effort to reduce and maintain the expenditures within the existing revenues.</p>	<p>X</p>			
<p><b>R2.3</b> When developing future forecasts, the treasurer should prepare a trend analysis which shows the effects on District revenues from past changes in property valuations associated with the normal increases, the three year update and the six year reappraisal. Additionally, until the tax revenues from the new construction can be reasonably estimated and it becomes known when these amounts will be received, the Treasurer</p>		<p>X (see <b>R2.4</b>)</p>		

Recommendation	Implemented	Partially Implemented	Not Implemented	No Longer Applicable
<p>should not include them in the forecast. However, these and similar items should be disclosed in the notes to the forecast and their potential effects should be discussed with management during the formal forecast presentation.</p>				
<p><b>R2.4</b> Because past overstatements of revenues contributed to the District’s current financial difficulties, the Treasurer should adopt a more conservative policy when deciding which revenues to include in the forecast. More specifically, the Treasurer should not include items which are pending a favorable court decision.</p>	X			
<p><b>R2.5</b> The District should conduct a cost-benefit analysis on the food service and school supply funds to determine if other alternatives might be more feasible. If the District decides to continue maintaining both operations, then another study should be performed to determine the appropriate price and cost structures needed to make the enterprise funds self-sufficient. Once these have been determined, the District should implement them into the current operations and closely monitor the results. However, until the District is able to demonstrate that it can operate the enterprise funds without incurring deficits, the Treasurer should continue forecasting general fund transfers.</p>	X			
<p><b>R2.6</b> In their duty to develop a financial recovery plan for the District, the commission should utilize its the financial recovery plan.</p>				X
<p><b>R2.7</b> The District should perform a thorough review of the current code structure to ensure that it adequately captures all financial activity while posting it to the proper line-item within the operating unit.</p>	X			
<p><b>R2.8</b> The Treasurer’s office should diligently work to reconcile the current \$2,000 variance. In the future, all reconciliations should be consistently prepared on a monthly basis by the Assistant Treasurer and submitted to the Treasurer for final review and approval.</p>	X			

Recommendation	Implemented	Partially Implemented	Not Implemented	No Longer Applicable
The commission should hold the Treasurer accountable for future reconciliations by requiring monthly presentations in which the details and methodology for the reconciliation process are discussed along with explanations for all variances.				
<b>R2.9</b> BCSD can take steps towards eliminating its financial problems by making effective use of its budgets. The District administrators should ensure that these conditions are rectified. To accomplish this, purchases should not be allowed unless a formal budget has been adopted. Additionally, the budget should not be adopted unless the proposed appropriations for all funds fall within the estimated resources. Lastly, the Treasurer and the Superintendent should establish a time table and a set of instructions for District employees to follow which would ensure that the annual appropriation measure is presented for approval before October 1.		X (see R2.3)		
<b>R2.10</b> The District should comply with the ORC and enforce its own policies by preventing the operating units from making purchases in advance of securing a valid purchase order and obtaining the Treasurer’s certification. In addition, the District should only pay vendors based on the original invoice and never from the purchase order alone. Because numerous noncompliance issues and internal control weaknesses were identified in past financial audits that have either gone uncorrected or are just now being addressed, the board and the commission should make the correction of yearly audit findings one of the performance measures used in evaluating the Treasurer.	X			
<b>R2.11</b> Because of the District’s current financial difficulties, it is extremely important that the District diligently monitor those spending areas over which it can exercise more discretion. District management should closely review these costs to identify possible opportunities for	X			

Recommendation	Implemented	Partially Implemented	Not Implemented	No Longer Applicable
<p>reductions and savings.</p> <p><b>R2.12</b>The District should reallocate the monies it is currently receiving towards those programs which will have the greatest impact on improving the student’s education and proficiency test results. BCSD should also utilize the recommendations contained in this performance audit and identify other areas to reduce the current percentage of revenues being spent on support services enabling these funds to be used in the instruction of the District’s students.</p>		<p>X (see <b>Table 5-3</b>)</p>		

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# Human Resources

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## Background

This section of the performance audit focuses on the Brooklyn City School District (Brooklyn CSD or the District) human resource (HR) functions. The District's HR functions were evaluated against leading or recommended practices, industry benchmarks, operational standards, the Ohio Revised Code (ORC), the Ohio Administrative Code (OAC), and selected peer districts.<sup>1</sup> Leading or recommended practices and industry standards were drawn from the State Employment Relations Board (SERB), the Kaiser Family Foundation, the Ohio Education Association (OEA), the National Education Association (NEA), the Ohio Department of Education (ODE), and the Ohio Department of Administrative Services (DAS). In addition, **Appendix 3-A** summarizes the implementation status of the recommendations in the previous performance audit of Brooklyn CSD, released in 2000.

### *Organization and Function*

Brooklyn CSD does not have a department dedicated to performing HR functions. Instead, these activities are completed by the Superintendent and Treasurer with administrative support from their staff. The Superintendent conducts employee recruitment and hiring, determines staffing levels, and participates in the District's collective bargaining negotiations. The Treasurer maintains employee salary and benefits data and personnel files, administers the District's health insurance benefits, handles Workers Compensation issues, oversees contracted payroll operations, and is a member of the negotiating team. In addition, the Assistant Treasurer is responsible for network administration, grant management and reporting staff in the Education Management Information System (EMIS). Furthermore, operations at the District are governed by the Brooklyn CSD Board of Education (Board) policies that define the roles and responsibilities of the Board, Superintendent and Treasurer, and delineate guiding principles that are implemented, to a large extent, through day-to-day HR management functions.

### *Staffing*

**Table 3-1** illustrates Brooklyn CSD's full-time equivalent (FTE) staffing levels per 1,000 students for FY 2006-07, FY 2007-08 and FY 2008-09, compared to the peer average for FY 2006-07. Presenting staffing data per 1,000 students eliminates variances attributable to the differences in size of the peer districts.

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<sup>1</sup> See the **executive summary** for a list of the peer districts and an explanation on selection of the methodology.

**Table 3-1: Staffing Comparison (Per 1,000 Students)**

	Brooklyn FY 2006-07	Brooklyn FY 2007-08	Brooklyn FY 2008-09	Peer Average FY 2006-07	Variance FY 2008-09
<b>Students Educated</b>	1,451	1,431	1,431 <sup>1</sup>	1,192	238.62
<b>Administrators</b>	7.58	7.86	6.99	6.00	0.99
<b>Educational<sup>2</sup></b>	74.23	76.19	63.08	65.77	(2.69)
<b>Professional<sup>3</sup></b>	2.07	1.40	1.40	1.61	(0.21)
<b>Technical</b>	4.13	3.49	2.45	2.60	(0.15)
<b>Office/Clerical</b>	7.97	8.08	6.27	8.67	(2.40)
<b>Crafts and Trade</b>	0.00	0.00	0.00	1.12	(1.12)
<b>Custodians/Grounds</b>	9.65	10.48	6.95	6.28	0.67
<b>Bus Drivers</b>	4.82	4.89	2.31	6.22	(3.91)
<b>Food Service Workers</b>	8.27	7.69	5.58	5.46	0.12
<b>Other Reported Personnel<sup>4</sup></b>	4.44	4.51	8.52	3.69	4.83
<b>Total Staffing</b>	123.16	124.59	103.55	107.42	(3.87)

**Source:** Brooklyn CSD EMIS reports for FY 2006-07 and FY 2007-08, Brooklyn CSD 2008-09 Census, peer district EMIS reports for FY 2006-07.

<sup>1</sup> The final student figure for FY 2008-09 was not available at the time of this analysis; therefore, FY 2007-08 student figure was used. As of January 23, 2009, the EMIS report was showing an ADM of 1,405 for FY 2008-09.

<sup>2</sup> Includes curriculum specialists, counselors, regular and special education teachers, remedial specialists, librarians, tutors/small group instructors, supplemental special education teachers and permanent substitutes.

<sup>3</sup> Includes psychologists and social workers.

<sup>4</sup> Includes bus monitors, playground monitors and student monitors.

As illustrated in **Table 3-1**, Brooklyn CSD's total FTEs per 1,000 students in FY 2008-09 are lower than the peer average, primarily due to staffing reductions in several areas. According to the District, these staffing reductions are expected to save approximately \$1.5 million in personnel expenditures for FY 2008-09. Likewise, the District reduced supplemental positions to save approximately \$133,000 and reduced compensation for the remaining supplemental positions to save approximately \$71,000.

Although the District employs 3.87 fewer FTEs per 1,000 students than the peer average, Brooklyn CSD FTEs per 1,000 students still appear high in the administrator category (see **R3.2**), custodians and grounds (see the **facilities** section), and other reported personnel category (which includes monitors). Brooklyn CSD uses a single code in EMIS to classify all of its monitors and does not code any staff as teacher aides, tutor/small group instructor, or instructional paraprofessionals. The peers employ an average of 5.46 FTEs per 1,000 students when combining the teacher aide, tutor/small group instructor, and instructional paraprofessional categories. This more than offsets the difference in the District employing 4.83 more FTEs in the other reported personnel category. Furthermore, eight of the monitors are specifically assigned to



special education; with six monitors assigned to specific individuals and two assigned to special education classrooms.

### *Negotiated Agreements*

The Brooklyn CSD Board of Education has a negotiated agreement with the Brooklyn Education Association/OEA, which took effect on August 1, 2006 and runs through July 31, 2009. Membership in this collective bargaining unit includes all regular, special education, and career-technical teachers, as well as other professional certificated personnel including guidance counselors, librarians and remedial specialists.

A separate collective bargaining agreement between the Brooklyn CSD Board of Education and the Brooklyn Classified Employees/OEA/NEA expired on June 30, 2007. A Memorandum of Understanding to extend the agreement for one year expired on June 30, 2008. On September 11, 2008, the classified employees voted to join the International Brotherhood of Teamsters, Local 436, making it the sole collective bargaining agent for classified employees in the District. Membership in this collective bargaining unit includes custodial and maintenance staff, transportation staff, food service workers, clerical staff, monitors and aides. According to the Treasurer, negotiations with the Teamsters representatives began on December 5, 2008 but are not complete.

During the performance audit, certain provisions in the current contracts were assessed and compared to provisions of the ORC and OAC, as well as standard practices (see **R3.4** to **R3.8**).

## **Human Resources Audit Objectives**

The following questions were used to evaluate the HR operations at Brooklyn CSD:

- Is the District's current allocation of personnel efficient and comparable to the peers?
- Are the District's salary levels comparable to other districts?
- How does the cost of benefits offered by the District compare with industry benchmarks?
- How do the provisions within the District's negotiated agreements compare to benchmarks?
- How do the District's special education costs per pupil compare to the peers?

## **Assessments Not Yielding Recommendations**

The following assessments conducted during the performance audit did not warrant recommendations:

- Brooklyn CSD's average salary for administrators in FY 2006-07 was higher than the peer average. However, none of the ten peer districts reside in Cuyahoga County. Therefore, Brooklyn CSD's administrator salaries were compared to two neighboring districts, Berea CSD and Parma CSD. This comparison revealed that the District's administrative pay schedules are overall comparable to these two neighboring districts. In addition, the District's average administrator salary in FY 2007-08 (\$83,923) was slightly lower than Lakewood CSD (\$85,229), which is another nearby school district. Furthermore, the District's average administrator salary declined by 1.1 percent in FY 2007-08.
- Health insurance premiums are lower than SERB and Kaiser benchmarks. Likewise, the District's dental, vision and life insurance premiums are lower than applicable benchmarks.
- Sick leave usage is below the DAS average and substitute costs have decreased by 25 percent from FY 2005-06 through FY 2007-08.

## **Issues for Further Study**

Auditing standards require the disclosure of significant issues identified during an audit that were not reviewed in depth. These issues may not be directly related to the audit objectives or may be issues that the auditors did not have the time or resources to pursue. The District's special education program qualifies as an issue requiring further study.

Brooklyn CSD's special education expenditures per special education student from all governmental funds and the General Fund are higher than the peer averages. Specifically, Brooklyn CSD spent \$7,728 per special education student in FY 2006-07 and \$8,224 in FY 2007-08, when including all governmental funds. By comparison, the peer average was only \$5,456 per special education student in FY 2006-07. Likewise, in the General Fund, the District spent \$7,222 in FY 2006-07 and \$7,583 in FY 2007-08 per special education student. These amounts are close to double the peer average in FY 2006-07 (\$3,984). The higher expenditure ratios are partly due to higher salaries (see **R3.4**) and higher special education staffing levels. However, the District eliminated 2.5 special education teacher FTEs and 2.0 supplemental special education teacher FTEs for FY 2008-09. According to the Director of Pupil Services, additional changes geared toward reducing special education expenditures for FY 2008-09 include developing plans to transition students back to Brooklyn schools, providing Extended

School Year (ESY) programs at Brooklyn CSD using District staff, and exploring options for sharing transportation with other districts when students are traveling to the same schools as a means of reducing transportation costs. These actions will help the District reduce and control expenditures, and bring staffing more in line with the peer average. However, Brooklyn CSD should continue to monitor special education staffing as it has approached the minimum staffing levels required by OAC Guidelines. Additionally, *Rivers of Red* (School Administrator, 2003), discusses the following strategies school districts have used to minimize expenses:

- Providing literacy support, especially in primary grades, to avoid specialized education in the future;
- Using more than one reading approach to reach students with diverse needs;
- Consider the consequences of curriculum changes;
- Actively teach basic study skills and organizational strategies;
- Link resources authority and fiscal accountability; and
- Seek opportunities to share expenses with others.

Further study of the cost savings measures outlined above may help in the District's effort to reduce costs while ensuring a quality program for special needs students.

## Noteworthy Accomplishments

Noteworthy accomplishments acknowledge significant accomplishments or exemplary practices. The following are noteworthy accomplishments that were identified for the Human Resources section:

- Due mainly to the staffing reductions implemented for FY 2008-09 (see **R3.3** for EMIS reporting concerns), Brooklyn CSD lowered its staffing levels per 1,000 students by 17 percent, when compared to FY 2007-08. As a result, the District employs fewer total FTEs per 1,000 students when compared to the peer average. Furthermore, the staffing reductions have improved the District's financial standing (see **financial systems** section).
- By increasing employee health insurance cost sharing requirements to the level of 15 percent for certificated staff hired after April 30, 2003 and classified staff hired after June 30, 2004, Brooklyn CSD's contribution rate exceed SERB averages. This provision helps reduce the District's total expenditures for providing group health insurance benefits.

## Recommendations

### *Staffing*

- R3.1 Brooklyn CSD should develop a formal plan to address current and future staffing needs, based, in part, on current and projected enrollment. This would help ensure that the District complies with State minimum requirements, and efficiently and effectively allocates its staffing resources. To assist in developing the staffing plan, Brooklyn CSD should review R3.2 and the other sections of this performance audit because they contain variables (e.g., workload measures) that should be considered when analyzing staffing levels for the District's specific operations.**

Brooklyn CSD does not have a formal staffing plan. However, as previously stated, the District reduced staffing levels to help improve its financial condition. In addition, according to the Superintendent, the principals are required to provide total graduation class size projections, specific student enrollment choices, and elective opportunities to help determine staffing needs. Furthermore, during the course of the performance audit, the District began to implement a formal plan to address staffing changes.

Tulsa Public Schools has established an approach for developing a staffing plan. The Tulsa Public Schools staffing plan incorporates staff allocation factors, such as state and federal regulations, workload measures, and industry benchmarks. In this plan, Tulsa Public Schools benchmarks staffing based on general fund revenues to help maintain a focus on a balanced budget when considering school staff levels.

*Estimating Future Staffing Levels: Implications for HR Strategy* (SHRM, Fall 2006) notes that an organization's ability to accurately estimate future staffing needs can have a major impact on long-term sustainability and should be geared toward achievement of overall strategic goals. Strategic staffing plans form an infrastructure to support effective decision-making in an organization. Staffing plans tied to strategic plans and organizational needs can help organizations better meet the constraints of their operating environments.

While the District has made staffing changes necessitated by its financial condition and appears to informally evaluate staffing needs, the lack of a formal staffing plan increases the risk of maintaining staffing levels that do not align with educational and operational needs.

**R3.2 Brooklyn CSD should consider eliminating 1.0 FTE administrator. This can be accomplished by reviewing related duties to consolidate positions.**

As shown in **Table 3-1**, Brooklyn CSD employs 0.99 more administrator FTEs per 1,000 students for FY 2008-09 when compared to the peer average. This is due to employing more site-based administrators. Specifically, the District employs 4.19 site-based administrator FTEs per 1,000 students, compared to the peer average of 2.57. Likewise, the District employs 1.5 site-based administrator FTEs per building<sup>2</sup>, which is more than the peer average of 1.1. For FY 2008-09, the District reported 6.0 FTE site-based administrators, which includes two principals for the two elementary schools, one principal and one assistant principal at the middle school, and one principal and one assistant principal at the high school.

Ohio Administrative Code (OAC) § 3301-35-05 states in part, that each school shall be provided with the services of a principal and that no principal shall be assigned to more than two schools. The District's site-based administrator staffing levels are in line with this standard. However, if the District eliminated 1.0 site-based administrator FTE, it would employ a total of 6.29 administrator FTEs per 1,000 students and 1.25 site-based administrator FTE per building. These ratios would still be slightly higher than the respective peer averages (6.00 and 1.1). However, five of the ten peer districts employ more than 1.0 site-based administrator FTE per building, while three districts employ exactly 1.0 FTE per building and two districts employ less than 1.0 FTE per building. When excluding the two districts employing less than 1.0 site-based administrator FTE per building, the revised peer average site-based administrator FTE per building equates to 1.23, which is similar to the District's revised ratio of 1.25 by eliminating 1.0 site-based administrator FTE. Lastly, Brooklyn CSD indicates that due to prior reductions to administrative staffing levels, additional duties have been assigned to the site-based administrators. However, a reduction of 1.0 administrator FTE, regardless of whether it is a central or site-based administrator position, appears feasible because the District would still employ more administrators per 1,000 students (6.29) than the peer average (6.00).

*Financial Implication:* If the District eliminated 1.0 site-based administrator FTE, it would save approximately \$94,000 annually in salaries and benefits, based on the lowest-compensated site-based administrator position.

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<sup>2</sup> Technically, Brooklyn CSD consists of three school buildings, which house four schools: the high school (9<sup>th</sup> through 12<sup>th</sup> grades) and middle school (6<sup>th</sup> through 8<sup>th</sup> grades) are housed in one building, while Roadon Elementary (Prekindergarten through 2<sup>nd</sup> grade) and Brookridge Elementary (3<sup>rd</sup> through 5<sup>th</sup> grades) are housed in separate buildings. The ratio of site-based administrators per building is based on four schools, to be conservative.

**R3.3 Brooklyn CSD should have a separate District employee(s) review the EMIS data as an internal control measure, and provide the necessary training to the employee(s) performing this function. The District should also ensure that its reporting practices align with the EMIS instructions. In addition, the District should consider sharing the reports with administrators for final review, before submission to ODE. Taking these measures would help ensure that the District submits accurate EMIS reports to ODE.**

At Brooklyn CSD, the Treasurer's office is responsible for compiling and entering staff EMIS data while the EMIS Coordinator is responsible for student EMIS data. The Assistant Treasurer uses a spreadsheet to track staff, verifies that all of the staff has been entered into EMIS, confirms job codes for each employee from payroll reports, and contacts the Secretary to the Superintendent for semester hours and degree levels. The building secretaries enter all student data. The EMIS Coordinator advises on any questions regarding coding, status, discipline, hours of instruction, etc. After the October count week, the Lakeshore Northeast Ohio Computer Association (LNOCA) aggregates the data and submits it to ODE on behalf of the District. This may change as the new Data Analysis for Student Learning (DASL) system may allow the District to aggregate and create its own reports.

During the course of this performance audit, some errors were discovered, including miscalculation of FTEs listed in the EMIS Staff Demographic Report. While the District appears to have revised its methodology to more accurately reflect the staffing for FY 2008-09, FTEs in a few areas appear to contradict EMIS reporting guidelines. Specifically, no employees in FY 2008-09 equate to a 1.0 FTE in the bus driver and monitor classifications. The EMIS FY 2008-09 Manual states the following: "Full-time equivalency (FTE) is the ratio between the amount of time normally required to perform a part-time assignment and the time normally required to perform the same assignment full-time. The number 1.00 represents one full-time assignment. One (1.0) FTE is equal to the number of hours in a regular working day for that position, as defined by the district."<sup>3</sup> As a result, it appears that at least one bus driver and one monitor position should equal 1.0 FTE. However, despite these FTE discrepancies, they do not impact the conclusions reached in this performance audit about monitor and bus driver staffing levels (see the **transportation** section for further assessment of bus driver staffing).

According to the former and present EMIS coordinators, LNOCA has been very helpful in correcting EMIS errors and providing training. In addition, the Superintendent and Treasurer sign off on the EMIS report. However, the District does not have an employee(s) outside of the compilation process to review the EMIS data prior to submission to ODE. This increases the potential for errors.

<sup>3</sup> The EMIS FY 2008-09 Manual has additional instructions for calculating FTEs for special education and contractor staff.

ORC § 3301.0714 outlines the guidelines for the EMIS system and includes requirements to report personnel and classroom enrollment data. Accordingly, ODE has created and maintains a manual which outlines specific requirements for EMIS data submission. The data collected in the EMIS system is used for State and federal reporting, funding and distribution of payments, as well as academic accountability. Processes for ensuring the accuracy and completeness of the data before submission through a data verification process is required.

In addition, the Ohio Association of EMIS Professionals (OAEP) recommends that data reports be shared with district administrators before the closing date of the reporting period to assist in correcting data and to provide missing data. Additionally, OAEP recommends that if staff data maintenance and EMIS reporting are handled by two different individuals or offices, the quality of the data depends upon how closely those individuals or offices work together and communicate. Staff must identify the risks when there are disconnects and correct any problems that may arise, as data errors are increasingly under scrutiny by ODE.

### *Salaries*

**R3.4 Brooklyn CSD should negotiate to adjust the certificated staff pay schedule to be more in line with the three-peer average. Although the District has negotiated different salary schedules for newer classified staff, it should seek to further align salary schedules that still appear high (e.g., maintenance). In addition, the District should negotiate to include an ending step increase in the Appendix A schedule for classified staff, at a level similar to the peers. The District should also ensure that it maintains an ending step increase in the Appendix B schedule and correctly applies the negotiated step increases for classified staff. Furthermore, the District should consider negotiating to freeze salaries and/or minimize increases to base wages which are outside of the step increase. Taking these measures would help bring salary levels closer to peer districts.**

**Table 3-2** compares Brooklyn CSD's average salaries to the peer average.

**Table 3-2: Brooklyn CSD Salary Comparison**

Positions	Brooklyn CSD FY 2006-07	Brooklyn CSD FY 2007-08	Peer Average FY 2006-07	% Difference Between District and Peer Average for FY 2006-07
Administrators	\$84,817	\$83,923	\$66,958	26.7%
Educational Staff	\$55,901	\$58,353	\$48,745	14.7%
Professional Staff <sup>1</sup>	\$59,006	\$56,703	\$42,980	37.3%
Technical Staff <sup>1</sup>	\$19,982	\$20,784	\$16,041	24.6%
Office / Clerical Staff	\$24,718	\$24,718	\$23,894	3.4%
Bus Drivers	\$21,472	\$21,472	\$16,976	26.5%
Service Worker	\$17,522	\$17,867	\$19,605	(10.6%)
<b>Total Average Salary</b>	<b>\$46,194</b>	<b>\$48,033</b>	<b>\$40,693</b>	<b>13.5%</b>

Source: FY 2006-07 and FY 2007-08 EMIS similar District Staff Summary Report for Brooklyn and peers

<sup>1</sup> For FY 2008-09, the District employs only 2.0 Professional FTEs and 2.5 Technical FTEs.

As shown in **Table 3-2**, salaries in the District are significantly higher than the peer averages in every category except Office/Clerical and Service Workers. As a result, the District's average salary in FY 2006-07 was 13.5 percent higher than the peer average. Additionally, the average salary for the District increased approximately \$1,800 or 4 percent from FY 2006-07 to FY 2007-08. However, for FY 2008-09, all administrative and exempt staff accepted a wage freeze to help control expenditures See **Assessments Not Yielding Recommendations** for more information on administrator salaries.

In order to account for variances in teacher experience and district location, **Tables 3-3** and **3-4** compare the certificated step schedules for Brooklyn CSD's teachers with a bachelor's degree and teachers with a master's degree to nearby school districts of Berea CSD, Lakewood CSD and Parma CSD.

**Table 3-3: Bachelor's Degree Certificated Pay Schedule Comparison**

	Brooklyn CSD	Berea CSD	Lakewood CSD	Parma CSD	Peer Average	Difference
First Step	\$38,085	\$35,204	\$35,130	\$34,389	\$34,908	\$3,177
Step 5	48,558	41,602	42,859	43,124	42,528	6,030
Step 10	60,098	49,600	50,939	51,893	50,811	9,287
Last Step Salary	68,782	60,368	57,438	59,596	59,134	9,648
Last Step Number	27	28	14	14	19	8
Average Annual Increase to Last Step	3.0%	2.5%	4.6%	5.2%	3.8%	(0.8%)
Average Annual Increase to 30 <sup>th</sup> Year	2.7%	2.4%	2.1%	2.4%	2.4%	0.3%

Source: Certificated pay schedules from Brooklyn CSD, Berea CSD, Lakewood CSD, and Parma CSD.



**Table 3-4: Master's Degree Certificated Pay Schedule Comparison**

	Brooklyn CSD	Berea CSD	Lakewood CSD	Parma CSD	Peer Average	Difference
<b>First Step</b>	\$41,817	\$39,029	\$38,292	\$37,828	\$38,383	\$3,434
<b>Step 5</b>	53,014	47,282	47,777	42,282	47,780	5,234
<b>Step 10</b>	64,592	57,598	57,613	58,771	57,994	6,598
<b>Last Step Salary</b>	78,493	72,283	71,314	69,913	71,170	7,323
<b>Last Step Number</b>	27	28	16	14	19	8
<b>Average Annual Increase to Last Step</b>	3.3%	3.0%	5.5%	6.1%	4.5%	(1.2%)
<b>Average Annual Increase to 30<sup>th</sup> Year</b>	2.9%	2.8%	2.9%	2.8%	2.9%	0%

Source: Certificated pay schedules from Brooklyn CSD, Berea CSD, Lakewood CSD, and Parma CSD.

As illustrated in **Tables 3-3** and **3-4**, the beginning, middle, and ending salaries of Brooklyn CSD's teachers are higher than the three peer average. While the District's average annual increase within the salary schedule is lower than the three peer average, Brooklyn CSD and Berea CSD salary schedules end at a much higher step than Lakewood CSD and Parma CSD. When assuming a teacher at 30 years of service for each district, Brooklyn CSD's average annual step increase is slightly higher than the three peer average for teachers with a bachelor's degree and similar to the peer average for teachers with a master's degree. As a result, the District's higher beginning salary primarily contributes to the higher salaries in the other steps of the salary schedules.

**Table 3-5** compares the salary schedules at select steps for common classified positions (monitor, bus driver, cleaner and maintenance worker) to the three peer average. Pay schedule A is used for full-time staff hired prior to July 1, 2001, while pay schedule B is used for employees hired on or after July 1, 2001.

**Table 3-5: Classified Staff Pay Schedule Comparison**

	Brooklyn's Appendix B	Brooklyn's Appendix A	Peer Average	Difference Using Appendix B	Difference Using Appendix A
<b>Student Monitor</b>					
Step 1	\$8.67	\$12.87	\$10.14 <sup>1</sup>	(\$1.47)	\$2.73
Step 3	\$8.85	\$13.13	\$10.92 <sup>1</sup>	(\$2.07)	\$2.21
Step 6	\$9.11	\$13.52	\$11.76 <sup>1</sup>	(\$2.65)	\$1.76
<b>Bus Driver</b>					
Step 1	\$16.74	\$18.12	\$16.02	\$0.72	\$2.10
Step 3	\$17.07	\$18.49	\$16.77	\$0.30	\$1.72
Step 6	\$17.59	\$19.05	\$18.06	(\$0.47)	\$0.99
<b>Cleaner</b>					
Step 1	\$11.77	\$13.97	\$14.28	(\$2.51)	(\$0.31)
Step 3	\$12.01	\$14.25	\$15.24	(\$3.23)	(\$0.99)
Step 6	\$12.37	\$14.68	\$16.70	(\$4.33)	(\$2.02)
<b>Maintenance</b>					
Step 1	\$17.97	\$21.50	\$15.62	\$2.35	\$5.88
Step 3	\$18.33	\$21.93	\$16.46	\$1.87	\$5.47
Step 6	\$18.89	\$22.59	\$17.84	\$1.05	\$4.75

**Source:** Classified pay schedules from Brooklyn CSD, Berea CSD, Lakewood CSD, and Parma CSD

<sup>1</sup> Only includes average of Berea CSD and Parma CSD because Lakewood CSD does not have a salary schedule for monitors.

**Table 3-5** shows that Brooklyn CSD's wages in Appendix A and B are lower for cleaners when compared to the peer average. Likewise, the salaries in Appendix A for student monitors are lower than the peer average. Conversely, student monitor salaries in Appendix B, and bus driver and maintenance salaries in both Appendix A and B are higher than the peer averages, with one exception.

According to the District, classified employees receive a 1 percent increase above the base each year, for an infinite number of years. Therefore, classified employees continue to receive a step increase every year they are employed at the District. In contrast, Berea CSD's student monitors have a maximum of 6 steps; and bus drivers, custodians, and maintenance have a maximum of 9 steps. Lakewood CSD has a maximum of 9 steps for its classified employees. Parma CSD's student monitors and bus drivers have a maximum of 8 steps, while custodians and maintenance have a maximum of 10 steps. This further exacerbates the variance in salaries for bus drivers and maintenance staff. Additionally, while Brooklyn CSD does not exceed the peer average salary in step 6 for student monitors until step 32 and for cleaners until step 37 in the Appendix B schedule, it exceeds the peer average in step 6 for bus drivers at step 9 in the Appendix B schedule.

Lastly, the most recent salary schedule (FY 2006-07) in the classified collective bargaining agreements shows ending salaries at step 30 in the Appendix B schedule. It also shows annual step increases ceasing at step 9, with the remaining step increases at

step 15, 20, 25 and 30. This differs from the infinite step increases in Appendix A and the above information provided by the District. However, salaries increase by six percent from step 9 to 15. Thereafter, increases amount to five percent from the prior step. These increases between steps equate to an average annual increase of one percent per year.

*Financial Implication:* Based on the revised projections in the **financial systems** section, the District's base salaries are forecasted to increase by an average of 4.9 percent from FY 2009-10 to FY 2012-13. If the District was able to realize only 4 percent increases in base salaries via the aforementioned strategies, it would save an average of approximately \$223,000 per year in salary and benefit costs from FY 2009-10 to FY 2012-13.

### Benefits

#### **R3.5 Brooklyn CSD should renegotiate employee health care premium contribution rates to increase employee cost sharing to 15 percent for all certificated and classified staff regardless of hire date. The District should seek to do likewise for administrative and exempt staff.**

For certificated and classified employees, the employee health insurance cost sharing requirements are based on the employee's hire date. Certificated staff hired before April 30, 2003 and classified employees hired before June 30, 2004, contribute 5 percent toward medical premiums. Administrative and exempt employees also contribute 5 percent toward medical premiums. Certificated and classified employees hired after the respective dates contribute 15 percent. The District negotiated a higher employee contribution to help offset rising health care insurance costs. However, for FY 2008-09, 78 percent of staff enrolled for coverage contributes only 5 percent toward the monthly premium.

**Table 3-6** compares Brooklyn CSD's 5 percent contribution to the SERB average in 2007 for all school districts as well as the Cleveland region.

**Table 3-6: Employee Cost Sharing Analysis**

	Brooklyn CSD	SERB Average (All School Districts) <sup>1</sup>	Variance	SERB Average (Cleveland Region) <sup>1</sup>	Variance
<b>Single</b>	5.0%	12.5%	(7.5%)	12.1%	(7.1%)
<b>Family</b>	5.0%	14.2%	(9.2%)	11.3%	(6.3%)
<b>Average</b>	5.0%	13.4%	(8.4%)	11.7%	(6.7%)

**Source:** Brooklyn CSD Health Insurance Information

**Note:** SERB average is based on when an employee contribution is required.

As illustrated in **Table 3-6**, the employee share paid by the majority of Brooklyn CSD employees is much lower than the SERB averages. Working to reduce the Board's health insurance costs by requiring the same contribution rate of 15 percent for all staff will help improve the District's financial condition and instill equity in the provision of health benefits. While 15 percent is slightly above the SERB averages, it is still below data published by Kaiser. Specifically, in its 2008 survey, Kaiser reports that workers on average contribute 16 percent of the single premium and 27 percent of the family premium.

*Financial Implication:* If Brooklyn CSD successfully negotiated employee health insurance cost sharing at a rate of 15 percent for all certificated and classified employees, the District could save approximately \$92,000 per year.

- R3.6 Brooklyn CSD should seek to reduce its health insurance expenditures by renegotiating the design options in its plan to include more employee cost-sharing features. Specifically, increasing co-payments for physician visits and prescription drugs, annual deductibles, and out-of-pocket maximum payments would help bring the plan design closer to industry standards. In considering a change to a Preferred Provider Organization (PPO) plan, the District should ensure that doing so would be cost-effective. Furthermore, the District should ensure its plan design complies with Ohio Administrative Code, which should include conducting a dependent eligibility audit. Lastly, the District should review other potential strategies to contain health insurance costs.**

The District's current plan design was examined and compared to SERB's *2007 Report on the Cost of Health Insurance in Ohio's Public Sector*, the Kaiser Family Foundation's (Kaiser) *2008 Annual Survey on Health Insurance Benefits*, and the Ohio Education Association's (OEA) *2008 Survey of School District and ESC health and Life Insurance Plans*. The District's plan could be designed in a manner that would make it more comparable to SERB, Kaiser and OEA benchmarks. For example, the District's plan does not require a physician co-payment. In addition, the District has a two-tiered prescription drug plan with a co-payment of \$5/\$10. Kaiser reported that 76 percent of plans had structured three-tiered prescription drug plans with average co-payment of \$10 (generic), \$26 (brand – formulary), and \$46 (brand – non-formulary). Additionally, the District's plan features a lower annual deductible than SERB and Kaiser, and lower out-of-pocket maximums than Kaiser and OEA benchmarks. However, the District has requested a new proposal from Medical Mutual of Ohio to establish co-payments for doctor visits (\$5), emergency room visits (\$100) and urgent care visits (\$50). The District would also like to change to a PPO plan so that enrollees would have to use doctors on the Preferred Provider list.

GFOA recommends making incremental changes to plan design including adjusting co-payments and co-insurance levels to influence individual behavior, establishing criteria for eligibility, and evaluating managed care organizations such as PPO plans or consumer driven health care plans as a key means for containing health care costs. Additional GFOA cost containment strategies include the following:

- **Vendor Management:** Engaging vendor activities designed to operate a plan more effectively through audits of claims, positive re-enrollment, and periodic re-bidding of vendors.
- **Individual Health Management:** Targeting efforts to encourage lifestyle changes such as wellness programs, financial incentives for lifestyle modification and educating participants on health care matters.
- **Aggregation:** Evaluating the benefit of increasing purchasing power by forming a health care insurance pool, joining a consortium or participating in state master agreements.
- **Cost sharing:** Implementing cost sharing through joint payment of premiums, co-payments and co-insurances (also see **R3.5**).

According to OAC § 3306-2-03, effective January 2009, any employee health insurance plans must include a wellness or healthy lifestyle program, a disease management program and access to providers offering superior health care for complex medical issues. Plans must also conduct periodic dependent eligibility audits. OAC § 3306-2-04 and § 3306-2-05 require health plan sponsors to certify compliance with these requirements and must submit annual reports to the Ohio School Employees Health Care Board (SEHCB) describing the progress made in reducing health insurance expenditures and improving the health status of employees. Of these requirements, the District has everything in place, except for a conducting the dependent audit. The District is currently working with its provider on this.

### *Collective Bargaining*

**R3.7 During future negotiations with its certificated and classified bargaining units, Brooklyn CSD should seek to place an appropriate cap on classified sick leave payouts and lower the cap for certificated payouts. The District should also attempt to lower the percentage payout and increase the years of service to qualify for a payout in both agreements. Finally, it should seek to reduce vacation accruals and the number of holidays, and update the drug policy to reflect ORC § 4511.19 for classified staff.**

The District is in the process of entering negotiations with the new classified employee bargaining unit. The following are provisions in the prior classified agreement that appear more generous when compared to ORC requirements that can impact productivity and/or District costs:

- **Vacation accrual:** District employees receive three weeks at year eight, which exceed standards outlined in ORC § 3319.084, which states (in part) that at ten years employees are entitled to three weeks of vacation .
- **Sick Leave Payout at Retirement:** Classified members who have at least five years of service with Brooklyn CSD and retire after June 30, 2006, shall receive a cash payment of 32 percent of his/her unused accumulated sick leave, with no cap<sup>4</sup>. The certificated agreement stipulates that any permanent part-time or full-time employee, who has five years of service with Brooklyn CSD, can receive severance pay equal to 32 percent of accrued but unused sick leave to a maximum of 310 days (results in a payout for approximately 99 days). According to ORC § 124.39, if an individual retires from active service with 10 or more years of service with the State, they are entitled to be paid in cash for one-fourth of the value of the employee's accrued but unused sick leave credit up to 30 days. However, a policy can be adopted allowing an employee to receive payment for more than one-fourth the value of the unused sick leave, for more than the aggregate value of 30 days of the employee's unused sick leave, or allowing the number of years of service to be less than 10.
- **Paid Holidays:** Brooklyn CSD classified contract allows 12 paid holidays for all classified staff and a 13<sup>th</sup> holiday for those who work during the summer months. According ORC § 3319.087, all regular non-teaching school employees are entitled to seven holidays if they work 11 or 12 months per year. For those employees who work nine or 10 months per year, they are entitled to six holidays per year. For those employees who work less than 9 months, they are entitled to only those holidays that fall within their time of employment.
- **Drug Policy:** Brooklyn CSD's drug policy has not been updated to reflect ORC § 4511.19

Since the previous classified employee bargaining unit agreement has expired, the District has an opportunity to ensure contractual provisions are not cost-prohibitive, and preserve management's ability to operate effectively and efficiently.

*Financial Implication:* The savings associated with the abovementioned changes to the severance payouts will vary depending on the number and rate of pay for the retirees in a

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<sup>4</sup> Staff who retired by June 30, 2006 with at least five years of service with the District received a 50 percent payout.

given year, as well as accumulated sick leave balances. According to the Treasurer, the District has not had any significant expenditures associated this provision, as sick leave accumulations are not high for staff.

**R3.8 Brooklyn CSD should exclude retirement incentive language from its collective bargaining agreements. Instead, the District should conduct a cost benefit analysis to determine when to offer such incentives based on its financial condition.**

The District's certificated employee collective bargaining agreement includes a lump sum retirement buyout incentive. According to the agreement, the Certificated/Licensed employee shall become eligible for retirement between August 1, 2006 and July 31, 2009 by meeting all of the State Teachers Retirement System (STRS) requirements. The employee must have at least 15 full and continuous years of service with Brooklyn CSD immediately prior to retirement. The employee must submit an application for benefits to STRS during the first year of eligibility. To be eligible, the employee must also be 55 years old with 25 years of service with STRS, or be less than 55 years old and have 30 years of service under STRS, or be 60 years old and have 15 years of service under STRS. The employee must also submit a retirement letter to the Brooklyn Board of Education no later than March 15 of the school year of retirement and must retire no later than June 30 of that same school year.

According to the Oregon School Board Association, before districts decide to offer an early retirement program, it should conduct a cost-benefit analysis to ensure that it makes sense in the district. In addition, the Ohio Office of Budget and Management has policies and procedures (February 2001) for State agencies to establish early retirement plans, which should meet the following criteria:

- Provide a documented cost savings, including the projected cost/savings that the early retirement incentive plan will provide, the time required to achieve those savings, and the actions that the agency will take to achieve those savings. Cost savings should be based on the elimination of the positions by the retirees and/or the filling of these positions with lower cost employees;
- Be affordable within the agency's current appropriations; and
- Help the agency meet its defined management goals.

Including the retirement incentive provision in the contract rather prevents the District from offering such incentives based on a cost-benefit analysis.

## Financial Implications Summary

The following table is a summary of estimated annual cost savings for the **human resources** section.

### Summary of Financial Implications

Recommendations	Estimated Annual Cost Savings
<b>Not Subject to Negotiations</b>	
<b>R3.2</b> Consider eliminating 1.0 FTE administrator.	\$94,000
<b>Subject to Negotiations</b>	
<b>R3.4</b> Adjust salary schedules and consider freezing salaries and/or minimizing base wage increases	\$223,000
<b>R3.5</b> Increase employee cost sharing to 15 percent of health premiums <sup>1</sup>	\$92,000
<b>Total Estimated Savings</b>	<b>\$409,000</b>

**Source:** AOS recommendations

<sup>1</sup> Increases for administrative and other exempt staff would not be subject to negotiations.



## Appendix 3-A: 2000 Performance Audit Recommendations and Implementation Status

**Table 3-A** summarizes the 2000 Performance Audit recommendations and status of each recommendation: implemented, partially implemented, not implemented, or no longer applicable. Of the 36 recommendations issued in the 2000 Performance Audit, Brooklyn CSD fully implemented 14; partially implemented 6, did not implement 14, and 2 are no longer applicable. The 2008 Performance Audit addresses the recommendations in the 2000 Performance Audit that were partially implemented or not implemented if the related issues fell within the current audit scope.

**Table 3-A: 2000 Performance Audit Recommendations**

Recommendation	Implemented	Partially Implemented	Not Implemented	No Longer Applicable
<b>R3.1</b> BCSD needs to initiate efforts to define requirements for selecting and implementing an HRIS solution to meet the HRD's critical business needs. Additionally, the District should work together with other school districts using state software and approach the Ohio Department of Education (ODE), as a group, about the feasibility of creating a HRIS as a part of the USPS.				X
<b>R3.2</b> Because of its financial situation, BCSD should complete a comprehensive staffing analysis to determine which departments are overstaffed.		X (see <b>R3.2</b> )		
<b>R3.3</b> The District should review and assess the various positions coded to the administrator other category to determine their effectiveness and to determine if job functions could be combined.	X			
<b>R3.4</b> BCSD should reduce its educational service personnel staffing by two to four positions.	X			
<b>R3.5</b> The District should review staffing levels for the library/media aide classification and determine if job functions could be combined.	X			
<b>R3.6</b> Because funding and statistics are based upon the initial information submitted by the District, BCSD should	X			

Recommendation	Implemented	Partially Implemented	Not Implemented	No Longer Applicable
review and assess the various positions coded to the teaching aide category to determine their effectiveness. In order to achieve the peer district average of 1.5 FTEs, BCSD could possibly reduce four teaching aide positions.				
<b>R3.7</b> BCSD’s food service operation should be reviewed as an area for operating cost reductions. In order to achieve the peer district average of 4.5 FTEs, BCSD should consider implementing a central kitchen concept and reducing staff by up to five food service positions.	X			
<b>R3.8</b> The District should review the various monitor positions to determine how the positions could be consolidated. BCSD could reduce nine monitor positions and still remain above the peer district average of 5.0 FTEs per 1,000 students enrolled.		X		
<b>R3.9</b> BCSD should encourage continued growth and professional development of employees. The District should consider revising the salary schedule to include compensation for teachers who have earned a master’s degree.	X			
<b>R3.10</b> BCSD should review the number of days of professional leave utilized by the staff and weigh the benefits and results of the training programs which remove teachers from the classroom in relation to the impact on education. BCSD should consider implementing performance measures to evaluate the training programs and their impact on teachers attending them. Additionally, the District should consider linking professional leave with employee evaluations and future growth of employees to ensure professional leave is being used appropriately. The utilization of professional leave days should not only be linked to the certification requirements and procedures through the Office of the Superintendent, but additional monitoring should be implemented to				X

Recommendation	Implemented	Partially Implemented	Not Implemented	No Longer Applicable
determine that weaknesses identified through the evaluation process are addressed by the use of professional leave days.				
<b>R3.11</b> BCSD should take steps to reduce the use of sick leave by staff.	X			
<p><b>R3.12</b> Additional strategies BCSD should consider implementing to reduce the shortage of substitute teachers include the following:</p> <ul style="list-style-type: none"> <li>• Utilizing paraprofessionals with the approval of the ODE;</li> <li>• Mailing letters to student teachers;</li> <li>• Placing flyers in university; placement offices;</li> <li>• Implementing a guaranteed substitute pool establishing a maximum number of teachers;</li> <li>• Recruiting recent graduates to serve as substitutes;</li> <li>• Advertising on the local television channel;</li> <li>• Advertising in the local newspapers in July and August for substitute teachers;</li> <li>• Offering flexibility with both a.m. and p.m. or full-day shifts and either day-to-day substitute teaching or guaranteed daily substitute teaching for the school year;</li> <li>• Holding meetings for interested substitutes prior to start of school year; and</li> <li>• Developing a substitute teachers' handbook.</li> </ul>	X			
<b>R3.13</b> If BCSD would reduce the amount of sick leave taken, it would eliminate additional administrative time, enhance the quality of education by eliminating interruptions in the flow of work and reduce the overall substitute and overtime cost	X			
<b>R3.14</b> The District needs to make managing and reducing the amount of sick leave taken a high priority among the administration. BCSD's HRD should provide departmental management with	X			

Recommendation	Implemented	Partially Implemented	Not Implemented	No Longer Applicable
<p>sick leave reports containing, at a minimum, the amount of leave taken by employees, leave balances by employee, reasons for absences and any additional information regarding sick leave taken. Additionally, BCSD may need to implement policies to assist with further reduction of sick leave. Policies might include the following:</p> <ul style="list-style-type: none"> <li>• Implement a sick leave abuse policy such as a rolling year occurrence policy where employees are held accountable for the number of times taken off rather than the length of each time taken off;</li> <li>• Implement an attendance incentive where employees are rewarded for perfect attendance;</li> <li>• Require a certified statement from the employee’s physician if the employee is off sick for three or more consecutive days;</li> <li>• Require all employees to complete a standardized sick leave explanation form;</li> <li>• Require sick leave taken to be a component of the employee’s evaluation; and.</li> <li>• Do not include sick leave days in the “active pay status’ category when calculating an employee’s overtime eligibility.</li> </ul> <p>In order for sick leave management to be effective, all administrators should go through initial and on-going training to ensure complete understanding of the policies and consistent implementation of such policies.</p>				
<p><b>R3.15</b> The District should consider establishing a joint insurance committee on a permanent basis whose primary purpose would be to review the health insurance programs and their associated costs to determine whether the same or better coverage can be provided at a lower cost. The committee should work to reduce the annual benefit cost per employee. Areas the committee could</p>		X		

Recommendation	Implemented	Partially Implemented	Not Implemented	No Longer Applicable
address include the following: <ul style="list-style-type: none"> <li>• Information to determine possible cost containment strategies;</li> <li>• Conduct employee surveys on areas of concern regarding existing benefit plans;</li> <li>• Review and limit benefits included in the medical plans;</li> <li>• Review employee annual deductibles and out of pocket maximums;</li> <li>• Distribute a request for proposal to multiple health care carriers for benefit and cost comparisons; and</li> <li>• Review feasibility of increasing contributions toward monthly premiums.</li> </ul>				
<b>R3.16</b> If BCSD would require full-time employees enrolled in all medical plans to contribute a higher percentage toward the monthly premium, the overall insurance expenses would be reduced.		X (see R3.5)		
<b>R3.17</b> To reduce benefit costs, the board should consider having the employees included in the administrative and exempted groups pay the appropriate employee portion of the benefit premiums as indicated in <b>Table 3-36</b> .		X (see R3.5)		
<b>R3.18</b> BCSD should review the costs associated with picking up the employee portion of STRS and SERS payments for administrative and exempted personnel and should consider eliminating this benefit.	X			
<b>R3.19</b> BCSD should consider having a cost-benefit analysis completed by an accredited organization such as the Ohio School Board Association in order to determine whether it is cost effective for the District to offer an early retirement incentive plan. Additionally, offering future ERIs to classified employees should be evaluated.		X (see R3.8)		
<b>R3.20</b> The District should design and implement a modified duty program which allows injured employees to return to work to perform less strenuous	X			

Recommendation	Implemented	Partially Implemented	Not Implemented	No Longer Applicable
tasks rather than remaining on off-site disability leave.				
<b>R3.21</b> Brooklyn could benefit from identified techniques utilized in successful workers' compensation programs with little expense.	X			
<b>R3.22</b> BCSD should consider eliminating professional growth credits and the accompanying salary increases. The LPDC should work closely with the superintendent to ensure that professional growth activities undertaken by staff are linked with the certificate/license renewal process administered by the LPDC. Additionally, the District should consider linking professional growth activities to the employee's evaluation in an effort to monitor progress and improvement.			X	
<b>R3.23</b> The District should consider negotiating with the BEA and BCE a clause which would require teachers and classified staff to provide the District with a minimum of three days notice for personal leave.			X	
<b>R3.24</b> BCSD should consider renegotiating the severance payout policy to be more in line with the peer districts and to lessen the financial burden to the District (BEA).			X (see R3.7)	
<b>R3.25</b> BCSD should consider establishing a policy which can reduce costs associated with severance payout. One option might be to allow employees to transfer an unlimited number of days into the District but restrict the use of these days to long-term sick leave only and stipulate the days are not eligible for payout at retirement. Another option might be to establish a policy which limits the amount of days that can be transferred into the District or limits the amount of days eligible for severance.	X			
<b>R3.26</b> BCSD should consider limiting the amount of parental leave granted to only that provided by the Family Act of			X	

Recommendation	Implemented	Partially Implemented	Not Implemented	No Longer Applicable
1993.				
<b>R3.27</b> The District should consider restricting teachers on sabbatical leave from receiving compensation.			X	
<b>R3.28</b> BCSD should consider renegotiating the contract so that, if an employee is called in and paid for two hours of work, the employee is required to work the entire two hours.			X	
<b>R3.29</b> Having specific personnel reduction restrictions identified in the contract may preclude BCSD from reducing the work force for business, educational, or financial reasons. The contract language should be modified to eliminate language which prohibits the District from making sound management decisions.			X	
<b>R3.30</b> BCSD should establish a policy that requires employees to notify the District by March 1st of their intentions to retire the following school year.			X	
<b>R3.31</b> BCSD should renegotiate the severance payout policy to be more in line with the peer districts and to lessen the financial burden to District (BCE).			X (see R3.7)	
<b>R3.32</b> The District should review its current overtime policy and consider negotiating the policy to be more in line with the guidelines set forth by the FLSA. The District should consider limiting leaves that are included in the “active pay status” category when calculating overtime to only include vacation, holidays and bereavement leaves.			X <sup>1</sup>	
<b>R3.33</b> The District should consider negotiating a provision which requires employees to take vacation during the summer when regular school is not in session or during the winter or spring periods when school is not in regular session in an effort to promote efficiency and reduce the use of substitutes and overtime while employees utilize vacation time.			X	
<b>R3.34</b> The District should establish a			X	

Recommendation	Implemented	Partially Implemented	Not Implemented	No Longer Applicable
policy which defines essential employees. If an essential employee does not report to work on a calamity day, the employee should be required to use one of the following: <ul style="list-style-type: none"> <li>• Use of a compensatory day;</li> <li>• Use of a sick leave day, if ill;</li> <li>• Use of a vacation day;</li> <li>• Use of a personal leave day; and</li> <li>• Use of a day without pay.</li> </ul>				
<b>R3.35</b> The District should consider requiring grievances to be filed within a reasonable amount of time for all bargaining units.			X	
<b>R3.36</b> The District should consider extending the probationary period which would provide the District with additional time to assess the potential employee and enhance the ability of the board to employ qualified, dedicated and hard-working personnel.			X	

<sup>1</sup> The District’s classified collective bargaining agreement still allows the payment of overtime based on days, but it does not indicate what is determined to be in “active pay status” when calculating overtime. The audit did not confirm the District’s actual practice for calculating overtime.





# Facilities

## Background

This section of the performance audit focuses on Brooklyn City School District's (Brooklyn CSD or the District) facility operations. The District's operations are evaluated against selected peer school districts<sup>1</sup>, recommended practices, and operational standards from applicable sources, including the American Schools and University Magazine (AS&U), the National Center for Education Statistics (NCES), and the Association of School Business Officials (ASBO). In addition, **Appendix 4-A** summarizes the implementation status of the recommendations in the previous performance audit of Brooklyn CSD, released in 2000.

### *Organizational Structure and Function*

Brooklyn CSD consists of three school buildings, which house four schools: the high school (9<sup>th</sup> through 12<sup>th</sup> grades) and middle school (6<sup>th</sup> through 8<sup>th</sup> grades) are housed in one building, while Roadon Elementary (Prekindergarten through 2<sup>nd</sup> grade) and Brookridge Elementary (3<sup>rd</sup> through 5<sup>th</sup> grades) are housed in separate buildings. The District also has administrative offices in the same building as the high school and the middle school. The Treasurer is in charge of facility operations, and oversees cleaning and maintenance staff. However, principals act as the primary oversight of cleaners in their respective buildings. The facility staff is responsible for maintaining and cleaning the school buildings, the stadium, and the transportation facility.

### *Staffing*

**Table 4-1** illustrates the facility operations staffing levels.

**Table 4-1: Facility Operations Staffing Levels FY 2007-08**

Classification	Number of Positions	FTEs as Actually Assigned
<b>Total Administration</b>	<b>1</b>	<b>0.2</b>
Cleaners	8	5.6
Maintenance <sup>1</sup>	3	2.7
Grounds <sup>1</sup>	0	0.3
<b>Total Cleaning, Maintenance, Grounds FTEs</b>	<b>11</b>	<b>8.6</b>
<b>Total Staff</b>	<b>12</b>	<b>8.8</b>

**Source:** Brooklyn CSD interviews, District's payroll, and job descriptions.

<sup>1</sup>The District does not have any grounds-keeping staff. Maintenance staff estimates spending approximately 10 percent of time performing grounds-keeping duties, depending on the weather at the time.

<sup>1</sup> See the **executive summary** for a list of the peer districts and an explanation on selection of the methodology.

**Table 4-1** illustrates that Brooklyn CSD uses both full-time and part-time staff. The cleaning staff consists of 8 employees, of which 6 work less than 8 hours per day. However, the 3 maintenance employees work 8 hours each day. According to the cleaner’s job description, a cleaner’s job function is to provide students with a clean and attractive environment in which to learn. The maintenance staff addresses work requisitions and performs maintenance, general construction, and troubleshooting. In the past, the District employed grounds-keeping staff. However, due to staffing reductions, the maintenance staff now performs this function. The grounds-keeping responsibilities include seasonal duties, such as mowing, raking, and shoveling.

### *Key Statistics and Indicators*

**Table 4-2** compares Brooklyn CSD’s key statistics and indicators to the National Center for Educational Statistics (NCES) benchmark and five-year averages from the American Schools and Universities (AS&U) annual surveys.

**Table 4-2: Key Statistics and Indicators**

<b>Brooklyn CSD Square Feet per Cleaner FTE</b>	57,639 <sup>1</sup>
<b>Planning Guide Custodian Staffing Benchmark (mid-point of 28,000 to 31,000 benchmark)</b>	29,500
<b>Brooklyn Square Feet per Maintenance FTE</b>	125,540
<b>AS&amp;U 5-Year Average National Median Square Feet per Maintenance FTE<sup>2</sup></b>	95,000
<b>Brooklyn CSD Acres per Grounds FTE</b>	189 <sup>3</sup>
<b>AS&amp;U 5-Year Average National Median Acre per Grounds keeping FTE<sup>1</sup></b>	43

**Source:** AS&U, NCES, and Brooklyn CSD

<sup>1</sup> Excludes the square footage of the auditorium (approximately 10,000) because according to the Treasurer, it is only cleaned 5 to 6 times a year. When including the auditorium, the square feet per cleaning FTE becomes 59,422.

<sup>2</sup> Five-Year Average is based on data reported in the AS&U Cost Surveys from FY 2003-04 to FY 2007-08.

<sup>3</sup> Brooklyn CSD maintains 0.3 FTEs responsible for 56.8 acres.

As show in **Table 4-2**, Brooklyn CSD’s cleaning staff clean 57,639 square feet per FTE, or close to double the NCES benchmark of 29,500 square feet per cleaner. Likewise, the District’s maintenance staff is responsible for 125,540 square feet per FTE, or 30,540 more square feet than the AS&U 5-year average. See **R4.1** for further discussion of staffing levels.

### *Financial Data*

**Table 4-3** compares Brooklyn CSD’s facility operations’ expenditures on a per square foot basis, for FY 2006-07 and FY 2007-08, to the peer average and AS&U national median.

**Table 4-3: Facility Operations Expenditures per Square Foot**

Object Code	Brooklyn CSD FY 2007-08	Brooklyn CSD FY 2006-07	Peer Average FY 2006-07	AS&U National Median FY 2007-08
Salary and Benefits	\$2.60	\$2.51	\$2.42	\$2.05
Purchased Services	\$0.25	\$0.50	\$0.53	\$0.21
Utilities	\$1.29	\$1.08	\$1.18	\$1.52
• Electricity	\$0.49	\$0.47	\$0.58	N/A
• Water & Sewage	\$0.11	\$0.12	\$0.10	N/A
• Gas	\$0.68	\$0.50	\$0.49	N/A
Supplies and Materials	\$0.16	\$0.30	\$0.36	\$0.38
Capital Outlay	\$0.02	\$0.09	\$0.11	N/A
<b>Total General Fund</b>	<b>\$4.32</b>	<b>\$4.48</b>	<b>\$4.63</b>	<b>\$4.56</b>
<b>All Funds Utilities</b>	<b>\$1.29</b>	<b>\$1.09</b>	<b>\$1.30</b>	<b>N/A</b>
<b>Total All Funds</b>	<b>\$4.48</b>	<b>\$4.52</b>	<b>\$5.14</b>	<b>\$4.56</b>

Sources: District and peer 4502s and AS&U

**Table 4-3** illustrates that the District's overall spending per square foot for facility operations in FY 2006-07 and FY 2007-08 was lower than both the peer average and the AS&U national median. Despite the lower overall costs, the District's expenditures per square foot in salaries and benefits were higher than the peer average in FY 2006-07. Likewise, the District's salary and benefit expenditures in FY 2007-08 were higher than the AS&U national median. Providing higher salaries for maintenance personnel and requiring low employee health insurance contributions contribute to the District's higher salary and benefit expenditures per square foot (see the **human resources** section for further discussion). **Table 4-3** also shows that while water and sewage, and gas costs per square foot were slightly higher than the peer average in FY 2006-07, electricity costs per square foot were significantly lower than the peer average. In addition, the District reduced water and sewage costs per square foot in FY 2007-08. Although gas costs per square foot increased by 18 cents, the District's total utility costs per square foot in FY 2007-08 are lower than the AS&U national median for FY 2007-08.

Lastly, **Table 4-3** shows that the District reduced facility expenditures per square foot in the General Fund and all funds from FY 2006-07 to FY 2007-08, due to reductions in purchased services, supplies and materials, and capital outlay. The reduction in purchased services is attributable to establishing a new contract for security services and transitioning to perform energy management functions in-house. The reductions in materials and supplies, and capital outlay are due to spending reductions because of the District's financial condition.

## **Audit Objectives for the Facilities Section**

The following is a list of the questions used to evaluate the facilities functions at Brooklyn CSD:

- Does the District use benchmarks to evaluate functions and aid in decision-making?
- Has the District established procedures and staff performance standards to ensure efficient operations?
- Are the District's cleaning and maintenance staffing levels comparable to industry standards and/or leading practices?
- Are the District's facility management and planning practices comparable to industry standards and/or leading practices?
- Does the District have an effective work order system?

## **Noteworthy Accomplishments**

Noteworthy accomplishments acknowledge significant accomplishments or exemplary practices. The District's utility costs qualify as a noteworthy accomplishment. As previously shown in **Table 4-4**, the District's total utility costs per square foot appear low when compared to the peer average and AS&U national median. To help manage the cost of utilities, Brooklyn CSD purchases natural gas and electricity at discounted rates through various consortia and maintains control of room temperatures through a centralized computer system managed by the District. By operating its own energy management system, the District realized a cost savings of approximately \$52,000 per year. In addition, the District has a policy for natural and material resource conservation.

## Recommendations

### Staffing

**R4.1 Brooklyn CSD should review and regularly monitor facility overtime costs, and track reasons for overtime use. This would help the District determine whether hiring more staff would be more cost-effective. Furthermore, the District should use benchmarks to assess the number of staff needed to operate and maintain its facilities, based on the amount of square footage and acreage, other relevant workload measures, and variables that can impact staffing requirements. Specifically, the District should ensure that its current level of staffing does not pose a risk to operations or the student-learning environment. Using benchmarks will provide the District with objective information on which to make future decisions about its cleaning and maintenance staffing levels and operations.**

The District's staffing levels are not in line with industry standards, primarily due to reducing staffing levels to help address its financial condition. Additionally, Brooklyn CSD does not measure staffing levels against other districts or benchmarks. The District's cleaning staff currently cleans an average of 57,639 square feet per FTE<sup>2</sup>. Furthermore, much of the cleaning previously done daily is currently completed on an as needed basis.

*The Planning Guide for Maintaining School Facilities (Planning Guide)* (NCES, 2003) presents a five-tiered system of expectations to help guide decision-making on custodian staffing levels. *The Planning Guide* sets the Level 3 standard of a custodian cleaning 28,000 to 31,000 square feet in an eight-hour shift as the norm for most school facilities. However, the District's average of 57,639 square feet per FTE falls between Level 4 and Level 5. According to *The Planning Guide*, Level 4 (45,000 to 50,000 square feet) is not normally acceptable in a school environment and Level 5 cleaning (85,000 to 90,000 square feet) can rapidly lead to an unhealthy situation. *The Planning Guide* also notes that these figures are estimates. The actual number of square feet per shift a custodian can clean will depend on additional variables, including the type of flooring, wall covers, and number of windows, all of which must be taken into account when determining workload expectations.

**Table 4-4** compares current District staffing levels to the AS&U and NCES benchmarks.

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<sup>2</sup> This excludes the square footage of the auditorium (approximately 10,000) because according to the Treasurer, it is only cleaned 5 to 6 times a year. When including the auditorium, the square feet per cleaning FTE becomes 59,422.

**Table 4-4: Staffing Comparison to Benchmarks**

Classification	Current FTEs	AS&U Benchmark	NCES Benchmark	Difference in FTEs
Cleaners	5.6	N/A	11.0 <sup>1</sup>	(5.4)
Maintenance FTEs	2.7	3.6 <sup>2</sup>	N/A	(0.9)
Groundskeeper FTEs	0.3	1.3 <sup>2</sup>	N/A	(1.0)
<b>Total FTEs</b>	<b>8.6</b>	<b>4.9</b>	<b>11.0</b>	<b>(7.2)</b>

Source: Brooklyn CSD's payroll, Personnel Interviews, AS&U and NCES.

<sup>1</sup> The staffing standard used for cleaners (custodians) is 29,500 sq ft. per FTE

<sup>2</sup> The staffing standard used for maintenance is 95,000 sq ft per FTE and for groundskeepers is 43 acres per FTE, based on the five-year average national medians from the AS&U Cost Surveys (FY 2003-04 to FY 2007-08).

**Table 4-4** illustrates that the District is understaffed in each area, for a total of 7.2 fewer FTEs when compared to the applicable benchmark. This contributes to overtime costs, although the District attempts to reduce overtime by requiring staff to cover additional areas when absences occur. In FY 2006-07 and FY 2007-08, overtime was 7.0 percent (\$34,000) and 7.6 percent (\$38,000) of salaries, respectively. Employees are paid 1.5 times their regular rate for working overtime.

According to *Best Practices: Maximizing Maintenance (FacilitiesNet, 2003)*, overtime less than 2 percent of the total maintenance time is a best practice. The amount paid for District overtime in FY 2006-07 and FY 2007-08 is higher than the cost of hiring an additional cleaner at approximately \$33,000 annually in salaries and benefits. In addition, the Treasurer indicated that the majority of overtime is a result of facility usage and afterschool events, with the majority of these costs covered by user fees. The Treasurer also noted that some overtime is used for snow events. However, Brooklyn CSD does not track reasons for overtime usage, which prevents the District from analyzing whether it would be more cost-effective to higher staff. Moreover, the 2000 Performance Audit recommended that the District develop a methodology to allocate custodian/cleaners to buildings using quantitative data, such as square footage, to determine the most efficient staffing level, and to monitor overtime and reasons for use (see **Appendix 4-A**). Lastly, during the course of this performance audit, the Treasurer indicated that the District rehired one 5-hour cleaner for the evening shift to cover the middle/high school.

### *Operational Procedures and Efficiency*

**R4.2 Brooklyn CSD should develop and implement a manual for cleaning staff that details proper procedures for ensuring staff is familiar with work expectations and employment protocols, as well as the use of materials and equipment. Once the manual is complete, the District should establish a schedule to regularly review the policies and procedures and update them as needed.**

The District does not have a cleaning methods and procedures manual. However, Brooklyn CSD has District-wide policies and procedures, which are available for review on-line. Policies related to facility operations include the following:

- Facilities planning;
- Maintenance;
- Hygienic management (integrated pest management);
- Facility security;
- Use of District facilities, and
- Safety.

The District also has a frequency chart, color-coded floor plans, job descriptions, and job evaluations. The Treasurer used the International Sanitary Supply Association (ISSA) standards when he developed the frequency chart. The chart was updated in July 2008, to address the staffing reductions. The frequency chart and the color-coded floor plans work together. The frequency chart tells the cleaners what and how often to clean, while the floor plans tells them where. The frequency chart, job description and the evaluation are also tied together. Principals review the job description/evaluation form, and the frequency chart to evaluate performance of job duties and responsibilities. The principals then grade the staff using a scale of 1 to 5; 1 being distinguished and 5 being incompetent. All four of these documents go hand-in-hand in guiding the cleaning staff.

The *Custodial Methods and Procedures Manual* (ASBO, 2000), indicates that the school boards of education should establish standard procedures for custodial service and building and grounds maintenance. It outlines staffing standards, daily job duties and tasks, job descriptions and schedules, employee evaluations, and cleaning procedures and work methods for various job tasks. Of these, the District lacks work methods and detailed cleaning procedures. ASBO's manual provides materials and equipment required, and general instructions for the following methods:

- Spray-buffing;
- Scrubbing floors;
- Stripping wax from floors;
- Refinishing floors;
- Preparing wood floors for general use;
- Removing stains from floor;
- Vacuuming and shampooing carpets;
- Removing carpet stains;
- Washing walls and ceilings, and
- Cleaning chalkboards and marker boards.



Additionally, as an example, Brevard County School in Florida has developed a custodial procedures manual that contains departmental policies and cleaning procedures. The following is a list of the cleaning procedures addressed in the manual:

- Basic Office Cleaning;
- Restroom Cleaning and Sanitation;
- Dust Mopping;
- Scrubbing;
- Stripping and Finishing;
- High Speed Burnishing;
- Classroom/Corridor Cleaning; and
- Basic Carpet Care.

The implementation of a formal cleaning procedures manual and training program (see **R4.3**) would help standardize cleaning and other functions, and ensure staff is familiar with the appropriate procedures.

**R4.3 Brooklyn CSD should develop a training and professional development program for its cleaning and maintenance staff. The curriculum should cover critical aspects of employee responsibilities. Consistently providing cleaning and maintenance staff with training will better ensure that employees remain informed about the most up-to-date health and safety issues.**

The District does not have a formal professional development program for cleaning and maintenance staff. The Treasurer indicated that the staff is very well trained. However, this training is a result of on the job training, since the cleaning employees have been in the District for many years. Overall, training is very limited. According to the Treasurer, the staff had formal training a few years ago and much of the training provided in recent years has been limited to vendor-sponsored events. Currently, they receive “blood borne pathogen” training every year.

According to *The ESProfessionals: An Action Guide to Help in Your Professional Development* (National Education Association (NEA), 2006) ongoing professional development and training for cleaners and maintenance employees should include the following elements:

- Building security;
- Asbestos handling and removal;
- Blood-borne pathogen standards and risks;
- Hazardous equipment and operation;
- Hazardous chemical use and safety;

- Ergonomics and principles for minimizing on-the-job injury: and
- Time management and prioritization of work.

This publication further reports that a lack of meaningful, multi-tiered professional development programs, are a real health and safety issue for the public school cleaner and the entire school community.

### *Facility Planning/Building Capacity*

**R4.4 The District should update its facilities master plan to contain building utilization analyses and essential components of a comprehensive capital plan. The District should also create a preventive maintenance plan that is linked to the master plan. Subsequently, the District should regularly update these plans to reflect completed work and other changing conditions. Furthermore, prior to determining potential building closures and consolidations, the District should review its building capacity and utilization rates, and identify strategies to avoid potential overcrowding. In conducting this review, Brooklyn CSD should also consider the costs and benefits of such strategies and alternative methods for consolidating buildings, including input from the community and District personnel.**

Brooklyn CSD has a facilities master plan that was created in July, 2007. Prior to 2007, the District had a list that outlined desired capital projects and separated them into three different phases. The District also used a “Capital Improvement Projects” schedule, listing capital needs at each of the schools with a priority level of 1, 2 or 3. However, the capital list and schedule both do not include time frames for projects or a financing plan. Ultimately, due to a lack of funds, the District decided it would be best to complete a facilities master plan to avoid wasting money on needless renovations, and instead target the immediate needs. The facilities master plan includes enrollment projections from FY 2007-08 to FY 2016-17, a 2007 facility assessment and recommendations, conditions of all of the buildings, and a cost analysis. However, the facilities master plan does not have a building capacity assessment. In addition, the District lacks formal and comprehensive preventive maintenance and capital improvement plans.

The 2000 Performance Audit recommended that building capacity and utilization be reviewed periodically, and a methodology that accounts for the District’s needs and educational programs be developed at least every two to three years. Since the performance audit, formal building capacity studies have not been completed by the District. The 2000 Performance Audit reported that the overall building utilization for the District was 63.3 percent. **Table 4-5** illustrates the current utilization rates, based on the student enrollment for FY 2007-08 and building capacities determined in the 2000 Performance Audit as the District indicated that it has not added additional square

footage to any of its buildings and has not significantly changed building usage since 2000.

**Table 4-5: Current Building Capacities**

School	Building Capacity	FY 2007-08 Headcount	Over/Under Capacity	Percent
Rodoan (grades K-2)	415	333	(82)	80.2%
Brookridge (grades 3-5)	505	303	(202)	60.0%
<b>Total Elementary Schools</b>	<b>920</b>	<b>636</b>	<b>(284)</b>	<b>69.1%</b>
Brooklyn Middle (grades 6-8)	531	371	(160)	69.9%
<b>Total Middle School</b>	<b>531</b>	<b>371</b>	<b>(160)</b>	<b>69.9%</b>
Brooklyn High (grades 9-12)	680	505	(175)	74.3%
<b>Total High School</b>	<b>680</b>	<b>505</b>	<b>(175)</b>	<b>74.3%</b>
<b>Overall Total</b>	<b>2,131</b>	<b>1,512</b>	<b>(619)</b>	<b>71.0%</b>

Source: 2000 Performance Audit and enrollment reports from the Ohio Department of Education

As shown in **Table 4-5**, while utilization has improved since 2000, it is still well under full capacity. The District is currently assessing whether building closures are possible and has indicated that it is considering consolidating Rodoan and Brookridge elementary schools, and combining the high school's and middle school's teaching schedules and staff. **Table 4-6** illustrates the impact of consolidating the elementary schools.

**Table 4-6: Building Capacity after Consolidation**

School	Building Capacity	2007-08 Headcount	Over/Under Capacity	Percent
<b>Elementary School (2):</b> Rodoan and Brookridge	505	636	131	125.9%
<b>Total Elementary Schools</b>	<b>505</b>	<b>636</b>	<b>131</b>	<b>125.9%</b>
<b>Middle School (1):</b> Brooklyn Middle (grades 6-8)	531	371	(160)	69.9%
<b>Total Middle School</b>	<b>531</b>	<b>371</b>	<b>(160)</b>	<b>69.9%</b>
<b>High Schools (1):</b> Brooklyn High (grades 9-12)	680	505	(175)	74.3%
<b>Total High School</b>	<b>680</b>	<b>505</b>	<b>(175)</b>	<b>74.3%</b>
<b>Overall Total</b>	<b>1716</b>	<b>1512</b>	<b>(204)</b>	<b>88.1%</b>

Source: 2000 Performance Audit and enrollment reports from the Ohio Department of Education

**Table 4-6** shows that absent other changes, combining elementary students in the largest elementary school would result in overcrowding at the elementary school. This indicates the planning will be needed to ensure that this potential consolidation can be feasible, such as the following:

- Altering building configurations to accommodate more classroom space;

- Altering grade configurations in the buildings;
- Using modular units; and
- Keeping and using the portion of Rodoan elementary that has self-contained section with four classrooms, restroom facilities, and heating and cooling system.

According to *Creating a Successful Facility Master Plan* (DeJong & Staskiewicz, July 2001), school districts should develop a long-term facilities master plan. The plan should contain information on capital improvements and financing, enrollment projections, and capacity analyses. The plan should be developed on a foundation of sound data and community input. While the Brooklyn CSD lacks a formal preventive maintenance plan and a five-year capital improvement plan, the District plans on using the facility master plan to develop capital and preventive maintenance plans. However, this has not occurred as of October 2008, primarily due to the District focusing more on its current financial condition. Recommendations related to building capital improvement and preventive maintenance were also noted in the 2000 Performance Audit (see **Appendix 4-A**).

GFOA states that a government should develop a capital improvement plan that identifies the priorities, time period, and financing plan for the projects. This plan should project for five years, fully integrate the overall financial plan of the organization, and allow for stakeholder input. Developing a capital improvement plan provides a framework for prioritizing projects, and identifying funding needs and sources.

*According to Preventive Maintenance for Local Government Buildings* (Minnesota Office of the Legislative Auditor (MOLA), 2000), a capital improvement program is a schedule of capital improvements, listed in priority order, over a number of years. The capital improvement program's time span typically coincides with the long-range or strategic plan (see the **financial systems** section for discussion of a strategic plan). The capital improvement program proposes specific projects to meet the needs identified in the long-range plan. If the long-range plan offers a range of alternatives, the capital improvement program identifies a specific course of action the jurisdiction intends to take. This publication further states that local jurisdictions should also include preventive maintenance along with other maintenance projects in long- and short-term maintenance plans that are tied to capital improvement programs, capital budgets, reserved accounts, and operating budgets. Active planning for preventive maintenance should occur at the same time as planning for other maintenance; it is needed both for the long-term (at least a three-year outlook) and the short-term (the upcoming year). According to MOLA, well-planned preventive maintenance extends the useful life of building components such as roofs or heating and ventilation systems, thereby preserving taxpayer investments. Furthermore, this publication notes that districts with comprehensive preventive maintenance plans were more likely than other districts to report having most facility components in good condition.

*Work Order Process*

**R4.5 Brooklyn CSD should consider purchasing a computerized maintenance management system (CMMS). It would allow the District to automatically schedule and track preventive maintenance activities, prioritize work requests, and help anticipate needed facility maintenance, equipment repairs and replacements. In addition, the District would be able to track and monitor supply and labor costs, and the productivity and performance of assigned personnel.**

The District has a manual work order management system to schedule maintenance work. The process starts with the teacher filling out a work request and giving it to the principal, who signs it and gives it to the cleaner/maintenance staff. The Treasurer also gets a copy of the work order request form. However, the District is not able to track the preventive maintenance activities, labor hours, or supply costs. According to the Treasurer, the District tracked hours for maintenance staff in the past, but stopped primarily because it does not have the staff to keep track of this information. Recommendations related to work order tracking were also noted in the 2000 Performance Audit (see **Appendix 4-A**).

According to the *Planning Guide for Maintaining School Facilities* (NCES, 2003), work order systems help school districts register and acknowledge work requests, assign tasks to staff, confirm that a work order has been addressed, and track the cost of parts and labor. A work order system can be a manual, paper-based, tracking tool, but more efficient work order systems come in the form of computerized maintenance management systems (CMMS). At a minimum, the work order process should account for the following:

- The date the request was received;
- The date the request was approved;
- A job tracking number;
- Job status (received, assigned, ongoing, or completed);
- Job priority (emergency, routine, or preventive);
- Job location (where, specifically, is the work to be performed);
- Entry user (the person requesting the work);
- Supervisor and craftsperson assigned to the job;
- Supply and labor costs for the job, and
- Job completion date/time.

The District's work order form provides all of the above items, except job status and supply and labor costs for the job. The job tracking number field is included in the form, but is not used. The *Planning Guide for Maintaining School Facilities* also reports that

upon closing out a work order, all information about the request should be placed in a data bank for future historical and analytical use (e.g., for determining the yearly cost of building maintenance). In terms of utility, the *Planning Guide for Maintaining School Facilities* notes that a good CMMS program will:

- Acknowledge the receipt of a work order;
- Allow the maintenance department to establish work priorities;
- Allow the requesting party to track work order progress through completion;
- Allow the requesting party to provide feedback on the quality and timeliness of the work;
- Allow preventive maintenance work orders to be included; and
- Allow labor and parts costs to be captured on a per-building basis (or, even better, on a per-task basis).

By implementing a CMMS, the District would better ensure that processes are being completed in an efficient and cost-effective manner including preventive maintenance (see **R4.4**), and that repair needs are being addressed in a timely fashion.

*Financial Implication:* A CMMS would cost approximately \$907 annually, based on prices advertised by one company. However, if the District was to sign up for multiple years, it would receive a discount. Exact pricing will depend on the features desired by Brooklyn CSD and the contract terms negotiated with the vendor. To be conservative, this financial implication is estimated at \$2,000.

## Financial Implications Summary

The following table represents a summary of estimated annual costs for this section. For the purpose of this table, only recommendations with quantifiable impacts are listed.

### Summary of Financial Implications for Facilities

Recommendation	Annual Costs
<b>R4.5 Purchase a CMMS system</b>	\$2,000
<b>Total</b>	<b>\$2,000</b>

## Appendix 4-A: 2000 Performance Audit Recommendations and Implementation Status

**Table 4-A** summarizes the 2000 Performance Audit recommendations and status of each recommendation; implemented, partially implemented, not implemented, or no longer applicable. Of the 19 recommendations issued in the 2000 Performance Audit for the facilities section, Brooklyn CSD fully implemented 5, partially implemented 7, and did not implement 3, while 4 recommendations were no longer applicable. The 2008 Performance Audit addresses the recommendations in the 2000 Performance Audit that were partially implemented or not implemented, if the related issues fell within the scope of the 2008 Performance Audit.

**Table 4-A: 2000 Performance Audit Recommendations**

Recommendation	Implemented	Partially Implemented	Not Implemented	No Longer Applicable
<b>R4.1</b> The District should develop and document a multi-year capital improvement plan to help ensure the most critical repair work is completed as funds become available. The plan should categorize projects by type of work or by building and should assign priorities to each task to help ensure the work is completed in a timely manner and to minimize both safety hazards and facility deterioration.			X See <b>R4.4</b>	
<b>R4.2</b> The District should develop a comprehensive facilities plan which contains historical information about the District's demographics and community characteristics; educational programs, goals, and practices; enrollment projections; facility evaluations, and capital improvement needs; capacity and space utilization analyses; an implementation plan and budget which includes funding sources; and an evaluation process.		X See <b>R4.4</b>		
<b>R 4.3</b> The District should start developing enrollment projections as part of the comprehensive facilities plan recommended in <b>R4.2</b> .	X			
<b>R4.4</b> Building capacity and utilization should be reviewed periodically in conjunction with enrollment projections to determine the appropriate number of school buildings needed to house the current and projected student populations.		X See <b>R4.4</b>		
<b>R4.5</b> The District should have a certified architect or engineer who is independent of the parties which provided the goods and services under the H.B. 264 project review and certify the accuracy of the calculations and savings reported by Honeywell. The				X



Recommendation	Implemented	Partially Implemented	Not Implemented	No Longer Applicable
cost savings report should also be certified by the treasurer and should be retained in the District files until it is requested by the OSFC. In addition, the Ohio Department of Education or the Ohio School Facilities Commission should review the District's H.B. 264 expenditure records for compliance with the approved proposal and with any pertinent statutory regulations or guidelines. To the extent that inappropriate expenditures are identified, those costs should be transferred to the District's general fund.				
<b>R4.6</b> Before the District decides to reinstate any of the reduced custodian/cleaner positions it should develop a methodology to allocate custodian/cleaners to buildings using quantitative data, such as square footage, to determine the most efficient staffing level. Factors that should be taken into consideration when establishing an allocation methodology include the square footage to be cleaned and maintained, the number of students, the number and age of the buildings, the number of classrooms, the number of bathrooms, the number of special facilities, the type of floor covering, the frequency of community and extracurricular programs held in the buildings and the desired level of cleanliness.			X See R4.1	
<b>R4.7</b> During the next round of union contract negotiations, the district should try to increase the length of the work week from 37.5 hours to 40 hours, in an effort to reduce overtime expenditures and increase efficiency. The district should also consider negotiating the removal of any language referring to work hours and starting and ending times (Custodial Services section).	X			
<b>R4.8</b> The District should start monitoring its overtime usage and the reasons for its use (Custodial Services section).		X See R4.1		
<b>R4.9</b> During the next round of contract negotiations, the District should try to revise the substitute provision to allow for the use of a substitute pool (Custodial Services section).	X			
<b>R4.10</b> The District may not need to reinstate any of the custodial/maintenance positions after its financial situation improves.				X See R4.1
<b>R4.11</b> When replacing old mowers and tractors, the District should consider replacing the equipment with machines made by John Deere in order to take advantage of the trade-in program for its lawn equipment needs.				X
<b>R4.12</b> After a work order is written, it should be		X		

Recommendation	Implemented	Partially Implemented	Not Implemented	No Longer Applicable
submitted to the director of business affairs. The director of business affairs should review and prioritize each request. After the work orders have been prioritized, they should be logged into a database and then sent out to the appropriate custodial/maintenance employee. The District should continue to have the tradesmen record the completion date, amount of time and materials used to do the job on the work order form before resubmitting it to the director of business affairs. The completed forms should be reviewed and the data base should be updated.		See R4.5		
<b>R4.13</b> The District should make an effort to better utilize the completion time and material use information recorded on each work order form. This information should be compiled on an on-going basis and entered into a data base to enable to the District to keep track of the costs associated with each work order and how much is being spent on supplies, materials, and labor.		X See R4.5		
<b>R4.14</b> Management should require the tradesmen to keep daily logs documenting how their work days are spent in 30 minute increments. The logs should be turned in weekly and reviewed by management in an effort to monitor productivity.				X
<b>R4.15</b> A planned preventive maintenance program should be developed and implemented to help maintain the District's facilities.			X See R4.4	
<b>R4.16</b> During the next round of contract negotiations, the District should try to revise the substitute provision to allow for the use of a substitute pool (Maintenance Operations Section).	X			
<b>R4.17</b> During the next round of union contract negotiations, the District should try to increase the length of the work week from 37.5 hours to 40 hours in an effort to reduce overtime expenditures and increase efficiency. The District should also consider negotiating the removal of any language referring to work hours and starting and ending times (Maintenance Operations Section).		X		
<b>R4.18</b> The District should start monitoring its overtime usage and the reasons for its use (Maintenance Operations Section).		X See R4.1		
<b>R4.19</b> BCSD should renegotiate the union contract and discontinue weekend building checks. The District should rely upon the technology it purchased to monitor buildings.	X			

Source: 2000 Performance Audit

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# Transportation

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## Background

This section of the performance audit focuses on Brooklyn City School District's (Brooklyn CSD or the District) transportation operations. Transportation Department (Department) operations were evaluated against leading or recommended practices, operational standards, and selected peer school districts.<sup>1</sup> Sources of leading or recommended practices and operational standards include the American Association of School Administrators and the National Association of State Directors of Pupil Transportation Services. In addition, **Appendix 5-A** summarizes the implementation status of the recommendations in the previous performance audit of Brooklyn CSD, released in 2000.

Ohio Revised Code (ORC) § 3327.01 requires that, at a minimum, school districts provide transportation to and from school to all students in grades kindergarten through eight who live more than two miles from their assigned school building. Districts are also required to provide transportation to community and non-public school students on the same basis as is provided their own students. In addition, school districts must provide transportation to disabled students who are unable to walk to school regardless of the distance. Finally, when required by an individualized education program (IEP), school districts must provide specialized door-to-door transportation to special needs students based on the unique needs of the child.

For fiscal year (FY) 2008-09, the Board of Education (BOE or the Board) adopted a policy to reduce transportation services to the two-mile State minimum level as a means of reducing overall transportation expenditures. The decision was made based on an anticipated savings of approximately \$60,000. The District is 4.2 square miles in size and no regular students reside beyond the two-mile limit. Therefore, the policy change eliminated all regular busing. Transportation operations are now primarily focused on transportation services for special needs students. Students enrolled in vocational and alternative education programs also receive transportation services on District-owned vehicles in accordance with ORC § 3327.01. The District also provides non-routine bus services for athletic events and field trips in accordance with Ohio Administrative Code (OAC) 3301-83-16.

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<sup>1</sup> See the **executive summary** for a list of the peer districts and an explanation on selection of the methodology.

### *Operations*

A part-time Transportation Supervisor oversees day-to-day Transportation Department operations. The Transportation Supervisor reports to the Superintendent on personnel matters and to the Treasurer on business/operations matters. In addition to the Transportation Supervisor, the Department comprises four bus drivers and one aide. This reflects a reduction from FY 2007-08 staffing levels of one driver and one aide. The District filled one vacant aide (monitor) position for the current year. In FY 2007-08, the Department employed one part-time mechanic. Since then, the mechanic left the position and was not replaced. The District now contracts for a part-time mechanic to perform vehicle maintenance services.

The Transportation Supervisor is charged with supervising the bus drivers and aides, developing bus routes and schedules, and maintaining appropriate documentation and records necessary for submitting completed Transportation Forms (T-forms) to the Ohio Department of Education (ODE). Actual submission of transportation data is a coordinated effort involving the Transportation Supervisor, Treasurer and Treasurer's Office administrative personnel. The Transportation Supervisor oversees non-routine bus services, serves as a substitute bus driver as needed and maintains all records relative to garage operations. The Transportation Supervisor also oversees inventory of garage supplies and vehicle inspection records, and ensures underground fuel storage tanks are properly secured.

A fleet inventory provided by the District for FY 2008-09 lists the following Board-owned vehicles:

- One (1) 71-passenger conventional bus (# 1)
- Three (3) 72-passenger conventional buses (#'s 5, 11 and 12)
- One (1) 77-passenger conventional bus (# 2);
- One (1) 27-passenger handicap bus (#8);
- One (1) 23-passenger handicap bus (#6);
- One (1) 12-passenger van, and
- One (1) 8-passenger van.

One additional 17-passenger bus is out of service. In addition, the District owns three trucks and one trailer used by custodial and maintenance personnel (non-student transportation).

**Table 5-1** compares Brooklyn CSD’s operating and expenditure data for FY 2006-07 and FY 2007-08 to the peer average for FY 2006-07.

**Table 5-1: Transportation Statistics**

	Brooklyn CSD FY 2006-07	Brooklyn CSD FY 2007-08	Peer Average FY 2006-07
<b>Yellow Bus Riders per Active Bus</b>	59.4	48.0	88.2
<b>Total Expenditures</b>			
• Per Yellow Bus Rider	\$1,068	\$1,013	\$496
• Per Active Bus	\$51,277	\$51,079	\$38,725
• Per Routine Mile	\$8.90	\$6.72	\$3.85

**Source:** District and peer T-reports

**Note:** Based on the District’s significant change in operations after FY 2007-08, the performance audit did not verify bus and mileage reported in the T-2 reports for FY 2006-07 and FY 2007-08.

As noted in **Table 5-1**, Brooklyn CSD transported significantly fewer riders per active bus in both years, when compared to the peer average. As a result, the District’s expenditures per rider more than double the peer average. Similarly, **Table 5-1** shows that Brooklyn CSD’s expenditures per active bus and per routine mile were significantly higher in both years when compared to the peer average. Along with transporting fewer riders per bus, the higher average salary for bus drivers (see **human resources** section), and high maintenance and repair costs (see **R5.6**) also contribute to the higher cost ratios in **Table 5-1**.

The reduction in service levels for FY 2008-09, coupled with reduced expenditures for cab services (see **R5.1** for more information), should reduce overall transportation expenditures for the District. However, by developing and using a strategic plan (see **financial systems** section), Brooklyn CSD would better ensure that it makes the “best” decisions regarding service levels and overall operations. For example, **Table 5-1** suggests that the District may have been able to reduce costs by maintaining service levels and improving routing efficiency to transport students with a smaller active fleet. Using a strategic planning process could have helped the District compare the potential cost savings by improving efficiency to potential cost savings by reducing service levels.

## Audit Objectives for the Transportation Section

The following questions were used to evaluate the transportation operations at Brooklyn CSD:

- How do the District’s transportation policies and procedures compare to leading or recommended practices and how do they impact service levels and operations?
- How can the District improve the accuracy and reliability of its transportation data?
- Is the District maximizing resources for specialized transportation service in the most effective and efficient manner?

- How can the District improve its operating efficiency?
- How does the District ensure it gets the best value when purchasing transportation related items (i.e. fuel)?
- Is the District effectively and efficiently maintaining and managing its fleet?

## **Assessments Not Yielding Recommendations**

The following areas assessed during the performance audit were found to be satisfactory and yielded no recommendations:

- Actual bus service levels were assessed and found to be in line with Board policy and State regulations.
- District procedures for recording and charging for non-routine use of buses were assessed and determined to be in line with OAC guidelines.

## **Issues for Further Study**

Auditing standards require the disclosure of significant issues identified during an audit that AOS did not review in depth. These issues may not be directly related to the audit objectives or may be issues that the auditors do not have time or resources to pursue. AOS has identified fuel purchasing as an issue for further study. Specifically, Brooklyn CSD purchases gasoline in bulk through the Ohio Schools Council (OSC), which is stored at the District's garage in an underground storage tank. This tank is used to fuel the District's small bus, van, lawn mowers and custodial trucks. Other District buses that use diesel are fueled at the local area station. While the lack of a storage tank impacts the District's ability to purchase diesel fuel in bulk, Brooklyn CSD should ensure that staff checks diesel fuel prices at multiple stations prior to purchasing diesel fuel.



## **Recommendations**

**R5.1** Brooklyn CSD should reconfigure its fleet and related staffing to align with changes in the transportation policy and improve bus utilization rates. For example, the District should consider retiring at least one of its most costly to maintain conventional buses, based on factors including the recent purchase of a van, the repair of a handicap-equipped bus, and the timing of runs in FY 2008-09. The District should also review the 17-passenger bus that is currently out of service and determine whether it should be reinstated to replace a conventional bus or retired. Furthermore, Brooklyn CSD should consider implementing an automated gate system to replace the manual gate system between Brookridge and Roadon schools.

**Taking the abovementioned strategies and other similar measures will help the District improve bus utilization and overall efficiency, and lower transportation expenditures over the long-run. Alternatively, the District could explore the option of contracting all of its student transportation services. The District should explore such options based on the results of a cost-benefit analysis.**

Prior to the start of FY 2008-09, Brooklyn CSD reduced bus services to the State minimum levels in order to reduce overall expenditures. However, the District did not make changes to its fleet following the change to its transportation policy. **Table 5-2** reflects the number of runs per bus and students per run according to route sheets provided by the Transportation Supervisor. Based on the recent change in services, the performance audit could not verify the run and rider information in **Table 5-2**.

**Table 5-2: FY 2008-09 Brooklyn CSD Bus Utilization**

Vehicle	Run 1	Run 2	Run 3	Run 4	Percentage Utilization per Run <sup>2</sup>
Van	Out: 7:00am Back: 9:15am Students: 2	Out: 10:10am Back: 11:40am Students: 1	Out: 12:00 pm Back: 1:05pm Students: 1	Out: 1:45pm Back: 3:30pm Students: 3	n/a
Bus #1 <sup>1</sup>	Out: 10:05am Back: 11:25am Students: 14	n/a	n/a	n/a	20%
Bus #2 <sup>1</sup>	Out: 7:09am Back: 8:30pm Students: 55	Out: 1:50pm Back: 3:50pm Students: 22	n/a	n/a	71% 29%
Bus #5	Out: 7:25am Back: 9:30 am Students: 5	Out: 1:55pm Back: 3:30pm Students: 3	n/a	n/a	7% 4%
Bus #8	Out: 8:40am Back: 9:15am Students: 4	Out: 11:30 am Back: 12:30pm Students: 5	Out: 1:50 pm Back: 3:50pm Students: 9	n/a	15% 19% 33%
Bus #12	Out: 7:22am Back: 9:15am Students: 7	Out: 1:40pm Back: 3:40pm Students: 3	n/a	n/a	10% 4%

Source: Brooklyn CSD route sheets, T-forms

Note: Table 5-2 excludes the purchase of a new 12-passenger van and the repair of one Board-owned handicap-equipped bus, as well as the 9 students transported by the local cab service companies in FY 2007-08. By using the new van and repaired handicapped bus, local cab service companies are now used to transport only two students.

<sup>1</sup> Polaris Career Center

<sup>2</sup> Figures are rounded

As shown in **Table 5-2**, the District has 14 runs (excluding noon runs for mail and food cart delivery), with the highest utilization rate for a run at 71 percent. According to *Hidden Savings in Your Bus Budget* (American Association of School Administrators (AASA), 2005), “actual capacity use must be measured with 80 percent of rated capacity as a goal.” **Table 5-2** indicates that the District operates well below 80 percent. In fact, nine of the 14 runs transport five or fewer students.

**Table 5-2** also shows that Bus # 2, 5, 8 and 12 are back from their first run before Bus #1 starts its first run. Consequently, one of the other buses could complete that run, thereby allowing the District to eliminate a bus from its active fleet. In addition, the District’s fleet includes a 17-passenger bus that is currently out of service. Furthermore, during the course of the audit, the District purchased one additional 12-passenger van and repaired one 23-passenger handicap-equipped bus to help reduce the use of local cab companies. In FY 2007-08, Brooklyn CSD used local cab service companies to provide transportation services for nine ambulatory students enrolled in schools outside the District, resulting in costs of approximately \$59,800. The District now transports only two students by cab. Based on the timing of runs in **Table 5-2**, one bus being out of

service, the purchase of a 12 passenger van, and the repair of a 23-passenger handicap-equipped bus, the District could potentially reduce the size of its fleet by two buses. A recommendation to explore options for improving bus capacity utilization was also made during the 2000 Performance Audit (see **Appendix 5-A**).

Lastly, roadway access impacts the District's overall routing system. Specifically, Brooklyn CSD maintains two gates on the roadway that connects Brookridge and Rodoan schools. These gates were removed years ago, but added again due to safety concerns related to the public using this roadway as a thoroughfare on an increasingly regular basis. The time it takes to stop and open each gate, or instead take the long way around through several traffic lights to get from one building to the other have had to be considered in developing routes. This could be alleviated by implementing an automated gate system.

*Financial Implication:* While the District is expected to further reduce costs in the long-run via the aforementioned strategies, potential savings cannot be readily quantified due to the lack of reliable data for FY 2008-09.

**R5.2 Brooklyn CSD should develop written procedures detailing the process used to track and maintain records needed to complete T-Form reports. This will better ensure accurate and complete reporting, particularly in the event of the Transportation Supervisor's absence or staff turnover.**

The District does not maintain formal procedures that outline the steps to ensure accurate and appropriate T-form completion. The T-forms for FY 2007-08 accurately reported the number of pupils and miles per day according to ODE instructions. However, contrary to ODE instructions, the T-1 form did not include a count of other Board-owned vehicles used to transport students on a daily basis (vans). The absence of written procedures for completing the forms increases the risk of inaccurate and incomplete data.

**R5.3 The District should develop policies designed to ensure the efficient transportation of special needs students. In addition, the District should involve Transportation personnel in pertinent meetings when transportation needs are included in the IEP.**

According to the Transportation Supervisor, the District does not have specific policies that are designed to help ensure the efficient transportation of special needs students. Moreover, the Transportation Supervisor is not consulted by the Director of Pupil Services or involved in IEP meetings when transportation services are part of an IEP. However, OAC 3301-51-10 (C)(2) states that school district transportation personnel shall be consulted in the preparation of the IEP when transportation is required as a related service and when the child's needs are such that information to ensure the safe

transportation and well-being of the child is necessary to provide such transportation. Further, all specialized transportation service must be outlined in student IEPs.

By developing policies designed to ensure efficient transportation of special needs students and by including all parties involved in making decisions related to the delivery of services as stipulated in the IEP, the District would help ensure compliance with OAC guidelines and help meet the needs of students in the most effective and efficient manner possible. Including transportation personnel in the IEP process was also recommended in the 2000 Performance Audit (see **Appendix 5-A**).

**R5.4 The District should continue its recent practice of filing claims to receive fuel tax refunds from the Ohio Department of Taxation on its fuel purchases. By doing so, the District can realize a cost savings.**

The District does not take advantage of fuel tax refunds available through the Ohio Department of Taxation. The District purchases gasoline in bulk through the Ohio Schools Council (OSC) Cooperative Purchasing Program, but has not filed to receive a credit on the fuel tax paid. In addition, Brooklyn CSD purchases diesel fuel from the local BP Oil station and it has not been filing to receive all available tax credit refunds.

During the course of the performance audit, the Treasurer's Office personnel filed the application and the District obtained a claim permit number which allows them to file tax credit claims on an ongoing basis. The District was able to file retroactive claims for fuel tax paid over the past twelve months. The District has filed to recoup fuel taxes in the amount of \$392.77 for taxes paid over the past 12 months.

Amended Substitute House Bill 87 provided for an increase in motor fuel tax of 26 cents per gallon effective July 1, 2004. The bill also provided for a refund of only the new tax to public schools. All fuels subject to the tax qualify for the refund. Districts are required to submit an application for a permit number to the Ohio Department of Taxation in order to file ongoing claims for refunds of fuel taxes paid.

**R5.5 Brooklyn CSD should establish and implement a formal vehicle replacement plan to ensure that it is properly planning and budgeting for vehicle procurement in future years. The plan should include criteria for vehicle replacement, such as maintenance costs (see R5.6), estimated costs at the time of replacement, safety inspection results, age, mileage, and condition of the vehicles. The District should base all vehicle replacements upon economic modeling that allows for replacement at the most advantageous point in the vehicle's life cycle. By developing a replacement plan, the District will be better able to plan for future expenditures and ensure a cost-effective fleet.**

The District does not have a formal bus replacement plan. The average age of the fleet is approximately 11 years old, with an average mileage of approximately 104,630. During the course of the audit, the District purchased a 12-passenger van and repaired a 23-passenger handicap-equipped bus in an effort to meet student transportation needs more efficiently.

Although the State Highway Patrol performs semi-annual bus inspections in June and December as required, there are no State guidelines for bus replacement beyond the requirement that the bus must be able to pass the annual Highway Patrol Inspection. As long as the bus can pass the inspection, a district may continue to use the bus for transportation, regardless of age or mileage. The National Association of State Directors of Pupil Transportation Services (NASDPTS) suggests replacement of that Type C (conventional buses) and D buses after 12-15 years, and Type A and B buses (lighter duty buses) after 8-12 years. The NASDPTS also notes that the State of South Carolina replaces buses after 250,000 miles and/ or 15 years of service.

According to *A District's Guidebook to School Bus Purchasing in Ohio* (ODE, 2006), buses previously funded through ODE must return 100 percent of any proceeds obtained through the sale of those buses to the State (per OAC 3301-85-01) or make the bus available to another district for use. If the oldest conventional buses were previously funded, the District would not realize any revenue from the sale. However, it would avoid future costs by not having to maintain insurance on those vehicles or pay ongoing maintenance and repair costs.

By not developing a multi-year vehicle replacement plan, the District can have difficulty identifying the most advantageous time to replace its vehicles. This can become increasingly difficult as the District changes the composition of its fleet (see **R5.1**). A recommendation to implement a replacement plan was also made in the 2000 Performance Audit (see **Appendix 5-A**).

**R5.6 The District should develop a formal preventive maintenance plan for its vehicles. The plan should include the tracking of maintenance and repair data and associated costs on a per bus basis, which would help the District evaluate replacement decisions (see R5.5). Developing and using a formal plan would better ensure all buses receive the periodic maintenance needed to extend their useful life and avoid costly repairs.**

The District does not perform preventive maintenance on its fleet. The District incurred maintenance and repair costs per active bus of \$7,588 in FY 2005-06, \$8,308 in FY 2006-07, and \$8,082 in FY 2007-08. These ratios are significantly higher than the peer average of \$4,957 per active bus in FY 2006-07. Likewise, the District's maintenance and repair costs per routine mile of \$1.15 in FY 2005-06, \$1.44 in FY 2006-07, and \$1.06 in FY

2006-08 more than double the peer average of \$0.50 in FY 2006-07<sup>2</sup>. In FY 2007-08, the District employed one part-time mechanic who was responsible for keeping buses operable. According to the Transportation Supervisor, lack of time and resources limited the ability to perform preventive maintenance tasks. For FY 2008-09, the District has contracted another mechanic to provide maintenance and repair work.

According to *Metrobus Revenue Vehicle Fleet Management Plan* (Washington D.C. Metropolitan Transit Authority, April 2007), a scheduled maintenance program is designed to sustain bus reliability by detecting potential defects and allowing them to be corrected before they fail. It also permits services of equipment requiring lubrication, measurement and adjustment. The preventive maintenance program is a form of progressive inspection and servicing, and includes the following four basic levels of maintenance:

- Warranty maintenance;
- Shop maintenance;
- Garage maintenance, and
- Retrofit maintenance.

Although the age of the District's fleet can contribute to its relatively high maintenance and repair costs per active bus, the lack of completing preventative maintenance coupled with the absence of formal bus replacement plan (see **R5.5**) increases the potential for high maintenance and repair costs.

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<sup>2</sup> Based on the District's significant change in operations after FY 2007-08, the performance audit did not verify bus and mileage reported in the T-2 reports for FY 2006-07 and FY 2007-08.

## Appendix 5-A: 2000 Performance Audit Recommendations and Implementation Status

**Table 5-A** summarizes the 2000 Performance Audit recommendations and status of each recommendation: implemented, partially implemented, not implemented, or no longer applicable. Of the 14 recommendations issued in the Transportation Section of the 2000 Performance Audit, Brooklyn CSD fully implemented 3; partially implemented 1; did not implement 5; and 5 are no longer applicable. The 2008 Performance Audit addresses the recommendations in the 2000 Performance Audit that were partially implemented or not implemented if the related issues fell within the current audit scope.

**Table 5-A: 2000 Performance Audit Recommendations**

Recommendation	Implemented	Partially Implemented	Not Implemented	No Longer Applicable
<b>R 5.1</b> Brooklyn CSD should provide for the transportation of students attending public schools and nonpublic schools using the same criteria and in a manner consistent with the requirements of state law and various determinations made by the Board of Education.	X			
<b>R5.2</b> Brooklyn CSD should consider purchasing and implementing transportation routing software which would allow it to run various scenarios to determine the impact of the current transportation policy on the District's transportation costs. A combination of "what if" scenarios should be run ranging from moving the District to state minimum standards, maintaining the current policy and changing school opening and closing times to determine their effect on transportation requirements.				X
<b>R5.3</b> The District should submit corrected FY 1998-99 T- Forms to the ODE. In addition, the District should develop procedures to ensure that accurate reports are prepared. Included in the preparation of these reports should be representatives from the transportation department, treasurer's office and superintendent's office whose signatures on these forms certify the accuracy of the data reported. In addition, there should be a review process by a person that is independent of the data gathering process to ensure the policy was followed and			X (R5.2)  (Unknown whether District resubmitted corrected FY 1998-99 forms)	

Recommendation	Implemented	Partially Implemented	Not Implemented	No Longer Applicable
accurate amounts are reported to the Ohio Department of Education. BCSD should contact ODE to receive the necessary assistance and training in meeting these objectives. Form.				
<b>R5.4</b> The District should thoroughly examine the possibility of implementing any options and tools that could incrementally increase bus capacity levels for regular education students transported on District-owned yellow buses. Additional efficiencies may not be possible using the current manual process. If BCSD utilized transportation routing software, the District could decrease transportation costs through more efficient route design and bus capacity utilization.				X
<b>R 5.5</b> The District should examine its bus capacity utilization to determine maximum transportation efficiency.		X (R5.1)		
<b>R5.6</b> BCSD should explore more cost effective methods of delivering its special needs transportation services.			X (R5.1 and R5.3)	
<b>R5.7</b> Transportation personnel should be included in the IEP process for students who require special transportation services.			X (R5.3)	
<b>R5.8</b> BCSD should take steps to better control overtime payments to transportation personnel. One option would be to negotiate contract language that would allow overtime payment only when employees' weekly hours exceed 37.5.			X	
<b>R5.9</b> BCSD should consider implementing an attendance incentive program.				X
<b>R5.10</b> BCSD should limit the number of runs to be bid upon in an effort to restrict the domino effect and keep bus drivers on their assigned routes.	X			
<b>R5.11</b> The District should prepare a formal bus replacement plan. Included in this plan should be the number of buses to be replaced each fiscal year along with the average age at the time of replacement and the estimated cost of replacement. Further, the District should investigate and analyze the various potential funding methods for the bus purchases. The funding method(s) selected should be included in the bus replacement plan.			X (R5.5)	
<b>R5.12</b> BCSD should consider hiring a substitute mechanic to work overtime hours that were				X



Recommendation	Implemented	Partially Implemented	Not Implemented	No Longer Applicable
worked by the mechanic in FY 1998-99.				
<p><b>R5.13</b> The District should file an IRS Form 843 to request a refund on the federal excise taxes of \$0.244 per gallon on 26,554 gallons of fuel that were purchased in FY 1997-98. In addition, the District should take advantage of utilizing BP Oil to deduct the federal fuel tax from the retail price of fuel, from which it is exempt.</p>	<p>X</p> <p>(Unknown whether District requested refund in FY 1997-98)</p>			
<p><b>R5.14</b> The District should consider the use of technology to better manage its resources and increase the efficiency and effectiveness of its transportation department as follows:</p> <ul style="list-style-type: none"> <li>• The District should consider using transportation routing software.</li> <li>• Another software consideration is boundary planning/enrollment analysis.</li> <li>• The District should consider the purchase of fleet maintenance software that would allow the District to more efficiently and effectively manage its bus fleet.</li> </ul>				<p>X</p>

Source: 2000 Performance Audit

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## **District Response**

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

With respect to **R2.1**, the “goal statements” provided by the District during the performance audit do not contain a mission statement. In addition, as mentioned in the report, the four goals in FY 2007-08 were the same as for FY 2008-09 and two of the four goals were not expressed in measurable terms. Regarding **R2.4**, Brooklyn CSD did not provide documentation showing that salaries are projected by tracking step increases per employee for each year of the forecast period or showing that health insurance is analyzed and projected separately from the other benefit expenditures.

Prior to finalizing the assessment contained in **R3.2**, AOS staff met with the District to confirm the number of administrative positions. **R3.2** is based on the confirmed number of 10 administrative FTEs. If the District’s actions result in now employing 9.0 administrative FTEs, it has implemented **R3.2**. Lastly, with respect to **R3.8** (actually **R3.7**), the District did not provide evidence or documentation to support the assertion that lowering the cap for payouts at retirement would increase absenteeism and substitution costs for the certificated employees.

# Brooklyn Board of Education

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May 6, 2009

Mary Taylor, Auditor of State  
Lausche Building  
615 Superior Avenue, NW  
Twelfth Floor  
Cleveland, OH 442113

Dear Auditor Taylor,

The Brooklyn City School District Board of Education received information regarding the performance audit during a post audit conference on Monday, April 27, 2009. The purpose of the conference was to summarize the performance audit process, discuss major findings, noteworthy accomplishments, and recommendations listed in the report. We have carefully reviewed the information and have prepared responses to the recommendations below. Although the Brooklyn City School District had not been identified, as specifically in fiscal watch or warning, the process to evaluate all of our systems has been beneficial to the administrative team. As a whole, the process went smoothly and the information was provided in an expedient fashion. Our administrative team appreciates that many of the items that were recommended have already been implemented or are in the process of implementation. Attached to this letter are the District's official responses.

Sincerely,



Cynthia J. Walker  
Superintendent  
Brooklyn City School District  
9200 Biddulph Road  
Brooklyn, OH 44144

In response to recommendation 2.1, the Brooklyn CSD does have a mission statement, goals, and measurable objectives in the goals statements, which are developed by the administrative team each year. In addition, we are currently involved in the formal Ohio Improvement Process as the first step in a formalized strategic plan in the 2009-2010 school year. As the facilitator, I am aware of the key elements, responsibilities, and timeframes. Unfortunately, in this rapidly changing economy that promises only uncertainty, districts like Brooklyn have gone into survival mode. Passing levies, fighting to stop the eroding tax base and the inability to secure delinquent taxes have hampered long-term educational goals. Although, the Governor's Evidence Base Model for funding schools at first blush resembles an increase in funding for Brooklyn, further analysis would indicate that the funding would only supplant monies that have been lost to the District as a result of H.B.66 and S.B3. The District will begin this process with the passage of the next two renewal levies.

In response to R2.2, the Treasurer and Superintendent have already met with NEOLA in March 2009 regarding financial policies, which would reflect current practice:

- Contingency planning;
- Budget stabilization funds;
- Debt issuance and management;
- Debt level and capacity;
- Use of one-time revenue;
- Use of unpredictable revenues;
- Balancing the operating budget; and
- Revenue diversification

Note: • Fees and charges; Policy already implemented

In response to R2.3, the Board, Superintendent, Administration and Treasurer will work together to develop a formal budget document. The framework will consist of the following elements:

- Description of key policies, plans and goals;
- Identification of key issues;
- A financial overview of the short and long-term financial plan;
- A guide to operations;
- Explanation of the budgetary basis of accounting; and
- A budget summary.

In response to R2.4, the Treasurer has already made the correction to the five-year forecast to accurately account for changes in real estate reappraisals and abatements. The Treasurer's Office maintains an employee census that is used to accurately forecast all expenditures as they pertain to personnel. Also, the Treasurer tracks healthcare cost on a separate spreadsheet. In the case of benefits the supporting data and trend analysis

indicate that benefits run between 31% and 33% of salaries. The Treasurer uses the 33% benchmark for benefit, which is always hedging on the conservative side, based on the fact healthcare costs do not increase until midyear (February). Note: The projected increase is placed into the calculations for appropriations purpose for the entire fiscal year.

In response to R2.5, the Treasurer has updated the five-year forecast to reflect the passage of the \$2,254,000 emergency levy (Board Res. # 09-12-139). The Treasurer will also be updating the forecast to reflect program and personnel reinstatements for fiscal year 2009 in May 2009.

In response to 3.1, the District tracks enrollment of new students, kindergarten registration and grade level census. In addition, the staff completes employment surveys to create the database of available certificated staff. The administrative team meets monthly to regularly project staffing needs. Spreadsheets are maintained and consulted for postings due to resignations, retirements, and reductions. Unfortunately, with shrinking operating revenue, decisions regarding staffing are made out of necessity to preserve instruction by reducing expenditures in other areas. Workloads have been shifted to management by reducing administrators.

In response to 3.2, the District has eliminated the Curriculum Director's position, shifting the workload to the building Administrators. Also the Athletic Director's workload has been shifted to the Assistant Principal located at the High School and Middle School. The reduction has eliminated one Administrative FTE. To eliminate another administrative FTE the District will be considering the consolidation of the two elementary building, resulting in a Pre-K through 5 building.

In response to 3.3, the District has shifted the responsibility of the EMIS reporting to the Instructional Software Support Technician (ISST). The expectation is for the ISST person and the Assistant Treasurer and Treasurer to review the data prior to the Superintendent and Treasurer signing off on the data. A new employee with an educational license was hired for the 09-10 school year and provided county and state training to begin the position as well as ongoing supports from the A- Site. This ISST employee reports directly to the Superintendent.

In response 3.4, the District has contained salary expenditures while still maintaining a high degree of competitiveness and fiscal responsibility. The introduction of Appendix B for the classified staff has been more inline with neighboring school districts. The District has viewed a step increase of 1% to be reasonable and predictable, eliminating the possibility for aggressive negotiations for staff members who have exhausted steps. Through negotiations in the spring of 2009, the District was successful in negotiating a wage freeze for the first year of the contracts for both the classified and certified staffs.

In response to R3.5, new employees to the District pay 15% and existing employees and the administration pay 5%. The District will attempt to increase the portion that the employees pay.

In response to 3.6, the District has met with other healthcare providers to explore more cost effective healthcare plan, such a PPO. The district has been able to maintain a 5% premium increase annually by negotiating with the current healthcare provider and by introducing a district-wide wellness program.

In response to 3.8, although there is no cap to accumulation of sick leave for the classified employees, payouts are limited to 32% or 50% for those employees who retire in their first year of becoming eligible. Incentives for attendance save the district in substitution cost and overtime. Lowering the cap would have the reverse affect by increasing absenteeism and increasing substitution costs for the certified employees. The district will review vacation accruals and holiday benefits for the classified employees. The district has adopted a new drug policy through the services of NEOLA.

In response to 3.9, incentives offered to employees who become eligible to retire directly corresponds with the ability of the district to hire new employees at a substantially lower cost making the incentive financially feasible by the second year. The District sees a financial gain in the third year post-retirement.

In response to 4.1, the Administration is monitoring regular time, extra time and overtime hours as an internal control for payroll processing. Extra hours and overtime hours are pre-approved and scheduled hours vs. actual are approved by the Superintendent. Overtime in most cases are somewhat predictable, i.e. (athletic events, snow removal and weekend activities) and in some cases these hours are reimbursed by the renter of the school facilities. Taking this approach to analyzing extra time or overtime should yield the conclusion that additional staffing will diminish the amount of hours each individual will receive and not diminish the amount of extra time or overtime that is required to meet the needs of the District. The Administration is in the process of evaluating staffing needs based on the information that has been supplied in the Performance Audit and funding that is available.

In response to 4.2, the Administration will develop and implement a manual for cleaning procedures. The Administration will try to have a manual in place by the start of the 2009/2010 school year.

In response to 4.3, the Administration will develop a staff development program as quickly as possible, by utilizing independent sources such as; the County Board of Health, Industry Experts and relevant publications and journals.

In response to 4.4, the Administration is in the process of analyzing building capacity and utilization. As noted in Table 4-5 overall district utilization is at 71%, but a greater concern is Brookridge, being underutilized at 60%. The Administration is reviewing the



closing of Roodan and moving the students to Brookridge. To ensure that Brookridge would not be over- utilized above capacity, the fifth graders may be moved to the high school/ middle school complex. The goal is to review what is educationally appropriate and fiscally responsible as a short-term solution (next 1-2 years) to safeguard against the affects of an ever-shrinking school funding plan. The Superintendent has announced that a long-term solution (next 3-5 years) to meet the educational mandates and erosion of school funding is a "A Shared Joint Schools Facility" that will house pre-k through grade 12, while also serving and meeting the Community's need for education, recreation, and healthcare.

In response to 4.5, the District will revisit implementing a CMMS. The Custodial/Maintenance Staff are presently capable to determine building needs and prioritize work. The Building Principals are responsible for monitoring all work-requests. The Treasurer is contacted when Custodian/Maintenance staff needs assistance in diagnosing a problem or when parts need to be purchased. The Administration weighs the concern for time on task vs. time on paperwork.

As a response to 5.1, the District has gone to the two miles state minimum for busing, which has excluded nearly all of the 1500 Brooklyn students. The District is current busing to Polaris Career Center, extra curricular programs and special needs students. The District fleet must be "retooled" to meet the current busing needs. The District has added a van to the fleet and intends to use stimulus dollars to support the special needs busing. At this present time the conventional buses are serving the district's short term needs, but will not meet the district's future busing requirements.

In response to 5.2, the District will develop a plan related to the transportation forms necessary for state filing.

In response to 5.3, the Director of Pupil Services has been working very closely with the transportation department to insure that each transportation employee has a full understanding of each rider's needs and health concerns. The Director is also working with the transportation supervisor regarding IEPs. They will not be included in the student's IEP meeting. In-services have provided and information is shared throughout the school year.

In response to R5.5, the district is in the process of replacing vehicles; see R5-1.

In response to R5.6, the District out-sources bus repairs. In addition to mechanical repairs, the mechanic services the buses by: oil changes, greasing, brake replacement, set cushion replacement and tune-ups as a preventive maintenance task. The district will work with the transportation supervisor to improve record keeping.



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