



Dave Yost • Auditor of State

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Dave Yost • Auditor of State

To the residents, elected officials, management, and stakeholders of the West Branch Local School District,

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

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

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

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

Sincerely,

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

Dave Yost
Auditor of State
August 17, 2017

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Executive Summary

Purpose and Scope of the Audit

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

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

Performance Audit Overview

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

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

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

Audit Methodology

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

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

- Statutes; and
- Policies and procedures.

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

Table 1: Peer Group Definitions

Primary Peers
<ul style="list-style-type: none"> • Field Local School District (Portage County) • Geneva Area City School District (Ashtabula County) • Indian Creek Local School District (Jefferson County) • Jefferson Area Local School District (Ashtabula County) • Lakeview Local School District (Trumbull County) • St. Clairsville-Richland City School District (Belmont County)
Local Peers (Compensation, Benefits, and Bargaining Agreements)
<ul style="list-style-type: none"> • Marlinton Local School District (Stark County) • Minerva Local School District (Stark County) • Sebring Local School District (Mahoning County) • United Local School District (Columbiana County) • Western Reserve Local School District (Mahoning County)
Transportation Peers
<ul style="list-style-type: none"> • Clinton-Massie Local School District (Clinton County) • Indian Valley Local School District (Tuscarawas County) • Jonathan Alder Local School District (Madison County) • River Valley Local School District (Marion County) • Waverly City School District (Pike County)

Where reasonable and appropriate, peer districts were used for comparison. However, in some operational areas industry standards or leading practices were used for primary comparison. Sources of industry standards or leading practices used in this audit include: American Schools & Universities (AS&U), the Ohio Department of Administrative Services (DAS), the Government Finance Officers Association (GFOA), the National Association of State Directors of Pupil Transportation Services (NASDPTS), the National Center for Education Statistics (NCES) and ODE. District policies and procedures as well as pertinent laws and regulations contained in the Ohio Administrative Code (OAC) and the ORC were also assessed.

The performance audit involved information sharing with the District, including drafts of findings and recommendations related to the identified audit areas. Periodic status meetings throughout the engagement informed the District of key issues impacting selected areas, and

shared proposed recommendations to improve operations. The District provided verbal and written comments in response to various recommendations, which were taken into consideration during the reporting process.

AOS and OPT express their appreciation to the elected officials, management, and employees of the West Branch Local School District for their cooperation and assistance throughout this audit.

Summary of Recommendations

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

Table 2: Summary of Recommendations

Recommendations		Savings
R.1	Engage in long term strategic, capital improvement and financial planning	N/A
R.2	Consider reducing General Fund subsidy for extracurricular activities	\$44,500
R.3	Eliminate 4.5 FTE administrator positions	\$292,900
R.4	Eliminate 5.0 FTE general education teacher positions	\$229,700
R.5	Eliminate 3.5 FTE ESP teacher positions	\$211,100
R.6	Eliminate 2.0 FTE library positions	\$43,900
R.7	Eliminate 2.5 FTE counselor positions	\$171,900
R.8	Eliminate 2.0 FTE nursing positions	\$35,600
R.9	Eliminate 4.5 FTE psychologists and therapist positions	\$345,700
R.10	Eliminate 2.0 FTE career-technical teaching positions	\$140,300
R.11	Eliminate 20.5 FTE teaching aides positions	\$446,100
R.12	Eliminate 1.0 FTE technology staff positions	\$43,700
R.13	Renegotiate collective bargaining agreement provisions	N/A
R.14	Develop a formal preventive maintenance plan	N/A
R.15	Complete T-1 Forms as prescribed by ODE	N/A
R.16	Right-size the active bus fleet by eliminating six buses	\$189,900
R.17	Develop a bus replacement plan	N/A
Total Cost Savings from Performance Audit Recommendations		\$2,195,300

Table 3 shows the District's ending fund balances as projected in the May 2017 five-year forecast. Included are annual savings identified in this performance audit and the estimated impact that implementation of the recommendations will have on the ending fund balances.

Table 3: Financial Forecast with Performance Audit Recommendations

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Original Ending Fund Balance	\$2,053,267	(\$43,446)	(\$2,724,551)	(\$5,736,475)
Cumulative Balance of Performance Audit Recommendations	\$1,097,650	\$3,292,950	\$5,488,250	\$7,683,550
Revised Ending Fund Balance	\$3,150,917	\$3,249,504	\$2,763,699	\$1,947,075

Source: ODE and performance audit recommendations

Note: Although the District should seek to implement recommendations as soon as practicable there may be a reasonable delay in doing so. As a result, cost savings have been applied beginning midway through FY 2017-18.

As shown in **Table 3**, WBLSD could completely eliminate deficit conditions throughout the forecasted period by fully implementing the recommendations contained in this report.

It is possible that in pursuing the options necessary to balance the budget and achieve fiscal stability, the District could face the unintended consequence of reductions in future federal aid and/or the need to repay federal funds previously received, due to inability to meet federal maintenance of effort (MOE) requirements. Federal funding is designed to supplement local

operations within specific program areas such as Title I, Title II, and IDEA Part B. Because this funding is meant to be supplemental, MOE requirements are put into place to ensure that all schools maintain an acceptable level of local spending rather than shifting to an over-reliance on federal funding, also referred to as supplanting.

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

ODE is charged with monitoring school districts' compliance with MOE requirements and is also in a position of working with districts to facilitate seeking a waiver from the US Department of Education, where available within the grant guidelines, when certain conditions are evident.¹ Two such conditions specific to Title I include:

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

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

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

¹ IDEA Part B does not have a MOE waiver option.

Background

In October 2016, the District released its semi-annual five-year forecast which showed progressively declining year-end fund balances throughout the forecast period. This forecast served as the primary impetus of the performance audit. **Table 4** shows WBLSD's total revenues, total expenditures, results of operations, beginning and ending cash balances, and ending fund balance as projected in its October 2016 five-year forecast. This information is an important measure of the financial health of the District and serves as the basis for identification of fiscal distress conditions, possibly leading to formal designation by AOS and ODE.

Table 4: WBLSD Financial Condition Overview (October 2016)

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Total Revenue	\$19,424,742	\$19,445,055	\$19,473,453	\$19,562,948	\$19,897,050
Total Expenditure	\$20,095,395	\$21,470,592	\$22,234,447	\$23,107,078	\$23,980,086
Results of Operations	(\$670,653)	(\$2,025,537)	(\$2,760,994)	(\$3,544,130)	(\$4,083,036)
Beginning Cash Balance	\$4,164,910	\$3,494,257	\$1,468,720	(\$1,292,274)	(\$4,836,404)
Ending Cash Balance	\$3,494,257	\$1,468,720	(\$1,292,274)	(\$4,836,404)	(\$8,919,440)
Outstanding Encumbrances	\$132,912	\$132,912	\$132,912	\$132,912	\$132,912
Ending Fund Balance	\$3,361,345	\$1,335,808	(\$1,425,186)	(\$4,969,316)	(\$9,052,352)

Source: ODE

As shown in **Table 4**, the District's October 2016 five-year forecast projected ending fund balance deficits starting in fiscal year (FY) 2018-19 and extending through the remainder of the forecast period. This deficit condition is a direct result of stagnant revenue growth coupled with increasing expenditures. Left unaddressed, these conditions are projected to result in a cumulative deficit of over \$9.0 million by FY 2020-21.

The District submitted a revised forecast for May 2017 which showed lower than forecasted total expenditures than forecasted in October 2016. **Table 5** shows the financial condition overview based on the May 2017 forecast.

Table 5: WBLSD Financial Condition Overview (May 2017)

	FY 2016-17	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21
Total Revenue	\$19,763,317	\$19,597,444	\$19,636,591	\$19,741,181	\$20,094,281
Total Expenditure	\$20,190,316	\$21,149,174	\$21,733,303	\$22,422,286	\$23,106,205
Results of Operations	(\$426,999)	(\$1,551,730)	(\$2,096,712)	(\$2,681,105)	(\$3,011,924)
Beginning Cash Balance	\$4,164,910	\$3,737,909	\$2,186,178	\$89,466	(\$2,591,639)
Ending Cash Balance	\$3,737,911	\$2,186,179	\$89,466	(\$2,591,639)	(\$5,603,563)
Outstanding Encumbrances	\$132,912	\$132,912	\$132,912	\$132,912	\$132,912
Ending Fund Balance	\$3,604,999	\$2,053,267	(\$43,446)	(\$2,724,551)	(\$5,736,475)

Source: ODE

As shown in **Table 5**, the District's projected deficit for FY 2020-21 was reduced from approximately \$9.0 million, as shown on the October 2016 five-year forecast, to approximately \$5.7 million forecasted in May 2017. For FY 2016-17, revenue was \$338,000 higher than had been previously forecasted. This was due to increases in real estate tax collections, state funding for preschool special education and special education transportation, as well as increases in tangible personal property tax, open enrollment and special education excessive costs reimbursement. The District reduced expenditures through the following methods, which improved the financial condition:

- Eliminated 5.0 FTE positions through attrition;
- Revised capital outlay expenditures; and
- Revised health insurance costs.

Recommendations

R.1 Engage in long-term strategic, capital improvement and financial planning

The District does not have a formal, long-term strategic, capital improvement, or financial plan to link its annual budget to District-wide goals, objectives, and performance measures. While the Superintendent indicated interest in developing a strategic plan, the Superintendent and Treasurer are new to the District, both starting in FY 2016-17, and long-term planning has not occurred.

The Government Finance Officers Association (GFOA) provides guidance on effective planning for several areas. *Establishment of Strategic Plans* (GFOA, 2005) defines strategic planning as “a comprehensive and systematic management tool designed to help organizations assess the current environment, anticipate and respond appropriately to changes in the environment, envision the future, increase effectiveness, develop commitment to the organization’s mission, and achieve consensus on strategies and objectives for achieving that mission.” Key steps in the strategic planning process include:

- Initiating the strategic planning process;
- Preparing a mission statement;
- Assessing and identifying environmental factors and critical issues;
- Agreeing upon and developing strategies for a small number of broad goals;
- Creating an action plan, including measurable objectives and performance measures;
- Obtaining approval of the plan; and
- Implementing, monitoring, and reassessing the plan.

In addition to strategic planning, the GFOA also provides guidance on financial planning and capital planning. *Long-Term Financial Planning* (GFOA, 2008) specifies that long-term financial planning should encompass the following elements:

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

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

- Identify and prioritize expected needs based on the entity’s strategic plan;
- Establish project scopes and costs;

- Detail estimated amounts of funding from various sources; and
- Project future operating and maintenance costs.

The District should concurrently develop a strategic plan and long-term financial plan. As part of its strategic plan, the District should create a capital improvement plan for all capital assets. The absence of these plans puts the District at risk of not fully evaluating the relationship between its spending decisions and program or operational outcomes. This, in turn, increases the risk of inefficiently and/or ineffectively addressing needs.

R.2 Consider reducing General Fund subsidy for extracurricular activities

Historically, WBLSD has subsidized extracurricular activities from the General Fund. For example, in FY 2013-14 and FY 2014-15 extracurricular activities required a General Fund subsidy of \$349,611 and \$338,590, respectively. In FY 2015-16, the District expended over \$837,500 on student extracurricular activities, which included the salaries and benefits of directors, coaches, advisors, supplies and materials, transportation services, awards and prizes, and other miscellaneous expenditures. Subsequently, WBLSD's Student Extracurricular Activity Fund incurred an approximate \$360,760 deficit, which required subsidization from the General Fund. The District employed 117.52 FTEs or 55.86 FTEs per 1,000 students during FY 2016-17, while the primary peer average was 49.65 FTEs per 1,000 students. During the course of the audit, the District discussed reducing the amount of programs offered and increasing booster/community support.

Table 6 shows a comparison of the District's student extracurricular activity net cost (expenditures above revenues) per pupil to the local peer average. This is important to examine as extracurricular activities impact the amount of funds available for classroom expenditures, as net cost represents General Fund subsidy of these activities.

Table 6: Student Extracurricular Activity Net Cost

	WBLSD			Local Peer avg.			Diff.
Students	2074.0			1293.2			780.8
Activity Type	Revenue	Expend.	Net Loss	Revenue	Expend.	Net Loss	Diff.
Admissions	\$182,210	\$0		\$92,656	\$0		\$89,554
Sales	\$182,932	\$0		\$153,062	\$0		\$29,870
Dues and Fees	\$109,350	\$0		\$36,409	\$0		\$72,942
Bookstore Sales	\$0	\$0		\$0	\$0		\$0
Other Extracurricular Activity	\$2,340	\$0		\$34,532	\$0		(\$32,192)
Academic Oriented Activities	\$0	\$224,677		\$0	\$58,752		\$165,925
Occupation Oriented Activities	\$0	\$38,619		\$0	\$28,870		\$9,750
Sport Oriented Activities	\$0	\$517,312		\$0	\$440,592		\$76,719
School and Public Service Co-Curricular Activities	\$0	\$56,984		\$0	\$104,682		(\$47,698)
Total	\$476,832	\$837,592	(\$360,760)	\$316,658	\$632,896	(\$316,238)	(\$44,522)

Source: WBLSD and local peers

As shown in **Table 6**, the District's extracurricular activity net loss was \$360,760, greater than the local peer average of \$316,238, a difference of \$44,522 or 14.1%. It is common for school districts in Ohio to subsidize extracurricular costs with General Fund money and WBLSD's level of subsidy is comparable to the local peer average on a per pupil basis.

In order to eliminate the General Fund subsidy, the District must increase revenue and/or decrease expenditures. This can be achieved by implementing one or more of the following:

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

Making these changes would help reduce the General Fund subsidy, allowing more resources to be dedicated to student instruction.

Financial Implication: Reducing its student extracurricular activity expenditures to the local peer average could save the District approximately **\$44,500** annually, based on FY 2015-16 data.

R.3 Eliminate 4.5 FTE administrator positions

According to the *ODE EMIS Manual, Staff Employment Record* (Ohio Department of Education (ODE), 2015), administrators include personnel who perform management activities, such as developing district-wide policies for the school district and executing these policies through the direction of staff members at all levels. This category includes the superintendent, treasurer, principals, assistant principals, directors, coordinators, supervisors, and educational administrative specialist. **Table 7** shows the District's FY 2016-17 administrators staffing per 1,000 students compared to the primary peer average for FY 2015-16. Comparing administrator staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 7: Administrator Staffing Comparison

	WBLSD	Primary Peer Avg.			
Students Educated ¹	2,104	1,936			
Students Educated (Thousands)	2.104	1.936			
Total FTEs with Special Education	16.00	20.06			
Total Special Education FTEs	0.00	9.70			
Total FTEs for Comparison	16.00	10.36			
	Total FTEs	FTEs/1,000 Students	Peer FTEs per 1,000 Students	Diff. /1,000 Students	Total FTEs Above/ (Below) ²
Administrators	16.00	7.60	5.35	2.25	4.73

Source: WBLSD, ODE, and primary peers

Note: Shaded rows showing total FTEs with special education and total special education FTEs are included for informational purposes only.

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

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

As shown in **Table 7**, administrator staffing was 4.73 FTEs higher than the peer average.

Financial Implication: Eliminating 4.5 FTE administrator positions could save **\$292,900** in salaries and benefits, annually. This was calculated using salaries for the least tenured administrator personnel in the corresponding category and an average benefits ratio of 42.2 percent.² Estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher salaried staff.

² Calculated using the FY 2015-16 actual personal services expenditures divided by employee retirement/insurance benefits expenditures.

R.4 Eliminate 5.0 FTE general education teacher positions

General education teachers instruct students in a regular classroom environment. OAC 3301-35-05 requires the district-wide ratio of general education teachers to students to be at least 1.0 FTE classroom teacher for every 25 regular students. This category excludes teaching staff in other areas such as gifted, special education, and educational service personnel (ESP).

Table 8 shows WBLSD's general education teacher staffing compared to the primary peer average based on the District's FY 2016-17 students to teacher ratio. Comparing teacher staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 8: General Education Teacher Staffing Comparison

	WBLSD	Primary Peer Avg.			
Students Educated ¹	2,104	1,936			
Students Educated (Thousands)	2.104	1.936			
Total FTEs with Special Education	94.00	82.28			
Total Special Education FTEs	1.00	1.74			
Total FTEs for Comparison	93.00	80.54			
	Total FTEs	FTEs per 1,000 Students	Peer FTEs per 1,000 Students	Difference per 1,000 Students	Total FTEs Above/ (Below) ²
General Education FTEs	93.00	44.20	41.60	2.60	5.40

Source: WBLSD, Peers, ODE, and OAC

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

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

As shown in **Table 8**, the District's general education teacher staffing per 1,000 students was 44.20 FTE, which was above the primary peer average of 41.60 FTEs. Reducing 5.0 FTE positions leaves the District 3.5 FTEs above state minimum staffing levels. All staffing decisions must be balanced with the fiduciary responsibility to adapt to financial realities and maintain a solvent operation. Prior to making any reductions, the District should review staffing in all areas to determine appropriate service levels based on programmatic needs and responsibilities.

Financial Implication: Eliminating 5.0 FTE general education teachers could save approximately **\$229,700** in salaries and benefits, annually. This savings was calculated using the least tenured general education teacher salaries and an average benefits ratio of 42.2 percent.³ Estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher salaried staff.

³ Calculated using the FY 2015-16 actual personal services expenditures divided by employee retirement/insurance benefits expenditures.

R.5 Eliminate 3.5 FTE ESP teacher positions

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

Table 9 shows the District's FY 2016-17 ESP staffing per 1,000 students compared to the primary peer average for FY 2015-16. Comparing ESP staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 9: Educational Service Personnel (ESP) Staffing Comparison

	WBLSD	Primary Peer Avg.			
Students Educated ¹	2,104	1,936			
Students Educated (Thousands)	2.104	1.936			
	Total FTEs	FTEs per 1,000 Students	Peer FTEs per 1,000 Students	Difference per 1,000 Students	Total FTEs Above/ (Below) ²
Art Education K-8	2.00	0.95	1.03	(0.08)	(0.17)
Music Education K-8	4.73	2.25	1.20	1.05	2.21
Physical Education K-8	4.00	1.90	1.17	0.73	1.54

Source: WBLSD, ODE, and primary peers

Note: This category of comparison has no special education FTEs for WBLSD or the primary peers.

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

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

As shown in **Table 9**, WBLSD had an ESP staffing level 3.58 FTEs higher than the primary peer average.

Financial Implication: Eliminating 3.5 ESP FTE positions could save **\$211,100** in salaries and benefits, annually. This was calculated using salaries for the least tenured full-time staff and an average benefits ratio of 42.2 percent.⁴ Estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher salaried staff.

⁴ Calculated using the FY 2015-16 actual personal services expenditures divided by employee retirement/insurance benefits expenditures.

R.6 Eliminate 2.0 FTE library positions

Library staff includes librarians and library aides who develop plans for the use of teaching and learning resources. **Table 10** shows the District's FY 2016-17 library staffing per 1,000 students compared to the primary peer average for FY 2015-16. Comparing library staffing in relation to student population normalizes the effect of district size on raw staffing numbers.

Table 10: Library Staffing Comparison

	WBLSD		Primary Peer Avg.		
Students Educated ¹		2,104	1,936		
Students Educated (Thousands)		2.104	1.936		
	Total FTEs	FTEs per 1,000 Students	Peer FTEs per 1,000 Students	Difference per 1,000 Students	Total FTEs Above/ (Below) ²
Library Staff (Librarians & Aides)	5.00	2.38	1.22	1.16	2.44

Source: WBLSD, ODE, and primary peers

Note: This category of comparison has no special education FTEs for WBLSD or the primary peers.

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

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

As shown in **Table 10**, the District's library staffing level was 2.44 FTEs above the primary peer average.

Financial Implication: Eliminating 2.0 FTE library staffing positions could save **\$43,900** in salaries and benefits, annually. This was calculated using salaries for the least tenured staff and an average benefits ratio of 42.2 percent.⁵ Estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher salaried staff.

⁵ Calculated using the FY 2015-16 actual personal services expenditures divided by employee retirement/insurance benefits expenditures.

R.7 Eliminate 2.5 FTE counselor positions

Counselors provide activities to students, parents, and teachers to aid students in making personal plans and decisions for their education, career and personal development. **Table 11** shows the District's FY 2016-17 counseling staffing per 1,000 students compared to the primary peer average for FY 2015-16. Comparing counseling staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 11: Counseling Staffing Comparison

	WBLSD	Primary Peer Avg.			
Students Educated ¹	2,104	1,936			
Students Educated (Thousands)	2.104	1.936			
Total FTEs with Special Education	5.00	4.39			
Total Special Education FTEs	0.00	2.22			
Total FTEs for Comparison	5.00	2.17			
	Total FTEs	FTEs per 1,000 Students	Peer FTEs per 1,000 Students	Difference per 1,000 Students	Total FTEs Above/ (Below) ²
Counseling	5.00	2.38	1.12	1.26	2.65

Source: WBLSD, ODE, and primary peers

Note: Shaded rows showing total FTEs with special education and total special education FTEs are included for informational purposes only.

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

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

As shown in **Table 11** the District's counseling staffing level was 2.65 FTEs above the primary peer average.

Financial Implication: Eliminating 2.5 FTE counseling positions could save **\$171,900** in salaries and benefits, annually. This was calculated using salaries for the least tenured staff and an average benefits ratio of 42.2 percent.⁶ Estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher salaried staff.

⁶ Calculated using the FY 2015-16 actual personal services expenditures divided by employee retirement/insurance benefits expenditures.

R.8 Eliminate 2.0 FTE nursing positions

Nursing positions include registered nurses who care and counsel ill and injured persons and aid in illness prevention. **Table 12** shows the District's FY 2016-17 nursing staffing per 1,000 students compared to the primary peer average for FY 2015-16. Comparing nursing staffing in relation to student population normalizes the effect of district size on raw staffing numbers.

Table 12: Nursing Staffing Comparison

	WBLSD	Primary Peer Avg.			
Students Educated ¹	2,104	1,936			
Students Educated (Thousands)	2.104	1.936			
Total FTEs with Special Education	3.79	1.90			
Total Special Education FTEs	0.00	0.56			
Total FTEs for Comparison	3.79	1.34			
	Total FTEs	FTEs per 1,000 Students	Peer FTEs per 1,000 Students	Difference per 1,000 Students	Total FTEs Above/ (Below) ²
Nursing (Registered & Practical)	3.79	1.80	0.69	1.11	2.34

Source: WBLSD, ODE, and primary peers

Note: Shaded rows showing total FTEs with special education and total special education FTEs are included for informational purposes only.

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

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

As shown in **Table 12**, the District's nursing staffing level was 2.34 FTEs above the primary peer average.

Financial Implication: Eliminating 2.0 FTE nursing positions could save **\$36,600** in salaries and benefits, annually. This was calculated using salaries for the least tenured staff and an average benefits ratio of 42.2 percent.⁷ Estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher salaried staff.

⁷ Calculated using the FY 2015-16 actual personal services expenditures divided by employee retirement/insurance benefits expenditures.

R.9 Eliminate 4.5 FTE psychologists and therapist positions

Psychologists and therapists provide comprehensive psychological services. **Table 13** shows the District's FY 2016-17 psychologists and therapists staffing per 1,000 students compared to the primary peer average for FY 2015-16. Comparing psychologists and therapists staffing in relation to student population normalizes the effect of district size on raw staffing numbers.

Table 13: Psychologists and Therapists Staffing Comparison

	WBLSD	Primary Peer Avg.			
Students Educated ¹	2,104	1,936			
Students Educated (Thousands)	2.104	1.936			
Total FTEs with Special Education	6.00	4.43			
Total Special Education FTEs	0.00	3.41			
Total FTEs for Comparison	6.00	1.02			
	Total FTEs	FTEs per 1,000 Students	Peer FTEs per 1,000 Students	Difference per 1,000 Students	Total FTEs Above/ (Below) ²
Psychologists & Therapists	6.00	2.85	0.52	2.33	4.90

Source: WBLSD, ODE, and primary peers

Note: Shaded rows showing total FTEs with special education and total special education FTEs are included for informational purposes only.

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

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

As shown in **Table 13**, the District's psychologists and therapists staffing level was 4.9 FTEs higher than the primary peer average.

Financial Implication: Eliminating 4.5 FTE psychologists and therapists positions could save **\$345,700** in salaries and benefits, annually. This was calculated using salaries for the least tenured staff and an average benefits ratio of 42.2 percent.⁸ Estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher salaried staff.

⁸ Calculated using the FY 2015-16 actual personal services expenditures divided by employee retirement/insurance benefits expenditures.

R.10 Eliminate 2.0 FTE career-technical teaching positions

ORC § 3313.90 states that each city, local and exempted village school shall provide career-technical education to students grades 7-12 by establishing and maintaining its own education program or becoming a member of a joint vocational school district, or contracting for career-technical education with a joint vocational school district or another school district to provide the programs. WBLSD contracts with the Mahoning County Career Technical Center, a joint vocational school (JVS) located in Canfield, Ohio. In addition, the District employs 3.0 FTE career technical teaching positions located at West Branch High School, who teach vocational, agriculture, and computer courses. **Table 14** shows WBLSD's career-technical teachers per 1,000 students for FY 2016-17 compared to the primary peer average for FY 2015-16. Evaluating staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 14: Career-Technical Staffing Comparison

	WBLSD		Primary Peer Avg.		
Students Educated ¹		2,104			1,936
Students Educated (Thousands)		2.104			1.936
	Total FTEs	FTEs per 1,000 Students	Peer FTEs per 1,000 Students	Difference per 1,000 Students	Total FTEs Above/ (Below) ²
Career-Technical/Career Pathways	3.00	1.43	0.26	1.17	2.46

Source: WBLSD, ODE, and primary peers

Note: This category of comparison has no special education FTEs for WBLSD or the primary peers.

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

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

As shown in **Table 14**, the District career-technical staffing was 2.46 FTE higher than the primary peer average.

Financial Implication: Eliminating 2.0 FTE career-technical teaching positions could save **\$228,900** in salaries and benefits annually. This was calculated using salaries for the least tenured staff and an average benefits ratio of 42.2 percent.⁹ Estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher salaried staff.

⁹ Calculated using the FY 2015-16 actual personal services expenditures divided by employee retirement/insurance benefits expenditures.

R.11 Eliminate 20.5 FTE teaching aides positions

Teaching aides assist a teacher with routine teaching activities, such as monitoring. **Table 15** compares WBLSD's FY 2016-17 teaching aide staffing per 1,000 students to the primary peer average for FY 2015-16. Evaluating staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 15: Teaching Aides Staffing Comparison

	WBLSD	Primary Peer Avg.			
Students Educated ¹	2,104	1,936			
Students Educated (Thousands)	2.104	1.936			
Total FTEs with Special Education	26.24	10.76			
Total Special Education FTEs	0.00	5.65			
Total FTEs for Comparison	26.24	5.11			
	Total FTEs	FTEs per 1,000 Students	Peer FTEs per 1,000 Students	Difference per 1,000 Students	Total FTEs Above/ (Below) ²
Teaching Aides	26.24	12.47	2.64	9.83	20.68

Source: WBLSD, ODE, and primary peers

Note: Shaded rows showing total FTEs with special education and total special education FTEs are included for informational purposes only.

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

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

As shown in **Table 15**, the District's teaching aide staffing was 20.68 FTEs higher than the primary peer average.

Financial Implication: Eliminating 20.5 FTE teaching aide positions could save approximately **\$446,100** annually in salaries and benefits. This was calculated using salaries for the least tenured staff and an average benefits ratio of 42.2 percent.¹⁰ Estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher salaried staff.

¹⁰ Calculated using the FY 2015-16 actual personal services expenditures divided by employee retirement/insurance benefits expenditures.

R.12 Eliminate 1.0 FTE technology staff positions

Technology staff includes computer operators, computer programmers, and other technical positions that operate and control computers and related peripheral equipment. **Table 16** compares the District's technology staffing per 1,000 students to the primary peer average for FY 2015-16.¹¹ Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 16: Technology Positions Staffing Comparison

	WBLSD	Primary Peer Average			
Students Educated ¹	2,104	1,936			
Students Educated (hundreds)	2.104	1.936			
Staffing Category	Total FTEs	FTEs per 1,000 Students	Peer FTEs per 1,000 Students	Difference per 1,000 Students	Total Above/ (Below) ²
Computer Operators	0.00	0.00	0.00	0.00	0.00
Computer Programmers	0.00	0.00	0.34	(0.34)	(0.72)
Other Technical Positions	3.00	1.43	0.00	1.43	3.01
Total Technology Staff	3.00	1.43	0.34	1.09	2.29

Source: WBLSD, ODE, and Primary Peers

Note: This category of comparison has no special education FTEs for WBLSD or the primary peers.

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

² Represents the number of FTEs that, when added or subtracted, would bring the District's number of employees per 1,000 students in line with the primary peer average. Calculated by multiplying "Difference per 1,000 Students" by "Students Educated (thousands)".

As shown in **Table 16**, the District's technology staffing level was 2.29 FTEs higher than the primary peer average. However, when examining the technology costs, the District expended \$198,265 or \$95.60 per pupil while the primary peer average was \$136,826 or \$70.94 per pupil. The District would need to reduce 1 FTE to bring its technology costs in line with the primary peer average.

Financial Implication: Eliminating 1.0 FTE technology staff positions could save approximately **\$43,700** annually in salaries and benefits. This was calculated using the least tenured technology staff salaries and an average benefits ratio of 42.2 percent.¹² Estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher salaried staff.

¹¹ Due to differences in coding these positions, the total was analyzed to account for similar duties.

¹² Calculated using the FY 2015-16 actual personal services expenditures divided by employee retirement/insurance benefits expenditures.

R.13 Renegotiate collective bargaining agreement provisions

The District has collective bargaining agreements (CBAs) with the West Branch Education Association (effective July 1, 2016 through June 30, 2018) and the West Branch Classified Employees Association (effective July 1, 2016 through June 30, 2018). An analysis of these CBAs identified certain provisions that exceeded State minimum standards as set forth in the ORC and/or provisions in the local peer district contracts.

- **Sick Leave Accumulation and Severance Payout:** Both CBAs, entitle employees to accumulate 255 days of unused sick leave. The classified and certificated CBAs of the local peers have average maximum sick leave accumulation 284 days and 311 days, respectively, greater than WBLSD's maximums. ORC § 3319.141, however, establishes a sick leave accumulation level of only 120 days. Providing accumulation in excess of State minimum levels represents the potential for increased financial liability when sick leave is paid out to employees upon severance. Also, ORC § 124.39 states that school employees are entitled to be paid for a minimum of 30 days (i.e., 25 percent of 120 days) of unused sick leave at retirement. In contrast, WBLSD's certificated and classified employees are entitled to maximum severance payouts of 65 days, significantly higher than the ORC requirement. The local peers certificated and classified employees are entitled to average severance payouts of 69 days and 71 days, respectively.
- **Vacation Accrual:** Under the classified CBA, employees are entitled to accrue 515 vacation days over the course of a 30-year career. This is higher than the local peer average of 490.8 days and higher than the ORC § 3319.084 minimum requirement of 460 days. Providing employees with more vacation days could increase substitute and/or overtime costs. Direct savings from reducing the vacation schedule could not be quantified; however, a reduction would increase the number of available work hours at no additional cost to the District.

The District should seek to renegotiate costly collective bargaining agreement provisions. Provisions within CBAs that provide benefits beyond what is required or typically offered in other school districts can create an unnecessary financial burden on the District and limit management's ability to control costs.

R.14 Develop a formal preventive maintenance plan

The District does not have a formal preventive maintenance policy that encompasses all equipment. Instead, a majority of repairs are conducted in a reactionary manner.

According to the *Planning Guide for Maintaining School Facilities* (National Center for Education Statistics (NCES, 2003), a comprehensive facility maintenance program is a school district's foremost tool for protecting its investment in school facilities. An effective preventive maintenance program begins with an audit of the buildings, grounds, and equipment. Once facilities data has been assembled, structural items and pieces of equipment can be selected for preventive maintenance. Upon accomplishing the audit, planners must decide on the frequency and type of inspections. After assembling this information, it must be formatted so that

preventive maintenance tasks can be scheduled easily. Ideally, scheduling should be handled by a computerized maintenance management program; however, tasks can be efficiently managed using a manual system as well.

The District should develop a formal preventive maintenance program. The absence of such a plan limits the transparency of the maintenance necessary to keep the District's facilities operating efficiently and effectively. Developing and implementing an effective preventive maintenance plan would help to ensure that the District receives the maximum useful life out of its assets and properly allocates resources for maintenance and replacement.

R.15 Complete T-1 Forms as prescribed by ODE

In accordance with ORC § 3327.012 and OAC 3301-83-01, Ohio school districts are required to submit annual T-1 Forms to ODE. The T-1 Form certifies the actual number and type of pupils transported, daily miles traveled, and buses used in the transportation program. School districts are required to complete the T-1 Form by recording the average number of pupils enrolled and regularly transported to school as well as the average daily miles traveled for pupil transportation, excluding non-routine and extracurricular miles, during the first full week of October. The T-1 Form is then used for calculation of the pupil transportation payment pursuant to ORC § 3327.012. WBLSD's process varies from these requirements, as it incorrectly reports the number of riders from the highest ridership day during the count week as opposed to the average number of riders for the week.

The District should adhere to the ODE guidelines when completing the T-1 Form. Failure to accurately report the required information could result in incorrect calculations of State pupil transportation payments to the District. Creating and adhering to policies and procedures governing T-1 Form data collection will help to ensure riders, mileage, and expenditures are accurately reported.

R.16 Right-size the active bus fleet by eliminating six buses

In FY 2016-17, WBLSD transported 1,215 regular needs riders using 22 active buses. In attempting to maximize the efficient utilization of its buses, WBLSD has employed electronic software routing, cluster stops, double-tiered routing, and staggered bell schedules. The District also reduced one regular bus route during FY 2016-17 to further improve efficiency.

Bus capacity takes into account bus size, the number of regular riders, and number of routes per bus. According to *School Bus Seat Capacity* (National Association of State Directors of Pupil Transportation Services (NASDPTS), 1999), the capacity of a school bus is determined by the number of seats on a bus and the number of students per seat.

Table 18 shows a comparison of WBLSD's regular needs active bus fleet utilization in FY 2016-17 to the bus utilization benchmark of 80.0 percent as published in *Hidden Savings in Your Bus Budget* (American Association of School Administrators (AASA), 2006). Examining the District's ridership per bus in relation to capacity is important in determining the potential for the District to transport its students with fewer buses.

Table 18: Bus Route Analysis

Regular Needs Fleet Utilization	
Total Active Buses	18
Regular Riders	1,042.2
Regular Riders per Bus	57.9
AASA 80% Benchmark Capacity per Bus ¹	91.1
Number of Buses Needed Based on Benchmark ²	11.4
Buses Over/(Under) Benchmark	6.6

Source: WBLSD, ODE, and AASA

¹ This number is based on the manufacturer rated capacities of all buses multiplied by two routes (one elementary and one middle/high school), divided by the total number of buses multiplied by 80 percent.

² Capacity is based on elementary and high school students plus the number of routes.

As shown in **Table 18**, utilization rates identified that the District operated six more regular needs buses than was necessary. The District should implement more staggered bell schedules and multi-tiered routing to determine if such a reduction is feasible based on the District's needs. By transporting more students per bus, a district can reduce both the number of buses it uses and the costs associated with operating those buses.

Financial Implication: Reducing six regular active buses could save approximately **\$189,900** based on FY 2015-16 operating data.

R.17 Develop a bus replacement plan

WBLSD does not have a formal bus replacement plan. Instead, the District replaces buses on an as needed basis according to immediate fleet needs. This practice has resulted in an average bus age of 11 years.

According to *School Bus Replacement Considerations* (NASDPTS, 2002), the replacement of school buses should be a planned process that incorporates maintenance data collected into the decision making process. The plan should also allow a district to establish its priorities with regard to safety and emissions features. Additionally, the NASDPTS recommends a combined approach to school bus replacement that considers both age and mileage in which replacement thresholds are set between 12 and 15 years, or 150,000 to 200,000 miles, respectively.

The District should develop a formal bus replacement plan. Doing so would allow it to communicate to its leadership and to the public about the needs of its bus fleet. Additionally, it would allow the District to communicate its progress in meeting its schedule of replacement and any risks posed by the current state of the fleet.

Appendix A: Scope and Objectives

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

In consultation with ODE and the District, OPT identified the following scope areas for detailed review: Financial Management, Human Resources, Facilities, and Transportation. Based on the agreed upon scope, OPT developed objectives designed to identify improvements to economy, efficiency, and/or effectiveness. **Table A-1** illustrates the objectives assessed in this performance audit and references the corresponding recommendation when applicable. Nine of the 18 objectives did not yield a recommendation (see **Appendix B** for additional information including comparisons and analyses that did not result in recommendations).

Table A-1: Audit Objectives and Recommendations

Objective	Recommendation
Financial Management	
Are strategic planning and capital planning efforts consistent with leading practices?	R.1
Are extracurricular activities appropriate to peers and/or the District's financial condition?	R.2
Are financial communication practices consistent with leading practices?	N/A
Are budgeting and forecasting practices comparable to leading practices and is the forecast reasonable and supported?	N/A
Are open enrollment policies and practices financially beneficial?	N/A
Human Resources	
Are staffing levels efficient compared to general peers, state minimum requirements, and/or demand for service and are they appropriate based on the financial condition?	R.3, R.4, R.5, R.6, R.7, R.8, R.9, R.10, R.11, & R.12
Are CBA provisions comparable to local peers and/or ORC minimums and appropriate based on the financial condition?	R.13
Are salaries and wages comparable to local peers and appropriate based on the financial condition?	N/A
Are insurance costs comparable to local markets and appropriate based on the financial condition?	N/A
Facilities	
Is facilities staffing efficient compared to benchmarks and appropriate based on the financial condition?	N/A
Are preventive maintenance practices consistent with industry standards and/or leading practices?	R.14
Are the facilities expenditures comparable to peers and/or industry standards and appropriate based on the financial condition?	N/A
Are building utilization rates efficient when compared to industry benchmarks and appropriate based on the financial condition?	N/A

Objective	Recommendation
Transportation	
Are T-Report procedures and practices consistent with ODE requirements?	R.15
Is the fleet sized appropriately and routed efficiently compared to leading practices and are transportation operations appropriate based on the financial condition?	R.16
Are fuel purchasing practices resulting in efficient pricing?	N/A
Are the bus replacement practices consistent with industry benchmarks and leading practices and appropriate based on the financial condition?	R.17
Is the fleet maintained efficiently compared to industry benchmarks and/or transportation peers and appropriately based on the financial condition?	N/A

Note: Although assessment of internal controls was not specifically an objective of this performance audit, internal controls were considered and evaluated when applicable to scope areas and objectives.

Appendix B: Additional Comparisons

Staffing

Table B-1 shows WBLSD's full-time equivalent (FTE) staffing levels per 1,000 students at the compared to the primary peer district average. The latest available peer data was from FY 2015-16, as reported to ODE through the Education Management Information System (EMIS). Adjustments were made to the District's EMIS data to reflect accurate staffing levels for FY 2016-17. Special education staff were omitted from **Table B-1** and from all analyses.

Table B-1 WBLSD Staffing Comparison Summary

	WBLSD		Primary Peer Average		Difference
Students Educated ¹	2,104		1,932		168
Students Educated (thousands)	2.104		1.932		0.168
	Total FTEs	FTEs/1,000 Students	FTEs/1,000 Students	Diff./1,000 Students	Total FTEs Above/(Below) ²
Administrative Positions					
Administrators	16.00	7.60	5.35	2.25	4.73
Teaching Positions					
General Education K-12	93.00	44.20	41.60	2.60	5.47
K-8 Art, Music & PE Teachers	10.73	5.10	3.39	1.71	3.60
Preschool General Education	2.00	0.95	0.17	0.78	1.64
Career-Technical/Career Pathways	3.00	1.43	0.26	1.17	2.46
Other Educational Positions					
Curriculum Specialist	1.00	0.48	0.17	0.31	0.65
Remedial Specialist	0.00	0.00	0.52	(0.52)	(1.09)
Tutor/Small Group Instructor	2.52	1.20	2.64	(1.44)	(3.03)
Other Educational Positions	0.00	0.00	0.73	(0.73)	(1.54)
Professional Positions					
Library Staff (Librarians & Aides)	5.00	2.38	1.22	1.16	2.44
Counseling & Social Workers	5.00	2.38	1.12	1.26	2.65
Nursing (Registered & Practical)	3.79	1.80	0.69	1.11	2.34
Psychologists & Therapists	6.00	2.85	0.52	2.33	4.90
Office/Clerical Positions					
Secretaries and Other Clerical	16.69	7.93	7.79	0.14	0.29
Non-Certificated Support					
Teaching Aides	26.24	12.47	2.64	9.83	20.68
Monitors	3.52	1.67	1.61	0.06	0.13
Attendants	0.00	0.00	0.99	(0.99)	(2.08)
Technology Positions					
Computer Programmer	0.00	0.00	0.34	(0.34)	(0.72)
Other Technical Positions	3.00	1.43	0.00	1.43	3.01

Source: WBLSD, ODE, and primary peers

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

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

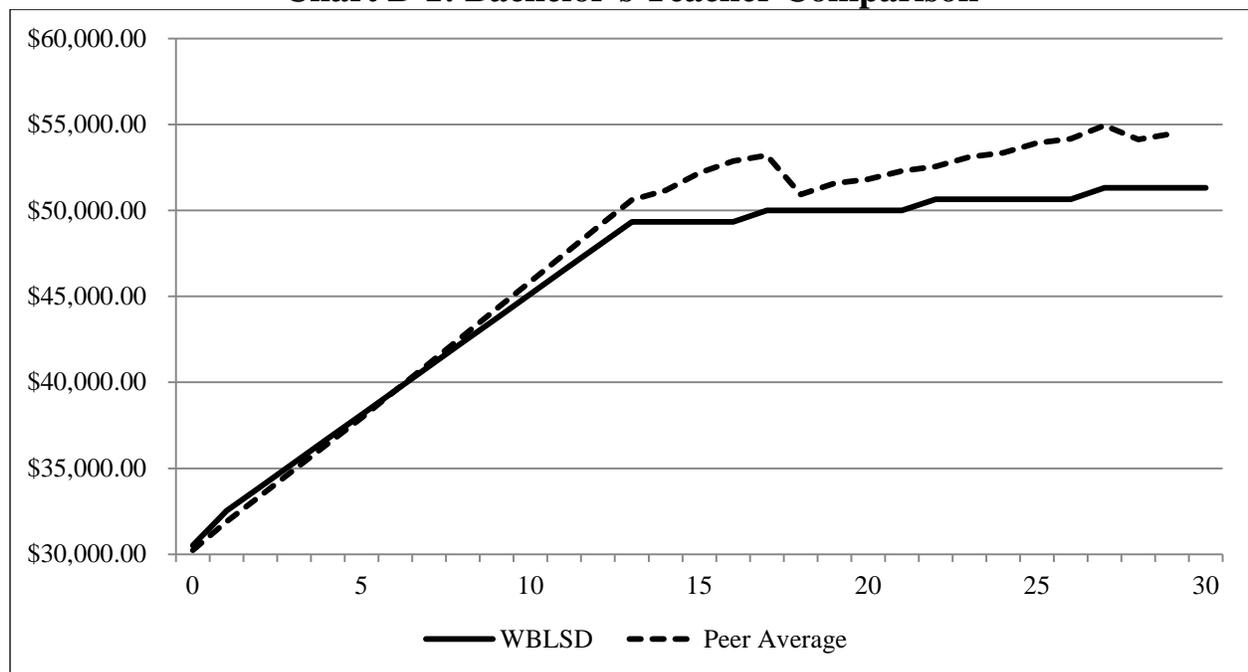
As shown in **Table B-1**, the District’s staffing levels were higher than the peer averages for administrative, teaching, professional, non-certificated support, and technical positions. The following staffing categories were higher than the primary peer average and resulted in recommendations:

- Administrative – see **R.3**;
- Teaching positions – see **R.4, R.5, R.10, and R.11**;
- Professional – see **R.6, R.7, R.8, and R.9**;
- Non-certificated – see **R.11**; and
- Technical staff – see **R.12**.

Salaries

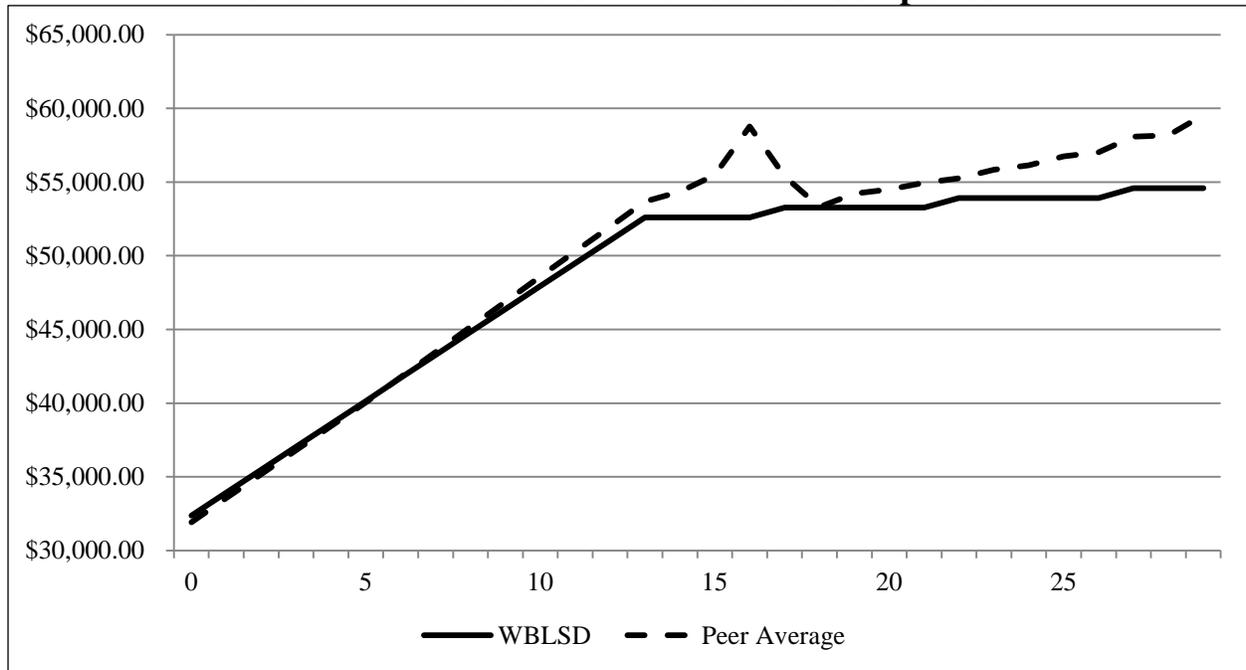
The following charts, **B-1** through **B-7**, show the WBLSD 30 year career salary compared to the primary peer average for select positions. It is important to examine the beginning salaries and steps in the pay schedule to identify the cause of the variation relative to the local peer districts.

Chart B-1: Bachelor’s Teacher Comparison



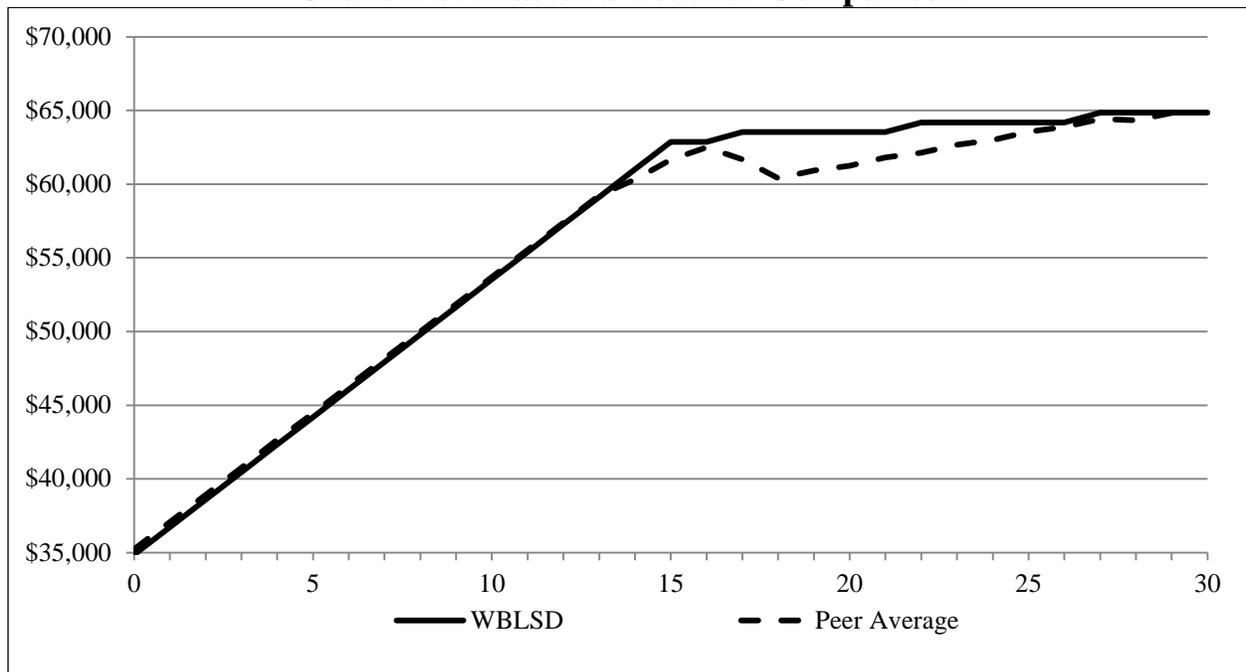
Source: WBLSD and local peers

Chart B-2: Bachelor's +150 Teacher Comparison



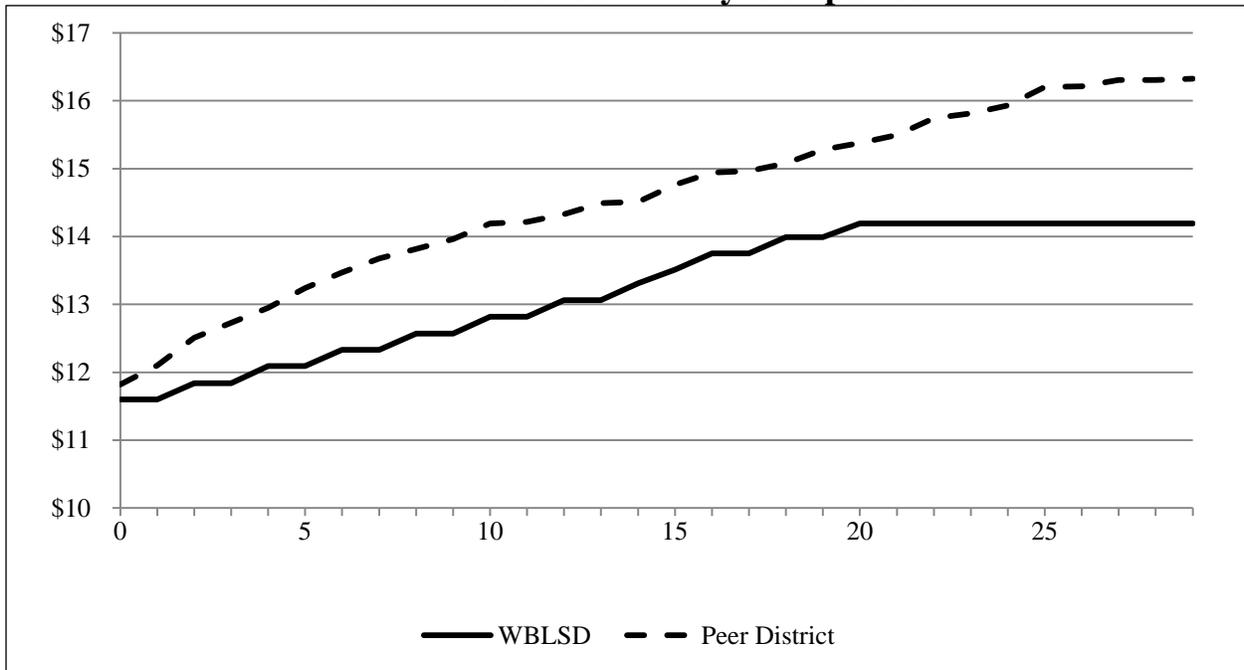
Source: WBLSD and local peers

Chart B-3: Master's Teacher Comparison



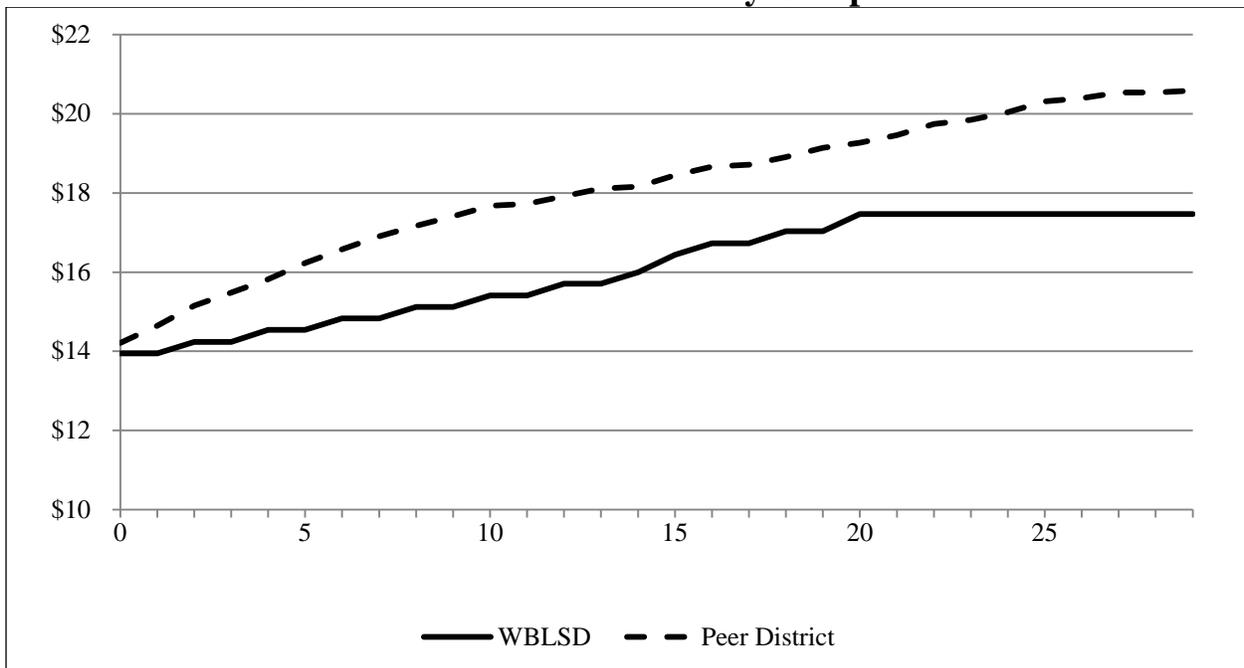
Source: WBLSD and local peers

Chart B-4: Clerical Hourly Comparison



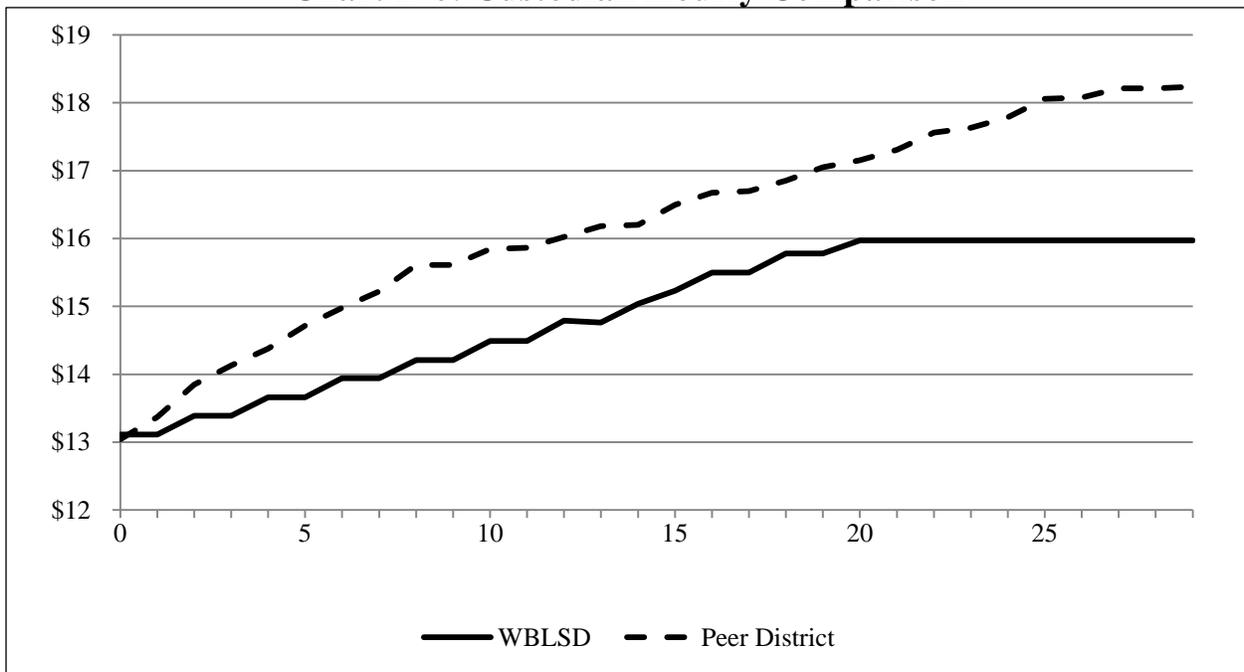
Source: WBLSD and local peers

Chart B-5: Bus Driver Hourly Comparison



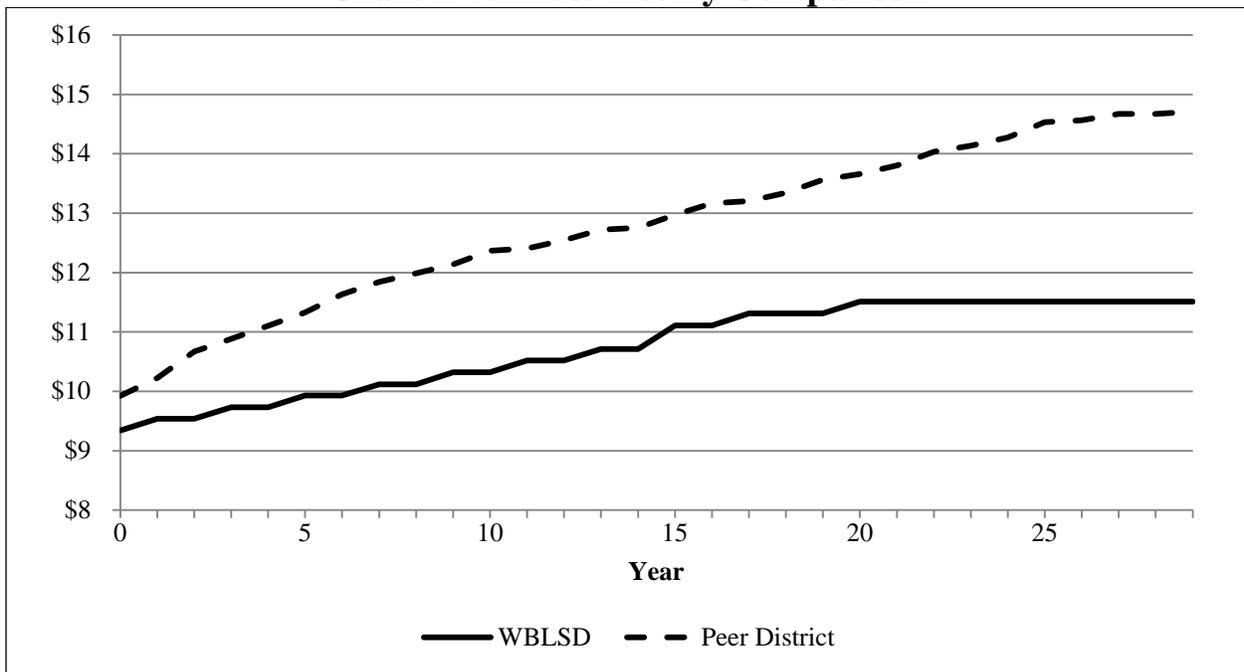
Source: WBLSD and local peers

Chart B-6: Custodian Hourly Comparison



Source: WBLSD and local peers

Chart B-7: Aides Hourly Comparison



Source: WBLSD and local peers

As shown in charts **B-1** through **B-7**, WBLSD was either in line with, or below, the local peer average for all schedules examined.

Health Insurance

WBLSD purchases its health insurance through the Mahoning County School Employee Insurance Consortium, which is part of the Mahoning County Educational Service Center. **Table B-2** shows the District's premiums compared to Mahoning County and SERB Regional averages and **Table B-3** shows the details of plan design for the District as compared to the Mahoning County and SERB Regional averages. These comparisons are important as insurance costs are recognized as sensitive to local conditions and, where possible, other local or regional plans provide the most realistic benchmarks for relative price competitiveness.

B-2: Health Insurance Premium Comparison

	WBLSD	SERB Region	Mahoning County
Employee Family	\$162.96	\$124.09	\$162.96
Employer Family	\$1,466.65	\$1,243.84	\$1,466.65
Total Premium	\$1,629.61	\$1,381.71	\$1,629.61
Employee Share	10.0%	9.0%	10.0%
Single			
Employee Single	\$58.20	\$49.52	\$58.20
Employer Single	\$523.82	\$497.04	\$523.82
Total Premium	\$582.02	\$549.11	\$582.02
Employee Share	10.0%	9.0%	10.0%

Source: SERB

Table B-3: Plan Design Comparison

	WBLSD	SERB Region	Mahoning County
Copayments			
Office Visit	\$10	\$20	\$10
Urgent Care Visit	\$10	\$20	\$10
Emergency Room Visit	\$50	\$100	\$50
Deductible			
Network			
<i>Family</i>	\$500	\$500	\$500
<i>Single</i>	\$250	\$250	\$250
Non-Network			
<i>Family</i>	\$1,000	\$1,000	\$1,000
<i>Single</i>	\$500	\$500	\$500
Out-of-Pocket Maximum			
Network			
<i>Family</i>	\$13,200	\$2,500	\$2,000
<i>Single</i>	\$6,600	\$1,250	\$1,000
Non-Network			
<i>Family</i>	\$999,996	\$6,800	\$4,000
<i>Single</i>	\$999,996	\$3,500	\$2,000
Coinsurance			
Network	90%	90%	90%
Non-Network	70%	70%	70%

Source: SERB

As shown in **Table B-2** and **B-3**, WBLSD's premium costs as well as plan design are in line with the county average.

Open enrollment

Table B-4 shows the District's cost to educate open enrollment students in comparison to the revenue generated by these students in FY 2015-16. This analysis illustrates the net revenue or loss generated by open enrollment.

Table B-4: Costs and Revenue Attributed to Open Enrollment

Total Students			1,913
Open Enrollment Students			346
Percentage of Open Enrollment Students			18.1%
Expenditure Type			
	Resident Student Cost	Open Enrollment Cost	Total Cost
Regular Instruction	\$7,619,995	\$1,685,333	\$9,305,329
Special Instruction ¹	\$2,277,193	\$244,428	\$2,521,621
Vocational Instruction	\$0	\$0	\$0
Support Services Pupils	\$1,228,630	\$0	\$1,228,630
Support Services Instructional Staff	\$719,369	\$53,146	\$772,515
Support Services Administration	\$1,567,605	\$195,469	\$1,763,074
Facilities	\$2,102,447	\$28,342	\$2,130,790
Pupil Transportation	\$1,161,397	\$184,717	\$1,346,115
Support Services Central	\$215,186	\$47,593	\$262,779
Food Services	\$887,604	\$0	\$887,604
Extracurricular Activities ²	\$772,253	\$65,339	\$837,592
Total Expenditures	\$18,551,680	\$2,504,369	\$21,056,048
Open Enrollment Revenue			\$2,139,175
Net Revenue/(Loss)			(\$365,194)

Source: WBLSD and ODE

¹ Special instruction cost was calculated using the ratio of open enrollment special education students to total special education students of 12.0 percent.

² Extracurricular activities cost was calculated based on the District's net cost of \$360,800 for extracurricular activities multiplied by the percentage of open enrollment students.

As shown in **Table B-4**, open enrollment resulted in a net loss for WBLSD. This loss, however, can be attributed to District-wide overstaffing.

Table B-5 shows open enrollment net costs after recommended staffing reductions are applied to the District's overall expenditures. This analysis shows how potential staffing reductions could impact open enrollment costs.

Table B-5: Revised Costs and Revenue Attributed to Open Enrollment

Total Students				1,913
Open Enrollment Students				346
Percentage of Open Enrollment Students				18.1%
Expenditure Type				
	Resident Student Cost	Open Enrollment Cost	Total Cost	
Regular Instruction	\$5,670,394	\$1,254,135	\$6,924,529	
Special Instruction	\$2,277,193	\$244,428	\$2,521,621	
Vocational Instruction	\$0	\$0	\$0	
Support Services Pupils	\$1,228,630	\$0	\$1,228,630	
Support Services Instructional Staff	\$719,369	\$53,146	\$772,515	
Support Services Administration	\$1,567,605	\$195,469	\$1,763,074	
Facilities	\$2,102,447	\$28,342	\$2,130,790	
Pupil Transportation	\$997,556	\$158,659	\$1,156,215	
Support Services Central	\$215,186	\$47,593	\$262,779	
Food Services	\$887,604	\$0	\$887,604	
Extracurricular Activities	\$455,777	\$21,015	\$476,792	
Total Expenditures	\$16,121,760	\$2,002,788	\$18,124,548	
Open Enrollment Revenue				\$2,139,175
Net Revenue/(Loss)				\$136,387

Source: WBLSD, ODE, and OPT recommendations

As shown in **Table B-5**, implementing recommended staffing reductions could eliminate the net cost associated with open enrollment.

Appendix C: Five-Year Forecasts

Chart C-1: WBLSD October 2016 Five-Year Forecast

Line	Actual			Forecasted				
	2014	2015	2016	2017	2018	2019	2020	2021
1.010 General Property (Real Estate)	3811146.00	4073771.00	3967595.00	4000534.00	4123128.00	4148461.00	4215442.00	4297620.00
1.020 Tangible Personal Property Tax	424516.00	513896.00	533854.00	551589.00	577884.00	605667.00	635035.00	666085.00
1.035 Unrestricted Grants-in-Aid	11072197.00	10975509.00	11015469.00	10958527.00	10806874.00	10588438.00	10368966.00	10369643.00
1.040 Restricted Grants-in-Aid	220268.00	345610.00	219321.00	211195.00	207908.00	205479.00	204193.00	201620.00
1.050 Property Tax Allocation	632900.00	643569.00	648327.00	654884.00	666318.00	670887.00	682707.00	698225.00
1.060 All Other Operating Revenue	2308839.00	2638416.00	2664941.00	2800380.00	2929424.00	3121414.00	3323910.00	3531574.00
1.070 Total Revenue	18469866.00	19190771.00	19049507.00	19177109.00	19311536.00	19340346.00	19430253.00	19764767.00
2.040 Operating Transfers-In	144510.00	138628.00	135677.00	132347.00	131935.00	131523.00	131111.00	130699.00
2.050 Advances-In	349909.00	176963.00	150923.00	113543.00				
2.060 All Other Financial Sources	120598.00	97659.00	42809.00	1743.00	1584.00	1584.00	1584.00	1584.00
2.070 Total Other Financing Sources	615017.00	413250.00	329409.00	247633.00	133519.00	133107.00	132695.00	132283.00
2.080 Total Revenues and Other Financing Sources	19084883.00	19604021.00	19378916.00	19424742.00	19445055.00	19473453.00	19562948.00	19897050.00
3.010 Personnel Services	10078388.00	10332156.00	10841000.00	10756893.00	11327346.00	11558977.00	11816754.00	12068583.00
3.020 Employees' Retirement/Insurance Benefits	3979407.00	4062651.00	4573523.00	5023052.00	5424729.00	5765361.00	6122156.00	6491699.00
3.030 Purchased Services	2891834.00	2387661.00	2549616.00	2720185.00	2859574.00	3026273.00	3198486.00	3373399.00
3.040 Supplies and Materials	623476.00	615131.00	662382.00	693017.00	778376.00	823914.00	870419.00	917943.00
3.050 Capital Outlay	176953.00	597051.00	543022.00	388865.00	596532.00	573189.00	599557.00	626137.00
4.050 Debt Service: Principal - HB 264 Loans	129670.00	129670.00	129670.00	129670.00	129670.00	129670.00	129670.00	129670.00
4.060 Debt Service: Interest and Fiscal Charges	4142.00	3758.00	3088.00	2677.00	2265.00	1853.00	1441.00	1029.00
4.300 Other Objects	(294890.00)	192030.00	185621.00	180389.00	193165.00	196687.00	210484.00	213927.00
4.500 Total Expenditures	17588980.00	18320108.00	19487922.00	19894748.00	21311657.00	22075924.00	22948967.00	23822387.00
5.010 Operational Transfers - Out	179907.00	181009.00	425393.00	159347.00	158935.00	158523.00	158111.00	157699.00
5.020 Advances - Out	337856.00	147740.00	204088.00	41300.00				
5.030 All Other Financing Uses		73247.00						
5.040 Total Other Financing Uses	517763.00	401996.00	629481.00	200647.00	158935.00	158523.00	158111.00	157699.00
5.050 Total Expenditure and Other Financing Uses	18106743.00	18722104.00	20117403.00	20095395.00	21470592.00	22234447.00	23107078.00	23980086.00
6.010 Excess Rev & Oth Financing Sources over(under) Exp & Oth Financing	978140.00	881917.00	(738487.00)	(670653.00)	(2025537.00)	(2760994.00)	(3544130.00)	(4083036.00)
7.010 Beginning Cash Balance	3043340.00	4021480.00	4903397.00	4164910.00	3494257.00	1468720.00	(1292274.00)	(4836404.00)
7.020 Ending Cash Balance	4021480.00	4903397.00	4164910.00	3494257.00	1468720.00	(1292274.00)	(4836404.00)	(8919440.00)
8.010 Outstanding Encumbrances	288952.00	289920.00	201087.00	132912.00	132912.00	132912.00	132912.00	132912.00
10.010 Fund Balance June 30 for Certification of Appropriations	3732528.00	4613477.00	3963823.00	3361345.00	1335808.00	(1425186.00)	(4969316.00)	(9052352.00)
12.010 Fund Bal June 30 for Cert of Contracts, Salary Sched, Oth Obligations	3732528.00	4613477.00	3963823.00	3361345.00	1335808.00	(1425186.00)	(4969316.00)	(9052352.00)
15.010 Unreserved Fund Balance June 30	3732528.00	4613477.00	3963823.00	3361345.00	1335808.00	(1425186.00)	(4969316.00)	(9052352.00)

Source: WBLSD and ODE

Chart C-2: May 2017 Five-Year Forecast

Line	Actual			Forecasted				
	2014	2015	2016	2017	2018	2019	2020	2021
1.010 General Property (Real Estate)	3,811,146.00	4,073,771.00	3,967,595.00	4,047,331.00	4,109,671.00	4,125,309.00	4,190,901.00	4,275,033.00
1.020 Tangible Personal Property Tax	424,516.00	513,896.00	533,854.00	561,757.00	591,960.00	630,042.00	670,849.00	714,593.00
1.035 Unrestricted Grants-in-Aid	11,072,197.00	10,975,509.00	11,015,469.00	11,001,590.00	10,849,132.00	10,632,824.00	10,416,171.00	10,418,708.00
1.040 Restricted Grants-in-Aid	220,268.00	345,610.00	219,321.00	221,402.00	213,858.00	211,338.00	210,004.00	207,336.00
1.050 Property Tax Allocation	632,900.00	643,569.00	648,327.00	652,241.00	660,594.00	664,310.00	674,199.00	687,838.00
1.060 All Other Operating Revenue	2,308,839.00	2,638,416.00	2,664,941.00	2,949,773.00	3,038,710.00	3,239,661.00	3,446,362.00	3,658,490.00
1.070 Total Revenue	18,469,866.00	19,190,771.00	19,049,507.00	19,434,093.00	19,463,924.00	19,503,484.00	19,608,487.00	19,961,997.00
2.040 Operating Transfers-In	144,510.00	138,628.00	135,677.00	132,347.00	131,935.00	131,523.00	131,111.00	130,699.00
2.050 Advances-In	349,909.00	176,963.00	150,923.00	195,133.00				
2.060 All Other Financial Sources	120,598.00	97,659.00	42,809.00	1,743.00	1,584.00	1,584.00	1,584.00	1,584.00
2.070 Total Other Financing Sources	615,017.00	413,250.00	329,409.00	329,222.00	133,519.00	133,107.00	132,696.00	132,284.00
2.080 Total Revenues and Other Financing Sources	19,084,883.00	19,604,021.00	19,378,916.00	19,763,315.00	19,597,443.00	19,636,592.00	19,741,182.00	20,094,281.00
3.010 Personnel Services	10,078,388.00	10,332,156.00	10,841,000.00	10,720,893.00	11,252,046.00	11,483,677.00	11,741,454.00	11,993,283.00
3.020 Employees' Retirement/Insurance Benefits	3,979,407.00	4,062,651.00	4,573,523.00	5,016,971.00	5,253,351.00	5,446,367.00	5,651,385.00	5,863,360.00
3.030 Purchased Services	2,891,834.00	2,387,661.00	2,549,616.00	2,755,687.00	2,834,834.00	2,969,423.00	3,109,765.00	3,253,157.00
3.040 Supplies and Materials	623,476.00	615,131.00	662,382.00	693,017.00	778,376.00	823,914.00	870,419.00	917,943.00
3.050 Capital Outlay	176,953.00	597,051.00	543,022.00	338,865.00	546,532.00	523,189.00	549,557.00	576,137.00
4.010 Debt Service: All Principal (Historical)	129,670.00	129,670.00	129,670.00					
4.050 Debt Service: Principal - HB 264 Loans				129,670.00	129,670.00	129,670.00	129,670.00	129,670.00
4.060 Debt Service: Interest and Fiscal Charges	4,142.00	3,758.00	3,088.00	2,677.00	2,265.00	1,853.00	1,441.00	1,029.00
4.300 Other Objects	(294,890.00)	192,030.00	185,621.00	180,389.00	193,165.00	196,687.00	210,484.00	213,927.00
4.500 Total Expenditures	17,588,980.00	18,320,108.00	19,487,922.00	19,838,169.00	20,990,239.00	21,574,781.00	22,264,176.00	22,948,506.00
5.010 Operational Transfers - Out	179,907.00	181,009.00	425,393.00	167,847.00	158,935.00	158,523.00	158,111.00	157,699.00
5.020 Advances - Out	337,856.00	147,740.00	204,088.00	184,300.00				
5.030 All Other Financing Uses		73,247.00						
5.040 Total Other Financing Uses	517,763.00	401,996.00	629,481.00	352,147.00	158,935.00	158,523.00	158,111.00	157,699.00
5.050 Total Expenditure and Other Financing Uses	18,106,743.00	18,722,104.00	20,117,403.00	20,190,316.00	21,149,174.00	21,733,304.00	22,422,287.00	23,106,206.00
6.010 Excess Rev & Oth Financing Sources over(under) Exp & Oth Financing	978,140.00	881,917.00	(738,487.00)	(427,001.00)	(1,551,731.00)	(2,096,712.00)	(2,681,105.00)	(3,011,925.00)
7.010 Beginning Cash Balance	3,043,340.00	4,021,480.00	4,903,397.00	4,164,910.00	3,737,909.00	2,186,178.00	89,466.00	(2,591,639.00)
7.020 Ending Cash Balance	4,021,480.00	4,903,397.00	4,164,910.00	3,737,909.00	2,186,178.00	89,466.00	(2,591,639.00)	(5,603,564.00)
8.010 Outstanding Encumbrances	288,952.00	289,920.00	201,087.00	132,912.00	132,912.00	132,912.00	132,912.00	132,912.00
10.010 Fund Balance June 30 for Certification of Appropriations	3,732,528.00	4,613,477.00	3,963,823.00	3,604,997.00	2,053,266.00	(43,446.00)	(2,724,551.00)	(5,736,476.00)
12.010 Fund Bal June 30 for Cert of Contracts, Salary Sched, Oth Obligations	3,732,528.00	4,613,477.00	3,963,823.00	3,604,997.00	2,053,266.00	(43,446.00)	(2,724,551.00)	(5,736,476.00)
15.010 Unreserved Fund Balance June 30	3,732,528.00	4,613,477.00	3,963,823.00	3,604,997.00	2,053,266.00	(43,446.00)	(2,724,551.00)	(5,736,476.00)

Source: WBLSD and ODE

Client Response

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



West Branch Local School District

14277 Main Street~Beloit, OH 44609
Phone (330) 938-9324~Fax (330) 938-6815



Mr. Timothy Saxton, Superintendent

August 1, 2017

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

Dear Auditor Yost:

On behalf of the West Branch Local School District, we would like to thank the entire Performance Audit team for their time and effort in preparing the audit report for our district. The staff was thorough and professional during all phases of the performance audit.

The district engaged in this audit process in an attempt to explore the possibility of surgically making reductions and alleviate projected deficits in operational expenses and insure a positive forecast in the future. It is important to note that this audit was completed at the request of the district based on the five year forecast completed in May of 2017.

We are committed to provide the best possible educational environment for our community, specifically our students.

The recommendations for improvement identified in the report will help guide district decisions. The district budget process will be revised to better reflect district priorities after a strategic plan is adopted by the Board of Education. This strategic plan is currently in its final draft.

The staffing analysis has already been used in recent decisions resulting in the elimination of identified positions through attrition. Additional reductions, as recommended are currently under review.

The West Branch Local School District will utilize the information gained through the audit process for the continued improvement of our district. We thank you for your time and efforts.

Sincerely,

Mr. Timothy Saxton
Superintendent

Mr. David Drawl
Treasurer

It's A Great Time To Be A Warrior!



Dave Yost • Auditor of State

WEST BRANCH LOCAL SCHOOL DISTRICT

MAHONING COUNTY

CLERK'S CERTIFICATION

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

Susan Babbitt

CLERK OF THE BUREAU

**CERTIFIED
AUGUST 17, 2017**