



Dave Yost • Auditor of State

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Dave Yost • Auditor of State

To the residents, elected officials, management, and stakeholders of the Belpre City School District,

The Auditor of State's Office selected the Belpre City School District (BCSD or the District) for a performance audit based on its projected financial condition and in conjunction with a request from the District for an audit. 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 elected officials and District 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
June 28, 2018

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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 Belpre City School District (BCSD or the District) pursuant to Ohio Revised Code § 3316.042. The purpose of this performance audit was to improve BCSD'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, Transportation, and Food Service. 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. Those standards require that OPT plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for our findings and conclusions based on our audit objectives. OPT believes that the evidence obtained provides a reasonable basis for our findings and conclusions based on our 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, on average, 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 districts with an average 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"> • Anna Local School District (Shelby County) • Bluffton Exempted Village School District (Allen County) • Bridgeport Exempted Village School District (Belmont County) • Brookfield Local School District (Trumbull County) • Centerburg Local School District (Knox County) • Columbiana Exempted Village School District (Columbiana County) • McDonald Local School District (Trumbull County) • Perry Local School District (Allen County) • Weathersfield Local School District (Trumbull County) • Woodmore Local School District (Sandusky County)
Local Peers (Compensation, Benefits, and Bargaining Agreements)
<ul style="list-style-type: none"> • Eastern Local School District (Meigs County) • Federal Hocking Local School District (Athens County) • Fort Frye Local School District (Washington County) • Frontier Local School District (Washington County) • Southern Local School District (Meigs County) • Trimble Local School District (Athens County) • Warren Local School District (Washington County)
Transportation Peers
<ul style="list-style-type: none"> • Bridgeport Exempted Village School District (Belmont County) • Brookfield Local School District (Trumbull County) • Columbiana Exempted Village School District (Columbiana County) • Perry Local School District (Allen County) • Weathersfield Local School District (Trumbull 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 School and University (AS&U), Environmental Protection Agency (EPA), Government Finance Officers Association (GFOA), National Association of State Directors of Pupil Transportation Services (NASDPTS), National Center for Education Statistics (NCES), National Institute for Governmental Purchasing (NIGP), and Ohio State Employment Relations Board (SERB).

District policies and procedures as well as pertinent laws and regulations contained in the Ohio Administrative Code (OAC) and the Ohio Revised Code (ORC) were also assessed.

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 Belpre City 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 ¹
R.1	Develop long-term strategic, capital, and financial plans linked to the budget	N/A
R.2	Consider reducing the General Fund subsidy of extracurriculars to local peer level	\$74,400
R.3	Develop a purchasing process for custodial supplies	\$9,700
R.4	Eliminate 2.0 FTE central office administrator positions	\$80,500
R.5	Eliminate 1.0 FTE building administrator position	\$87,500
R.6	Eliminate 1.0 FTE other educational position	\$65,600
R.7	Eliminate 1.0 FTE psychologist position	\$63,900
R.8	Eliminate 0.5 FTE central office clerical position	\$31,600
R.9	Eliminate 0.5 FTE building office clerical position	\$22,200
R.10	Eliminate 0.5 FTE library position	\$32,800
R.11	Eliminate 1.0 FTE classroom support position	\$17,300
R.12	Renegotiate collective bargaining agreement provisions	\$26,100
R.13	Decrease employer cost of dental and vision insurance	\$34,500
R.14	Eliminate 1.5 FTE custodial positions	\$57,800
R.15	Eliminate additional summer custodians from facilities temporary labor expenditures	\$40,400
R.16	Develop a formal bus replacement plan	N/A
Cost Savings Adjustments²		(\$2,900)
Annual Cost Savings from Full Implementation of Performance Audit Recommendations		\$641,400

¹ Each recommendation's savings is calculated based on the average annual cost savings for each year of implementation during the forecast period.

² Implementation of **R.4**, **R.5**, **R.6**, **R.7**, **R.8**, **R.9**, **R.10**, **R.11**, and **R.14** would reduce the savings achievable in **R.13**.

During the course of this performance audit, BCSD significantly improved its five-year forecast financial position (see **Table 4**, **Table 5**, and **Table 6**). Primarily this was achieved through passage of an emergency levy in May 2018. The levy will generate \$1.5 million annually with collections beginning in 2019 (i.e., the second half of FY 2018-19) and continuing for nine years. In addition, the District also improved its financial position through renegotiation of health insurance provisions (see **Table 5**).

Table 3 shows the District's ending fund balances as projected in the May 2018 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 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Original Results of Operations	\$78,734	\$451,254	\$14,834	(\$475,801)
Original Ending Fund Balance	\$975,946	\$1,427,200	\$1,442,034	\$966,233
Performance Audit Recommendations	\$615,900	\$632,800	\$650,200	\$668,200
Cumulative Balance of Performance Audit Recommendations ¹	\$615,900	\$1,248,700	\$1,898,900	\$2,567,100
Revised Ending Fund Balance	\$1,591,846	\$2,675,900	\$3,340,934	\$3,533,333

Source: BCSD, 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 to FY 2018-19 through FY 2021-22 only.

¹ Cumulative savings are based on actual FY 2017-18 costs and are inflated annually to reflect projected increases associated with implementation over the forecast period.

As shown in **Table 3**, continued fiscal imbalances cause the District to forecast deficit spending conditions by FY 2021-22. Implementing the performance audit recommendations significantly improves the Districts fiscal stability.

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 seek 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.

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

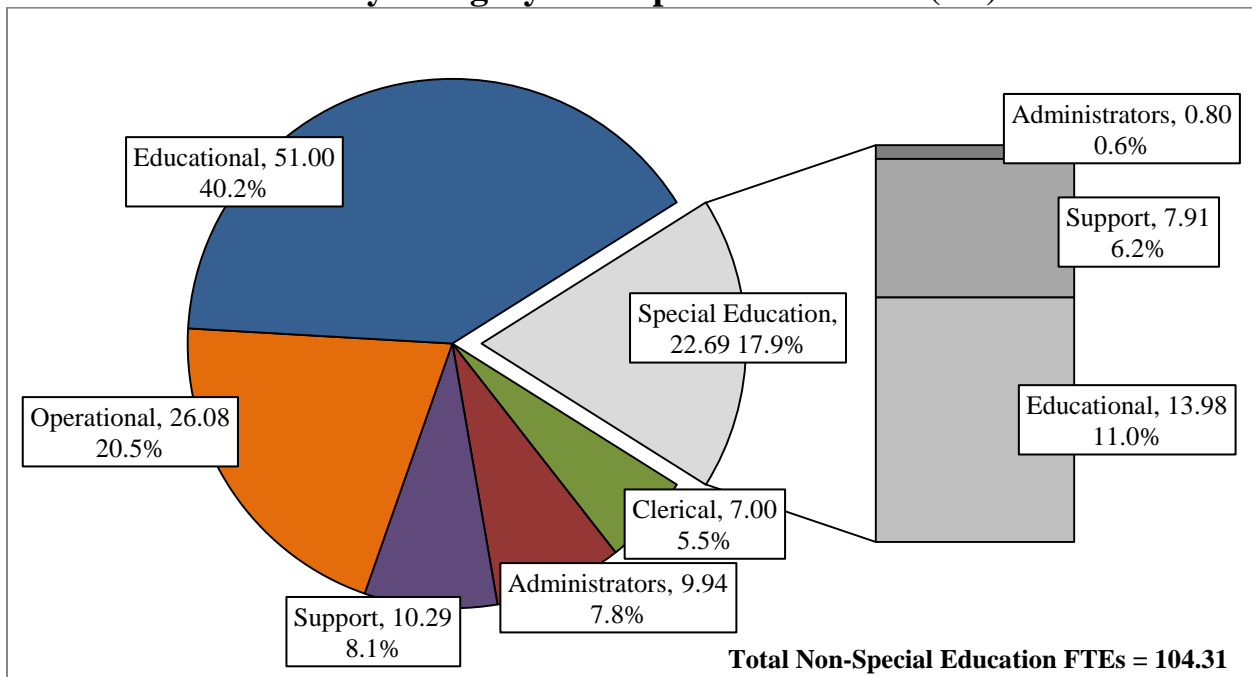
It is important to note that the provision of special education services may have a significant impact on the BCSD's overall operating cost and staffing levels. However, the appropriateness of the District's special education cost and staffing were not evaluated as a part of this performance audit. Where 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.

District Staffing Overview

The appropriateness of staffing levels is significant to both the operational and financial conditions within school districts. Operational decisions such as classroom sizes, class offerings, and other non-educational service levels collectively drive the need for overall staffing total. Specifically, personnel costs (i.e., salaries and benefits) accounted for 72.3 percent of BCSD’s General Fund expenditures in fiscal year FY 2016-17, a significant impact on the District’s budget and financial condition.

Chart 1 and **Chart 2** shows BCSD’s FY 2017-18 full-time equivalent (FTE) staffing levels by category with special education staffing broken out for informational purposes only.²

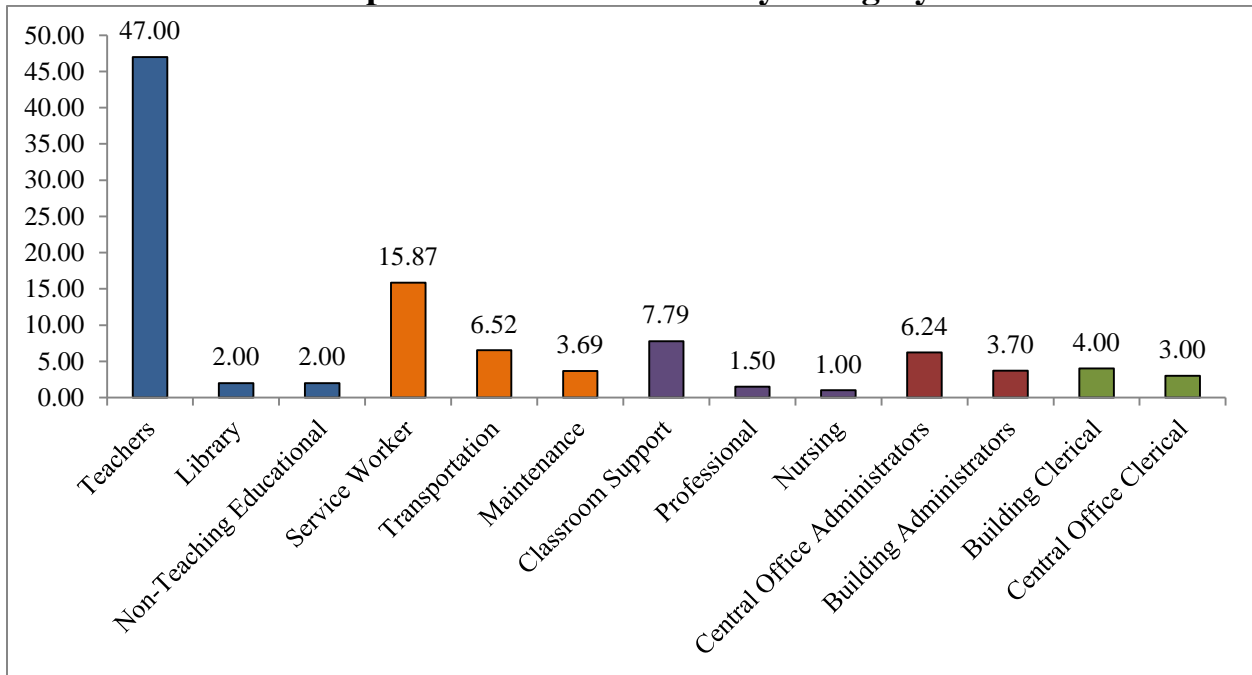
Chart 1: FTEs by Category with Special Education (SE) Breakout



Source: BCSD

² The individual positions within each staffing category are explained in detail within section 3.9 of the *EMIS Reporting Manual* (ODE, 2017).

Chart 2: Non-Special Education FTEs by Category and Position



Source: BCSD

As shown in **Chart 1** and **Chart 2**, BCSD employed a total of 127.00 FTEs in FY 2017-18. Of this total, 22.69 were specifically dedicated to special education services. The remaining 104.31 non-special education FTEs were evaluated in each of the thirteen staffing categories shown in **Chart 2**.

Background

In October 2017, 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 BCSD's total revenues, total expenditures, results of operations, beginning and ending cash balances, and ending fund balance as projected in the District's October 2017 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: BCSD Financial Condition Overview (October 2017)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Total Revenue	\$10,992,215	\$10,958,834	\$11,046,000	\$11,103,541	\$11,123,361
Total Expenditure	\$11,714,117	\$11,986,780	\$12,389,985	\$12,847,426	\$13,383,106
Results of Operations	(\$721,902)	(\$1,027,946)	(\$1,343,985)	(\$1,743,885)	(\$2,259,745)
Beginning Cash Balance	\$1,764,973	\$1,043,071	\$15,125	(\$1,328,860)	(\$3,072,745)
Ending Cash Balance	\$1,043,071	\$15,125	(\$1,328,860)	(\$3,072,745)	(\$5,332,490)
Encumbrances	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
Ending Fund Balance	\$923,071	(\$104,875)	(\$1,448,860)	(\$3,192,745)	(\$5,452,490)

Source: BCSD and ODE

As shown in **Table 4**, the District's October 2017 five-year forecast projects an ending fund balance deficit of \$104,875 in FY 2018-19. This deficit condition is a direct result of expenditures continuing to outpace revenues and deplete cash balances over the forecast period. Left unaddressed, these conditions are projected to result in a cumulative deficit of over \$5.4 million by FY 2021-22.

In March 2018, the District released an updated five-year forecast to the semi-annual five-year forecast released in October 2017, at the request of ODE. The District's financial condition improved as a result of healthcare changes effective January 1, 2018 (see **Table 5**). **Table 5** summarizes this forecast, showing total revenues, total expenditures, results of operations, beginning and ending cash balances, and year-ending fund balances.

Table 5: BCSD Financial Condition Overview (March 2018)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Total Revenue	\$11,116,455	\$11,012,396	\$11,100,911	\$11,157,943	\$11,177,205
Total Expenditure	\$11,863,243	\$11,644,885	\$11,869,118	\$12,265,302	\$12,732,685
Results of Operations	(\$746,788)	(\$632,489)	(\$768,207)	(\$1,107,359)	(\$1,555,480)
Beginning Cash Balance	\$1,764,973	\$1,018,185	\$385,696	(\$382,511)	(\$1,489,870)
Ending Cash Balance	\$1,018,185	\$385,696	(\$382,511)	(\$1,489,870)	(\$3,045,350)
Encumbrances	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
Ending Fund Balance	\$898,185	\$265,696	(\$502,511)	(\$1,609,870)	(\$3,165,350)

Source: BCSD and ODE

As shown in **Table 5**, the District's projected deficit for FY 2021-22 was reduced from approximately \$5.4 million, as shown in the October 2017 five-year forecast (see **Table 4**), to approximately \$3.1 million. The reduction is due to the District renegotiating healthcare benefits for the certificated staff from a PPO to a high deductible health plan (or HDHP) with a health savings account (or HSA).

In May 2018, the District released its semi-annual five-year forecast which showed the impact of the emergency levy which passed in early May 2018. **Table 6** shows BCSD's total revenues, total expenditures, results of operations, beginning and ending cash balances, ending fund balances as projected in the District's May 2018 five-year forecast.

Table 6: BCSD Financial Condition Overview (May 2018)

	FY 2017-18	FY 2018-19	FY 2019-20	FY 2020-21	FY 2021-22
Total Revenue	\$11,193,207	\$11,943,683	\$12,578,699	\$12,991,183	\$12,667,318
Total Expenditure	\$11,940,967	\$11,864,949	\$12,127,445	\$12,976,349	\$13,143,119
Results of Operations	(\$747,760)	\$78,734	\$451,254	\$14,834	(\$475,801)
Beginning Cash Balance	\$1,764,972	\$1,017,212	\$1,095,946	\$1,547,200	\$1,562,034
Ending Cash Balance	\$1,017,212	\$1,095,946	\$1,547,200	\$1,562,034	\$1,086,233
Encumbrances	\$120,000	\$120,000	\$120,000	\$120,000	\$120,000
Ending Fund Balance	\$897,212	\$975,946	\$1,427,200	\$1,442,034	\$966,233

Source: BCSD and ODE

As shown in **Table 6**, the District projected a much improved financial condition with a positive ending fund balance in each year of the forecast due to implementation of the expenditure reduction plan and the passage of the emergency levy. The District still projected deficit spending in FY 2021-22 of \$475,801, or 49.2 percent of the ending fund balance. Even with the additional levy funds, that level of spending is not sustainable. However, as shown in **Table 3**, implementing the performance audit recommendations improves the District's expenditures and avoids both deficit spending and deficit fund balances.

Recommendations

R.1 Develop long-term strategic, capital, and financial plans linked to the budget

The District's administration and Board often discuss operations, capital, and financial decisions at Board meetings and as a part of the regularly scheduled Finance Committee meetings. However, these discussions have not led to the development of formal plans.

Specifically, the District does not have formal, long-term strategic, capital improvement, or financial plans. The Treasurer's office develops the annual budget based on previous years' experience, but it is not linked to formal goals, objectives, and/or performance measures.

The Government Finance Officers Association (GFOA) provides guidance to governmental entities in the development and maintenance on effective long-term planning. *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.

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

- Planning at least five to 10 years into the future;
- Considering all appropriated funds;
- Updating long-term planning activities as needed in order to provide direction to the budget process;
- Analyzing the financial environment, revenue and expenditure forecasts, debt position and affordability analysis, strategies for achieving and maintaining financial balance, and a plan for monitoring mechanisms, such as a scorecard of key indicators of financial health, and;
- Informing the public and elected officials about the long-term financial prospects of the government and strategies for financial balance.

Finally, *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 a long-term financial plan. As part of its strategic plan, it should create a capital improvement plan for all capital assets. These plans should be linked to a formal budgeting process that involves key stakeholders. Without a goal and resource oriented strategic plan based on input from key financial, operational, and instructional participants, the District is at risk of not fully evaluating the relationship between its spending decisions and program outcomes. This, in turn, increases the risk of inefficiently and/or ineffectively addressing District needs.

R.2 Consider reducing the General Fund subsidy of extracurriculars to local peer level

In FY 2016-17, the District expended \$307,164 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. Furthermore, the district transferred \$40,000 from the General fund into the District Managed Student Activity fund. A portion of these expenditures were offset by generating revenue of approximately \$127,400 from receipts for admissions, sales, and other activities. As a result, the District subsidized student extracurricular activities using the General Fund in the amount of \$219,500.

Table 7 shows BCSD's FY 2016-17 extracurricular activities net cost, General Fund subsidy in total and per pupil compared to the local peer average, and the remaining General Fund subsidy if the District's current subsidy were brought in line with the local peer average. While the net cost provides context regarding the overall size and financial position of the District's extracurricular activities, focusing in on the relative General Fund subsidy provides direct analysis of the portion of expenditures that the District has the most direct control over as well as the portion of expenditures that actually affects the five-year forecast.

Table 7: Student Extracurricular Activity Net Cost Comparison

	BCSD			Local Peer Average
Students ¹	962			992
Activity Type	Revenue	Expenditure	Net Cost	
Academic Oriented	\$0	\$24,268	(\$24,268)	(\$22,811)
Occupation Oriented	\$0	\$0	\$0	(\$25,141)
Sport Oriented	\$0	\$250,384	(\$250,384)	(\$185,782)
School & Public Service Co-Curricular	\$0	\$32,512	(\$32,512)	(\$33,893)
Bookstore Sales	\$0	N/A	\$0	\$0
Other Extracurricular	\$45,306	N/A	\$45,306	\$9,422
Non-specified ²	\$82,138	N/A	\$82,138	\$100,970
Total	\$127,444	\$307,164	(\$179,720)	(\$157,235)
Total GRF Direct Revenue				\$0.00
Total GRF Direct Expenditures				\$179,572.38
Total GRF Transfers ³				\$40,000.00
Total GRF Subsidy of Extracurricular Activities				\$219,572.38
Total GRF Subsidy of Extracurricular Activities per Pupil				\$228.25
Total per Pupil Difference in GRF Subsidy to Local Peer Average				\$74,458.80
Remaining GRF Subsidy				\$145,113.58

Source: BCSD and ODE

¹ Student enrollment data is from FY 2016-17.

² Non-specified represents revenues and expenditures that were not coded to a specific activity type.

³ These transfers are from the General Fund to the District Managed Student Activity Fund.

As shown in **Table 7**, BCSD's General Fund subsidy of extracurricular activities was more than \$219,000 in FY 2016-17, equating to \$228.25 per pupil. This was \$77.40, or 51.3 percent, more per pupil than the local peer average. While it is common for Ohio school districts to subsidize extracurricular activities with the General Fund, doing so at a rate that exceeds the local peer average may represent an undue burden on the District's General Fund.

The District should consider implementing one or more of the following steps to reduce the General Fund subsidy to the level of local peers:

- Implement 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. It is important to note that four of the seven local peers charge pay-to-participate fees ranging from \$30 per student to \$300 per family, while BCSD does not. However, if the District considers establishing similar pay-to-participate fees it should do so with consideration of students' relative ability to pay any proposed fees.

Financial Implication: Reducing expenditures and/or increasing revenue to bring the General Fund subsidy of extracurricular activities in line with the local peer average would save the District **\$74,400** annually.

R.3 Develop a purchasing process for custodial supplies

Table 8 shows the District’s building operation and maintenance (O&M) supplies and materials per square foot compared to the primary peer average for FY 2016-17.³ Examining the cost of supplies and materials in relation to square footage normalizes the effects of district size and provides an accurate comparison.

Table 8: O&M Supplies and Materials Total Expenditures Comparison

	BCSD	Primary Peer Average	Difference	% Difference
Total Supplies and Materials Expenditures	\$89,654	\$66,037	\$23,617	35.8%
Total Square Footage	197,170	182,544	14,626	8.0%
Expenditure per Square Foot	\$0.45	\$0.36	\$0.09	25.0%

Source: BCSD, ODE, and primary peers

As shown in **Table 8**, the cost of supplies and materials at BCSD was \$0.09, or 25.0 percent, higher per square foot than the primary peer average. The District’s comparatively higher custodial supplies and materials costs may be the result of the lack of a formal process to govern the purchase of custodial supplies. The District’s practice is to use a single vendor to procure most custodial supplies and materials, but does not have a policy in place requiring routine price checking or competitive quotation gathering to ensure that the primary vendor is offering competitive prices.

Meta Solutions is a service provider for educational institutions that manages a purchasing cooperative wherein extensive buying power is leveraged in order to enable its member school districts greater access to cost-effective supplies and services. BCSD maintains a current membership in this cooperative. Additionally, while the District lacks a formal purchasing manual, *Board Policy 6440 Cooperative Purchasing* – states “The Board, therefore, encourages the administration to seek advantages in savings that may accrue to this District through joint agreements for the purchase of supplies, equipment, or services with the governing body(ies) of other governmental units.” This provides the internal guidance to purchase the most cost-effective resources wherever possible.

Table 9 shows the total costs of four items commonly purchased by BCSD in FY 2016-17 compared to pricing available through Meta Solutions. This provides an indication as to whether the District’s purchasing practices for the same products through other currently available vendors were cost-effective.

³ Supplies and materials expenditures included here are for those consumable items used to operate, maintain, and/or repair school district property, buildings, and equipment.

Table 9: Supplies and Materials Component Expenditures Comparison

	BCSD	Meta Solutions ¹	Difference	% Difference
Two-Ply Toilet Paper	\$2,606	\$1,208	\$1,398	115.7%
Paper Towels	\$3,503	\$1,712	\$1,791	104.6%
Gloves	\$1,392	\$604	\$788	130.5%
Trash Can Liners	\$9,093	\$3,324	\$5,769	173.6%
Total	\$16,594	\$6,848	\$9,746	142.3%

Source: BCSD and Meta Solutions

¹ Actual cost the District would incur by buying the same volume of each product based on the best unit price available through Meta Solutions.

As shown in **Table 9**, by purchasing these four comparable products at the same volume through Meta Solutions or an online vendor, the District could save approximately \$9,700, or 10.8 percent, of its total FY 2016-17 O&M supplies and materials expenditures.

Overall, the District could reduce expenditures for supplies and materials by developing a formal purchasing process. An important step in establishing an effective purchasing process that outlines procurement practices is to create a purchasing manual.

The National Institute for Governmental Purchasing (NIGP) has developed and published a series of “global best practices” on government purchasing that, “provide definitions, context, and guidance on relevant public procurement topics.” One such best practice publication is, *Developing a Procurement Policy Manual* (NIGP, 2012). In this publication, the NIGP established the standard that, “organizations should develop a comprehensive policy manual that clearly defines authority, responsibility, and establishes guidelines for the organization and the procurement professional to follow when carrying out their responsibilities.” Procedure manuals should include the following elements:

- The overarching purpose of establishing a procurement policy;
- Definitions of any terms, titles, or criteria that may be unclear or specific to the organization;
- The basic organizational concepts which govern the authorities, roles, and/or responsibilities of those involved in the procurement process;
- Guidance for source selection and contract formation based on type of product or service and/or a threshold expenditure amount;
- Guidance regarding any product and/or service specifications deemed as critical to the continued mission of the organization;
- A code of conduct and ethics by which any and all employees involved in the procurement process should be guided;
- Outline the on-boarding process and any continuing education requirements for those involved in organizational procurement; and
- Guidance relating to any special programs, such as, minority-owned business, locally owned business, or cooperative purchasing.

BCSD should develop a formal purchasing process to reduce the risk of overpaying for supplies and materials. As part of this process, it should ensure that commonly purchased items are obtained at the lowest possible price by checking prices through the Meta Solutions purchasing cooperative and/or other available vendors.

Financial Implication: Ensuring that custodial supplies and materials are purchased from the lowest cost vendor could save the District approximately **\$9,700** annually.

R.4 Eliminate 2.0 FTE central office administrator positions

In addition to the Superintendent and Treasurer, BCSD employed 4.2 FTE central office administrators and 3.7 FTE building administrators in FY 2017-18 (see **R.5**). The titles and job duties of the 4.24 FTE central office administrator staff are as follows:

- **1.00 FTE Administrative Assistant position:** The Administrative Assistant performs clerical duties for the Superintendent, maintains schedules, and answers the District's telephone line.
- **1.94 FTE Coordinator positions:** This includes a 0.94 FTE Special Initiatives Coordinator and 1.0 FTE Technology Coordinator. The Special Initiatives Coordinator works under the Curriculum Director and job duties entail assisting and coordinating professional development events for the District's certificated staff. The Special Initiatives coordinator position was initially established and supported through grant funding; however those funds are no longer available to the District. The Technology Coordinator is tasked with overseeing the District's information systems.
- **1.30 FTE Director positions:** This includes a 0.30 FTE Athletic Director and 1.0 FTE Curriculum Director. The Athletic Director also performs the duties of Assistant Principal throughout the day (see **R.5**) while the Curriculum Director oversees test coordination, teacher licensure, federal programs, and grant monitoring.

Table 10 shows BCSD's FY 2017-18 central office administrators per 1,000 students compared to the primary peer average for FY 2016-17. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 10: Central Office Administrator Staff Comparison

Students	BCSD		Primary Peer Avg.	Difference	
Students Educated ¹	961		971	(10)	
Students Educated (Thousands)	0.961		0.971	(0.010)	
Position	BCSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Administrative Assistant	1.00	1.04	0.10	0.94	0.90
Supervisor/Manager	0.00	0.00	0.59	(0.59)	(0.57)
Coordinator	1.94	2.02	0.61	1.41	1.36
Director	1.30	1.35	0.21	1.14	1.10
Other Official/Administrative	0.00	0.00	0.31	(0.31)	(0.30)
Total	4.24	4.41	1.82	2.59	2.49

Source: BCSD 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 10**, the District would need to eliminate 2.0 FTE central office administrator positions in order to achieve a staffing ratio in line with the primary peer average on a per 1,000 students basis.

Financial Implication: Eliminating 2.0 FTE central office administrator positions could save an average of **\$80,500** in salaries and benefits in each year of implementation over the forecasted period. The value of each FTE is calculated using actual salaries and benefits and projected increases of the least salaried central office administrator positions.⁴ Estimated savings could increase if the reduction occurs through retirement or voluntary separation of higher-salaried staff.

⁴ The value of the savings from this recommendation was projected to increase by an average of 3.57 percent annually over the forecasted period to account for projected increases in salaries and benefits. These increases are included in the Cumulative Balance Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, vision, life insurance, Medicare, retirement, and workers’ compensation.

R.5 Eliminate 1.0 FTE building administrator position

The District employs 1.7 FTE assistant principals and 2.0 FTE principals, providing the services of an Assistant Principal and Principal at each school building. One of the District’s Assistant Principals also performs the duties of an Athletic Director (see R.4). **Table 11** shows BCSD’s FY 2017-18 building administrators per 1,000 students compared to the primary peer average for FY 2016-17. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 11: Building Administrator Staff Comparison

Students	BCSD		Primary Peer Avg.	Difference	
Students Educated ¹	961		971	(10)	
Students Educated (thousands)	0.961		0.971	(0.010)	
Position	BCSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Assistant Principal	1.70	1.77	0.10	1.67	1.60
Principal	2.00	2.08	2.63	(0.55)	(0.53)
Total	3.70	3.85	2.73	1.12	1.08

Source: BCSD 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 11**, the District would need to eliminate 1.0 FTE building administrator position in order to achieve a staffing ratio in line with the primary peer average per 1,000 students.

Financial Implication: Eliminating 1.0 FTE building administrator position could save an average of **\$87,500** in salaries and benefits in each year of implementation over the forecasted period. The value of each FTE is calculated using actual salaries and benefits and projected increases of the least salaried building administrator positions.⁵ Estimated savings could increase if the reduction occurs through retirement or voluntary separation of more-tenured staff.

⁵ The value of the savings from this recommendation was projected to increase by an average 3.57 percent over the forecasted period to account for projected increases in salaries and benefits. These increases are included in the Cumulative Balance Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, vision, life insurance, Medicare, retirement, and workers’ compensation.

R.6 Eliminate 1.0 FTE other educational position

The District employs 1.0 FTE other educational position in the elementary school library to teach computer technology classes. **Table 12** shows BCSD’s FY 2017-18 non-teaching educational staff per 1,000 students compared to the primary peer average for FY 2016-17. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 12: Other Educational Staff Comparison

Students	BCSD		Primary Peer Avg.	Difference	
Students Educated ¹	961		971	(10)	
Students Educated (thousands)	0.961		0.971	(0.010)	
Position	BCSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Other Educational	1.00	1.04	0.00	1.04	1.00

Source: BCSD and primary peers

¹ Reflects students receiving educational services from the District and excludes the percent of time students that 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 would need to eliminate 1.0 FTE other educational position in order to achieve a staffing ratio in line with the primary peer average per 1,000 students. It is important to note that this position has job duties similar to the District’s 2.0 FTE library staff; however the District’s library staff per 1,000 students is higher than the primary peer average (see **R.10**).

Financial Implication: Eliminating 1.0 FTE other educational position could save an average of **\$65,600** in salaries and benefits in each year of implementation over the forecasted period. The value of each FTE is calculated using actual salaries and benefits and projected increases of the 1.5 FTE least tenured educational positions that are recommended for elimination within this performance audit (also see **R.10**).⁶ Estimated savings could increase if the reduction occurs through retirement or voluntary separation of more-tenured staff.

⁶ The value of the savings from this recommendation was projected to increase by an average 3.63 percent over the forecasted period to account for projected increases in salaries and benefits. These increases are included in the Cumulative Balance Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, vision, life insurance, Medicare, retirement, and workers’ compensation.

R.7 Eliminate 1.0 FTE psychologist position

The District employs 1.2 FTE psychologist positions and 0.3 FTE other professional position. The other professional position is an assistant psychologist who also works with the students and families of the District’s homeless population. The other professional position largely works with special education students. For this reason, only the time spent with regular education students was included in the analysis. **Table 13** shows BCSD’s FY 2017-18 psychology staff per 1,000 students compared to the primary peer average for FY 2016-17. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 13: Psychologist Staff Comparison

Students	BCSD	Primary Peer Avg.	Difference		
Students Educated ¹	961	971	(10)		
Students Educated (thousands)	0.961	0.971	(0.010)		
Position	BCSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Psychologist	1.20	1.25	0.41	0.84	0.81
Other Professional	0.30	0.31	0.00	0.31	0.30
Total	1.50	1.56	0.41	1.15	1.11

Source: BCSD and primary peers

¹ Reflects students receiving educational services from the District and excludes the percent of time students that 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 is 0.81 FTE over the primary peer average in psychologists. However, given that the other professional position assists the District’s psychologists, BCSD would need to eliminate 1.0 FTE psychologist position in order to achieve a staffing ratio in line with the primary peer average per 1,000 students.

Financial Implication: Eliminating 1.0 FTE psychologist position could save an average of **\$63,900** in salaries and benefits in each year of implementation over the forecasted period. The value of each FTE is calculated using actual salaries and benefits and projected increases of the least tenured professional position.^{7,8} Estimated savings could increase if the reduction occurs through retirement or voluntary separation of more-tenured staff.

⁷ Two professional staff shared the same (least) tenure, so the lower salary among the two employees was used.

⁸ The value of the savings from this recommendation was projected to increase by an average 3.67 percent over the forecasted period to account for projected increases in salaries and benefits. These increases are included in the Cumulative Balance Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, vision, life insurance, Medicare, retirement, and workers’ compensation.

R.8 Eliminate 0.5 FTE central office clerical position

The District employs a total of 3.0 FTE central office clerical positions. BCSD has 2.0 FTE bookkeeping positions and 1.0 FTE records managing position. The records managing position is responsible for overseeing the student enrollment Education Management Information System records for ODE. The two bookkeeping positions are assistant treasurers, one handling payroll duties and the other budgetary duties for the District. **Table 14** shows BCSD’s FY 2017-18 central office clerical staff per 1,000 students compared to the primary peer average for FY 2016-17. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 14: Central Office Clerical Staff Comparison

Students	BCSD		Primary Peer Avg.	Difference	
Students Educated ¹	961		971	(10)	
Students Educated (thousands)	0.961		0.971	(0.010)	
Position	BCSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Clerical	0.00	0.00	1.80	(1.80)	(1.73)
Bookkeeping	2.00	2.08	0.69	1.39	1.34
Records Managing	1.00	1.04	0.00	1.04	1.00
Total	3.00	3.12	2.49	0.63	0.61

Source: BCSD and primary peers

¹ Reflects students receiving educational services from the District and excludes the percent of time students that 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 would need to eliminate 0.5 FTE central office clerical position in order to achieve a staffing ratio in line with the primary peer average per 1,000 students.

Financial Implication: Eliminating 0.5 FTE central office clerical position could save an average of **\$31,600** in salaries and benefits in each year of implementation over the forecasted period. The value of each FTE is calculated using actual salaries and benefits and projected increases of the least tenured central office clerical positions.⁹ Estimated savings could increase if the reduction occurs through retirement or voluntary separation of more-tenured staff.

⁹ The value of the savings from this recommendation was projected to increase by an average 3.63 percent over the forecasted period to account for projected increases in salaries and benefits. These increases are included in the Cumulative Balance Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, vision, life insurance, Medicare, retirement, and workers’ compensation.

R.9 Eliminate 0.5 FTE building office clerical position

The District employs 4.0 FTE building office clerical positions. These employees work within the school buildings handling secretarial and other clerical duties. **Table 15** shows BCSD’s FY 2017-18 building office clerical staff per 1,000 students compared to the primary peer average for FY 2016-17. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 15: Building Clerical Staff Comparison

Students	BCSD		Primary Peer Avg.	Difference	
Students Educated ¹	961		971	(10)	
Students Educated (thousands)	0.961		0.971	(0.010)	
Position	BCSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Clerical	4.00	4.16	3.43	0.73	0.70
Total	4.00	4.16	3.43	0.73	0.70

Source: BCSD 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 clerical FTEs per 1,000 students in line with the primary peer average.

As shown in **Table 15**, the District would need to eliminate 0.5 FTE building office clerical position in order to achieve a staffing ratio in line with the primary peer average per 1,000 students.

Financial Implication: Eliminating 0.5 FTE building office clerical position could save an average of **\$22,200** in salaries and benefits in each year of implementation over the forecasted period. The value of each FTE is calculated using actual salaries and benefits and projected increases of the least tenured building clerical positions.¹⁰ Estimated savings could increase if the reduction occurs through retirement or voluntary separation of more-tenured staff.

¹⁰ The value of the savings from this recommendation was projected to increase by an average 3.83 percent over the forecasted period to account for projected increases in salaries and benefits. These increases are included in the Cumulative Balance Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, vision, life insurance, Medicare, retirement, and workers’ compensation.

R.10 Eliminate 0.5 FTE library position

The District employs 2.0 FTE library positions including 1.0 FTE librarian/media position and 1.0 FTE library aide position. The library staff is responsible for computer classes, homeroom monitoring, and oversight of the library. In addition to these positions, the District also employs a position within the elementary school library to teach computer technology classes (see **R.6**). **Table 16** shows BCSD’s FY 2017-18 library staff per 1,000 students compared to the primary peer average for FY 2016-17. Comparing library staff in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 16: Library Staff Comparison

Students	BCSD		Primary Peer Avg.	Difference	
Students Educated ¹	961		971	(10)	
Students Educated (thousands)	0.961		0.971	(0.010)	
Position	BCSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Librarian/Media	1.00	1.04	0.42	0.62	0.60
Library Aide	1.00	1.04	0.91	0.13	0.12
Total	2.00	2.08	1.33	0.75	0.72

Source: BCSD and primary peers

¹ Reflects students receiving educational services from the District and excludes the percent of time students that 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 16**, the District would need to eliminate 0.5 FTE library position in order to achieve a staffing ratio in line with the primary peer average per 1,000 students.

Financial Implication: Eliminating 0.5 FTE library position could save an average of **\$32,800** in in salaries and benefits in each year of implementation over the forecasted period. The value of each FTE is calculated using actual salaries and benefits and projected increases of the 1.5 FTE least tenured educational positions that are recommended for elimination within this performance audit (also see **R.6**).¹¹ Estimated savings could increase if the reduction occurs through retirement or voluntary separation of more-tenured staff.

¹¹ The value of the savings from this recommendation was projected to increase by an average 3.60 percent over the forecasted period to account for projected increases in salaries and benefits. These increases are included in the Cumulative Balance Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, vision, life insurance, Medicare, retirement, and workers’ compensation.

R.11 Eliminate 1.0 FTE classroom support position

The District employs 7.79 FTE classroom support positions. Teaching aides within the District work with special education students for half of their day and regular education children for the other half. Instructional paraprofessionals in the District have the same job duties as teaching aides, but work more with regular education students. Historically, the District’s negotiated agreement specified the hiring of classroom support staff when class sizes in kindergarten reached certain sizes.¹² However, this provision was removed from the most recent negotiated agreement.

Table 17 shows BCSD’s FY 2017-18 classroom support staff per 1,000 students compared to the primary peer average for FY 2016-17. Comparing classroom support staff in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table 17: Classroom Support Staff Comparison

Students	BCSD		Primary Peer Avg.	Difference	
Students Educated ¹	961		971	(10)	
Students Educated (thousands)	0.961		0.971	(0.010)	
Position	BCSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Instructional Paraprofessional	7.00	7.28	1.03	6.25	6.01
Teaching Aide	0.79	0.82	5.65	(4.83)	(4.64)
Total	7.79	8.10	6.68	1.42	1.36

Source: BCSD and primary peers

¹ Reflects students receiving educational services from the District and excludes the percent of time students that 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 17**, the District would need to eliminate 1.0 FTE classroom support position in order to achieve a staffing ratio in line with the primary peer average per 1,000 students.

Financial Implication: Eliminating 1.0 FTE classroom support position could save an average of **\$17,300** in salaries and benefits in each year of implementation over the forecasted period. The value of each FTE is calculated using actual salaries and benefits and projected increases of the least tenured classroom support positions.¹³ Estimated savings could increase if the reduction occurs through retirement or voluntary separation of more-tenured staff.

¹² Based on the employment of three kindergarten teachers, it was agreed that part-time teacher aides (3-1/2 hours – A.M.) will be hired according to the overall number of kindergarten students as follows: 61 kindergarten students – 1 part-time aide, 65 kindergarten students – 2 part-time aides, and 69 kindergarten students – 3 part-time aides.

¹³ The value of the savings from this recommendation was projected to increase by an average 3.53 percent over the forecasted period to account for projected increases in salaries and benefits. These increases are included in the

R.12 Renegotiate collective bargaining agreement provisions

The District has collective bargaining agreements (CBAs), which were negotiated for a one year period beginning July 1, 2017 with the Belpre Education Association, representing certificated employees and effective through June 30, 2018; and the Ohio Association of Public School Employees, representing classified employees and also effective through June 30, 2018. An analysis of the current CBAs identified certain provisions that exceed State minimum standards, as set forth in the ORC, OAC, and/or provisions in the local peer district contracts.

Provisions with Long-Term Impact

- **Planning Time:** Under the certificated CBA, teachers are entitled to 225 minutes of planning time per week. OAC 3301-35-05 details planning time and requires that teachers be provided with 200 minutes of time per week. In comparison, six of the seven local peers provide teachers with 200 minutes, and one local peer provides teachers with 240 minutes per week for a peer average 206 minutes of planning time. Direct savings from reducing the amount of planning time to a level consistent with the OAC minimum could not be quantified; however, providing teachers with additional planning time reduces the amount of time they are available to teach students, which may require the District to employ additional teachers.
- **Sick Leave Accumulation and Severance Payout:** BCSD certificated and classified CBAs entitle employees to accumulate up to 238 sick days. The ORC § 3319.141 details sick leave accumulation and specifies that unused sick leave shall be cumulative to 120 days. The local peer districts also allow accumulation over the state minimum levels, with certificated employees entitled to an average of 242 sick days and classified employees entitled to an average of 257 sick days.¹⁴ While the District accumulates fewer sick days than its local peers, it accumulates 118 more days than the ORC minimums. Although the District's peers also provide sick day accumulation over the State minimum levels, providing accumulation in excess of this level results in the potential for increased liability when sick leave is paid out to retiring employees.

The District's CBAs entitle certificated and classified employees to be paid for accumulated sick leave upon retirement. Specifically, certificated and classified employees are entitled to a payout of 25 percent of unused sick leave, for a maximum of 57 days upon retirement. The ORC § 124.39 allows school employees at retirement to be paid for 25 percent of unused sick leave up to a maximum of 30 days. In comparison, the average sick leave payout for local peers is a maximum of 63 days for certificated employees and 87 days for classified employees. While the Districts payout maximum is less than that of local peers, it pays out 27 more days than the ORC minimums. Allowing

Cumulative Balance Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, vision, life insurance, Medicare, retirement, and workers' compensation.

¹⁴ Trimble LSD was excluded from both certificated and classified local peer average calculations due to unlimited sick leave accumulation. Additionally, Federal Hocking LSD was not included in the certificated local peer average due to unlimited sick leave accumulation.

employees to receive payouts in excess of state minimums becomes costly at employee retirements. See **Appendix Table B-7** for estimated liability over the ORC maximum.

- **Sick Leave Incentive Pay:** Under the classified CBA, employees who are present for 96 percent of their work schedule and who perform at a satisfactory level or better on written evaluations receive additional compensation. Twelve month employees are eligible for additional compensation of \$800 and nine and 10 month employees are eligible for additional compensation of \$700. A 96 percent attendance rate allows classified employees to use up to 10 days of sick leave per year and still qualify for the full amount. In comparison, the average number of missed days allowed by a local peer while remaining eligible for incentive pay was 2.6 days. The District provided actual incentive payments of \$17,400 in FY 2014-15, \$18,864 in FY 2015-16, and \$18,152 in FY 2016-17, for a three year average of \$18,139. Reducing the incentive amount and number of sick days used to the local peer average could provide the District with additional cost savings.¹⁵ Eliminating the incentive could provide the District with further savings, as it is not required by the ORC or OAC.
- **Vacation Accrual:** Under the classified CBA, employees are entitled to annual vacation accrual, whereby they can earn 515 vacation days over the course of a 30 year career. Although this amount is lower than the local peer average of 516 days, it exceeds the ORC § 3319.084 minimum of 460 days. Although direct savings from reducing the vacation schedule could not be quantified, providing employees with more vacation days could increase substitute and overtime costs. Reducing the number of vacation days available would serve to increase the number of available work hours at no additional cost to the District.

Provisions with Immediate Impact

- **Professional Leave:** Under the certificated CBA, the District allocates \$30,000 annually for professional leave/development expenses to attend continuous growth activities related to particular teachers' instructional areas. The District provided three consecutive years of professional leave data which showed actual expenditures were \$29,815 in FY 2014-15, \$26,432 in FY 2015-16, and \$27,782 in FY 2016-17, for a three year average of \$28,010. The District's funding source for professional development expenses are grants. However, the grants do not cover the cost for substitute teachers or administrators who attend professional development related events. Those costs are supported by the General Fund. In the event grants are not available, the District would be liable for the fully agreed-upon amount. In comparison, the local peer average for professional leave is \$7,375 or \$22,625 less than BCSD's annual appropriation and \$20,635 less than the District's actual average expenditure. Neither the ORC nor the OAC require professional leave allowances. Bringing professional leave in line with the local peer average could provide the District with additional cost savings.

¹⁵ Two local peers, Frontier LSD and Trimble LSD, do not have provisions related to sick leave incentive pay and were not included in the local peer average calculations.

- **Tuition Reimbursement:** Under the certificated CBA, a total of \$25,000 is allocated annually for tuition reimbursement. Eligible costs include tuition for courses taken at an accredited university or college. In accordance with the CBA, tuition reimbursement is distributed proportionately according to the course load of all bargaining unit members. The District provided two years of actual tuition reimbursement which showed \$25,000 in FY 2015-16 and \$23,130 in FY 2016-17, for a two year average of \$24,065.¹⁶ In comparison, the local peer districts had an average maximum total tuition reimbursement amount of \$18,500 per year¹⁷, which was \$6,500 less than BCSD's annual appropriation and \$5,565 less than the Districts actual average expenditure. The ORC does not require school districts to reimburse tuition costs.

The District should consider renegotiating the above provisions in order to increase management control over District operations and provide cost savings.

Financial Implication: Renegotiating tuition reimbursement for the certificated staff could save the District an average of **\$5,500**. Additionally, bringing professional leave in line with the local peer average could save the District **\$20,600** annually.

R.13 Decrease employer cost of dental and vision insurance

As a part of the CBAs, BCSD offers dental and vision insurance, fully paid by the District, to all employees who work 20 or more hours per week.

Dental Insurance

BCSD offers two types of dental insurance plans, including single, and family. There were a total of 116 employees enrolled in FY 2017-18.¹⁸

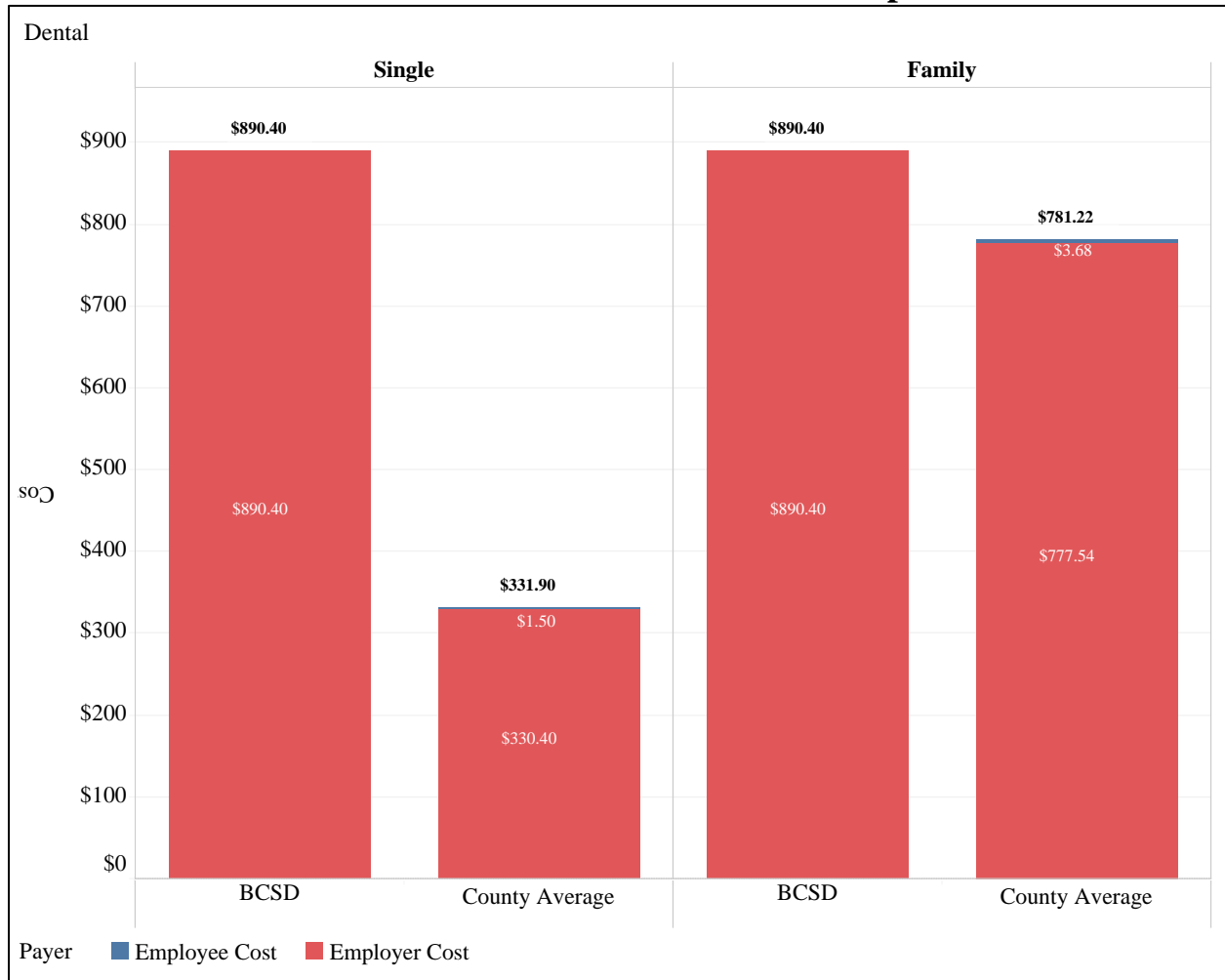
The Ohio State Employment Relations Board (SERB) surveys public sector entities concerning medical, dental, and vision insurance costs and publishes this information annually in the report *The Cost of Health Insurance in Ohio's Public Sector* (SERB, 2017). **Chart 3** shows BCSD's FY 2017-18 dental premiums for single and family coverage in comparison to the SERB Washington County average. This provides regional context on the appropriateness of both the total premium as well as the employer/employee cost split.

¹⁶ The District was only able to provide two complete years of actual tuition reimbursement data.

¹⁷ Eastern LSD does not offer tuition reimbursement, and therefore was not included in the local peer average.

¹⁸ 23 employees receive single coverage and 93 employees receive family benefits. Enrollment levels are as of 2/22/18, which was the most up-to-date information available as of the completion of the analysis.

Chart 3: Dental Insurance Premiums Comparison



Source: BCSD and SERB

As shown in **Chart 3**, BCSD’s total premium cost exceeds the county average in each coverage type. Furthermore, the District’s employer cost for dental insurance was higher than the Washington County average. Finally, District employees do not contribute toward the cost of the dental premium, while other governments within Washington County do require some employee contribution. The District does not have different premiums for single or family coverage, which results in dental costs far exceeding the Washington County average for single coverage, while remaining closer to the Washington County average for family coverage.

Table 18 shows the level of employee contribution that BCSD would need to require in order to bring dental insurance employer costs in line with the Washington County average for each plan type. In addition, the cost savings of doing so is shown for each plan type. These comparisons provide context as to the appropriateness of the overall cost share as well as the potential financial impact associated with implementing this change.

Table 18: Dental Plan Cost Comparison

	Single	Family
BCSD Plan Counts	23	93
BCSD Employer Cost	\$890.40	\$890.40
Washington County Avg. Employer Cost	\$330.40	\$777.54
Difference per Plan	\$560.00	\$112.86
Savings by Plan Type	\$12,880.00	\$10,495.98
Total Annual Savings by Reducing Employer Dental Cost to Washington County Avg.		\$23,375.98

Source: BCSD and SERB

As shown in **Table 18**, the District could generate savings of \$23,300 annually by bringing the employer cost of dental insurance in line with the Washington County average.

As previously noted, the District's dental insurance coverage, including full employer coverage of the premium, is a benefit that is included in the CBAs. As such, any changes to the employer/employee cost share are subject to negotiation.

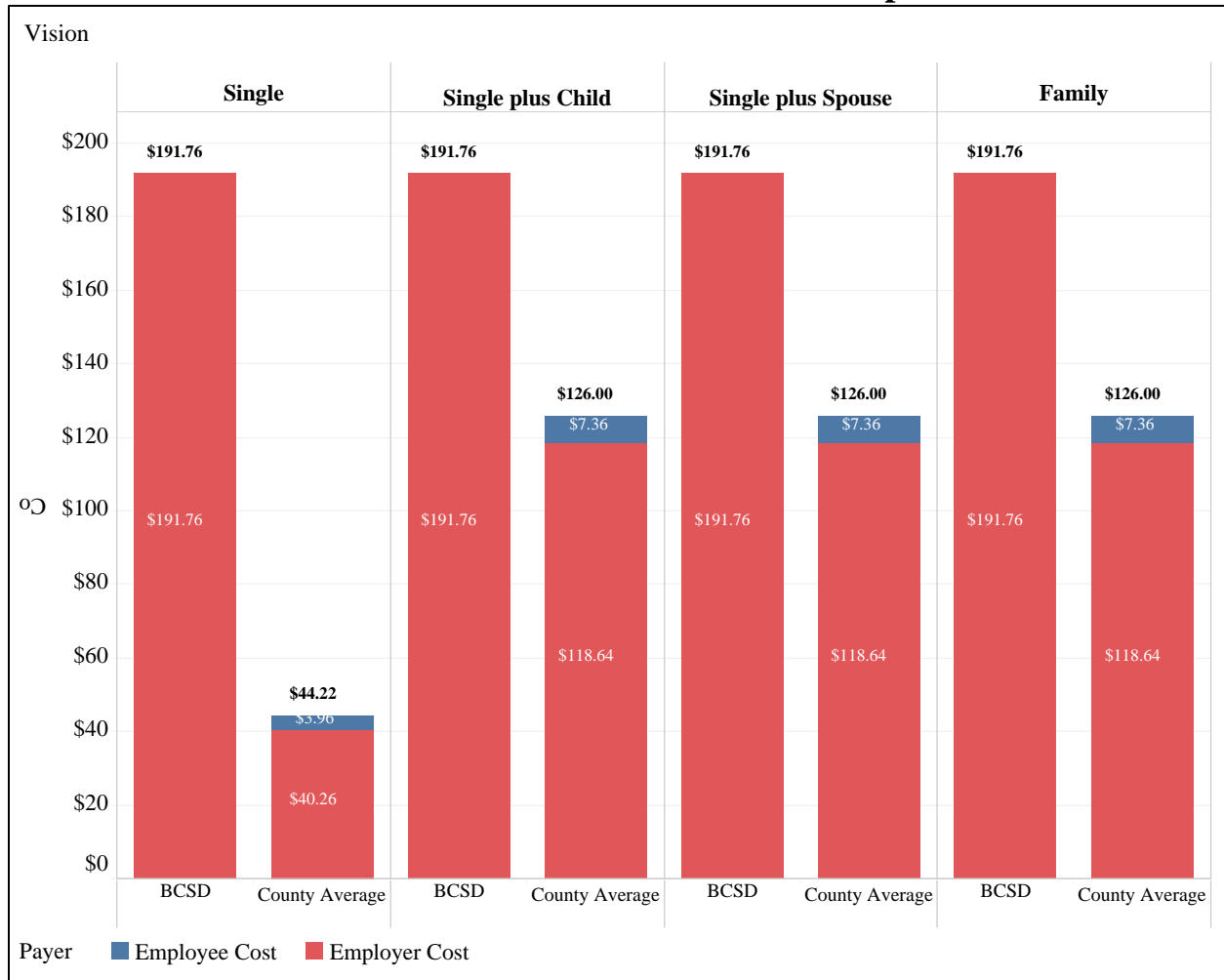
Vision Insurance

BCSD offers four types of vision insurance plans, including: single, single plus child, single plus spouse, and family. There were a total of 117 employees enrolled in FY 2017-18.¹⁹

Chart 4 shows BCSD's FY 2017-18 vision premiums for all plan types in comparison to the SERB Washington County average. This provides regional context on the appropriateness of both the total premium as well as the employer/employee cost split.

¹⁹ 20 employees received single coverage, 7 employees received single plus spouse coverage, 4 employees received single plus child, and 86 employees received family coverage. Enrollment levels are as of 2/22/18, which was the most up-to-date information available as of the completion of the analysis.

Chart 4: Vision Insurance Premiums Comparison



Source: BCSD and SERB

Note: Other Washington County governments do not offer Single plus Child or Single plus Spouse. The family county average was used for those categories.

As shown in **Chart 4**, BCSD’s total premium cost exceeds the Washington County average for both plan types. The District’s employer cost for vision insurance was higher than the Washington County average for all plan types. Similar to dental insurance, BCSD’s employees do not contribute toward the cost of the vision premiums.

Table 19 shows the level of employee contribution that BCSD would require in order to bring vision insurance employer premiums in line with the Washington County average for each plan type. In addition, the cost savings of doing so is shown for each plan type. These comparisons provide context as to the appropriateness of the overall cost share as well as the potential financial impact associated with implementing this change.

Table 19: Vision Plan Cost Comparison

	Single	Single Plus Spouse	Single Plus Child	Family
BCSD Plan Counts	20	7	4	86
BCSD Employer Cost	\$191.76	\$191.76	\$191.76	\$191.76
Washington County Avg. Employer Cost	\$40.26	N/A	N/A	\$118.64
Difference per Plan	\$151.50	N/A	N/A	\$73.12
Savings by Plan Type	\$3,030.00	N/A	N/A	\$6,288.32
Total Annual Savings by Reducing Employer Vision Cost to Washington County Avg.				\$9,318.32

Source: BCSD and SERB

As shown in **Table 19**, the District could generate vision insurance savings of \$9,300 by bringing employer costs in line with the Washington County average.

As with dental insurance, the District's vision insurance coverage, including the employee/employer cost share is a benefit that is included in the CBAs. As such, any changes to the employer/employee cost share are subject to negotiation.

Financial Implication: Bringing the employer cost of dental and vision insurance in line with the Washington County average could save the District an average of **\$34,500** annually over the forecasted period.²⁰

R.14 Eliminate 1.5 FTE custodial positions

Custodial personnel are responsible for cleaning the District's facilities. **Table 20** shows BCSD's FY 2017-18 custodial staff compared to the benchmark established in the *Planning Guide for Maintaining School Facilities* (National Center for Education Statistics (NCES), 2003). It is important to compare and monitor staffing using workload measures in order to determine proper staffing levels and maintain efficiency.

Table 20: Custodial Staff Comparison

Custodial FTEs	8.4
Square Footage Cleaned	191,607
Square Footage Cleaned per Custodial FTE	22,810
NCES Benchmark – Square Footage per FTE ¹	29,500
Difference Above/(Below) per FTE	(6,690)
Benchmarked Staffing Need	6.5
Custodial FTEs Above/(Below) Benchmark	1.9

Source: BCSD and NCES

¹ Represents "Level 3" cleaning which the NCES considers the norm for school facilities.

²⁰ The District's five-year forecast assumes dental and vision insurance premiums increasing by 3.93 percent for the forecasted period. These increases are included in the Cumulative Balance Performance Audit Recommendations shown in **Table 3**.

As shown in **Table 20**, BCSD custodial personnel clean 6,690 or 22.7 percent, fewer square feet per FTE compared to the NCES benchmark. In order to achieve a staffing level that is consistent with this benchmark, the District would need to eliminate 1.5 FTE custodial positions.

Financial Implication: Eliminating 1.5 FTE custodial positions could save an average of **\$57,800** in salaries and benefits in each year of implementation over the forecasted period. The value of each FTE is calculated using actual salaries and benefits and projected increases of the least tenured custodial positions.²¹ Estimated savings could increase if the reduction occurs through retirement or voluntary separation of more-tenured staff.

R.15 Eliminate additional summer custodians from facilities temporary labor expenditures

In FY 2016-17, the District expended \$74,778 on facilities temporary labor, which included the salaries of substitute custodians, temporary groundskeepers, seasonal workers, and additional summer custodians.

By category, the costs of the facilities temporary labor included:

- Substitute custodians - \$18,421;
- Temporary groundskeepers - \$12,712;
- Seasonal workers - \$3,555 and;
- Additional summer custodians - \$40,460.

The District has a practice of hiring additional summer custodians to provide supplemental facilities cleaning services. However, given the current overstaffing of custodial employees (See **R.14**), there is no need to supplement staffing with temporary labor. Therefore, the District should eliminate its additional summer custodians and reduce its facilities temporary labor expenditures.

Financial Implication: Eliminating additional summer custodians from facilities temporary labor expenditures could save the District **\$40,400** annually.

R.16 Develop a formal bus replacement plan

BCSD does not have a formal data driven bus replacement plan. An analysis of its fleet revealed that the average age of its active buses is 12.0 years. Furthermore, two of the buses are between nine and 14 years of age while five buses are between 15 and 22 years old.

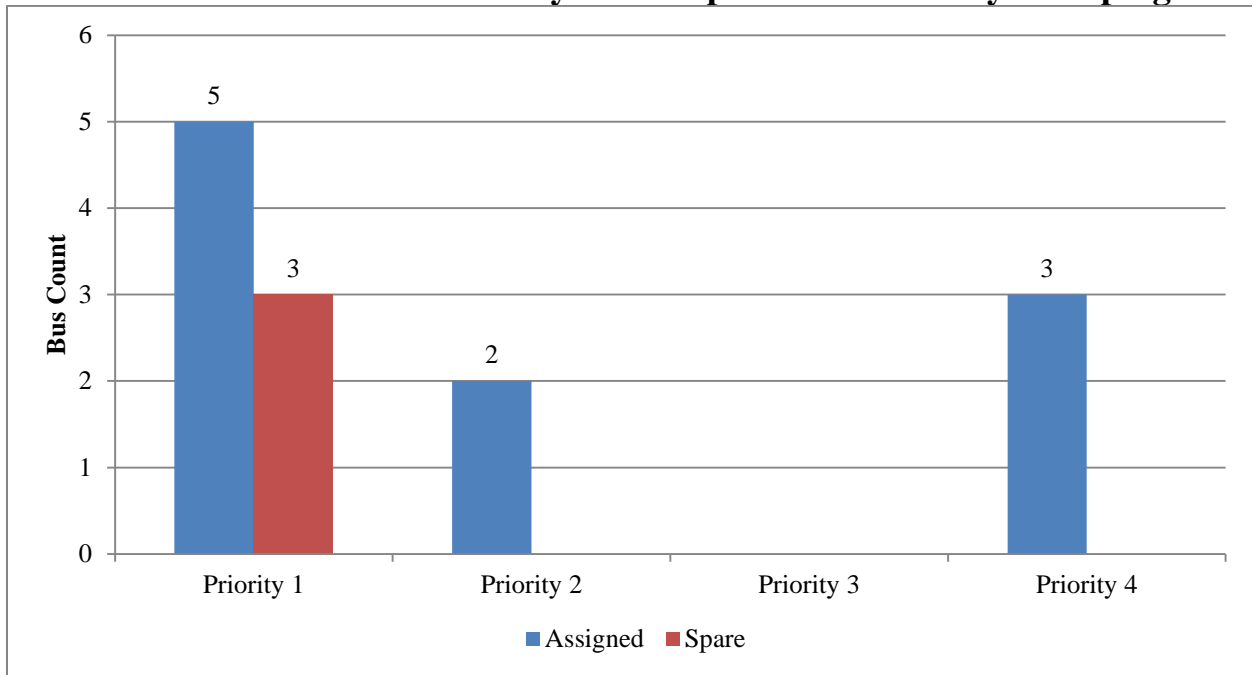
Clean School Bus (EPA, 2012) offers guidelines regarding the replacement of school buses. According to the EPA, fleets should be assessed for age and condition to determine which buses need to be replaced first. Compiling this information in advance allows districts to plan for future expenditures and to be prepared when funds become available. In addition, the EPA provides

²¹ The value of the savings from this recommendation is projected to increase by an average of 3.57 percent annually for FY 2019-20 through FY 2021-22 to account for projected increases in salaries and benefits. Annual increases are included in the Cumulative Balance of Performance Audit Recommendations shown in **Table 3**. Benefits include medical, prescription drug, dental, vision, life insurance, Medicare, retirement, and workers' compensation.

further replacement guidance by categorizing buses into four priority groups based on model year. Groups in Priority One are considered most in need of immediate replacement with Priority Four being least in need.²² Due to advanced age, buses in the Priority One grouping often have increasing maintenance concerns, decreased fuel economy benefits, and less stringent safety equipment, making replacement a higher priority.

Chart 5 shows the District’s FY 2017-18 fleet classified by EPA priority grouping. This provides a high level indication of the extent of the District’s fleet replacement needs relative to EPA guidelines.

Chart 5: Bus Classification by EPA Replacement Priority Grouping



Source: BCSD and EPA

Note: Assigned buses include both regular and special needs.

As shown in **Chart 5**, three buses, or 23.1 percent, of the District’s fleet falls in the lowest priority group (Priority Four) while 76.9 percent of the District’s buses will near replacement age in the near-term, assuming no change in fleet size. A fleet replacement plan could help the District gain visibility into the costs of the fleet in priority groupings and in determining future reductions and/or replacements, enabling it to meet EPA suggested guidelines.

²² *Clean School Bus* classifies buses by model year in the following priority groups: Priority One: pre-1998 model years; Priority Two: model years 1998 through 2003; Priority Three: model years 2004 through 2006; and Priority Four: model years 2007 and newer. For this analysis, the groupings were updated to the following priority groupings: Priority One: pre-2004 model years; Priority Two: model years 2004 through 2009; Priority Three: model years 2010 through 2012; Priority Four: model years 2013 and newer. It is important to note that the original EPA parameters also take into account emissions standards changes occurring in 2004 and 2007. There have not been significant emissions standards changes affecting school buses since that time.

According to *School Bus Replacement Considerations* (National Association of State Directors of Pupil Transportation Services (NASDPTS), 2002), the replacement of school buses should be a planned process. The plan should incorporate the maintenance data collected by the District into the decision-making process for bus replacements. The plan should also allow the 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. BCSD should consider the full cost of bus operation, including fuel, parts, labor, and vehicle depreciation.

The District should develop a formal data driven bus replacement plan. Doing so would allow it to communicate to 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. Adopting a plan could reduce overall operating costs and help to avoid the need to replace a major portion of the fleet at the same time.

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 the Department and the District, OPT identified the following scope areas for detailed review: Financial Management, Human Resources, Facilities, Transportation, and Food Service. 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. A total of 13 of the 23 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 budgeting and forecasting practices comparable to leading practices and is the forecast reasonable and supported?	N/A
Is the District's strategic plan consistent with leading practices?	R.1
Are the District's financial communication practices consistent with leading practices?	N/A
Are extracurricular activities appropriate to peers and/or the District's financial condition?	R.2
Are the District's purchasing practices comparable to leading practices and appropriate based on the District's financial condition?	R.3
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 District's financial condition?	R.4, R.5, R.6, R.7, R.8, R.9, R.10, and R.11
Are salaries and wages comparable to local peers and appropriate based on the District's financial condition?	N/A
Are CBA provisions comparable to local peers and/or ORC minimums and appropriate based on the District's financial condition?	R.12
Are insurance costs comparable to local markets and appropriate based on the District's financial condition?	R.13
Facilities	
Are building utilization rates efficient when compared to industry benchmarks and appropriate based on the District's financial condition?	N/A
Is facilities staffing efficient compared to benchmarks and appropriate based on the District's financial condition?	R.14
Are the facilities expenditures comparable to peers and/or industry standards and appropriate based on the District's financial condition?	N/A
Are temporary labor expenditures comparable to peers and industry benchmarks and appropriate based on the District's financial condition?	R.15

Objective	Recommendation
Are preventive maintenance practices consistent with industry standards and/or leading practices?	N/A
Are capital planning efforts consistent with leading practices?	R.1
Transportation	
Are the District T-Report procedures and practices consistent with ODE requirements?	N/A
Is the fleet sized appropriately and routed efficiently compared to leading practices and are transportation operations appropriate based on the District's financial condition?	N/A
Is the fleet maintained efficiently compared to industry benchmarks and/or transportation peers and appropriately based on the District's financial condition?	N/A
Are District fuel purchasing practices resulting in efficient pricing?	N/A
Is transportation operation security consistent with leading practices and appropriate based on the District's financial condition?	N/A
Are the bus replacement practices consistent with industry benchmarks and leading practices and appropriate based on the District's financial condition?	R.16
Food Service	
Is the Food Service Fund self-sufficient and consistent with leading practices?	N/A
Are the food service staffing levels efficient compared to peers and/or leading practices?	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

BCSD's FY 2017-18 FTE staffing levels by category are shown in **Chart 1** and **Chart 2**.²³ Analyses of staffing levels that resulted in recommendations include central office administrative positions (see **R.4**), building administrative position (see **R.5**), other educational position (see **R.6**), psychologist position (see **R.7**), central office clerical position (see **R.8**), building office clerical position (see **R.9**), library position (see **R.10**), and classroom support position (see **R.11**). Staffing comparisons where the analysis did not result in a recommendation are presented for informational purposes below. Staffing comparisons show total FTEs only when the evaluation of the category as a whole is relevant.

²³ The individual positions within each staffing category in **Chart 1** and **Chart 2** are explained in detail within section 3.9 of the *EMIS Reporting Manual* (ODE, 2017).

Teaching Staff

Table B-1 shows BCSD’s FY 2017-18 teaching staff per 1,000 students compared to the primary peer average for FY 2016-17. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table B-1: Teaching Staff Comparison

Students	BCSD		Primary Peer Avg.	Difference	
Students Educated ¹	961		971	(10)	
Students Educated (thousands)	0.961		0.971	(0.010)	
Position	BCSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs Per 1,000 Students	Total Above/ (Below) ²
General Education ³	44.00	45.79	45.98	(0.19)	(0.18)
Gifted and Talented	0.00	0.00	0.52	(0.52)	(0.50)
Career-Technical Programs/Career Pathways	0.00	0.00	0.46	(0.46)	(0.44)
K-8 Art Education	1.00	1.04	1.16	(0.12)	(0.12)
K-8 Music Education	1.00	1.04	1.50	(0.46)	(0.44)
K-8 Physical Education	1.00	1.04	1.24	(0.20)	(0.19)

Source: BCSD 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.

³ In FY 2017-18 BCSD’s regular student population was 851.10. With a total of 44.0 general education teacher FTEs this resulted in a District-wide ratio of 19.34 students per general education teacher. If the District were to operate at the State minimum ratio of 25 to 1, it would need a total of 34.04 FTEs, 9.96 FTEs less than are currently employed.

As shown in **Table B-1**, the District is under the peer average among all teaching positions per 1,000 students.

Non-Teaching Educational Staff

Table B-2 shows BCSD’s FY 2017-18 non-teaching educational staff per 1,000 students compared to the primary peer average for FY 2016-17. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table B-2: Non-Teaching Educational Staff Comparison

Students	BCSD		Primary Peer Avg.	Difference	
Students Educated ¹	961		971	(10)	
Students Educated (thousands)	0.961		0.971	(0.010)	
Position	BCSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Curriculum Specialist	0.00	0.00	0.21	(0.21)	(0.20)
Counseling	1.00	1.04	1.86	(0.82)	(0.79)
Remedial Specialist	0.00	0.00	1.04	(1.04)	(1.00)
Tutor/Small Group Instructor	0.00	0.00	1.45	(1.45)	(1.39)
Other Educational	1.00	1.04	0.00	1.04	1.00

Source: BCSD and primary peers

¹ Reflects students receiving educational services from the District and excludes the percent of time students that 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-2**, the District employs 1.0 FTE counseling position and 1.0 FTE other educational position. The other educational position teaches computer technology classes in the elementary school library (see **R.6**). The District already employs 2.0 FTEs for library staff, who perform similar job duties (see **R.10**).

Professional Staff

Table B-3 shows BCSD’s FY 2017-18 professional staff per 1,000 students compared to the primary peer average for FY 2016-17. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table B-3: Professional Staff Comparison

Students	BCSD		Primary Peer Avg.	Difference	
Students Educated ¹	961		971	(10)	
Students Educated (thousands)	0.961		0.971	(0.010)	
Position	BCSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Dietitian/Nutritionist	0.00	0.00	0.10	(0.10)	(0.10)
Psychologist	1.20	1.25	0.41	0.84	0.81
Social Work	0.00	0.00	0.21	(0.21)	(0.20)
Other Professional	0.30	0.31	0.00	0.31	0.30

Source: BCSD and primary peers

¹ Reflects students receiving educational services from the District and excludes the percent of time students that 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-3**, the District employs 1.2 FTE psychologist positions and 0.3 FTE other professional position (see **R.7**).

Technical Staff

Table B-4 shows BCSD’s FY 2017-18 technical staff per 1,000 students compared to the primary peer average for FY 2016-17. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table B-4: Technical Staff Comparison

Students	BCSD		Primary Peer Avg.	Difference	
Students Educated ¹	961		971	(10)	
Students Educated (thousands)	0.961		0.971	(0.010)	
Position	BCSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Computer Operating	0.00	0.00	0.39	(0.39)	(0.37)
Other Technical	0.00	0.00	0.21	(0.21)	(0.20)

Source: BCSD and primary peers

¹ Reflects students receiving educational services from the District and excludes the percent of time students that 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-4**, the District has no FTEs employed in the technical staff positions while the peers do.

Nursing Staff

Table B-5 shows BCSD’s FY 2017-18 nursing staff per 1,000 students compared to the primary peer average for FY 2016-17. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table B-5: Nursing Staff Comparison

Students	BCSD		Primary Peer Avg.	Difference	
Students Educated ¹	961		971	(10)	
Students Educated (thousands)	0.961		0.971	(0.010)	
Position	BCSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Registered Nursing	1.00	1.04	0.76	0.28	0.27
Practical Nursing	0.00	0.00	0.10	(0.10)	(0.10)
Total	1.00	1.04	0.86	0.18	0.17

Source: BCSD and primary peers

¹ Reflects students receiving educational services from the District and excludes the percent of time students that 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-5**, the District’s nursing staffing level is consistent with the peer average.

Student Support Staff

Table B-6 shows BCSD’s FY 2017-18 student support staff per 1,000 students compared to the primary peer average for FY 2016-17. Comparing staffing in relation to student population normalizes the effect of district sizes on raw staffing numbers.

Table B-6: Student Support Staff Comparison

Students	BCSD		Primary Peer Avg.	Difference	
Students Educated ¹	961		971	(10)	
Students Educated (thousands)	0.961		0.971	(0.010)	
Position	BCSD		Primary Peer Avg.	Difference	
	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	FTEs per 1,000 Students	Total Above/ (Below) ²
Monitoring	0.00	0.00	0.37	(0.37)	(0.36)

Source: BCSD and primary peers

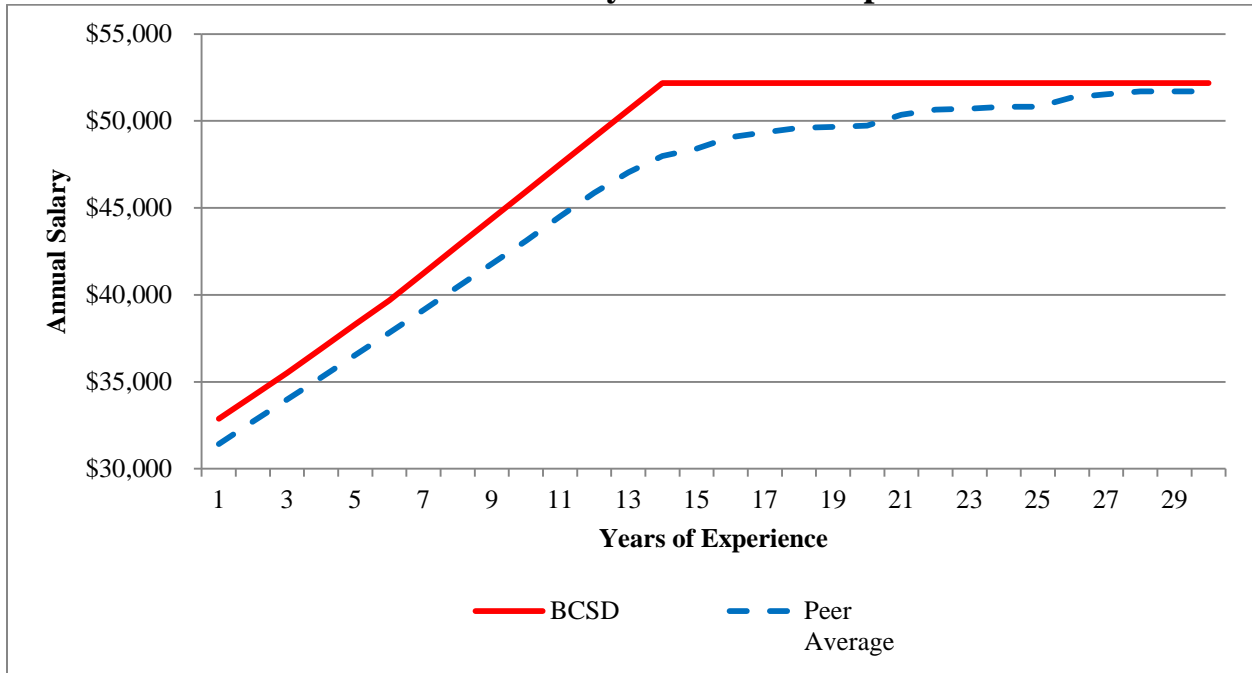
¹ Reflects students receiving educational services from the District and excludes the percent of time students that are receiving educational services outside of the District

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-6**, the District has no FTEs employed in the student support staff position while the peers do.

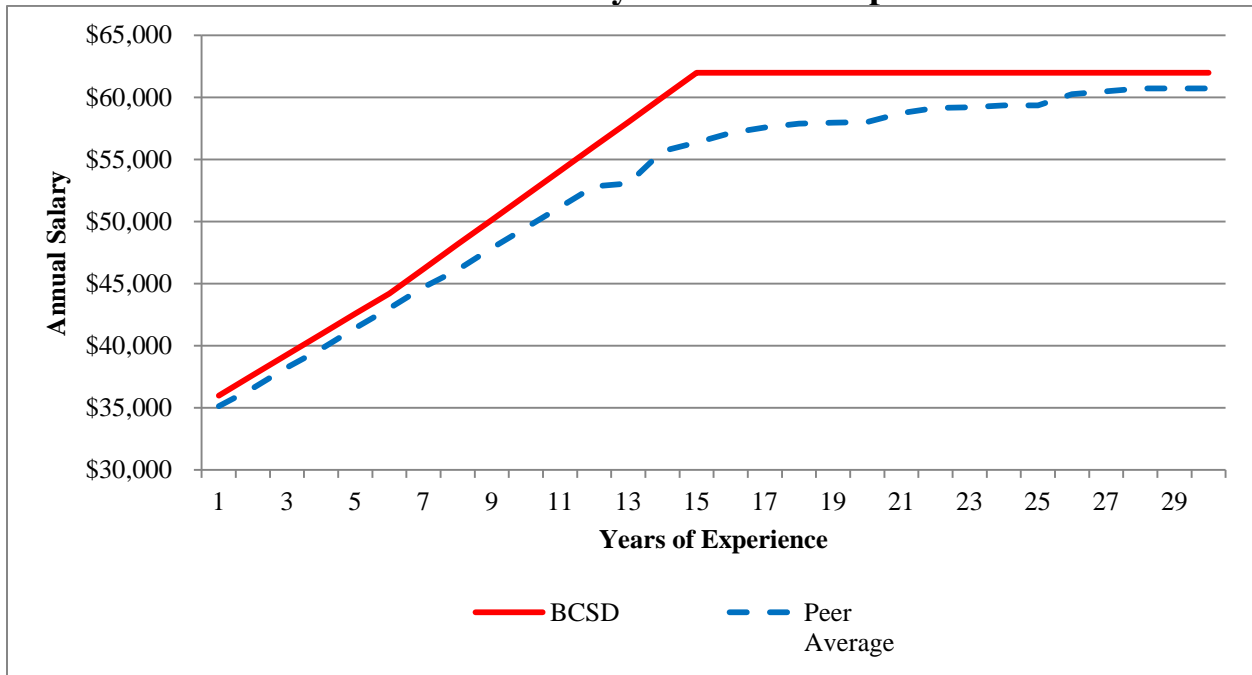
Chart B-1 through **Chart B-8** show comparisons of BCSD’s certificated and classified salary schedules to the local peer averages for FY 2017-18. It is important to examine the beginning salaries and steps in the pay schedule to identify the cause of any variation relative to the local peer districts. For classified staff, total hourly rate refers to the rate of pay plus any longevity payments.

Chart B-1: BA Salary Schedule Comparison



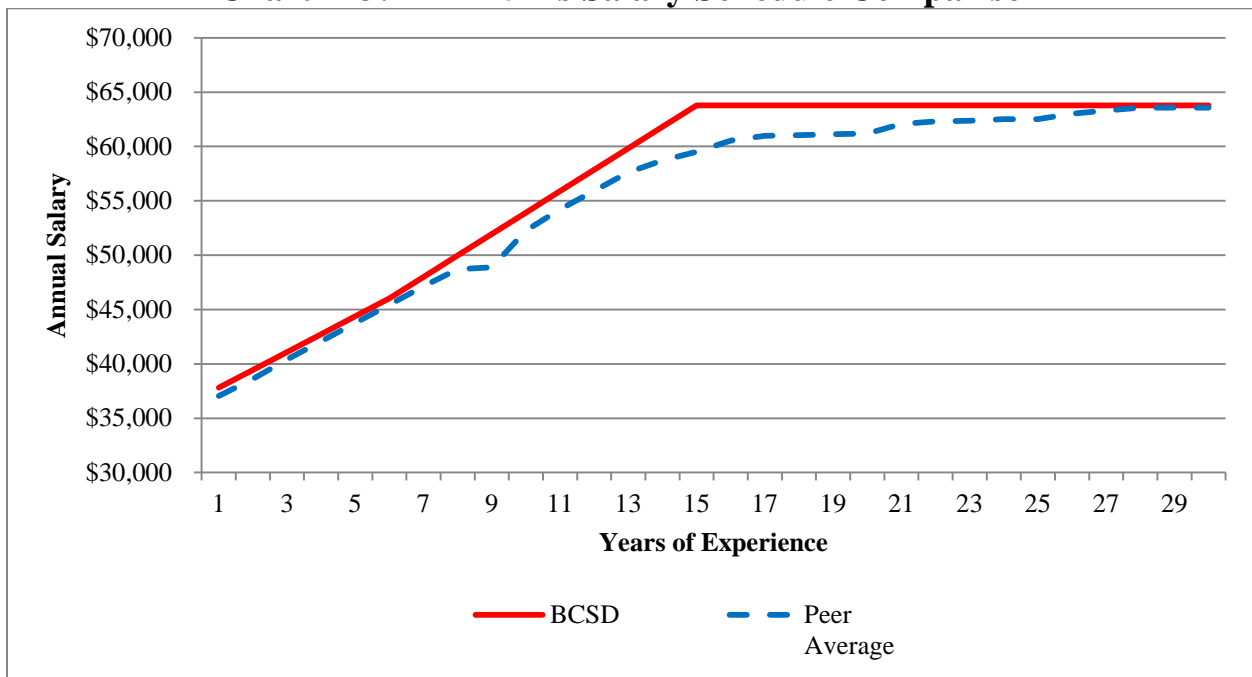
Source: BCSD and local peers

Chart B-2: MA Salary Schedule Comparison



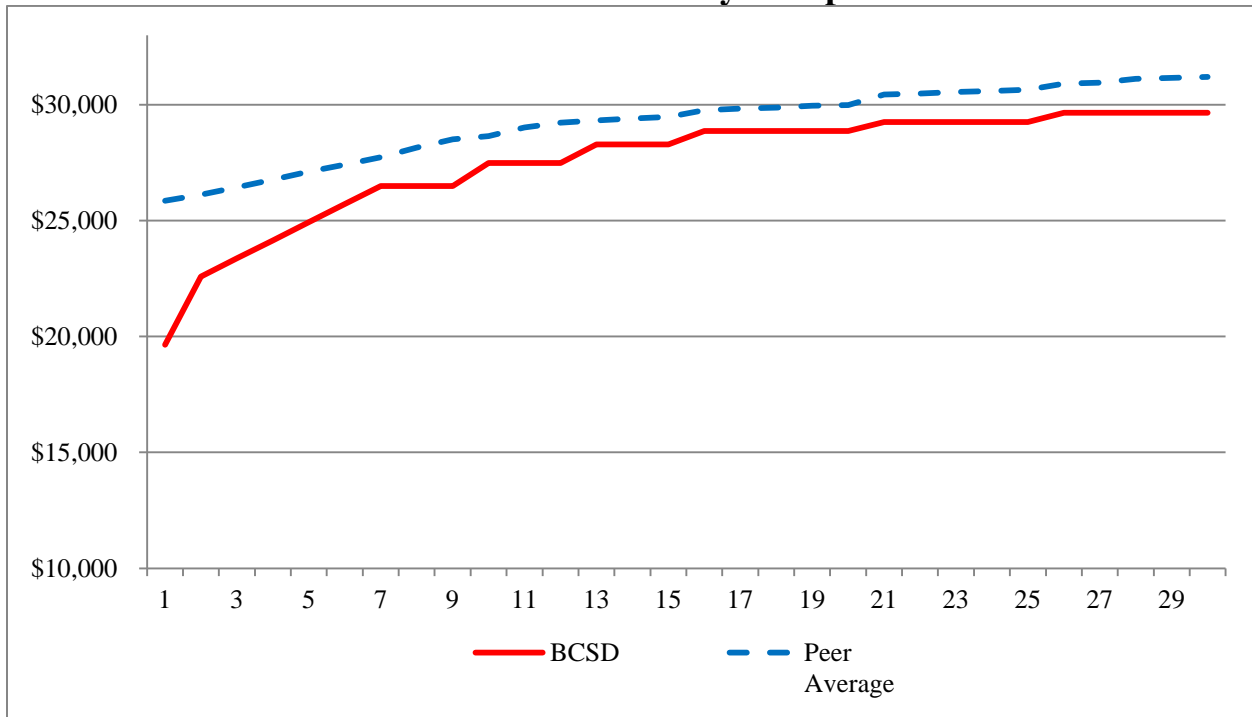
Source: BCS D and local peers

Chart B-3: MA+15hrs Salary Schedule Comparison



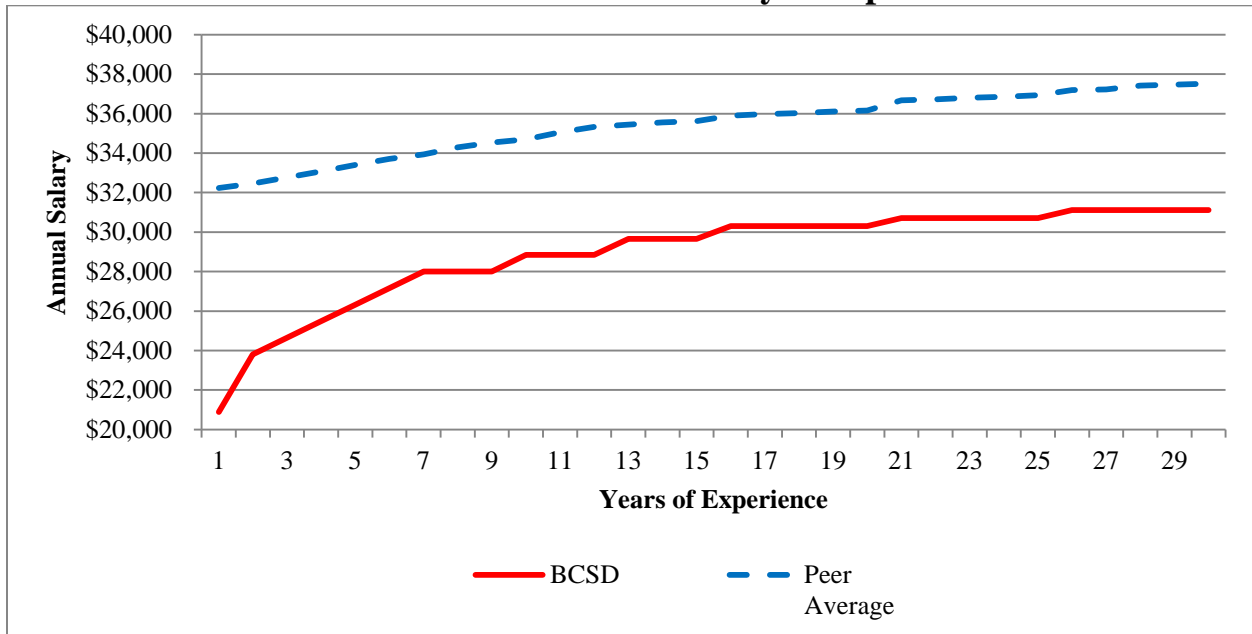
Source: BCS D and local peers

Chart B-4: Clerical Salary Comparison



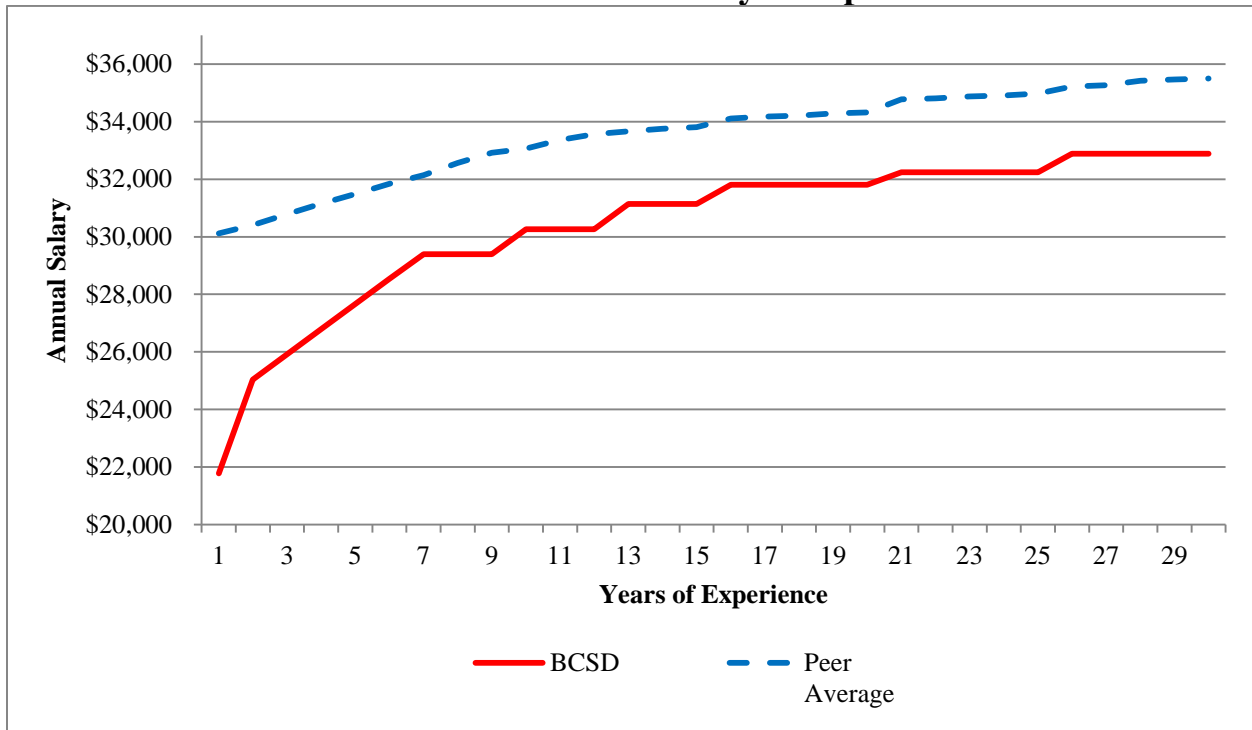
Source: BCS D and local peers

Chart B-5: Maintenance Salary Comparison



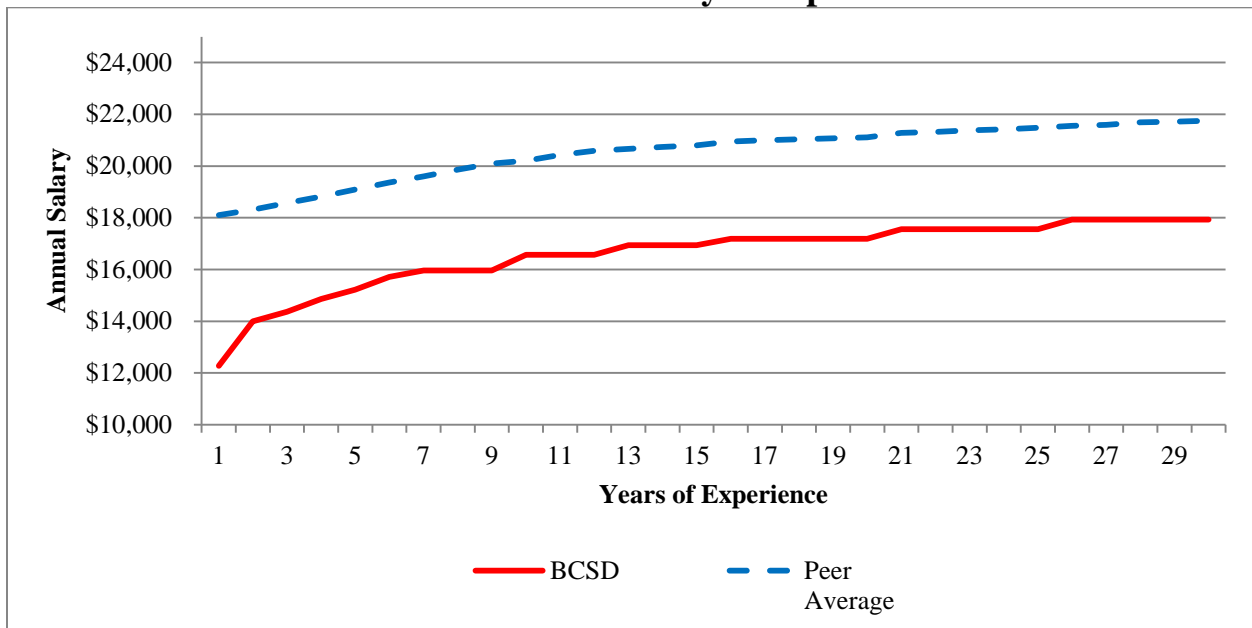
Source: BCS D and local peers

Chart B-6: Custodian Salary Comparison



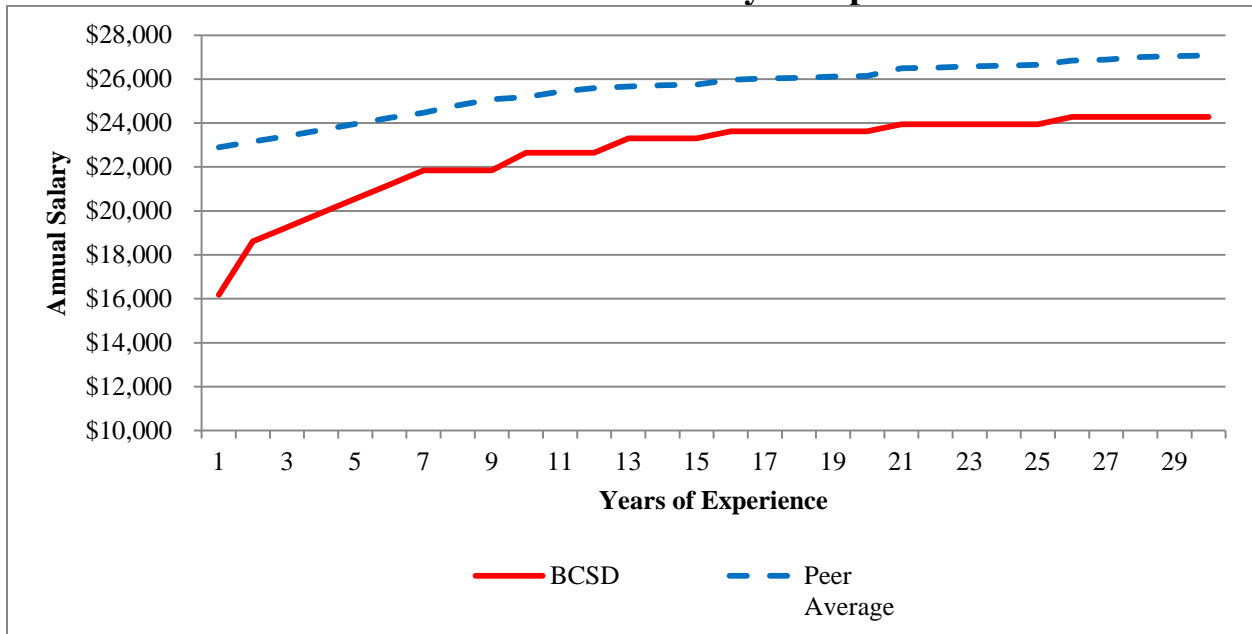
Source: BCSD and local peers

Chart B-7: Aides Salary Comparison



Source: BCSD and local peers

Chart B-8: Bus Driver Salary Comparison



Source: BCSD and local peers

As shown in **Chart B-1** through **Chart B-8**, the District pays certificated staff in line with the peer average, however the classified staff is paid less than the local peer average.

Sick Leave Severance

Table B-7 shows the District’s maximum financial liability for sick leave severance by position in comparison to the projected liability that could result from bringing CBA provisions for sick leave payout in line with ORC minimums (see **R.12**). This analysis provides an indication of the District’s current maximum sick leave severance exposure compared to the minimum levels required.

Table B-7: Difference Between BCSD and ORC Severance Liability

Certificated Employees						
	Final Daily Rate of Pay	CBA Maximum	Maximum Payout	ORC Minimum	Payout at ORC	Difference
BA	\$283.63	57	\$16,166.91	30	\$8,508.90	\$7,658.01
BA+5	\$311.77	57	\$17,770.89	30	\$9,353.10	\$8,417.79
MA	\$336.78	57	\$19,196.46	30	\$10,103.40	\$9,093.06
MA+15	\$346.60	57	\$19,756.20	30	\$10,398.00	\$9,358.20
Average Certificated Difference						\$8,631.77
Classified Employees						
Cook	\$114.03	57	\$6,499.71	30	\$3,420.90	\$3,078.81
Paraprofessional/Aide	\$119.70	57	\$6,822.90	30	\$3,591.00	\$3,231.90
Head Cook	\$79.20	57	\$4,514.40	30	\$2,376.00	\$2,138.40
Secretary	\$126.48	57	\$7,209.36	30	\$3,794.40	\$3,414.96
Maintenance	\$130.50	57	\$7,438.50	30	\$3,915.00	\$3,523.50
Custodian	\$82.26	57	\$4,688.82	30	\$2,467.80	\$2,221.02
Mechanic Assistant	\$96.39	57	\$5,494.23	30	\$2,891.70	\$2,602.53
Bus Driver/Mechanic	\$83.76	57	\$4,774.32	30	\$2,512.80	\$2,261.52
Average Classified Difference						\$2,809.08

Source: BCSD and ORC

As shown in **Table B-7**, BCSD employees are entitled to receive severance payout for more days at retirement than the ORC minimum. Adjusting payouts to the ORC minimum could decrease the District’s future severance liability.

Facilities

Table B-8 shows the District's FY 2017-18 facilities staffing compared to industry benchmarks established by the National Center for Educational Statistics²⁴ (NCES) and American School and University²⁵ (AS&U). It is important to compare and monitor staffing using workload measures in order to determine proper staffing levels and maintain efficiency.

Table B-8: Building Staffing Comparison

Grounds Staffing	
Grounds FTEs	0.0
Acreage Maintained	44.0
AS&U Benchmark - Acres per FTE	40.2
Benchmarked Staffing Need	1.1
Grounds FTEs Above/(Below) Benchmark	(1.1)
Custodial Staffing	
Custodial FTEs	8.4
Square Footage Cleaned	191,607
NCES Level 3 Cleaning Benchmark - Median Square Footage per FTE	29,500
Benchmarked Staffing Need	6.5
Custodial FTEs Above/(Below) Benchmark	1.9
Maintenance Staffing	
Maintenance FTEs	2.0
Square Footage Maintained	197,170
AS&U Benchmark - Square Footage per FTE	94,872
Benchmarked Staffing Need	2.1
Maintenance FTEs Above/(Below) Benchmark	(0.1)
Total Buildings & Grounds Staffing	
Total FTEs Employed	10.4
Total Benchmarked Staffing Need	9.7
Total FTEs Above/(Below) Benchmark	0.7

Source: BCSD, AS&U, and NCES

As shown in **Table B-8**, BCSD's total building and grounds staffing is above the benchmark. The District has no dedicated grounds keeping employees as those tasks are performed by the maintenance employees. The area where the District exceeds the benchmark is custodial staffing (see **R.14** and **R.15**).

²⁴ The NCES is the primary federal entity for collecting, analyzing, and reporting data related to education in the US and other nations and publishes a planning guide for maintaining school facilities.

²⁵ The AS&U is a trade organization focused on school facility management which published school facility management related survey data collected during the period 2005 to 2009.

Table B-9: Facilities Expenditures per Square Foot Comparison

Category	Client	Peer Average	Difference	% Difference
Salaries and Wages	\$2.35	\$1.68	\$0.67	39.9%
Employee Benefits	\$1.21	\$0.73	\$0.48	65.8%
Purchased Services (Excluding Utilities)	\$0.66	\$0.95	(\$0.29)	(30.5%)
Utilities	\$0.85	\$1.33	(\$0.48)	(35.8%)
Water & Sewage	\$0.04	\$0.14	(\$0.10)	(71.4%)
Sub-Total Energy	\$0.81	\$1.19	(\$0.38)	(31.7%)
Electric	\$0.60	\$1.01	(\$0.41)	(40.6%)
Gas	\$0.21	\$0.18	\$0.03	16.7%
Other Energy Sources	\$0.00	\$0.00	\$0.00	0.0%
Supplies & Materials	\$0.45	\$0.36	\$0.09	25.0%
Capital Outlay	\$0.00	\$0.32	(\$0.32)	(100.0%)
Other Objects	\$0.00	\$0.00	\$0.00	0.0%
Total Expenditures per Square Foot	\$5.52	\$5.37	\$0.15	2.8%

Source: ODE and primary peers

As shown in **Table B-9**, BCSD spent \$0.15, or 2.8 percent, more than the primary peer average for the operations of its facilities. Areas where the District exceeds the primary peer average include salaries and wages (see **Chart B-5**, **Chart B-6**, **R.14**, and **R.15**) and employee benefits (see **R.13**). Gas expenditures also exceed the primary peer average, however in total, the District spends \$0.38, or 31.7 percent less, than the primary peer average for energy.

Transportation

Table B-10 shows a comparison of the District’s bus maintenance and repair expenditure ratios to the transportation peer average for FY 2016-17. This comparison provides a relative gauge of the maintenance costs associated with maintaining the District’s bus fleet.

Table B-10: Maintenance and Repair Expenditures Comparison

	BCSD	Transportation Peer Average	Difference	% Difference
Per Yellow Bus Rider	\$84.10	\$87.97	(\$3.87)	(4.4%)
Per Active Bus	\$3,566.00	\$6,254.57	(\$2,688.57)	(43.0%)
Per Routine Mile	\$0.44	\$0.74	(\$0.30)	(40.5%)

Source: BCSD and ODE

Note: Cost ratios include the mechanic salary.

As shown in **Table B-10**, the District’s maintenance and repair costs were significantly lower than the transportation peer average for all three metrics shown.

Appendix C: Five-Year Forecasts

Chart C-1: BCSD October 2017 Five-Year Forecast

Line	Actual			Forecasted				
	2015	2016	2017	2018	2019	2020	2021	2022
1.010 General Property (Real Estate)	3,047,183	3,199,625	3,385,467	3,437,886	3,505,711	3,618,558	3,701,628	3,751,850
1.020 Tangible Personal Property Tax	274,539	263,206	269,627	281,826	284,054	285,740	287,490	289,728
1.035 Unrestricted Grants-in-Aid	3,092,707	3,569,909	3,871,098	3,898,721	4,003,638	4,126,223	4,250,366	4,374,179
1.040 Restricted Grants-in-Aid	237,569	155,190	211,229	229,966	235,395	234,253	235,110	240,211
1.050 Property Tax Allocation	2,711,660	2,559,228	2,440,381	2,319,715	2,170,502	2,032,285	1,894,347	1,745,341
1.060 All Other Operating Revenue	632,935	721,586	673,958	644,052	624,534	613,941	599,600	587,052
1.070 Total Revenue	9,996,593	10,468,744	10,851,760	10,812,166	10,823,834	10,911,000	10,968,541	10,988,361
2.010 Proceeds from Sale of Notes	238,000							
2.040 Operating Transfers-In			299,082					
2.050 Advances-In				136,006	125,000	125,000	125,000	125,000
2.060 All Other Financial Sources	107,649	7,662	36,555	44,043	10,000	10,000	10,000	10,000
2.070 Total Other Financing Sources	345,649	7,662	335,637	180,049	135,000	135,000	135,000	135,000
2.080 Total Revenues and Other Financing Sources	10,342,242	10,476,406	11,187,398	10,992,215	10,958,834	11,046,000	11,103,541	11,123,361
3.010 Personnel Services	4,919,670	5,043,366	5,332,960	5,374,794	5,525,264	5,692,019	5,863,808	6,040,780
3.020 Employees' Retirement/Insurance Benefits	2,156,023	2,415,223	2,681,556	2,946,161	3,161,585	3,440,343	3,748,705	4,093,444
3.030 Purchased Services	1,796,724	2,006,270	2,090,107	2,298,478	2,160,737	2,173,630	2,201,193	2,211,379
3.040 Supplies and Materials	296,286	241,406	356,413	311,032	356,532	297,032	300,032	300,032
3.050 Capital Outlay	188,137	381,450	62,571	73,500	73,500	73,500	73,500	73,500
4.010 Debt Service: All Principal (Historical)	11,496	82,600	84,394					
4.020 Debt Service: Principal-Notes				47,600	47,600	47,600		
4.050 Debt Service: Principal - HB 264 Loans				35,000	22,001	22,999	35,000	40,000
4.060 Debt Service: Interest and Fiscal Charges	8,203	22,533	17,949	17,967	29,476	32,277	14,104	12,885
4.300 Other Objects	466,879	447,465	454,096	454,585	455,085	455,585	456,085	456,085
4.500 Total Expenditures	9,843,418	10,640,313	11,080,046	11,559,117	11,831,780	12,234,985	12,692,426	13,228,106
5.010 Operational Transfers - Out		13,500	343,513	30,000	30,000	30,000	30,000	30,000
5.020 Advances - Out			126,006	125,000	125,000	125,000	125,000	125,000
5.030 All Other Financing Uses		25						
5.040 Total Other Financing Uses		13,525	469,519	155,000	155,000	155,000	155,000	155,000
5.050 Total Expenditure and Other Financing Uses	9,843,418	10,653,838	11,549,565	11,714,117	11,986,780	12,389,985	12,847,426	13,383,106
6.010 Excess Rev & Oth Financing Sources over(under) Exp & Oth Financing	498,824	-177,432	-362,167	-721,902	-1,027,946	-1,343,985	-1,743,885	-2,259,745
7.010 Beginning Cash Balance	1,805,748	2,304,572	2,127,140	1,764,973	1,043,071	15,125	-1,328,860	-3,072,745
7.020 Ending Cash Balance	2,304,572	2,127,140	1,764,973	1,043,071	15,125	-1,328,860	-3,072,745	-5,332,490
8.010 Outstanding Encumbrances	465,363	119,225	120,000	120,000	120,000	120,000	120,000	120,000
10.010 Fund Balance June 30 for Certification of Appropriations	1,839,209	2,007,915	1,644,973	923,071	-104,875	-1,448,860	-3,192,745	-5,452,490
12.010 Fund Bal June 30 for Cert of Contracts, Salary Sched, Oth Obligations	1,839,209	2,007,915	1,644,973	923,071	-104,875	-1,448,860	-3,192,745	-5,452,490
15.010 Unreserved Fund Balance June 30	1,839,209	2,007,915	1,644,973	923,071	-104,875	-1,448,860	-3,192,745	-5,452,490

Source: ODE

Chart C-2: BCSD March 2018 Five-Year Forecast

Line	Actual			Forecasted				
	2015	2016	2017	2018	2019	2020	2021	2022
1.010 General Property (Real Estate)	3,047,183	3,199,625	3,385,467	3,450,664	3,525,952	3,638,639	3,721,590	3,771,705
1.020 Tangible Personal Property Tax	274,539	263,206	269,627	300,477	321,482	323,375	325,337	327,838
1.035 Unrestricted Grants-in-Aid	3,092,707	3,569,909	3,871,098	3,899,472	3,999,350	4,121,502	4,244,616	4,367,188
1.040 Restricted Grants-in-Aid	237,569	155,190	211,229	230,196	235,873	236,514	237,853	243,562
1.050 Property Tax Allocation	2,711,660	2,559,228	2,440,381	2,411,545	2,170,205	2,031,940	1,893,947	1,744,861
1.060 All Other Operating Revenue	632,935	721,586	673,958	644,052	624,534	613,941	599,600	587,052
1.070 Total Revenue	9,996,593	10,468,744	10,851,760	10,936,406	10,877,396	10,965,911	11,022,943	11,042,205
2.010 Proceeds from Sale of Notes	238,000							
2.040 Operating Transfers-In			299,082					
2.050 Advances-In				136,006	125,000	125,000	125,000	125,000
2.060 All Other Financial Sources	107,649	7,662	36,555	44,043	10,000	10,000	10,000	10,000
2.070 Total Other Financing Sources	345,649	7,662	335,637	180,049	135,000	135,000	135,000	135,000
2.080 Total Revenues and Other Financing Sources	10,342,242	10,476,406	11,187,398	11,116,455	11,012,396	11,100,911	11,157,943	11,177,205
3.010 Personnel Services	4,919,670	5,043,366	5,332,960	5,404,538	5,551,260	5,708,896	5,871,008	6,037,723
3.020 Employees' Retirement/Insurance Benefits	2,156,023	2,415,223	2,681,556	3,065,541	2,793,694	3,026,599	3,283,381	3,570,080
3.030 Purchased Services	1,796,724	2,006,270	2,090,107	2,298,478	2,160,737	2,049,630	2,077,193	2,087,379
3.040 Supplies and Materials	296,286	241,406	356,413	311,032	356,532	297,032	300,032	300,032
3.050 Capital Outlay	188,137	381,450	62,571	73,500	73,500	73,500	73,500	73,500
4.010 Debt Service: All Principal (Historical)	11,496	82,600	84,394					
4.020 Debt Service: Principal-Notes				47,600	47,600	47,600		
4.050 Debt Service: Principal - HB 264 Loans				35,000	22,001	22,999	35,000	40,000
4.060 Debt Service: Interest and Fiscal Charges	8,203	22,533	17,949	17,967	29,476	32,277	14,104	12,885
4.300 Other Objects	466,879	447,465	454,096	454,585	455,085	455,585	456,085	456,085
4.500 Total Expenditures	9,843,418	10,640,313	11,080,046	11,708,243	11,489,885	11,714,118	12,110,302	12,577,685
5.010 Operational Transfers - Out		13,500	343,513	40,000	40,000	40,000	40,000	40,000
5.020 Advances - Out			126,006	115,000	115,000	115,000	115,000	115,000
5.030 All Other Financing Uses		25						
5.040 Total Other Financing Uses		13,525	469,519	155,000	155,000	155,000	155,000	155,000
5.050 Total Expenditure and Other Financing Uses	9,843,418	10,653,838	11,549,565	11,863,243	11,644,885	11,869,118	12,265,302	12,732,685
6.010 Excess Rev & Oth Financing Sources over(under) Exp & Oth Financing	498,824	-177,432	-362,167	-746,788	-632,489	-768,207	-1,107,359	-1,555,480
7.010 Beginning Cash Balance	1,805,748	2,304,572	2,127,140	1,764,973	1,018,185	385,696	-382,511	-1,489,870
7.020 Ending Cash Balance	2,304,572	2,127,140	1,764,973	1,018,185	385,696	-382,511	-1,489,870	-3,045,350
8.010 Outstanding Encumbrances	465,363	119,225	120,000	120,000	120,000	120,000	120,000	120,000
10.010 Fund Balance June 30 for Certification of Appropriations	1,839,209	2,007,915	1,644,973	898,185	265,696	-502,511	-1,609,870	-3,165,350
12.010 Fund Bal June 30 for Cert of Contracts, Salary Sched, Oth Obligations	1,839,209	2,007,915	1,644,973	898,185	265,696	-502,511	-1,609,870	-3,165,350
15.010 Unreserved Fund Balance June 30	1,839,209	2,007,915	1,644,973	898,185	265,696	-502,511	-1,609,870	-3,165,350

Source: ODE

Chart C-3: BCSD May 2018 Five-Year Forecast

Line	Actual			Forecasted				
	2015	2016	2017	2018	2019	2020	2021	2022
1.010 General Property (Real Estate)	3,047,183	3,199,625	3,385,467	3,501,509	4,372,249	4,998,467	5,083,874	5,130,416
1.020 Tangible Personal Property Tax	274,539	263,206	269,627	298,638	355,340	393,524	394,188	396,580
1.035 Unrestricted Grants-in-Aid	3,092,707	3,569,909	3,871,098	3,953,444	3,991,236	4,115,262	4,235,817	4,359,192
1.040 Restricted Grants-in-Aid	237,569	155,190	211,229	196,976	244,850	243,833	247,850	252,415
1.050 Property Tax Allocation	2,711,660	2,559,228	2,440,381	2,319,652	2,170,293	2,029,083	1,887,303	1,736,449
1.060 All Other Operating Revenue	632,935	721,586	673,958	650,970	684,715	673,530	667,151	667,266
1.070 Total Revenue	9,996,593	10,468,744	10,851,760	10,921,189	11,818,683	12,453,699	12,516,183	12,542,318
2.010 Proceeds from Sale of Notes	238,000						350,000	
2.040 Operating Transfers-In			299,082					
2.050 Advances-In				136,006	115,000	115,000	115,000	115,000
2.060 All Other Financial Sources	107,649	7,662	36,555	136,012	10,000	10,000	10,000	10,000
2.070 Total Other Financing Sources	345,649	7,662	335,637	272,018	125,000	125,000	475,000	125,000
2.080 Total Revenues and Other Financing Sources	10,342,242	10,476,406	11,187,397	11,193,207	11,943,683	12,578,699	12,991,183	12,667,318
3.010 Personnel Services	4,919,670	5,043,366	5,332,960	5,420,918	5,574,297	5,784,138	5,983,512	6,185,917
3.020 Employees' Retirement/Insurance Benefits	2,156,023	2,415,223	2,681,556	3,113,596	2,825,555	3,068,337	3,322,826	3,603,474
3.030 Purchased Services	1,796,724	2,006,270	2,090,107	2,615,698	2,533,113	2,409,956	2,443,019	2,463,705
3.040 Supplies and Materials	296,286	241,406	356,413	311,032	389,300	308,532	313,032	318,032
3.050 Capital Outlay	188,137	381,450	62,571	73,500	114,250	115,000	466,500	117,500
4.010 Debt Service: All Principal (Historical)	11,496	82,600	84,394					
4.020 Debt Service: Principal-Notes				47,600	47,600	47,600	50,000	50,000
4.050 Debt Service: Principal - HB 264 Loans				35,000	22,001	22,999	35,000	40,000
4.060 Debt Service: Interest and Fiscal Charges	8,203	22,533	17,949	17,967	29,477	32,277	19,104	16,885
4.300 Other Objects	466,879	447,465	454,096	150,656	184,356	193,606	198,356	202,606
4.500 Total Expenditures	9,843,418	10,640,313	11,080,046	11,785,967	11,719,949	11,982,445	12,831,349	12,998,119
5.010 Operational Transfers - Out		13,500	343,513	40,000	30,000	30,000	30,000	30,000
5.020 Advances - Out			126,006	115,000	115,000	115,000	115,000	115,000
5.030 All Other Financing Uses		25						
5.040 Total Other Financing Uses		13,525	469,519	155,000	145,000	145,000	145,000	145,000
5.050 Total Expenditure and Other Financing Uses	9,843,418	10,653,838	11,549,565	11,940,967	11,864,949	12,127,445	12,976,349	13,143,119
6.010 Excess Rev & Oth Financing Sources over(under) Exp & Oth Financing	498,824	-177,432	-362,168	-747,760	78,734	451,254	14,834	-475,801
7.010 Beginning Cash Balance	1,805,748	2,304,572	2,127,140	1,764,972	1,017,212	1,095,946	1,547,200	1,562,034
7.020 Ending Cash Balance	2,304,572	2,127,140	1,764,972	1,017,212	1,095,946	1,547,200	1,562,034	1,086,233
8.010 Outstanding Encumbrances	465,363	119,225	120,000	120,000	120,000	120,000	120,000	120,000
10.010 Fund Balance June 30 for Certification of Appropriations	1,839,209	2,007,915	1,644,972	897,212	975,946	1,427,200	1,442,034	966,233
12.010 Fund Bal June 30 for Cert of Contracts, Salary Sched, Oth Obligations	1,839,209	2,007,915	1,644,972	897,212	975,946	1,427,200	1,442,034	966,233
15.010 Unreserved Fund Balance June 30	1,839,209	2,007,915	1,644,972	897,212	975,946	1,427,200	1,442,034	966,233

Source: 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.



Belpre City School District

2014 Rockland Avenue, Belpre, OH 45714

(740) 423-9511 FAX (740) 423-3050

Tony Dunn - Superintendent

Lance Erlwein - Treasurer

June 14, 2018

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

Dear Auditor Yost,

On behalf of the Belpre City School District, we would like to express our appreciation and gratitude to the entire Performance Audit team for their time and effort in preparing the audit report for our district. Your staff was thorough and professional during each phase of the audit. We would also like to thank you for dedicating resources to our district. The report your team provided will be an invaluable tool as we navigate the countless fiscal challenges we face as a public school district in the state of Ohio.

We were fortunate to pass a new emergency operating levy just as we were in the final stages of this audit. The district has been able to live within its means for 42 years with only 3 new emergency operating levies during this time. This is a great accomplishment and we were able to celebrate our victory of balancing the budget and avoiding devastating cuts. However, the celebration is dampened by the fact that the fiscal challenges leading up to this audit do not simply disappear with the passage of a levy. This is a sobering fact, but one that makes the performance audit so essential to our district at this particular time.

Today's educational funding environment finds us joining other districts in the maddening cycle of heading to the ballot every 5-8 years for new local funding. We know we have difficult decisions to make in order to avoid another fiscal cliff just beyond our five year forecast period. As you are aware, financial hindsight and the compounding nature of expenditure reductions over time are two of the most powerful tools available to us. Although it is one of the most unenviable tasks we can face, making minor expenditure reductions now has the power to extend the lifespan of our new levy by several years, making us better stewards of our taxpayer's monetary commitment to the district.

The Board and the administrative team will begin analyzing the performance audit and revisiting our fiscal challenges at a special meeting on June 18, 2018. The effectiveness of our meeting would be greatly diminished without this audit report. We thank you again for allocating your department's resources to the Belpre City School District and we thank each of the auditors for their efforts toward our success.

Respectfully,

Tony Dunn, Superintendent

Lance Erlwein, Treasurer

Belpre High School
612 Third Street
Belpre, OH 45714
740-423-3000

Board of Education
Brenda Church, President
Cathy O'Donnell, Vice-President
Fred Meredith
Mike Miller
Leonard Wiggins

Belpre Elementary
2000 Rockland Avenue
Belpre, Ohio 45714
740-423-3010

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Dave Yost • Auditor of State

BELPRE CITY SCHOOL DISTRICT

WASHINGTON 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
JUNE 28, 2018**