



Dave Yost • Auditor of State



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To the residents, elected officials, management, and stakeholders of the Barnesville Exempted Village School District:

At the request of the Board of Education, the Auditor of State's Ohio Performance Team conducted a performance audit of the District to provide an independent assessment of operations. Functional areas selected for operational review were identified with input from District management and were selected due to strategic and financial importance to the District. Where warranted, and supported by detailed analysis, this performance audit report contains recommendations to enhance the District's overall efficiency and 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

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Executive Summary

Project History

The Auditor of State (AOS) initiated this performance audit of Barnesville Exempted Village School District (BEVSD) at the request of the District and in consultation with the Ohio Department of Education (ODE). After discussions with the District, the Auditor of State's Ohio Performance Team focused solely on Central Office Staffing in order to assess the feasibility of sharing central office staff with Union Local School District (ULSD).

Objectives

AOS conducted the performance audit of BEVSD in accordance with generally accepted government auditing standards (GAGAS). These standards require that AOS plan and perform the audit to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives. AOS believes that the evidence obtained provides a reasonable basis for the findings and conclusions presented in this report based on the audit objectives.

Through a review of client operations, conducted in cooperation with the District, AOS identified the following areas for detailed assessment:

- Human Resources: Central Office Staffing

The following objectives were identified in consultation with the District:

- How do the District's administrative expenditures compare to peers?
- How do the District's Central Office staffing levels compare to peers?
- How do the District's Central Office salaries compare to peers?

Methodology and Benchmarks

Performance audits are defined as engagements that provide assurance or conclusions based on evaluations of sufficient, appropriate evidence against stated criteria, such as specific requirements, measures, or defined business practices. Performance audits provide objective analysis so that management and those charged with governance and oversight can use the information to improve program performance and operations, reduce costs, facilitate decision-making by parties with responsibility to oversee or initiate corrective action, and contribute to public accountability.

Audit work was conducted between January 2013 and April 2013, and data was drawn primarily from the fiscal year 2011-12. To complete this report, the auditor gathered data, conducted interviews with District personnel, and reviewed and assessed information from BEVSD, peer

school districts, and other relevant sources. Peer school district data and other information used for comparison purposes were not tested for reliability.

AOS primarily used ten districts as peers for benchmarks purposes: Southeastern LSD (Clark County), Xenia Community Schools (Greene County), Vandalia Butler CSD (Montgomery County), Valley View LSD (Montgomery County), Warren LSD (Washington County), Fort Frye LSD (Washington County), Orville CSD (Wayne County), Rittman EVSD (Wayne County), Berne Union LSD (Fairfield County), and Walnut Township LSD (Fairfield County).

Furthermore, due to the District's interest in sharing services, Union LSD (Belmont County) was included in analyses involving combined districts. For example, when looking at an analysis involving combined districts, BEVSD was combined with Union LSD, Southeastern LSD with Xenia Community, Vandalia Butler CSD with Valley View LSD, Warren LSD with Fort Frye LSD, Orville CSD with Rittman EVSD, and Berne Union LSD with Walnut Township LSD.

These districts were selected based upon demographic and operational data, implementation of shared services, and input from the District. The peer average used in the audit report comprises these ten school districts unless otherwise noted. External sources were also used to provide comparative information and benchmarks, including the Ohio Department of Education (ODE).

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

Background

Human Resources

In an effort to help determine the feasibility of sharing central office services with Union Local School District (ULSD), this audit was designed to examine Administrative Expenditures, Administrative Staffing, and Administrative Salaries. BEVSD and ULSD were compared to ten peer school districts that had implemented shared services. Both districts were also compared to five sets of peer districts. Each set of peer districts included two districts that shared central office services.

Administrative Expenditures

Administrative expenditures included salaries and wages, benefits, purchased services, supplies and materials, capital outlay, equipment, dues and fees, insurance, as well as miscellaneous administrative expenditures. These administrative expenditures were compared to the peer averages.

Administrative Expenditures – Total

Table 1 compares total administrative expenditures to the peer average.

Table 1: Barnesville EVSD Administrative Expenditures

Expenditure Type	Barnesville EVSD Amount	BEVSD Per Pupil	Peer Average Amount	Peer Per Pupil	Per Pupil Difference	Per Pupil Percent Difference
Administrative	\$1,249,130	1,103.47	\$2,162,910	1,162.85	-59.38	-5.11%

Source: ODE

As presented in **Table 1**, the District’s administrative expenditures were 5.11 percent lower than the peer average.

Table 2 presents a similar comparison for administrative expenditures in Union LSD.

Table 2: Union LSD Administrative Expenditures

Expenditure Type	Union LSD Amount	ULSD Per Pupil	Peer Average Amount	Peer Per Pupil	Per Pupil Difference	Per Pupil Percent Difference
Administrative	\$1,302,676	848.65	\$2,162,910	1,162.85	-314.21	-27.02%

Source: ODE

As presented in **Table 2**, Union LSD’s administrative expenditures were 27.02 percent lower than the peer average.

Table 3 presents a comparison of the combined administrative expenditures in BEVSD and Union LSD to the paired peers described above.

Table 3: BEVSD and Union LSD Combined Administrative Expenditures

Expenditure Type	BEVSD & Union LSD Amount	BEVSD & ULSD Per Pupil	Peer Average Amount	Peer Per Pupil	Per Pupil Difference	Per Pupil Percent Difference
Administrative	\$2,551,805	\$956.81	\$4,325,820	\$1,163.17	-206.36	-17.74%

Source: ODE

As presented in **Table 3**, the combined administrative expenditures were 17.74 percent lower than the combined peer average.

Administrative Expenditures per Administration Full-Time Equivalent (FTE)

Administrative expenditures per administration full-time equivalent (FTE) were examined and compared to the peer average in **Table 4**.

Table 4: BEVSD Administrative Expenditures per Administration FTE

Expenditure Type	BEVSD Admin FTE	BEVSD Amount per FTE	Peer Average FTE	Peer Amount per FTE	Amount Per FTE Difference	Amount Per FTE Percent Difference
Administrative	8.33	\$149,956	11.72	\$184,549	-34,593	-18.74%

Source: EMIS and ODE

As presented in **Table 4**, BEVSD’s administrative expenditures per Administration FTE were 18.74 percent lower than the peer average.

Table 5 makes a similar comparison of administrative expenditures per administration FTE in Union LSD.

Table 5: Union LSD Administrative Expenditures per Administration FTE

Expenditure Type	Union LSD Admin FTE	ULSD Amount per FTE	Peer Average FTE	Peer amount per FTE	Amount Per FTE Difference	Amount Per FTE Percent Difference
Administrative	10.30	\$126,474	11.72	\$184,549	-58,075	-31.47%

Source: EMIS and ODE

As presented in **Table 5**, the Union LSD’s administrative expenditures per administration FTE were 31.47 percent lower than the peer average.

Table 6 compares the combined administrative expenditures per FTE in BEVSD and Union LSD to paired peer average.

Table 6: Combined Administrative Expenditures per Administration FTE

Expenditure Type	BEVSD & Union LSD Admin FTE	BEVSD & ULSD Amount per FTE	Peer Average FTE	Peer Amount per FTE	Amount Per FTE Difference	Amount Per FTE Percent Difference
Administrative	18.63	\$136,972	23.44	\$184,549	-47,577	-25.78%

Source: EMIS and ODE

As presented in **Table 6**, the BEVSD and Union LSD combined administrative expenditures per administration FTE were 25.78 percent lower than the combined peer average.

Administrative Staffing

Administrative staffing examined included the full-time equivalents (FTEs) of Superintendents, Treasurers, Assistant Treasurers, Business Managers, Directors, Coordinators, Principals, and Assistant Principals. The Administrative staffing was then compared to the peer averages.

Administrative Staffing – Total per FTE

In **Table 7**, total administrative staffing full-time equivalents (FTEs) were examined and compared to the peer average.

Table 7: Barnesville EVSD Administrative Staffing per FTE

BEVSD Administrative Staffing FTEs	Peer Administrative Staffing FTEs	Administrative Staffing FTE Difference	Administrative Staffing FTE Percent Difference
8.33	11.72	-3.39	-28.92%

Source: EMIS and ODE

As presented in **Table 7**, the District had 28.92 percent fewer administrative FTEs than the peer average.

Table 8: Union LSD Administrative Staffing per FTE

Union Local Staffing FTE	Peer Administrative Staffing FTEs	Administrative Staffing FTE Difference	Administrative Staffing FTE Percent Difference
10.3	11.72	-1.42	-12.12%

Source: EMIS and ODE

As presented in **Table 8**, the Union LSD had 12.12 percent fewer administrative FTEs than the peer average.

Table 9 presents the current combined administrative staffing for BEVSD and Union LSD and compares that with the administrative staffing of the paired peers.

Table 9: BEVSD and Union LSD Combined Administrative Staffing FTE

BEVSD & ULSD Administrative Staffing FTE	Peer Administrative Staffing FTE	Administrative Staffing FTE Difference	Administrative Staffing FTE Percent Difference
18.63	23.44	-4.81	-20.52%

Source: EMIS and ODE

As presented in **Table 9**, the combined administrative staffing in BEVSD and Union LSD was 20.52 percent lower than the peer average.

Administrative Staffing FTEs per 1,000 students

In **Table 10**, total administrative staffing full-time equivalents (FTEs) per 1,000 students was examined and compared to the peer average.

Table 10: BEVSD Administrative Staffing FTE per 1,000 Students

BEVSD Administrative Staffing FTE Per 1000 Students	Peer Administrative Staffing FTE Per1000 Students	Administrative Staffing FTE Per1000 Students Difference	Administrative Staffing FTE Per1000 Students Percent Difference
7.81	7.86	-0.05	-0.64%

Source: EMIS and ODE

As presented in **Table 10**, the District had .64 percent fewer administrative FTEs per 1,000 students than the peer average.

Table 11 provides a similar comparison of administrative FTEs per 1,000 students in Union LSD to the peers.

Table 11: Union LSD Administrative Staffing FTE per 1,000 Students

ULSD Administrative Staffing FTE Per 1000 Students	Peer Administrative Staffing FTE Per 1000 Students	Administrative Staffing FTE Per 1000 Students Difference	Administrative Staffing FTE Per 1000 Students Percent Difference
7.34	7.86	-0.52	-6.62%

Source: EMIS and ODE

As presented in **Table 11**, Union LSD had 6.62 percent fewer Administrative FTEs per 1,000 students than the peer average.

Table 12 compares the combined administrative staffing FTEs per 1,000 students in BEVSD and Union LSD to the paired peer average.

Table 12: Combined Administrative Staffing FTEs per 1,000 Students

BEVSD & ULSD Administrative Staffing FTE Per 1,000 Students	Peer Administrative Staffing FTE Per 1,000 Students	Administrative Staffing FTE Per 1,000 Students Difference	Administrative Staffing FTE Per 1,000 Students Percent Difference
7.53	7.76	-0.23	-2.96%

Source: EMIS and ODE

As presented in **Table 12**, the combined administrative FTEs per 1,000 students was 2.96 less than the paired peer average.

Administrative Staffing – Supervisory FTE Ratios

Table 13 examines the ratio of District supervisory FTEs with remaining employees and compares that ratio to the peer average.

Table 13: BEVSD Supervisory Staffing Ratios

	BEVSD	Peer Average	Difference
All Other Administrative/Supervisory Staff	5.33	6.82	-1.49
FTE Employees (excluding administrators)	137.00	205.32	-68.32
Employees per Other Administrative/Supervisory Staff	25.70	33.58	-7.88

Source: EMIS

As presented in **Table 13**, the District’s supervisory FTE ratio was 25.70 employees per supervisory FTE or 7.88 FTEs lower than the peer average.

Table 14 provides a similar comparison of supervisory FTE ratio in Union LSD to the peers.

Table 14: ULSD Supervisory Staffing Ratios

	Union LSD	Peer Average	Difference
All Other Administrative/Supervisory Staff	7.30	6.82	0.48
FTE Employees (excluding administrators)	155.50	205.32	-49.82
Employees per Other Administrative/Supervisory Staff	21.30	33.58	-12.28

Source: EMIS

As presented in **Table 14**, Union LSD’s supervisory FTE ratio was 21.30 employees per supervisory FTE or 12.28 FTEs lower than the peer average.

Table 15 compares the combined supervisory FTE ratio for BEVSD and Union LSD to the paired peer average.

Table 15: Supervisory Staffing Ratios

	BEVSD & ULSD	Peer Average	Difference
All Other Administrative/Supervisory Staff	12.63	13.64	-1.01
FTE Employees (excluding administrators)	292.50	410.64	-118.14
Employees per Other Administrative/Supervisory Staff	23.16	30.04	-6.88

Source: EMIS

As presented in **Table 15**, the combined supervisory FTE ratio was 23.16 employees per supervisory FTE or 6.88 FTE’s lower than the peer average.

Administrative Salaries

Administrative salaries were examined, including those for Superintendents, Treasurers, Assistant Treasurers, Business Managers, Directs, Coordinators, Principals, and Assistant Principals. The average administrative salaries were then compared to the peer averages. Furthermore, since the District is considering sharing the services of a superintendent and/or a treasurer, the combined total salaries and benefits of the district superintendent and treasurer were examined and compared to the peer averages.

Average Administrative Salaries

Table 16 compares the average administrative salaries to the peer averages.

Table 16: Barnesville EVSD Average Administrative Salary Comparison

	BEVSD	Peer Average	Difference	Percent Difference
Average Admin Salary	\$70,569.00	\$70,663.00	-\$94.00	-0.13%
Average Admin Salary per Student Educated	\$550.95	\$499.50	\$51.45	10.30%

Source: EMIS and ODE

As presented in **Table 16**, the District’s average administrative salary was .13 percent lower than the peer average. The District’s average administrative salary per student educated was 10.30 percent higher than the peer average.

Table 17 presents a similar comparison of administrative salaries in Union LSD to the peers.

Table 17: Union LSD Average Administrative Salary Comparison

	Union LSD	Peer Average	Difference	Percent Difference
Average Admin Salary	\$58,511.00	\$70,663.00	-\$12,152.00	-17.20%
Admin Salary per Student Educated	\$429.44	\$499.50	-\$70.06	-14.03%

Source: EMIS and ODE

As presented in **Table 17**, Union LSD’s average administrative salary was 17.20 percent lower than the peer average. Union LSD’s average administrative salary per student educated was 14.03 percent lower than the peer average.

Table 18: Combined Average Administrative Salary Comparison

	BEVSD & Union LSD	Paired Peer Average	Difference	Percent Difference
Average Admin Salary	\$63,903.00	\$71,850.00	-\$7,947.00	-11.06%
Admin Salary per Student Educated	\$481.93	\$507.89	-\$25.96	-5.11%

Source: EMIS and ODE

As shown in **Table 18**, the combined average administrative salary was 11.06 percent lower than the peer average. The combined average administrative salary per student educated was 5.11 percent lower than the peer average.

Superintendent and Treasurer Combined Salaries and Benefits Analysis

The combined salaries and benefits of the superintendent and treasurer were compared to the peer averages in **Table 19**.

Table 19: BEVSD Superintendent and Treasurer Salary and Benefits Comparison

	BEVSD	Peer Average	Difference	Percent Difference
Total Salaries and Benefits for Superintendent and Treasurer	\$226,900.64	\$182,846.41	\$44,054.24	24.09%
Total Salaries and Benefits for Superintendent and Treasurer Per Student Educated	\$212.66	\$110.28	\$102.38	92.84%

Source: EMIS and ODE

As shown in **Table 19**, the combined salaries and benefits for the District’s superintendent and treasurer were 20.09 percent higher than the peer average. The combined salaries and benefits per student educated were 92.84 percent higher than the peer average.

Table 20 presents a similar comparison of the Union LSD Superintendent and Treasurer salaries and benefits to the peer average.

Table 20: Union LSD Superintendent and Treasurer Salaries and Benefits Comparison

	Union LSD	Peer Average	Difference	Percent Difference
Total Salaries and Benefits for Superintendent and Treasurer	\$255,184.74	\$182,846.41	\$72,338.34	39.56%
Total Salaries and Benefits for Superintendent and Treasurer Per Student Educated	\$181.84	\$110.28	\$71.56	64.88%

Source: EMIS and ODE

As presented in **Table 20**, Union LSD’s superintendent and treasurer combined salaries and benefits were 39.56 percent higher than the peer average. Union LSD’s superintendent and treasurer combined salaries and benefits per student educated were 64.88 percent higher than the peer average.

Table 21 compares the combined salaries and benefits for the superintendents and treasurers in BEVSD and Union LSD to the paired peer average.

Table 21: BEVSD and Union LSD Combined Superintendent and Treasurer Salaries and Benefits Comparison

	BEVSD & Union LSD	Paired Peer Average	Difference	% Difference
Total Salaries and Benefits for Superintendent and Treasurer	\$482,014.79	\$365,692.81	\$116,321.98	31.81%
Total Salaries and Benefits for Superintendent and Treasurer Per Student Educated	\$195.12	\$110.28	\$84.84	76.93%

Source: EMIS and ODE

As presented in **Table 21**, the combined superintendent and treasurer salaries and benefits were 31.81 percent higher than the paired peer average. The combined salaries and benefits per student educated were 76.93 percent higher than the peer average.

Recommendation

The District should consider sharing a Superintendent and/or Treasurer with Union Local School District.

The District currently has a Superintendent and Treasurer and is considering sharing the services of one or the other, or both, with Union Local School District.

Table 1 through **Table 18** compare Administrative Expenditures and Administrative Staffing for both BEVSD and ULSD with ten peers that have implemented shared services. Each of these peers either share a superintendent or a treasurer. Compared to the peers, BEVSD and ULSD were more efficient in the area of Administrative Expenditures. With the exception of supervisory staffing ratios they were also more efficient in the area of Administrative Staffing. It was not surprising that supervisory staffing ratios were less efficient at BEVSD and ULSD since they are not sharing supervisory administrative personnel and all of the selected peers are sharing supervisory administrative personnel.

Table 19 through **Table 21** compare Administrative Salaries for both BEVSD and ULSD with the same set of ten peers. BEVSD and ULSD were less efficient than the peers in Administrative Salaries, but this was not unexpected since the peers share administrative services.

By sharing the cost of salary and benefits for a superintendent and/or treasurer, the District and ULSD would realize cost savings. The amount of savings is not easily quantified until staffing and compensation decisions have been made.

District Response

The letter that follows is the Barnesville Exempted Village School 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.

Barnesville Exempted Village School District

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May 6, 2013

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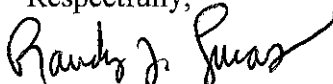
Dear Auditor of State Yost:

On behalf of the Barnesville Exempted Village School District's Board of Education and administrative team, we would like to thank you and your staff for their hard work and high level of professionalism.

A performance audit is defined as an objective assessment of the performance of an organization, program, function or activity to develop findings, conclusions and recommendations. The goal of our particular performance audit was to utilize the diverse skill set of the Auditor of State- Performance Audit Division to analyze the operations of all non-union and administrative personnel in both Barnesville EVSD and Union LSD to determine the feasibility of sharing services. Ultimately, the primary objective of the performance audit is to identify areas where increased efficiency can be achieved through the reallocation of workloads and reduction of administrative employee costs.

The data for our performance audit included statistical information from the 2011-2012 school years. The data was compared to other peer districts that are currently sharing either superintendent and/or treasurers. Both Barnesville EVSD and Union LSD were below the peer averages in administrative personnel and administrative cost, prior to sharing any services. The review of our districts has provided valuable information and insight for future decisions

Respectfully,



Randy J. Lucas
Superintendent



Matthew A. King
Treasurer

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Dave Yost • Auditor of State

BARNESVILLE EXEMPTED VILLAGE SCHOOL DISTRICT

BELMONT 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
MAY 21, 2013**