



Dave Yost • Auditor of State



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To the residents, elected officials, management, and stakeholders of the Rossford 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 administrators 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

June 17, 2014

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Executive Summary

Purpose and Scope of the Audit

The Rossford Exempted Village School District (REVSD or the District) requested the Auditor of State's (AOS) Ohio Performance Team (OPT) conduct a performance audit in order to provide an objective assessment of the economy, efficiency, and effectiveness of the District's operations and management. This performance audit was funded by the Leverage for Efficiency, Accountability and Performance (LEAP) Fund which was established by the General Assembly in 2011. The purpose of the LEAP Fund is to make loans to Ohio governments that actively seek a performance audit, but require financial assistance to defer the cost of the performance audit.

The following scope areas were selected for detailed review and analysis in consultation with the District, including Financial Systems, Human Resources, Facilities, and Transportation. See **Appendix A: Scope and Objectives** for detailed objectives developed to assess operations and management in each scope area.

Performance Audit Overview

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

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

This performance audit provides 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.

Audit Methodology

To complete this performance audit, auditors gathered data, conducted interviews with numerous individuals associated with the various divisions internally and externally, and reviewed and assessed available information. Assessments were performed using criteria from a number of sources including; peer comparison, industry standards, leading practices, statutory authority, and applicable policies and procedures.

In consultation with the District, the following six Ohio school districts were identified as peers: Bath Local School District (Allen County), Perkins Local School District (Erie County), Port Clinton City School District (Ottawa County), Sheffield-Sheffield Lake Local School District (Lorain County), Streetsboro City School District (Portage County), and Three Rivers Local School District (Hamilton 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: Ohio Department of Education (ODE), Ohio Administrative Code (OAC), Ohio Revised Code (ORC), Government Finance Officers Association (GFOA), State Employee Relations Board (SERB), and Ohio Department of Administrative Services (DAS).

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 Rossford Exempted Village 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.

Summary of Recommendations

Recommendations		Savings
R.1	Update the five-year forecast and assumptions throughout the year	N/A
R.2	Develop a new strategic plan or update the existing one and link to the budget	N/A
R.3	Provide better financial information to District stakeholders	N/A
R.4	Eliminate late payments and require competitive price quotes for purchases	N/A
R.5	Reduce 31 full-time staff positions	\$2,347,200
R.6	Freeze salary / step schedules for employees	\$95,300
R.7	Increase employee share of insurance premium	\$253,400
R.8	Reduce insurance costs to the SERB Regional Plan costs	\$508,900
R.9	Eliminate employee-portion pension pick-up	\$95,800
R.10	Reduce sick leave severance through collective bargaining	N/A
R.11	Reduce building and grounds (B&G) staffing by 2.0 FTEs	\$94,800
R.12	Review B&G non-regular salaries and wages	N/A
R.13	Provide work order software training to B&G staff	N/A
R.14	Develop a formal energy master plan covering all District buildings	\$42,200
R.15	Implement the planned closure of Indian Hills Elementary	\$282,200
R.16	Eliminate two spare buses from the bus fleet	\$17,000
R.17	Develop policies and procedures for the completion of transportation forms	N/A
R.18	Adopt formal policies and procedures for pricing and procuring fuel	\$4,500
R.19	Eliminate six active buses from the bus fleet	\$209,400
Cost Savings Adjustments¹		(\$188,000)
Annual Cost Savings		\$3,762,700
One Time Costs		
R.20	Purchase transportation routing software	(\$11,000)
R.21	Develop a formal preventive maintenance program and update periodically	(\$10,000)
R.22	Implement an electronic fuel management system	(\$6,000)
First Year Cost Savings²		\$3,735,700
Annual Maintenance Costs		
R.20	Purchase transportation routing software	(\$3,500)
R.21	Develop a formal preventive maintenance program and update periodically	(\$1,200)
R.22	Implement an electronic fuel management system	(\$600)
Continuing Annual Cost Savings³		\$3,757,400

¹ Financial implication adjusted because \$148,600 annual salary savings in **R.15** is also counted as reductions in **R.5**. In addition, when **R.7** and **R.8** are implemented, a potential decrease in the financial implication for **R.7** of approximately 15.5% or \$39,400.

² First Year Cost Savings are calculated by subtracting “One Time Costs” from “Annual Cost Savings”

³ Continuing Annual Cost Savings are calculated by subtracting “Annual Maintenance Costs” from “Annual Cost Savings”

The following table shows the District’s ending fund balances as projected in the May 2013 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.

Financial Forecast with Performance Audit Recommendations

	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Original Ending Fund Balance	\$4,053,614	\$1,021,270	(\$3,473,478)	(\$8,650,867)	(\$14,848,885)
Cumulative Balance of Performance Audit Recommendations	\$0	\$3,735,700¹	\$7,493,100	\$11,250,500	\$15,007,900
Revised Ending Fund Balance	\$4,053,614	\$4,756,970	\$4,019,622	\$2,599,633	\$159,015

Source: REVSD May 2013 five-year forecast 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 2014-15 through FY 2017-18 only.

¹ Reduced for One-time expenses required for implementation (\$3,762,700 - \$27,000 = \$3,735,700)

While the performance audit recommendations are based on the District’s operations during FY 2011-12 and FY 2012-13, the implementation of all recommendations may not be possible until FY 2014-15 as some recommendations require contract negotiations and others simply would not be implementable until the start of a new fiscal year. If REVSD implements the recommendations within the performance audit, positive fund balances would be expected through FY 2017-18.

Background

Financial Systems

REVSD financial operations were evaluated using information from relevant sources, such as the Government Finance Officers Association (GFOA), the Ohio Revised Code (ORC), and selected peer districts.

In the October 30, 2013 financial forecast, the District is projecting to have a deficit of approximately \$3.5 million by FY 2015-16, increasing to approximately \$14.8 million deficit by FY 2017-18 even though REVSD renewed two 7.9 mill operating levies in March of 2012. Declining property taxes and the reduction of tangible personal property funding has contributed to the District's financial condition.

Table 1 shows the District's expenditure history from FY 2008-09 through FY 2011-12 reflecting the changing expenditure environment over the last four years and helps direct attention to areas for more detailed review.

Table 1: Historical Expenditures

	FY 2008-09	FY 2009-10	Percent Change	FY 2010-11	Percent Change	FY 2011-12	Percent Change	Average % Change
FTE¹ Students	1,866	1,840	(1.4%)	1,848	0.4%	1,714	(7.3%)	(2.7%)
Administrative	\$2,725,516	\$2,707,703	(0.7%)	\$2,806,178	3.6%	\$2,913,900	3.8%	2.3%
Building Operations	\$4,245,789	\$5,584,405	31.5%	\$5,808,220	4.0%	\$4,149,188	(28.6%)	2.3%
Staff Support	\$599,206	\$755,462	26.1%	\$809,524	7.2%	\$787,103	(2.8%)	10.2%
Pupil Support	\$2,300,714	\$2,796,062	21.5%	\$2,715,278	(2.9%)	\$2,672,563	(1.6%)	5.7%
Instructional	\$12,559,469	\$13,128,508	4.5%	\$13,449,268	2.4%	\$14,046,680	4.4%	3.8%
Total Expenditures	\$22,430,694	\$24,972,140	11.3%	\$25,588,468	2.5%	\$24,569,434	(4.0%)	3.3%

Source: Ohio Department of Education

¹FTE students reflects the number of students used by ODE to calculate expenditures per pupil.

As shown in **Table 1**, total expenditures increased an average of 3.3 percent per year from FY 2008-09 to FY 2011-12. During this time the District's enrollment decreased an average of 2.7 percent per year which decreased state funding. However, expenditures increased in every category over the period, even though REVSD reduced building operations, staff support, and pupil support expenditures between FY 2010-11 and FY 2011-12.

Table 2 shows REVSD's Expenditures per Pupil (EPP) compared to the peer average for FY 2011-12. The EPP comparisons help show the impact of general educational expenditures on a per pupil basis and allow analysis on more significant EPP differences.

Table 2: Expenditures per Pupil Comparison

	REVSD EPP	Peer Average EPP	EPP Difference	Percent Difference
Administrative	\$1,700	\$1,188	\$512	43.1%
Building Operations	\$2,421	\$1,914	\$507	26.5%
Staff Support	\$459	\$253	\$206	81.4%
Pupil Support	\$1,559	\$1,129	\$430	38.1%
Instructional	\$8,195	\$5,854	\$2,341	40.0%
Total EPP	\$14,335	\$10,337	\$3,998	38.7%
FTE Students¹	1,714	1,961	(247)	(12.6%)

Source: Ohio Department of Education

¹ FTE students reflects the number of students used by ODE to calculate expenditures per pupil.

As shown in **Table 2**, REVSD is spending more in all categories and the District's EPP is significantly above the peer average by 38.7 percent. See **R.5** for further information.

Human Resources

REVSD's Human Resources operations were evaluated against select peer school districts, leading or recommended practices and operational standards from applicable sources, such as the State Employment Relations Board (SERB) and the Society for Human Resource Management (SHRM). Other sources may be used and are cited within the specific recommendations.

The District employs 231.6 full-time equivalent (FTE) employees: consisting of 14 Administrative; 15.5 Office/Clerical; 88.6 General Education Teachers; 25.1 non-General Education Teachers; 18.0 Education Service Personnel; 8 Educational Support; 1 Certificated Support; 14.3 non-Certificated Classroom support; and 37.6 Operations personnel including custodians, maintenance, food service staff, and bus drivers. Also, the District has 9.5 staff members in various positions including psychologists, speech and language therapists, nurses, library aids, and computer support staff, and other professional or technical staff.

Since May, 2012, the District had a number of Certificated personnel leave through retirements, non-renewals, or other reductions. The District had a net-loss of 6.5 FTE Certificated staff, which can include teachers, nurses, physiologists, and counselors. Given many lateral staffing changes, it is difficult for the District to precisely identify FTE changes for classified staffing. However, the District believes it is reasonable to conclude there has been a zero net change for classified staffing. There has been no additional hiring's for bus drivers, custodians, food service, or secretaries.

Table 3 shows REVSD FY 2011-12 staffing categories in comparison to peer average staff per 1,000 students. This comparison guides the analyst in identifying significant staffing category differences for review.

Table 3: Staffing Comparison Summary (in FTEs)

	REVSD		Peer Avg.	Difference	
Students ¹	1,714		1,961	(247)	
Staffing Categories	FTEs	FTE per 1,000 Students	Peer FTEs per 1,000 Students	Difference Per 1,000 Students	Total FTEs Above (Below) ²
Administrative	14.0	8.2	6.7	1.5	2.6
Office/Clerical	15.5	9.0	7.2	1.8	3.1
General Education Teachers	88.6	51.7	48.3	3.4	5.8
Education Service Personnel (ESP)	18.0	10.5	8.2	2.3	3.9
All Other Teachers	25.1	14.6	11.7	2.9	5.0
Educational Support	8.0	4.7	2.0	2.7	4.6
Other Certificated	1.0	0.6	0.4	0.2	0.3
Non-Certificated Classroom Support	14.3	8.4	9.2	(0.8)	(1.4)
Operations ³	37.6	21.9	30.3	(8.4)	(14.4)
All Other Staff	9.50	5.5	3.9	1.6	2.7

Source: EMIS

Note: **Appendix B, Table B1** contains staffing category explanations.

¹ Reflects students receiving educational services from the District and excludes the percent of time students are receiving educational services outside of the District. Regular student counts for REVSD and the average of the peers are 1,546 and 1,700 respectively.

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

³ Operations staff includes facilities maintenance, transportation staff, custodians, grounds keepers, monitors, and other service staff.

Table 3 shows that REVSD staffing is higher in all staffing categories except Non-Certificated Classroom Support and Operations. The All Other Staff category includes professional and technical staff (see **Appendix B, Table B.1**) and depends on specific student and District needs. No recommendation is made on this category.

Facilities

REVSD’s facilities operations are evaluated against selected peer school districts, recommended practices, and operational standards from applicable sources, including the American School and University (AS&U) Magazine and the National Center for Education Statistics (NCES).

The District owns and operates five instructional facilities comprised of three elementary schools, one junior high school, and one high school. The District also operates an administration building, transportation building, student services building, Bulldog Center (building used for meetings such as the Board of Education), and a Sports Complex. The District also owns a farm property consisting of five buildings adjacent to the Sports Complex for a total of approximately 101 acres.

The District has formed a Master Plan Steering Committee (MPSC) that is currently seeking stakeholder input on plans to renovate existing buildings, construct new buildings, or seek a combination of new construction and renovations. During the course of this audit, the Board approved a plan to place a 4.6-mill bond issue on the ballot to raise \$32.2 million for the construction of two elementary buildings to replace two existing schools. The issue failed 51.5 percent to 48.5 percent on November 5, 2013. The District currently does not have a permanent improvement levy, but does allocate some funding for building improvements.

REVSD has 3.4 FTE grounds employees, 4.0 FTE maintenance employees, and 12.3 FTE custodial employees in the Building and Grounds Department (B&G). All B&G personnel are full-time, eight hour per day employees, and report directly to the Building and Grounds Supervisor. The B&G Supervisor is responsible for oversight of all maintenance and grounds functions, including all requested work orders, maintenance related purchases, and administrative duties.

Table 4 shows the District’s custodial, maintenance, and grounds expenditures per square foot as compared to the peer average expenditure per square foot and identifies significant expenditure categories for review.

Table 4: Facilities Expenditures per Square Foot Comparison

	REVSD	Peer Average	Difference	Percent Difference
Salaries and Wages	\$2.90	\$2.34	\$0.56	23.9%
Employee Benefits	\$1.36	\$0.92	\$0.44	47.8%
Utilities	\$1.32	\$0.98	\$0.34	34.7%
Electric	\$0.82	\$0.59	\$0.23	39.0%
Gas	\$0.28	\$0.25	\$0.03	12.0%
Sub-Total Energy	\$1.10	\$0.84	\$0.26	31.0%
Water & Sewer	\$0.22	\$0.14	\$0.08	57.1%
Purchased Services (Excluding Utilities)	\$0.87	\$0.83	\$0.04	4.8%
Supplies and Materials	\$0.31	\$0.36	(\$0.05)	(13.9%)
Capital Outlay	\$0.19	\$0.49	(\$0.30)	(61.2%)
Other Objects	\$0.00	\$0.03	(\$0.03)	(100.0%)
Total Expenditures per Square Foot	\$6.95	\$5.95	\$1.00	16.8%
Square Feet Maintained	319,076	308,303	10,773	3.5%

Source: Ohio Department of Education and Master Plan Steering Committee

As shown in **Table 4**, the District’s total cost per square foot is 16.8 percent above the peer average; with costs exceeding peer averages in salaries and wages, employee benefits, utilities, and purchased services. Given the age and conditions of the school buildings, controlling utility expenditures may be difficult. However, it should be noted that the District is significantly below the peer average in the areas of supplies and materials, capital outlay, and other objects. Further analysis related to **Table 4** can be found in **R.11**, **R.12**, **R.14**, and **R.15**.

Table 5 compares the District B&G staffing for FY 2012-13 to the NCES Level 3 Cleaning Standards and the AS&U average standards for grounds, maintenance, and custodian employees.

Table 5: B&G Department Staffing Need

District Staffing	
Total FTE Grounds Staffing	3.43
Total FTE Maintenance Staffing	4.00
Total FTE Custodian Staffing	12.28
Total B&G FTE Staffing	19.71
District Statistics	
Acreage Maintained	101.3
Square Footage Maintained	319,076
Square Footage Cleaned	316,676
Staffing Benchmarks and District Need	
<i>AS&U Five Year Avg. Acres per FTE Groundskeeper</i>	40.2
Calculated FTE Groundskeeping Need	2.52
<i>AS&U Five Year Avg. Sq. Ft. per FTE Maintenance</i>	94,872
Calculated FTE Maintenance Need	3.36
<i>NCES Level 3 Cleaning Median Square Footage per FTE</i>	29,500
Calculated FTE Custodian Need	10.73
Total B&G Staffing Need	16.62
Current Staffing Compared to Calculated Need	
Grounds Staffing Difference	0.91
Maintenance Staffing Difference	0.64
Custodian Staffing Difference	1.55
Total B&G Staffing Difference	3.09

Source: REVSD, NCES, and AS&U Magazine

As shown in **Table 5**, REVSD has more staff than suggested by the benchmarks to maintain and clean the District’s buildings and grounds. If REVSD decides to close a building or construct new, the staffing needs of the District will change. Further analysis related to **Table 5** can be found in **R.11, R.12, R.14, and R.15**.

Transportation

REVSD’s transportation operations are evaluated against leading practices, operational standards, and selected peer school districts. Comparisons were made for the purpose of developing recommendations to improve efficiency and the effectiveness of operations, and where appropriate, to reduce expenditures. Throughout this section, leading practices and operational standards were drawn from various sources including The Ohio Department of Education (ODE), Ohio Revised Code (ORC), and the Federal Transit Administration (FTA).

The Transportation Director oversees the District’s transportation function. REVSD provided Type 1 pupil transportation services to 974 riders in FY 2012-13. Type 1 services pertain to those provided on District-owned yellow buses. Key statistics and operating ratios (**Table B.3**) and Type 1 transportation cost ratios (**Table B.4**) can be found in **Appendix B**.

Recommendations

R.1 Update the five-year forecast and assumptions throughout the year

Comprehensive assumptions should be directly related to the forecast in order to give interested stakeholders a detailed explanation for future projections.

REVSD submitted a five-year forecast in accordance with OAC 3301-92-04 (See **Table B.1 in Appendix B**. REVSD's five-year forecast shows the District is projected to have a deficit of \$3.5 million by FY 2015-16. Furthermore, the District was cited in the AOS Financial Audit Management Letter for FY 2011-12 for a lack of assumptions for each major revenue and expenditure category in the five-year forecast.

Differences between actual and forecasted amounts are presented below. The forecast was reviewed to verify historical numbers and assess future projections.

General Property Tax (Real Estate): In CY 2011 Wood County had a full reappraisal of property values and the Wood County Auditor's Office reported that residential properties decreased by an average of 10.5 percent. The District projected a 3.0 percent expansion, but collected 1.4 percent less in FY 2011-12 than in FY 2010-11. According to revenue reports provided by the Treasurer, REVSD collected 2.3 percent less in FY 2012-13 than in FY 2011-12. Furthermore, the revenue reports showed that the District collected 1.7 percent, or \$221,000, fewer dollars than the forecast projected for FY 2012-13.

Unrestricted Grants-in-Aid: REVSD assumptions stated that "Unrestricted grants are projected to be flat based on past history and student population." However, the five-year forecast review showed the District's unrestricted grants in aid with increases of 10.1 percent from FY 2011-12 to FY 2012-13 and 11.5 percent from FY 2012-13 to FY 2013-14. According to revenue and expenditure reports provided by the Treasurer's Office for the fiscal year ending June 30, 2013, the District collected \$170,000 less than projected. This variance will impact the unreserved fund balance in the forecast.

Personal Services: The District's Certificated Collective Bargaining Agreement expired August 31, 2013 and the classified agreement will expire June 30, 2014. The Certificated agreement currently includes step increases, and the classified agreement includes a 2 percent wage increase for FY 2013-14. REVSD assumptions stated that both contracts were projected with a 0.0 percent increase and step increases of 0.75 percent. Historically, FY 2009-10 through FY 2011-12, the District's personal services expenditures has increased by 3.5 percent. Based on expenditure reports provided by the District, personal services expenditures decreased 3.6 percent from FY 2011-12 to FY 2012-13.

Employees' Retirement and Insurance Benefits: REVSD's benefits expenditures have increased by 6.4 percent between FY 2009-10 and FY 2011-12. The District is expecting costs to increase in the future by approximately 5 percent annually. For FY 2012-13, the District

projected benefit expenditures of \$5,460,852. According to year-end expenditure reports provided by the Treasurer, the District actually spent \$5,545,880, or \$85,028 more than expected.

According to the *Guide for Prospective Financial Information* published by the American Institute of Certified Public Accountants (AICPA), 2008, financial forecasts may be prepared as the output of a formal system, which includes related policies, procedures, methods, and practices. If a formal work program is used in place of a system, it should adequately define the procedures, methods, and practices to be employed. Additionally, this publication identifies numerous guidelines for preparing and reviewing financial forecasts.

R.2 Develop a new strategic plan or update the existing one and link to the budget

REVSD's Board of Education created and approved a District-wide strategic plan in October of 2008. The plan includes a vision statement, five priorities, and a strategy for achieving the goals and priorities. An example of a priority set by the District in FY 2008-09 was to "strive for, achieve and maintain the highest academic excellence as described by the Ohio Department of Education."

REVSD complied with ORC § 5705.38, which requires that a Board of Education pass its annual appropriations measure by the first day of October. However, the District did not link the budget to formal goals, objectives, and performance measures.

Recommended Practices on the Establishment of Strategic Plans (GFOA, 2005) indicates that all governments should develop a strategic plan in order to provide a long-term perspective for service delivery and budgeting. The strategic plan establishes logical links between spending amounts and goals. Steps in the strategic planning process include:

- Initiate the strategic planning process;
- Prepare a mission statement;
- Identify and assess environmental factors and critical issues;
- Agree on a small number of goals and develop strategies and action plans to achieve them;
- Develop measurable objectives and incorporate performance measures;
- Approve, implement and monitor the plan; and
- Reassess the strategic plan annually.

In developing the strategic plan, GFOA recommends the inclusion of measurable objectives and performance measures. Objectives should be expressed as quantities or at least as verifiable statements, and ideally include timeframes. Performance measures provide information on whether goals and objectives are being met, and are an important link between the goals in the strategic plan and the activities funded in the budget.

Although the District's plan includes some of the recommendations from GFOA, such as agreeing on the small number of goals and strategies to achieve them, the strategic plan has not

been updated to reflect the current environment of the District, which goals have been achieved, or the elimination of goals that are no longer applicable.

R.3 Provide better financial information to District stakeholders

This could be achieved by creating a separate Treasurer's webpage on the District's website and including more reports and tools. Additional items could include a comprehensive annual financial report (CAFR), a popular annual financial report (PAFR), or providing other equivalent supplementary information such as a five-year forecast. The District should also consider conducting surveys to gauge citizen satisfaction and providing financial information in newsletters sent to District residents.

REVSD has some channels in place to communicate with the District's stakeholders. The District currently has a Finance Committee, a Master Plan Steering Committee, and a Facility Committee. In addition to these committees, the District should consider the following:

Supplemental Reporting: The Treasurer indicated that REVSD does not file a CAFR or a PAFR. However, *Recommended Practices: Government Accounting, Auditing, and Financial Reporting Practices* (GFOA, 2006) indicates that state and local governments should not be satisfied with only issuing basic financial statements required by generally accepted accounting principles (GAAP), but should instead publish a CAFR. The CAFR would expand the reporting model to include information on REVSD's operating environment, explanations for past spending decisions, and future commitments as well as budgetary statements and statistical information. Likewise, in *Recommended Practices: Preparing Popular Reports* (GFOA, 2006), GFOA encourages governments to supplement their annual financial reports, with simpler, "popular" annual financial reports designed to assist those who need a less detailed overview of a government's financial activities. The intent of a PAFR is to provide objective information to local citizens in a clear and concise manner, using charts and graphs to interpret financial data and to help identify trends.

Strategic Plan: REVSD's Board approved a strategic plan in October 2008. The plan has not been updated since 2008 and does not link to financial information. However, there is a link to the plan on the District's website (see **R.2**).

Website: The District's website has a clear link to the Board of Education information page. The page includes updates on the committees, and contact information for the Board of Education. There are also supplemental links to all committee information, meeting minutes, policies and guidelines, and the Superintendent's webpage. However, the District's website does not include a Treasurer's page. In comparison, Bath Local School District has a Treasurer's webpage which includes links to the FY 2011-12 State Audit Report, Five-Year Forecast, Tax Levy History, and Property Valuation History. The page also includes contact information for the Treasurer's Office and important forms, such as health insurance and tax forms. Similarly, the Port Clinton City School District Treasurer's webpage also includes the State Audit Report, Five-Year Forecast with assumptions, and Tax Rates. In addition, Port Clinton also includes Fraud Reporting, Year-End Financial Reporting, and an up-to-date General Fund Budget versus Expenditures table.

Newsletter: The District provides several newsletters to the public. The individual schools provide monthly newsletters, and the District mails a newsletter to the residents quarterly. However, the newsletters do not contain financial information; they are mostly informative and include updates on current school events. In comparison, Nordon Hills City School District provides a newsletter to its stakeholders, which includes financial information such as annual and historical spending per pupil, tax information, and historical operating balances.

Surveys: The District does not conduct surveys as a method to gauge citizen satisfaction or obtain stakeholder input. *Public Participation in Planning, Budgeting, and Performance Management* (GFOA, 2009) states that governments should use in-person, mail, phone, or internet surveys as a method to identify citizen preferences and satisfaction levels.

R.4 Eliminate late payments and require competitive price quotes for purchases

REVSD should require two or more quotes on purchases ranging between \$5,000 and \$24,999.

Deficiencies in REVSD's purchasing and vendor payment processes may impede the District's ability to improve its financial condition. A summary analysis of these deficiencies includes the following:

Vendor Payments: The District's policies state that "All purchases shall be by purchase order processed through the Treasurer's Office." The policies go on to state that "when a delivery is made, the supervisor checks the yellow copy of the requisition-purchase order to ensure the order has been received correctly and in proper condition." A review of a sample of 30 purchasing transactions from FY 2011-12 was completed to determine the District's adherence to the policies. All of the transactions included an itemized packing slip and the purchasing department's signature. There were two instances where the purchase order was dated after the invoice date, indicating that 6.7 percent of invoices were issued prior to a purchase order being created. Furthermore, 10 percent, or 3 transactions, had late payments. All but one transaction included the Treasurer's signature indicating resources were available. The review also showed that none of the sample transactions had evidence of bids, multiple quotes, or requests for proposal (RFPs). Many of the transactions showed one quote. The Financial Audit did not report any vendor payment issues. Although the variances listed above are minimal, the District should work to pay invoices on time to avoid late payment surcharges.

According to *Extension of Federal Prompt-Pay Requirements to State and Local Governments* (GFOA, 1989), the timely payment of bills is an important financial management tool that can save governments money. By carefully timing payments so there are neither late nor early payments, a government can take advantage of discounts, avoid penalties, and maximize returns on short-term investments. Furthermore, prompt bill payment reduces vendor costs which, in turn, can reduce state and local procurement costs.

Purchasing Policies: The Board policies state that "Quotes will be requested for any item or group of items in a single transaction costing between \$5,000 and \$24,999." The policy then states that "purchases of supplies, materials, and equipment items costing more than the amount

stipulated in Board policy must be obtained through competitive, sealed bids and be approved by the Board.” All bids of \$25,000 or more must be publicly advertised. In addition to the mentioned policies, the District also has a Purchasing Cardholder User Agreement restricting use of District credit cards. The District's policies meet the minimum requirements by ORC § 307.86; however, REVSD does not have any further policies related to requests for proposals (RFP's). The review of the District's vendor payments showed that none included a reference to bids. The review did include quotes, but only the quote of the vendor the District used. In comparison, Cincinnati City School District's purchasing policies require various forms of competitive pricing for goods and services costing more than \$500. Clear Fork Valley School District's policies state that "if feasible, all purchases over \$5,000 but under \$25,000 will be based on price quotations submitted by at least two vendors." REVSD should work to obtain multiple quotes and lower the threshold for bids to be more in line with peers.

R.5 Reduce 31 full-time staff positions

Positions include Administrative, Office/Clerical, General Education Teachers, All Other Teachers, Educational Service Personnel, and Educational Support staff. The District should seek to implement these recommendations through a combination of reduction-in-force, non-renewal of contracts, and / or elimination of positions through attrition.

Table 3 in the **Background** presented REVSD staffing categories in comparison to peer average staff per 1,000 students. REVSD staffing categories that were higher than the peer average were:

- Administrative;
- Office/Clerical;
- General Education Teachers;
- Education Service Personnel (ESP);
- All Other Teachers; and
- Educational Support Staff

Staffing levels appear to be a product of historical programming decisions and the absence of a clear staffing plan.

Administrative

Table 3 compared REVSD Administrative staff to peer average staff per 1,000 students for FY 2011-12. Administrative positions include central office and building level administrators, directors, and coordinators, as well as personnel responsible for planning, management, evaluation, and operation of the District. REVSD has 2.6 FTE more administrative positions than the peer average. Eliminating 2.0 FTE Administrative positions will save approximately **\$246,600** based on the average administrative salary of \$90,818 and benefits of \$32,512.

Office/Clerical

Table 3 compared REVSD Office/Clerical staff to peer average staff per 1,000 students. Office/Clerical staff includes positions and duties of administrative assistants, accounting, bookkeeping, messenger, record management, telephone operator, parent mentor, and attendance officer. REVSD has 3.1 FTE more Office/Clerical positions than the peer average. Eliminating 3.0 FTE clerical positions would save approximately **\$167,000** based on the average clerical salary of \$41,090 and benefits of \$14,710.

General Education Teachers

It is widely recognized that staffing cuts can have a direct impact on the quality of service provided in many professions, and the teaching profession is no exception. In the case of school districts struggling to balance their books, we sometimes need to make more significant staffing reduction recommendations than we would otherwise make in an effort to help the school district balance its 5-year forecast. For that reason, we look at various options when we consider staffing reduction recommendations in the categories of General Education Teachers and Education Service Personnel (ESP)

Table 3 compared General Education Teachers to peer average staff per 1,000 students. The District has 5.8 FTEs more General Education Teachers than the peer average. **Table 6**, below, presents several options for making staffing reductions in the General Education Teacher staffing category. The minimum staffing level for General Education Teachers is spelled out in Ohio Administrative Code (OAC) 3301-35-05. The State minimum requirement for teaching staff in this category is one General Education Teacher FTE per 25 regular education students.

Option 1, in **Table 6** is usually the least impactful and compares peer staffing levels for General Education Teachers to current General Education Teacher staffing levels.

Option 2, in **Table 6** shows staffing levels at a General Education Teacher staffing ratio 20 percent above the State minimum required by OAC and compares that to current General Education Teacher staffing levels.

Option 3 in **Table 6** shows staffing levels at a General Education Teacher staffing ratio 10 percent above the State minimum required by OAC and compares that to current General Education Teacher staffing levels.

Option 4 is the most impactful and brings the school district to the minimum number of General Education Teachers required by OAC and compares that to current General Education Teacher staffing levels.

Table 6: General Education Teachers

Regular Education Student Count ¹	Current Staffing	General Education			
		Staffing Ratio by Option (Students:Teachers)	Proposed Staffing for each Option	Difference Above / (Below)	Annual Savings
1,546	86.6				
Option 1, Peer Average ²		N/A	80.8	5.8	\$297,041
Option 2, 20% Above State Minimum ³		20:1	77.3	9.3	\$476,290
Option 3, 10% Above State Minimum ³		22.5:1	68.7	17.9	\$916,162
Option 4, State Minimum		25:1	61.8	24.8	\$1,268,059

Source: District EMIS data, OPT analysis

¹Regular education students do not include special education students or the net number of open enrollment students. While REVSD’s enrollment number used in most ratio calculations is 1,714, the regular education student count for the purposes of this calculation is 1,546.

²Calculated on a per 1,000 student basis in Table 3.

³For General Education Teachers, instead of using the state minimum ratio of 25 students per teacher, Options 2, and 3 uses 20% (20 students per teacher) and 10% (22.5 students per teacher) above the state minimum ratio, respectively.

Option 1 above shows that REVSD would need to reduce their General Education Teacher staffing level by 5.8 FTEs to come in line with peer staffing levels. Option 2 shows that REVSD could reduce their General Education Teacher staffing level by 9.3 FTEs and still remain 20% above the state minimum staffing levels. With Option 3, the District could reduce the General Education Teacher staffing level by 17.9 FTEs and still remain 10% above the state minimum staffing levels. Option 4 shows that REVSD’s state minimum General Education Teacher staffing level is 61.8 compared to their current staffing level of 86.6 for a difference of 24.8 FTEs above the state minimum standard.

The selection of one of these options is ultimately District management’s responsibility based on the needs and desires of the stakeholders in their community. Those decisions must be balanced, however, with their fiduciary responsibility to adapt to the financial realities in their District and maintain a solvent operation. Our financial analysis indicates that Option 2, when coupled with the rest of the recommendations in this report, would be sufficient to bring their 5-year forecast back into balance.

If REVSD implements Option 2 and reduces staffing levels by 9.0 FTEs to meet 20 percent above State minimum requirements, the District would realize savings of approximately **\$460,900** annually based on the salary of a first year teacher with a BA degree earning \$37,713 with benefits of \$13,501.

Educational Service Personnel

Table 3 compared Educational Service Personnel (ESP) staff to peer average staff per 1,000 students. It showed that REVSD has 3.9 FTE ESP more than the peer average. Similar to **Table 6**, **Table 7** shows the four reduction options for Educational Service Personnel at REVSD.

Table 7: Educational Service Personnel (ESP)

Regular Education Student Count ¹	Current Staffing	ESP			
		Staffing Ratio by Option (Teachers per 1,000 Students)	Proposed Staffing for each Option	Difference Above / (Below)	Annual Savings
1,546	18.0				
Option 1, Peer Average ²		N/A	14.1	3.9	\$360,820
Option 2, 20% Above State Minimum ³		6.0	9.3	8.7	\$807,127
Option 3, 10% Above State Minimum ³		5.5	8.5	9.5	\$878,643
Option 4, State Minimum		5.0	7.7	10.3	\$950,160

Source: District EMIS data, OPT analysis

¹Regular education students do not include special education students or the net number of open enrollment students. While REVSD’s enrollment number used in most ratio calculations is 1,714, the regular education student count for the purposes of this calculation is 1,546.

²Calculated on a per 1,000 student basis in Table 3.

³For ESP, instead of using the state minimum ratio of 5 teachers per 1,000 students, Options 2, and 3 uses 6 teachers per 1,000 students (20% above) and 5.5 teachers per 1,000 students (10% above), respectively.

For Education Service Personnel, Option 1 in **Table 7** shows that REVSD would need to reduce their ESP staff by 3.9 FTEs to come in line with peer staffing levels. Option 2 shows that the District could reduce their ESP staffing level by 8.7 FTEs and still remain 20% above the state minimum staffing levels. With Option 3, the District could reduce ESP staffing by 9.5 FTEs and still remain 10% above the state minimum staffing levels. Option 4 shows that REVSD’s state minimum ESP staffing level is 7.7 compared to their current staffing level of 18.0 for a difference of 10.3 FTEs above the state minimum standard.

The selection of one of these options is ultimately District management’s responsibility based on the needs and desires of the stakeholders in their community. Those decisions must be balanced, however, with their fiduciary responsibility to adapt to the financial realities in their District and maintain a solvent operation. Our financial analysis indicates that Option 2, when coupled with the rest of the recommendations in this report, would be sufficient to bring their 5-year forecast back into balance.

ESP encompasses a wide range of staff positions that have various assignments, such as Art and Music Education, and Librarians (see **Appendix B, Table B.2**). In determining specific staff positions to eliminate, the District should closely examine ESP teachers, counselors, librarians, and media specialists.

If REVSD implements Option 2 and reduces staffing levels by 8.0 FTEs (rounded down from 8.7 shown in Table 7) to approach staffing levels near 20 percent above minimum State requirements, the District could save approximately **\$740,100** based on the average salary for ESPs of \$68,128 and benefits of \$24,390.

All Other Teachers

Table 3 compared All Other Teachers staff to peer average staff per 1,000 students. The District has 25.1 FTE teachers that are not General Education Teachers. The majority of these teachers

work with special education students. To adjust to peer staffing levels, the District would need to reduce 5.0 FTEs. Before reducing any FTE's related to special education, the District should ensure it works with ODE to be in compliance with all state laws and standards that govern special education. Eliminating 5.0 FTEs will save approximately **\$485,300** based on the average All Other Teachers salary of \$71,476 and benefits of \$25,588

Educational Support

Table 3 compared Educational Support staff to peer average staff per 1,000 students. Educational Support staff typically includes remedial specialists and tutors. The District employs 2.0 FTE remedial specialists and 6.0 FTE tutors. To adjust to the peer average staffing level of 3.4 FTE, the District would need to reduce 4.6 FTEs. Eliminating 4.0 FTEs will save approximately **\$247,300** based on the average Educational Support staff salary of \$45,533 and benefits of \$16,300.

Total Financial Implication: The total savings from the implementation of **R.5** would be approximately **\$2,347,200**. The amount of the financial implication may vary based on the staff reduction options implemented by the District.

R.6 Freeze salary / step schedules for employees

For FY 2011-2012, the District spent \$15,591,222 on salaries. For FY 2012-13, the new Certificated Collective Bargaining Agreement has scheduled a 0.0 percent salary increase, but with a 1.0 and 1.5 percent increase slated for the next two years respectively. Although the base salaries will not increase for FY 2012-13, many teachers will still receive a step increase boosting their salary by up to 4.0 percent. According to the current classified collective bargaining agreement, classified staff will receive a 2.0 percent salary increase plus potential step increases. Administrative salaries vary depending on individual contracts. For FY 2013-14, the District's total salary costs will increase by an estimated 1.5 percent or \$233,868.

Table 8 shows the average salaries for REVSD and peer employee categories.

Table 8: Average Salary Comparison Summary (FY 2011-12)

	REVSD	Peer District Average	Percent Difference
Administrative	\$90,818	\$81,131	11.9%
Office/Clerical	\$41,090	\$36,820	11.6%
General Education Teachers	\$69,334	\$58,352	18.8%
All Other Teachers	\$71,476	\$54,330	31.6%
Education Service Personnel (ESP)	\$68,128	\$58,831	15.8%
Educational Support	\$45,533	\$54,183	(16.0%)
Non-Certificated Classroom Support	\$21,697	\$20,847	4.1%
Operations	\$29,232	\$23,946	22.1%
All Other Staff	\$41,975	\$34,392	22.1%

Source: REVSD and EMIS reports

Note: See **Appendix B, Table B2** for category explanations.

As shown in **Table 8**, REVSD’s average staff salaries for general employee categories are greater than the corresponding peer employee categories with the exception of Educational Support and Other Certificated categories. Further, over a 30 year career, District staff salary costs will be significantly greater than the peer salary costs. For example, the base salary for a teacher with a bachelor's degree is \$37,713 which is 9.4 percent higher than the peer average of \$34,467. The base salary for a teacher with a master's degree is \$46,384 compared to the peer average of \$41,038, which is 13.0 percent higher. Over 30 years, BA teacher and MA teacher will earn \$89,748 and \$327,323 more than peer teaching staff respectively (see **Table 9**).

In addition, REVSD has aggressive step increases built into District salary schedules that accelerate teachers’ salaries. Teachers at the BA level are guaranteed a 4 percent raise annually for their first 11 years and can reach a maximum salary of \$65,308. Teachers at the MA level are guaranteed a 4 percent raise annually for their first 13 years and can reach a maximum salary of \$90,346. According to the *FY 2011-2012 Report Card*, 59.5 percent of REVSD's teachers possess a master's degree.

The District should focus on holding-the-line on starting salaries, which is the root cause of their high compensation. For step increases, the District should seek to reduce the increases by spreading them more evenly over the 30 year schedule rather than being so heavily weighted in the first 13 years.

Table 9 shows salary schedules for teachers compared to the peer average.

Table 9: Teacher Annual and Career Salary Comparison

Annual	REVSD	Peer Average	Difference	Percent Difference
Teacher/BA	\$37,713	\$34,467	\$3,246	9.4%
Teacher/MA+	\$46,384	\$41,038	\$5,346	13.0%
Total Cost of Schedule (Salary + Longevity For 30 Years)				
Career	REVSD	Peer Average	Difference	Percent Difference
Teacher/BA	\$1,753,419	\$1,663,671	\$89,748	5.4%
Teacher/MA+	\$2,300,094	\$1,972,771	\$327,323	16.6%

Source: REVSD and peer collective bargaining agreements

To align compensation with peers, REVSD should freeze salaries and the step schedule for three consecutive years. This will provide an opportunity for District salaries to become more comparable to peer levels.

Administrative contracts, whether new or being renewed, should provide no increases in salary until Administrative salaries better reflect peer compensation levels.

REVSD's starting salaries and employee costs over 30 years exceed the peer average for six classified positions that were analyzed. Bus drivers, bus mechanics, bus monitors, custodian/maintenance, food service workers, and secretaries all have starting salaries at least 10 percent higher than peers. Over 30 years of employment, the total compensation narrows with the peers, but is still higher for each position.

Table 10 shows the classified employee categories and salary information for the six categories stated.

Table 10: Classified Hourly Wage and Career Salary Comparison

Hourly	REVSD	Peer Average	Difference	Percent Difference
Bus Driver	\$19.59	\$16.71	\$2.88	17.2%
Bus Mechanic	\$20.57	\$16.69	\$3.88	23.2%
Bus Monitor	\$14.54	\$12.38	\$2.16	17.4%
Custodian/Maintenance/Groundskeeper	\$18.04	\$15.76	\$2.28	14.5%
Food Service Staff	\$14.53	\$12.04	\$2.49	20.7%
Secretary	\$16.16	\$14.43	\$1.73	12.0%
Total Cost of Schedule (Salary + Longevity Over 30 Years)				
Career	REVSD	Peer Average	Difference	Percent Difference
Bus Driver	\$560,737	\$533,805	\$26,932	5.0%
Bus Mechanic	\$1,244,653	\$1,094,712	\$149,941	13.7%
Bus Monitor	\$428,008	\$425,487	\$2,521	0.6%
Custodian/Maintenance/Groundskeeper	\$1,356,430	\$1,268,172	\$88,259	7.0%
Food Service Staff	\$576,726	\$539,037	\$37,689	7.0%
Secretary	\$1,030,299	\$1,006,605	\$23,693	2.4%

Source: REVSD and peer collective bargaining agreements

Administrative and classified staff have received salary increases and steps are set until the renegotiation of individual contracts for administrators and the collective bargaining contract for classified staff. Certificated staff will receive a 1.0 percent raise in FY 2014-15 and a 1.5% raise in FY 2015-16. Based on the average certificated staff salary and the total certificated FTEs, the approximate savings for FY 2014-15 and FY 2015-16 are \$95,300 and \$142,800 respectively.

Financial Implication: If the District would freeze all District employees’ salaries and step schedule increases for two consecutive years, the District would save approximately **\$95,300** in FY 2014-15 and **\$142,800** in FY 2015-16.

R.7 Increase employee share of insurance premium

Prior to making any changes to health insurance, the District should review the Patient Protection and Affordable Care Act to ensure that intended results will be achievable under the new legislation.

REVSD purchases health, dental, and vision insurance through the Wood County Health Care Consortium, which is a collection of schools that join together to leverage their purchasing power into lower costs.

Medical Care Insurance

There are 157 District employees on family plans and 30 employees on single plans. REVSD’s medical insurance family plan costs \$17,952 and the single plan costs \$6,736 annually. The total cost of medical insurance is approximately \$2,712,768 annually.

For FY 2012-13, Certificated and Classified employees contributed 10 percent for their medical premiums. Administrative staff contributions ranged from 10 to 15 percent for medical premiums. Beginning July 1, 2013, classified workers began contributing 12 percent toward their medical insurance premiums and on August 1, 2013, the new collective bargaining agreement for certified employees requires employee contributions of 12.5 percent in 2013 and 15 percent in FY 2014-15 and FY 2015-16. In FY 2012-13, the peer district employees paid an average of 11.3 percent for their medical insurance.

According to State Employment Relations Board (SERB), school districts and education service centers (ESC) with enrollment between 1,000-2,499 students, and within the Toledo region paid 12.1 percent and 10.9 percent respectively. According to the Kaiser Foundation Survey Report, non-federal private and public employees paid an average of 18 percent and 28 percent respectively. The peer districts, SERB, and Kaiser Survey average employee contribution levels create a reasonable benchmark for REVSD’s employees’ expected contribution toward medical insurance coverage. The benchmark ranges from 13.2 percent to 17.1 percent depending on employee classification and type of plan; family or single.

Table 11 shows the health care cost savings based on recommended employee contributions compared to the District’s FY 2012-13 health care costs.

Table 11: Comparison of Health Care Contributions to Benchmark

Employees	# Using Plan	Total Cost to District	Benchmark Employee Rate ¹	Benchmark Employee Share	Benchmark Net Cost to District	Current Cost to District	Savings
Family Plan							
Certificated	103	\$1,849,056	17.10%	\$316,189	\$1,532,867	\$1,664,150	\$131,283
Classified	36	\$646,272	17.00%	\$109,866	\$536,406	\$581,645	\$45,239
Administrative	10	\$179,520	17.00%	\$30,518	\$149,002	\$157,978	\$8,976
Exempt Staff	6	\$107,712	17.00%	\$18,311	\$89,401	\$96,941	\$7,540
Superintendent /Treasurer	2	\$35,904	17.00%	\$6,104	\$29,800	\$30,518	\$718
Single							
Certified	15	\$101,040	13.40%	\$13,539	\$87,501	\$90,936	\$3,435
Classified	14	\$94,304	13.20%	\$12,448	\$81,856	\$84,874	\$3,018
Administrative	1	\$6,736	13.20%	\$889	\$5,847	\$5,726	(\$121)
Totals		\$3,020,544		\$507,864	\$2,512,680	\$2,712,768	\$200,088

Source: REVSD, SERB, and Kaiser

¹ Average industry benchmark is the average of the peer rates, and the SERB and Kaiser Survey rates.

If the District aligned its contribution levels with the average industry benchmark, it would realize savings of approximately **\$200,000** annually.

Dental Care Insurance

The District pays 100 percent of the dental insurance premium for Certificated and Classified employees. The Superintendent and Treasurer pay 15 percent of premiums and other administrators pay 12 percent. The District spends approximately \$208,604 annually for dental benefits.

Peer districts either do not require employee contributions for dental care insurance or do not offer a dental care package. The Kaiser Survey does not cover dental care insurance. Therefore, the benchmark for employee contributions is based on SERB averages of 20 percent and 16.8 percent for family and single coverage.

Table 12 shows the dental care costs based on recommended employee contributions compared to the FY 2012-13 health care costs.

Table 12: Comparison of Dental Insurance Contributions to Benchmark

Employees	# Using Plan	Total Cost to District	SERB: Toledo Region Average ¹	SERB Employee Share	SERB Net Cost to District	Current Cost to District	Savings
Family Plan							
Certificated	103	\$116,802	20.0%	\$23,360	\$93,442	\$116,802	\$23,360
Classified	36	\$40,824	20.0%	\$8,165	\$32,659	\$40,824	\$8,165
Administrative	10	\$9,970	20.0%	\$1,994	\$7,976	\$8,774	\$798
Exempt Staff	6	\$6,804	20.0%	\$1,361	\$5,443	\$6,804	\$1,361
Superintendent /Treasurer	2	\$1,926	20.0%	\$385	\$1,541	\$1,637	\$96
Single							
Certified	15	\$17,010	16.8%	\$2,858	\$14,152	\$17,010	\$2,858
Classified	14	\$15,876	16.8%	\$2,667	\$13,209	\$15,876	\$2,667
Administrative	1	\$997	16.8%	\$167	\$830	\$877	\$48
Totals		\$210,209		\$40,957	\$169,252	\$208,604	\$39,353

Source: REVSD and SERB

¹ The SERB average consists of 70 dental plans in 15 counties in Northwest, Ohio and only includes plans where employees contribute to premiums.

If the District renegotiated collective bargaining agreements and had employees contributing the SERB average for the Toledo area rate of 20 percent for family plans and 16.8 percent for single plans, it would realize savings of approximately **\$39,300** annually.

Vision Care Insurance

REVSD pays 100 percent of vision insurance premiums for all employees. The District spends approximately \$59,099 annually for vision care benefits.

Peer districts either do not require employee contributions for vision care insurance or do not offer a vision care package. The Kaiser Survey does not cover vision care insurance. According to SERB, the average annual vision insurance in the Toledo region is \$193 for both family and single plans, which is 44 percent lower than the District’s family plan.

Table 13 shows the vision care costs based on recommended employee contributions compared to the FY 2012-13 health care costs.

Table 13: Comparison of Vision Insurance Contributions to Benchmark

Employees	# Using Plan	Total Cost to District	SERB: Toledo Region Average ¹	SERB Employee Share	SERB Net Cost to District	Current Cost to District	Savings
Family Plan							
Certificated	103	\$35,741	24.10%	\$8,614	\$27,127	\$35,741	\$8,614
Classified	36	\$12,492	24.10%	\$3,011	\$9,481	\$12,492	\$3,011
Administrative	10	\$3,470	24.10%	\$836	\$2,634	\$3,470	\$836
Exempt Staff	6	\$2,082	24.10%	\$502	\$1,580	\$2,082	\$502
Superintendent /Treasurer	2	\$694	24.10%	\$167	\$527	\$694	\$167
Single							
Certified	15	\$2,310	21.70%	\$501	\$1,809	\$2,310	\$501
Classified	14	\$2,156	21.70%	\$468	\$1,688	\$2,156	\$468
Administrative	1	\$154	21.70%	\$33	\$121	\$154	\$33
Totals		\$59,099		\$14,132	\$44,967	\$59,099	\$14,132

Source: REVSD and SERB

¹ The SERB average consists of 82 vision plans in 15 counties in Northwest, Ohio and only includes plans where employees contribute to premiums.

If the District’s dental plan reflected the SERB average, it would realize savings of approximately **\$14,100** annually.

Total Financial Implication: The implementation of benchmark health, dental, and vision employee contributions would provide savings of **\$253,400** annually.

R.8 Reduce insurance costs to the SERB Regional Plan costs

For FY 2013-14 the District anticipates insurance premiums to increase 7 percent. REVSD should aggressively work with consortium members to address the high cost of their health insurance plan. The District should explore adjusting deductibles, co-insurance, co-pays, and plan options to lower the plans cost.

Medical Care Insurance

REVSD’s medical insurance family plan costs \$17,952 and the single plan costs \$6,736 annually. The total cost of medical insurance is approximately \$2,712,752 annually. According to SERB, the average medical plan in the Toledo region costs \$15,348 and \$5,724 respectively. If the District provided a medical insurance plan at the average cost found in the Toledo region, it would realize savings of approximately \$439,175 annually.

Table 14 shows the current medical care costs at REVSD compared to the SERB Region Plan costs. This comparison is important because it shows the potential savings that could be obtained in medical and prescription cost plans.

Table 14: Medical/Prescription Plan Cost

Family Plan					
REVSD Annual Plan Cost	Number of Employees Using Plan	SERB: Toledo Region Plan Cost	Amount Difference	Percentage Difference	Projected Savings
\$17,952	157	\$15,348	\$2,604	17.0%	\$408,828
Single plan					
REVSD Annual Plan Cost	Number of Employees Using Plan	SERB: Toledo Region Plan Cost	Amount Difference	Percentage Difference	Projected Savings
\$6,736	30	\$5,724	\$1,012	17.7%	\$30,360

Source: REVSD and SERB

REVSD medical care costs are significantly higher than the SERB averages. Family plan costs are 17 percent higher, while single plan costs are 17.7 percent higher. The significant differences indicate that changes to the medical care plan could save the District approximately **\$439,100** annually.

Dental Care Insurance

The District provides dental insurance at a total cost of approximately \$210,131. Each dental plan, whether single or family, costs \$1,133 annually. According to SERB, that average dental composite rate in the Toledo region costs \$849 annually.

Table 15 shows the current dental plan costs at REVSD compared to the SERB Region Plan costs.

Table 15: Dental Insurance Plan Cost

Dental Plan					
REVSD's Annual Plan Cost	Number of Employees Using Plan	SERB: Toledo Region Plan Cost	Amount Difference	Percentage Difference	Projected Savings
\$1,134	187	\$849	\$284	33.5%	\$53,108

Source: REVSD and SERB

The District’s dental care premiums are significantly more than the SERB average (33.5 percent). If REVSD’s dental care plan reflected the SERB average, the District would realize savings of approximately **\$53,100** annually.

Vision Care Insurance

REVSD pays 100% of vision insurance premiums for all employees. A family premium is \$347 and the single premium is \$154. The District’s total cost is approximately \$59,137. According to SERB, the average annual vision insurance in the Toledo region is \$249 family and \$ 107 single plans.

Table 16 shows the current vision plan costs at REVSD compared to the SERB Region Plan costs.

Table 16: Vision Insurance Plan Cost

Family Plan					
REVSD's Annual Plan Cost	Number of Employees Using Plan	SERB: Toledo Region Plan Cost	Amount Difference	Percentage Difference	Projected Savings
\$347	157	\$249	\$98	39.3%	\$15,368
Single plan					
REVSD's Annual Plan Cost	Number of Employees Using Plan	SERB: Toledo Region Plan Cost	Amount Difference	Percentage Difference	Projected Savings
\$154	30	\$107	\$47	43.9%	\$1,410
Total Projected Savings					\$16,778

Source: REVSD and SERB

If REVSD’s vision plan reflected the SERB average, it would realize savings of approximately **\$16,700** annually

Total Financial Implication: The implementation of benefit plan adjustments could achieve total savings of **\$508,900** annually.

R.9 Eliminate employee-portion pension pick-up

The District's contracts for Administrative staff should not obligate the District to pick-up any portion of employees' required contributions to their respective retirement systems. The District should renegotiate current Administrative contracts and not approve any new contracts that obligate the District to pick-up employees' share of pension costs.

REVSD, in addition to the employer’s required 14 percent pension contribution, is picking-up a portion of the employees’ share of their pension costs for twenty Administrative staff. See **Appendix B, Table B. 5** for a detailed position list. Considering that Administrative salaries are almost 12 percent higher than the peer average (see **R.6**), this fringe benefit further increases the District’s higher compensation levels for its Administrative staff over peers. The practice of picking-up employees’ contribution for pension costs is a fringe benefit that is not required by ORC or OAC.

The pick-up was negotiated as part of employee compensation packages. Historically, school districts have used this form of compensation as a means to attract candidates for positions or to provide wage increases without increasing the base wage. While it is common practice to provide this benefit to key administrators, such as the Superintendent or Treasurer, it is unusual to provide it to all administrators and central office staff. Providing a “pickup” and/or a "pickup on the pickup" benefit creates a form of "hidden" compensation that is not readily apparent to stakeholders. Given the District's desire to identify opportunities for financial savings, discontinuing this benefit represents an opportunity to reduce costs.

Financial Implication: By implementing this change, the District would realize a savings of approximately **\$95,800** annually.

R.10 Reduce sick leave severance through collective bargaining

The District should negotiate contract provisions relating to sick-leave severance. The District should only pay severance to employees that have at least 10 years of service and payout the maximum value of 30 days.

The District's Certificated and Classified collective bargaining agreements (CBA) permit employees who are eligible for retirement to receive payment for one-fourth of unused sick leave up to maximums of 72 days for Certificated and 71 days for Classified staff. To be eligible for this benefit, employees must have at least 5 years of service. According to the Ohio Revised Code (ORC) § 124.39, employers are only required to pay employees with 10 or more years of service the value of unused sick leave up to 30 days.

A teacher that has a master's degree and at least 25 years of experience has a salary of \$90,346 annually. With a school year consisting of 185 work days, that teacher's daily rate of pay is \$488. Assuming that teacher retired having accumulated the maximum sick leave allowed, the District would be required to pay approximately \$35,136 in severance pay. If the ORC minimum threshold was instituted, that teacher would receive approximately \$14,640 in severance pay, which would be a savings of \$20,496.

A custodian or maintenance worker that has at least 25 years of experience is paid \$179 daily. Assuming that worker retired today, the District would be required to pay approximately \$12,709 in severance pay. If the ORC minimum threshold was instituted, that worker would receive approximately \$5,370 in severance pay, which would be a savings of \$7,339

The exact amount the District pays annually varies with the number of retirements and subsequent amounts of unused sick leave.

R.11 Reduce building and grounds (B&G) staffing by 2.0 FTEs

In addition, REVSD should begin tracking facility performance measures to assist with staffing and operational planning and decision making.

The District uses approximately 19.7 FTE's to maintain its grounds and facilities. This staffing level includes seasonal employees who are hired during the summer months. For the summer of 2013, REVSD hired 8 seasonal employees, totaling 2.0 FTEs. However, the District does not have a formal staffing plan nor do they use workload metrics to determine staffing levels.

AS&U reports average square footage and acreage maintained by building and grounds (B&G) staff respectively. An average of the last five years of available data was calculated to establish a benchmark. Thus, maintenance staff working eight hours a day, five days a week should be able to maintain 95,000 square feet of building space. Furthermore, grounds staff working eight hours a day, five days a week should be able to maintain 40.2 acres.

NCES states that expectations for custodial efforts fall under five levels of effort (Level 1 through Level 5). Level 1 results in a "spotless" building and Level 5 which may lead to

unhealthy situations. Level 3 cleaning is the norm for most school facilities. Under level 3 efforts, most school custodians can clean approximately 28,000 to 31,000 square feet in 8 hours. A midpoint of 29,500 is used as a benchmark for this analysis.

Table 17 compares REVSD’s FTEs for building and grounds functions to the number required to meet industry benchmarks (see **Table 5**). FTE calculations are based on the annual hours worked for all 12-month, 9-month, and summertime employees.

Table 17: B&G Staffing Summary

Classification	Current FTEs	FTEs to Meet Benchmark	Difference
Grounds	3.4 ¹	2.5	0.9
Maintenance	4.0	3.4	0.6
Custodian	12.3	10.7	1.5
Total	19.7	16.6	3.1

Source: REVSD, NCES, and AS&U Magazine

¹ Includes 2.0 FTE seasonal employees. These seasonal employees are graduated seniors and the District considers this a commitment to the students as they prepare for the cost of higher education.

Table 17 shows that REVSD’s staffing in each classification is higher than required based on the respective benchmarks, resulting in the District employing 3.1 FTEs more than the FTE’s indicated by the benchmarks. However, if seasonal staff are excluded from the recommendation, a reduction of 2.0 FTEs is warranted. This is further supported by **Table 4**, which shows REVSD spent \$2.90 per square foot on salaries and wages and \$1.36 per square foot on benefits in FY 2011-12 while the peer average was \$2.34 and \$0.92 per square foot, respectively.

In addition, REVSD should review the various activities performed by its facility staff to accurately capture the time spent on each function. Subsequently, the District should periodically compare its staffing levels and workload metrics to industry benchmarks, and use this information for future decision-making if the District decides to modify future building configurations.

By eliminating 2.0 FTEs, REVSD’s B&G staffing levels will approach the national benchmarks.

Financial Implication: The District could save approximately \$69,800 in cleaner and maintenance salaries, and \$25,000 in benefit costs or **\$94,800** annually.

R.12 Review B&G non-regular salaries and wages

REVSD should review spending on non-regular salaries and wages as it spends more than the peer average. However, if the District were to eliminate summer help (See R.11), spending on non-regular salaries and wages would be comparable to the peer average.

Table 18 compares non-regular salaries and wages for B&G staff as a percent of total B&G salaries and wages for both REVSD and peers. Sheffield Lake CSD was excluded from the peer average as it did not report any non-regular salaries and wages.

Table 18: Facilities Non-Regular Salaries & Wages Comparison

Object Codes	Client	Peer Average ¹	Difference	Percent Difference
140 - Non-Certificated Salaries & Wages	\$0	\$0	\$0	0.0%
141 - Regular	\$664,972	\$598,493	\$66,479	11.1%
142 - Temporary	\$89,854	\$43,164	\$46,690	108.2%
143 - Supplemental	\$4,701	\$4,810	(\$109)	(2.3%)
144 - Overtime	\$17,554	\$16,604	\$950	5.7%
145 - Regular Non-Contributing	\$2,317	\$4,791	(\$2,474)	(51.6%)
146 - Temporary Non-Contributing	\$3,066	\$1,211	\$1,855	153.2%
147 - Supplemental Non-Contributing	\$2,400	\$1,040	\$1,360	130.8%
Total Regular Salaries & Wages	\$667,289	\$603,284	\$64,006	10.6%
Total Non-Regular Salaries & wages	\$117,575	\$66,829	\$50,746	75.9%
Total Non-Certificated Salaries & Wages	\$784,864	\$670,112	\$114,751	17.1%
Non-Regular As % Of Total Salaries & Wages	15.0%	10.0%	5.0%	50.2%
Overtime As % Of Regular Salaries & Wages	2.6%	2.4%	0.3%	11.8%

Source: Ohio Department of Education

¹ Sheffield Lake CSD is excluded from peer average

Table 18 shows that REVSD is slightly higher than the peer average for overtime as a percent of salaries and wages, 2.6 percent compared to 2.4 percent. Likewise, REVSD’s non-regular salaries and wages as a percentage of the total salaries and wages is 15 percent, compared to the peer average of 10 percent. The reason temporary labor costs are significantly higher than the peers is because the District hires part time employees in the summer to help with building and grounds maintenance. Of the \$89,854 spent on temporary wages, summer employees account for \$37,254, or 41 percent. If the District were to eliminate hiring summer employees (see **R.11**), the District’s non-regular labor as a percent of total salaries and wages will be comparable to the peer average.

R.13 Provide work order software training to B&G staff

REVSD should review their policies and procedures pertaining to maintenance work orders and inventory tracking. To ensure the maximum benefit of purchased software, the District should properly train B&G staff on the use of the software and the expectations that go with its use.

The District uses software to track work orders and inventory supplies. The software enables the District to account for work order approval dates, tracking number, job status, job priority, job location, person requesting the work, supply and labor costs for the job, and completion date. However, the B&G Supervisor indicated that utilization rates for the software are low, especially for inventory tracking. The B&G Supervisor indicated that not all maintenance work orders are entered into the District’s software program. For example, a light bulb change may be handled directly by a custodian, bypassing the work order and inventory software. Further, custodial and

maintenance inventory utilization is as low as 50 percent, resulting in instances that the B&G Supervisor does not know what the District has in inventory without consulting employees. Since the District has purchased software, it is important to ensure that it is well utilized in order to achieve maximum value. Training employees on how to use the software will increase operational efficiencies.

NCES *Planning Guide for Maintaining School Facilities* (2003) states that work order systems allow school districts to efficiently manage work orders and track the cost of parts and labor. Further, a work order system should, at minimum, account for: date received, date approved, tracking number, job status, job priority, job location, person requesting the work, supply and labor costs for the job, and completion date. Lastly, staff should be trained on how to use the system.

Work order software training could be provided by internal District staff with no significant cost to REVSD.

R.14 Develop a formal energy master plan covering all District buildings

REVSD does shut off and/or reduce energy during non-peak hours; however, the District does not formally track energy usage and costs. A formalized energy plan that tracks energy use and costs would allow the District to identify and control energy needs. As shown in **Table 4**, the District spends 35.7 percent more on energy per square foot compared to peers.

The Ohio Facilities Construction Commission (OFCC) and Master Plan Steering Committee (MPSC) from the Rossford Board of Education have completed facilities assessments, both concluding that the current facilities need improvement and/or updating. The District has approved a master plan. While new construction or renovation should address energy efficiency, the District does not have a formal energy plan.

Energy Star, a U.S. Environmental Protection Agency Program, states in *Guidelines for Energy Management* (2013) that successful energy management begins with an energy plan that includes measurable objectives, controls for accountability, continuous updating of policies, and promotion of financial and environmental goals. Based on the experience of Energy Star partners, successful organizations have energy policies that:

- State an objective — Have a clear, measurable objective that reflects the organization's commitment, culture and priorities.
- Establish accountability — Institute a chain-of-command, define roles in the organization, and provide the authority for personnel to implement the energy management plan.
- Ensure continuous improvement — Include provisions for evaluating and updating the policy to reflect changing needs and priorities.
- Promote goals — Provide a context for setting performance goals by linking energy goals to overall financial and environmental goals of the organization.

The EPA in *Energy Efficiency in Local Government Operations* (2011) stated that an energy savings of 10 to 30 percent can be realized through low-cost energy efficiency measures and operational adjustments.

Financial Implication: If the District develops an energy plan and tracks energy use and costs, the District could save 10 percent on energy costs, or **\$42,200** based on FY 2011-12 energy costs of \$422,218.

R.15 Implement the planned closure of Indian Hills Elementary

The District's decision to close Indian Hills Elementary for the FY 2014-15 school year is supported by a capacity analysis comparing current utilization rates with rates estimated after the building closure. The closure of Indian Hills Elementary should save on operational costs as well as staffing costs.

Table 19 shows REVSD’s current building utilization rates based on FY 2011-12 headcount and calculated functional capacity.

Table 19: FY 2011-12 Building Capacity and Utilization Rates

Building	Building Capacity	FY 2011-12 Head Count	Over/(Under) Capacity	Building Utilization Rate
Eagle Point Elementary School	411	298	(113)	73%
Glenwood Elementary School	661	489	(172)	74%
Indian Hills Elementary School	287	205	(82)	71%
Elementary Total	1,359	992	(367)	73%
Rossford Junior High School	461	317	(144)	69%
Middle School Total	461	317	(144)	69%
Rossford High School	802	565	(237)	70%
High School Total	802	565	(237)	70%
District Total	2,622	1,874	(748)	71%

Source: REVSD facilities and enrollment records

As shown in **Table 19** the District currently has an overall utilization rate of 71 percent.

Table 20 shows the projected utilization rates using the new grade configurations for each building.

Table 20: Capacity After School Re-Grading

Building	Building Capacity	FY 2011-12 Head Count	Over/(Under) Capacity	Building Utilization Rate
Indian Hills (Closed)	N/A	N/A	N/A	N/A
Glenwood (PreK-2)	661	411	(250)	62%
Eagle Point (Grades 3-5)	461	436	(25)	95%
Jr. High (Grades 6-8)	461	409	(52)	89%
High School (Grades 9-12)	802	564	(238)	70%
Total	2,385	1,820	(565)	76%

Source: REVSD Administration

Note: Eagle Point functional capacity increased as Principal stated that Art and Music classrooms would be repurposed for regular instructional space. Art and Music would be taught from a cart.

By closing Indian Hills Elementary School, **Table 20** shows that the District-wide utilization rates could increase to 76 percent, even with a declining trend in enrollment. *Defining Capacity*, DeJong (1999) indicates that high utilization of a building is defined as having an 85 percent utilization rate or higher. The District's utilization rates will still be lower than the recommended 85 percent. However, based on the current building capacities, the District would not be able to consolidate any other buildings. Therefore, REVSD’s decision to close Indian Hills Elementary is found to be reasonable and will increase utilization rates.

In the National Clearinghouse for Educational Facilities (NCEF) publication, *Closing a School Building: A Systematic Approach* (2010), it is stated that “most of the savings result from non-classroom personnel costs which would no longer be required. Generally these positions include principals, assistant principals, clerical staff, food service, and custodial personnel.” Additionally, it states that “budget reductions will result from reduced utility cost (60% factor), infrastructure maintenance cost (90 percent factor), budgeted capital maintenance projects, reduced rubbish and shredding costs, and all supplies.”

Table 21 shows the potential cost savings associated with closing Indian Hills Elementary School.

Table 21 Indian Hills Elementary Building Closure Savings

	Cost per Square Foot	Savings Amount
Avoidable Purchased Services calculated 86% of Purchased Services	\$0.75	\$25,148
NCEF Benchmark: 100% of Supplies and Materials	\$0.31	\$10,355
NCEF Benchmark: 60% of Utilities	\$0.79	\$26,677
Subtotal Building Costs	N/A	\$62,180
Calculated Salaries & Benefits	N/A	\$220,100
Total Savings		\$282,280

Source: NCEF, ODE, and REVSD

As shown in **Table 21**, closing Indian Hills should reduce Administrative staff by one principal and one secretary, potentially saving the District \$148,600 in salaries and benefits. Square footage would decrease by 33,600 square feet, reducing the need for Cleaners by 1.6 FTEs, saving the District \$71,500 in salaries and benefits. Further, the District could save \$62,100 in building costs as energy, supplies, and maintenance should be reduced.

Financial Implication: Closing Indian Hills Elementary could produce a total savings of approximately **\$282,200** on an annual basis.

R.16 Eliminate two spare buses from the bus fleet

For FY 2012-13, the District operated 24 buses which included 17 active buses and 7 spare buses. The District’s 7 spare buses represent 29.2 percent of the total fleet. See **Appendix B, Table B.3** for key statistics and operating ratios for the District’s transportation operation.

As shown in **Table B.3**, the peers maintained an average of 6 spare buses, which represented an average of 21.4 percent of the total fleet. Furthermore, the Federal Transit Administration (FTA) has adopted a general bus fleet policy stating that the number of spare buses should not exceed 20 percent. Likewise, according to the Transportation Coordinator at ODE, spare buses typically comprise 20 percent of a district’s fleet.

Table 22 shows REVSD’s potential for elimination of spare buses through application of the leading practice spare bus ratio.

Table 22 REVSD Spare Bus Reduction

REVSD Fleet Total	24
Federal Transit Administration Spare Ratio	20%
Optimal Number of Spare Buses based on FTA Spare Ratio	4.8
REVSD Spare Bus Total	7
Reductions Needed to meet FTA Spare Ratio	2.2
REVSD Spare Ratio Elimination of 2 Spare buses	22.7%
REVSD Spare Ratio Elimination of 3 Spare buses	19.0%
Peer Spare Bus Ratio	21.4%

Source: REVSD T-1 Forms

As shown in **Table 22**, under current operations, the reduction of three spare buses would drop the District below the 20 percent ratio suggested by the FTA. A reduction of two spare buses would bring REVSD close to the benchmark. With the implementation of **R.19**, additional spare buses should also be eliminated.

Once the District begins to complete sections of the master plan it should review the size of its spare bus fleet. REVSD should strive to achieve the 20 percent spare bus ratio suggested by the FTA and ODE.

Financial Implication: The elimination of two spare buses could save the District approximately **\$17,000** annually in maintenance and operational costs. Additional one-time revenue could also be recognized with the sale of the two buses.

R.17 Develop policies and procedures for the completion of transportation forms

In addition, the District should ensure that it is accurately reporting costs, riders, and miles to ODE in a timely manner and in accordance with the State law. Furthermore, the policies and procedures should cover the review process for data in the T-forms, such as reconciling costs in the T-2 form to the District's accounting system.

Each school district in Ohio is required to report information about transportation operations to ODE on an annual basis in accordance with ORC and OAC. The T-1 form is used to report information on students, buses, and miles. The T-2 form is used to report the actual expenses incurred in the transportation of eligible students to and from school. At REVSD, the Transportation Director is responsible for preparing these reports and they are approved by the District Treasurer before being submitted to ODE.

Currently, the District does not have formal policies and procedures for completing the T-1 and T-2 reports. Drivers are currently given verbal instructions from the Transportation Director on the proper way to complete the forms prior to the October counts; however, no written instructions or procedures are provided by the District. District bus drivers reported 904.3 daily regular Type 1 miles in FY 2011-12. However, the regular Type 1 miles reported to ODE on the T-1 report was 973. The variance of 68.7 miles represents a 7 percent difference between the actual number of miles reported by the drivers and the actual amount of miles reported to ODE. Likewise transportation expenses of \$1,005,195 reported by ODE's Expenditure Flow Model (EFM) compared to the transportation expenses of \$1,029,643 reported on District T-2 forms shows a variance of 2.4 percent.

House Bill 153 included changes to the State funding formula for transportation purposes. The Transportation Coordinator at ODE indicated "a key difference in this formula from previous formulas is that the transportation funding will now be calculated based upon current year ridership, bus mileage, and service levels. This makes accurate and timely completion of T-forms very important." The development of policies and procedures documenting the District's T-form reporting process and retention of supporting documentation will help ensure the District is reporting accurate transportation information to ODE in accordance with ORC and OAC standards.

R.18 Adopt formal policies and procedures for pricing and procuring fuel

The District procures fuel through two independent contractors. The independent contractors were selected based on brand and not price. REVSD does not have policies or procedures in place to analyze fuel procurement options. Procuring fuel through bids or as a member in a fuel consortium would help the District to receive the lowest fuel prices offered in the market place. In addition, REVSD could procure fuel through the Department of Administrative Services (DAS) fuel contract.

Table 23 shows the total amount spent by REVSD to procure fuel on six different occasions as compared to the fuel cost if procured through the Ohio Department of Administrative Services (DAS) fuel contract.

Table 23: Savings on Past Fuel Purchases

	REVSD	DAS	Difference	% Difference
Diesel Fuel	\$24,638	\$23,981	\$657	2.7%
Gasoline Ethanol Blend 89 Octane	\$3,365	\$3,211	\$154	4.8%
Total Fuel Expenditure	\$28,003	\$27,192	\$811	3.0%

Source: DAS Contract and REVSD Fuel Invoices and Purchase Orders

Table 23 shows that the District is currently paying 2.7 percent more on average for diesel fuel and 4.8 percent more for gasoline when compared to the rates it would have paid had they procured fuel through DAS.

Table 24 compares the total fuel expenditures incurred by REVSD for FY 2011-12 and the total amount that the District would have paid had they procured fuel through DAS. The DAS rate was calculated by applying the 3.0 percent difference calculated in **Table 25** to the REVSD Total Fuel Expenditures in FY 2011-12.

Table 24: Projected Annual Fuel Savings

REVSD Total Fuel Expenditures 2012	\$150,692.00
DAS Rate (Given Current Sample)	\$146,171.24
Total Annual Savings	\$4,520.76

Source: DAS Contract and REVSD Fuel Invoices and Purchase Orders

Table 24 shows that if the REVSD had procured fuel through ODAS they could have been able realize a potential annual savings of \$4,520 on fuel purchases.

Financial Implication: If the District purchases fuel at DAS prices, REVSD could save approximately **\$4,500** per year in fuel costs.

R.19 Eliminate six active buses from the bus fleet

The District maintains 17 active buses, which run 26 daily routes to transport 907 riders. Fifteen of the buses have a rated capacity of 72 passengers, while two buses, used as special education transportation, have a rated capacity of 45 passengers. Despite the District's high-capacity buses, the District only maintains a 58 percent (35 riders) average utilization rate per route. The Transportation Director stated that the District does not currently use electronic routing software to route its buses, but instead manually routes all District buses.

According to the American Association of School Administrators (AASA), an effective pupil-to-bus ratio should average at least 100 pupils on a double route, two-tier bus system. Actual capacity use must be measured with 80 percent of a bus' rated capacity as a goal. **Table 25** presents the current capacity ratios and bus reductions needed based on AASA benchmark capacities.

Table 25: FY 2012 REVSD Transportation Capacity Ratios

	Current (58%)	Benchmark Percentage	
		85%	80%
Number of Riders per Route	34.9	50.8	47.8
Number of Routes	26.0	17.9	19.0
Number of Busses	15.0	8.2	8.8
Potential Number of Busses to be Reduced	NA	6.8	6.2

Source: REVSD

The District should consolidate its bus routes in order to raise the rider utilization rate from 58 percent to 80 percent, as prescribed by the AASA in *The School Administrator* (December, 2005). Doing so will allow the District to eliminate 6 active buses from its fleet, saving the District the costs related to the maintenance and operation of an active bus. Further, consolidating bus routes and running a reduced number of active buses will reduce the number of buses the District has to replace via direct purchase or lease.

AOS excluded the District’s special needs buses from the capacity analysis. Raising the District’s regular bus utilization rate from 58 percent to 80 percent would allow the District to reduce its active bus fleet from 15 buses to 9. Similarly, the District would be able to reduce the number of routes from 26 to 19.

Financial Implication: A reduction of 6 active buses would yield savings of approximately \$34,900 per active bus, or a total of **\$209,400**. This includes driver salaries (\$25,849.76), benefits (\$8,162.82), and bus insurance premiums (\$930.71).

R.20 Purchase transportation routing software

The District should utilize electronic bus routing software in order to design more efficient routes and maximize the utilization of its buses. Once the District develops its building configuration, REVSD should evaluate its routing in order to continue initiatives to improve efficiency, such as staggered bell schedules, multi-tiered routing, and cluster stops. The use of electronic routing software could also assist the District in eliminating or consolidating underutilized routes in order to achieve maximum ridership.

REVSD runs 26 active bus routes, including two routes for handicapped and disabled pupils without routing software. The current routes are configured and updated by the Transportation Director using Microsoft Excel and maps of the District. If a student is added or removed from a bus route, the Transportation Director manually reconfigures the bus route to reflect the necessary change.

According to *Hidden Savings in Your Bus Budget* (AASA, 2006), operating buses more efficiently is one of the most effective ways to achieve savings in a school district’s transportation operation. By transporting more students per bus, a district can reduce the number of buses it uses and the costs associated with operating those buses. AASA also recommends buses operate at 80 percent of rated capacity. *School Bus Seat Capacity* (NASDPTS, October 1999) recognizes that school buses transport students of all sizes, and calculates capacity based

on three elementary students per seat and two middle or high school students per seat. The ability to run multiple tiers allows a district to maximize bus capacity and reduce the number of buses it needs in its fleet. Cluster stops, in contrast to door-to-door pickups, allow buses to improve efficiency by making fewer stops and minimizing travel time. In addition, computer routing software enhances the efficiency of routing buses, identifying optimal routes and allowing rerouting without significant additional labor.

Furthermore, according to Environmental Systems Research Institute (ESRI) *School Bus Routing Goes High-Tech* (ESRI, 2000/2001), routing software can optimize routes, manage student and bus driver information, manage special education busing, and provide driving directions and bus accounting. Bus routing software can also provide accident-tracking information to show the location of dangerous stretches of roadway. Additionally, bus routing software can assist a district's fleet management by showing the number of buses, equipment, engines, and other equipment data required for conducting analyses. Finally, routing software can reduce the time it takes to create state reports and aid in the elimination of bus routes, ultimately saving money.

By utilizing routing software to design each route to increase the amount of capacity used, REVSD can reduce the number of buses needed to transport children in the District (see **R.19**). Further, implementing recommended practices will help the District achieve this operating level and maximize its transportation resources.

Financial Implication: Depending on the software and support purchased, transportation software is estimated to cost the District approximately **\$11,000** one-time cost and **\$3,500** per year for maintenance and updates.

R.21 Develop a formal preventive maintenance program and update periodically

Appendix B, Table B.3 shows that the District is currently spending 72.6 percent more in maintenance and repair costs per active bus than the peer average. The District does not currently have a formal preventive maintenance program for its vehicles. Furthermore, REVSD does not currently use any type of software to track and monitor parts inventory or vehicle maintenance activities. The District indicated the current preventive maintenance activities are informal in nature and are based on current needs of the fleet as opposed to being part of a documented long-term preventive maintenance program. The District does perform a pre-trip inspection of each bus on a daily basis and documents any issues that are discovered. REVSD also collects samples of engine oil every 6,000 miles and submits these samples for testing at the motor oil supplier's lab to determine if the oil must be changed.

The *Public Works Management Practices Manual* (American Public Works Association, 2001) indicates that fleet managers should develop a preventive maintenance program for all equipment. The publication goes on to state that preventive maintenance programs address the type of equipment, the duty cycle of the equipment, and provides for routine inspection and maintenance of the fleet to meet the life expectancy. Planning preventive maintenance activities includes: definition of work to be performed; diagnosis of work to be performed prior to scheduling; estimate of labor hours, materials, shop space and time; and documentation to support maintenance action.

The *Planning Guide for Maintaining School Facilities* (NCES, 2003) notes that work order systems help school districts register and acknowledge work requests, assign tasks to staff, confirm that work was done, and track the cost of parts and labor. The NCES goes on to indicate that, at a minimum, work order systems should account for: the date the request was received; the date the request was approved; a job tracking number; the job status (received, assigned, ongoing, or completed); the job priority (emergency, routine, or preventive); the job location (where, specifically, is the work to be performed); the entry user (the person requesting the work); the supervisor and craftsperson assigned to the job; the supply and labor costs for the job; and the job completion date/time. The NCES also states that “the purpose of the CMMS is to manage work requests as efficiently as possible and meet the basic information needs of the district.”

The District should review various Computerized Maintenance Management Systems (CMMS) packages and determine if any can track and report vehicle maintenance activities in addition to inventory and expenses. The implementation of a formal preventive maintenance program as well as a CMMS would allow the district to manage their fleet in a more efficient manner, allowing them to potentially reduce their maintenance and repair costs per active bus and improve transportation recordkeeping.

Financial Implication: The mid-range cost of a CMMS system is about **\$10,000** with **\$1,200** per year maintenance. Costs vary according to the degree of specialization and the number of users.

R.22 Implement an electronic fuel management system

REVSD monitors the use of fuel on a daily basis. Fuel tank sensors are used by the District to determine how much fuel remains in the storage tank at the end of each day. The District Transportation Director then subtracts the fuel balance from the previous day from the balance printed on the current day to determine the district fuel consumption for that particular day. This value is then cross referenced with the fuel reports submitted by the district bus drivers for that day. The District does not have the ability to monitor fuel consumption on a per bus basis.

The District should strive to improve the methods currently utilized to monitor fuel consumption. REVSD should consider implementing an electronic fuel management system that requires employees to input an individually assigned key code before allowing them to gain access to fuel. Furthermore the District should explore the benefits of obtaining a fuel monitoring and access control package which would afford the District the ability to monitor how much fuel has been filled to a vehicle tank at a given point in time. The implementation of these practices would effectively allow the District to increase internal controls relating to fuel and help to reduce the risk of potential theft or misuse of fuel.

Furthermore the district does not utilize any type of electronic security system to prevent unauthorized personnel from obtaining fuel. Although the Transportation Director indicated that there has never been a problem in the District with regards to fuel theft, he did indicate that it was not uncommon for some of the District bus drivers to forget to submit their fuel reports. One vendor indicates that the use of electronic fuel management systems is an effective means to prevent any unauthorized personnel from accessing fuel, tracking every transaction and

restricting vehicles to the type of fuel and quantities they need, assuring complete security, accountability, and control.

Financial Implication: The cost of a full service fuel management system would vary depending on the number of pumps and nozzles to be controlled. A basic fuel control system would range from **\$4,000** to **\$6,000** in one-time costs not including annual software maintenance of approximately **\$600** per year.

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 District, OPT identified the following scope areas for detailed review: financial systems, human resources, facilities, and transportation. Based on the agreed upon scope OPT developed objectives designed to identify improvements to economy, efficiency, and / or effectiveness. Objectives and scope areas assessed in this performance audit include:

- **Financial Systems**
 - Is the District's financial information valid and reliable?
 - Does the District maintain an effective process for preparing the financial forecast?
 - How do the District's revenues and expenditures per student compare to the peers?
 - Is the District's strategic planning process consistent with leading practices?
 - Are the District's budgeting practices comparable to best practices?
 - Are the District's purchasing and vendor payment practices comparable to best practices?
 - Is the District's financial communication consistent with leading practices?
 - Are the District's financial management policies consistent with leading practices?

- **Human Resources**
 - How do certified salaries compare to peers?
 - How do classified salaries compare to peers?
 - How does District-wide staffing compare to peers?
 - Does the District pick up pension costs for staff?
 - How do the classified and certified collective bargaining agreements compare to peers?
 - Are health care benefits and costs comparable to peers?
 - Are employee contributions toward insurance premiums comparable to the industry average?
 - How does certified and classified sick leave usage compare to DAS averages?
 - Are the District's supplemental contract rates comparable to peers?

- **Facilities**
 - Is the District's custodial and maintenance staffing efficient compared to peers and other benchmarks?
 - Does the District effectively manage overtime and substitute costs?
 - Does the District make effective use of technology?
 - Are the District's preventive maintenance efforts consistent with best practices?
 - Are the District's capital planning efforts consistent with best practices?

- How do the District's building utilization rates compare to leading practices?
- Does the District track energy usage and costs to measure program results?

- **Transportation**
 - How have ridership levels and transportation costs changed over the past three years?
 - Does the District efficiently and accurately report transportation data to ODE?
 - How does the District's fleet size and makeup compare to the peers?
 - Is the District's current preventive maintenance plan consistent with best practices?
 - Does the District currently operate its transportation in an efficient manner?
 - Does the District procure fuel in a cost effective manner?

Appendix B: Other Tables

Table B.1 is the Financial Forecast submitted to ODE in October 2013.

Table B.1: REVSD October 2013 Financial Forecast

Line	Actual			Forecasted				
	FY 2010-11	FY 2011-12	FY 2012-13	FY 2013-14	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
1.010 General Property (Real Estate)	13,470,418	13,276,692	12,966,123	12,946,783	13,248,304	13,496,260	13,728,908	13,958,908
1.020 Tangible Personal Property Tax	141,719							
1.035 Unrestricted Grants-in-Aid	2,008,509	1,972,707	2,001,810	2,340,728	2,435,198	2,397,768	2,397,768	2,397,768
1.040 Restricted Grants-in-Aid	27,996	41,581	46,851	46,700	45,700	45,700	45,700	45,700
1.045 Restricted Federal Grants-in-Aid - SFSF	162,566							
1.050 Property Tax Allocation	6,436,056	6,048,154	5,608,522	5,197,522	4,786,522	4,375,522	3,964,522	3,553,522
1.060 All Other Operating Revenue	516,398	488,295	706,800	643,188	585,301	532,624	484,688	441,066
1.070 Total Revenue	22,763,662	21,827,429	21,330,106	21,174,920	21,101,025	20,847,874	20,621,586	20,396,964
2.050 Advances-In	62,718	532,033	52,997	5,955	280,000			
2.060 All Other Financial Sources	92,544	96,540	61,540	50,000	75,000	75,000	75,000	75,000
2.070 Total Other Financing Sources	155,262	628,573	114,537	55,955	355,000	75,000	75,000	75,000
2.080 Total Revenues and Other Financing Sources	22,918,924	22,456,002	21,444,643	21,230,875	21,456,025	20,922,874	20,696,586	20,471,964
3.010 Personnel Services	14,001,364	14,828,647	14,290,806	14,434,827	14,163,414	14,429,133	14,287,351	14,394,506
3.020 Employees' Retirement/Insurance Benefits	5,133,988	5,316,143	5,545,880	5,901,284	6,225,603	6,669,817	7,091,171	7,595,443
3.030 Purchased Services	2,094,110	2,082,021	2,279,139	2,381,778	2,510,312	2,635,827	2,767,619	2,906,000
3.040 Supplies and Materials	858,421	844,788	747,955	1,046,654	1,072,820	1,099,641	1,127,132	1,155,310
3.050 Capital Outlay	28,450	42,188	96,072	153,954	158,573	163,330	168,230	173,277
4.300 Other Objects	361,263	374,893	355,119	395,773	407,646	419,875	432,471	445,446
4.500 Total Expenditures	22,477,596	23,488,680	23,314,971	24,314,270	24,538,368	25,417,623	25,873,974	26,669,982
5.010 Operational Transfers - Out	61,000	72,500	77,000	65,000				
5.020 Advances - Out	1,332,033	52,997	5,955	35,000				
5.030 All Other Financing Uses	24,531	33,488	37	10,000				
5.040 Total Other Financing Uses	1,417,564	158,985	82,992	110,000				
5.050 Total Expenditure and Other Financing Uses	23,895,160	23,647,665	23,397,963	24,424,270	24,538,368	25,417,623	25,873,974	26,669,982
6.010 Excess Rev & Oth Financing Sources over(under) Exp & Oth Financing	-976,237	-1,191,664	-1,953,321	-3,193,394	-3,082,343	-4,494,749	-5,177,389	-6,198,018
7.010 Beginning Cash Balance	11,568,230	10,591,993	9,400,329	7,447,008	4,253,614	1,171,270	-3,323,478	-8,500,867
7.020 Ending Cash Balance	10,591,993	9,400,329	7,447,008	4,253,614	1,171,270	-3,323,478	-8,500,867	-14,698,885
8.010 Outstanding Encumbrances	258,468	216,714	208,862	200,000	150,000	150,000	150,000	150,000
10.010 Fund Balance June 30 for Certification of Appropriations	10,333,525	9,183,615	7,238,146	4,053,614	1,021,270	-3,473,478	-8,650,867	-14,848,885
12.010 Fund Bal June 30 for Cert of Contracts, Salary Sched, Oth Obligations	10,333,525	9,183,615	7,238,146	4,053,614	1,021,270	-3,473,478	-8,650,867	-14,848,885
15.010 Unreserved Fund Balance June 30	10,333,525	9,183,615	7,238,146	4,053,614	1,021,270	-3,473,478	-8,650,867	-14,848,885

Table B.2 describes position classifications used throughout this report.

Table B.2: Position Classifications

Staff Classification	Description of Staff Included in Classification
Administrative	Central office and building level administrators, directors and coordinators, as well as personnel responsible for the planning, management, evaluation, and operation of the District.
Office/Clerical	All 500 position codes except 505 Teacher Aides plus Administrative Assistants (101) and Attendance Officers (901).
General Education Teachers	General Education teaching assignment. It does not include ESP Teachers.
All Other Teachers	Career-Technical Programs/Pathways, Gifted and Talented, Limited English Proficiency teaching assignment, Special Education, Supplemental Service Teachers, Preschool Special Education, Preschool Handicapped Itinerant.
Education Service Personnel	K-8 Art, Music, and P.E. Teachers, Counselors, Librarians, Registered Nurses, Social Workers, and Visiting Teachers per ORC 3317.023(A)(2).
Educational Support	Remedial Specialists and Tutors/Small Group Instructors.
Other Certificated	Curriculum Specialists, Audio-Visual Staff, Permanent Substitutes, Teacher Mentor/Evaluator, and Other Education Professionals.
Non-Certificated Classroom Support	Teaching Aides, Paraprofessional Instructors, and Attendants.
All Other Staff	Psychologists, Therapists, Speech and Language Therapists, Practical Nurses, etc. Library Aides, Computer Support Staff, and all other professional and technical staff.

Source: ODE EMIS

Table B.3 compares REVSD’s transportation operational data to the peer average.

Table B.3: Key Statistics and Operating Ratios

	REVSD	Peer Average	Difference	% Difference
Key Statistics				
Square Miles	26	36	(10)	(27.8%)
ODE Enrollment	1,901	2,056	(155)	(7.5%)
Total Students Transported (All Types)	974	1,212	(238)	(19.6%)
Yellow Bus Riders (Type I)				
Public	923	1,123	(200)	(17.8%)
Non-Public	38	55	(17)	(30.9%)
Community School	0	5	(5)	(100.0%)
Sub-total Regular Riders	961	1,185	(224)	(18.9%)
Special Needs	13	27	(14)	(51.9%)
Total Yellow Bus Riders (Type I)	974	1,265	(291)	(23.0%)
Buses (Type I)				
Regular Buses	15	21	(6)	(28.6%)
Special Need Buses	2	1	1	100.0%
Active Buses	17	22	(5)	(22.7%)
Spare Buses	7	6	1	16.7%
Miles (Type I)				
Annual Routine Miles	199,260	230,280	(31,020)	(13.5%)
Annual Non-routine Miles	37,761	25,493	12,268	48.1%
Operating Ratios				
Daily Miles per Rider	1.14	1.06	0.08	7.5%
Riders per Square Mile	37	44	(7)	(15.9%)
Enrollment per Square Mile	73	73	0	0.0%
Public Riders as % of Enrollment	49%	55%	(6%)	(10.9%)
Regular Riders per Regular Bus	64	64	0	0.0%
Yellow Bus Riders per Active Bus	57	61	(4)	(6.6%)
ODE Efficiency Ratio	0.84	1.04	(0.20)	(19.2%)
Routine Miles per Active Bus	11,721	11,500	221	1.9%
Non-routine to Routine Ratio	19%	12%	7%	58.3%
Non-routine Miles per Enrollment	20	12	8	66.7%
Spare Bus Ratio	29%	24%	5%	20.8%
Percent Public Riders	95%	93%	2%	2.2%
Percent Special Need Riders	1%	2%	(1%)	(50.0%)
Percent Non-public & Community School Riders	4%	5%	(1%)	(20.0%)

Source: REVSD and Peer District T-Forms

Table B.3 shows that REVSD has less total yellow bus riders than the peers (974 compared to 1,265 respectively) but equal student enrollment per square mile (73). Also, **Table B.3** shows that REVSD’s spare buses represent 29 percent of the total fleet, which is higher than the peer average of 24 percent (see **R. 16** and **R.19** for additional analysis). **Table B.4** compares REVSD transportation cost data to the peer average for FY 2011-12.

Table B.4: Type I Transportation Cost Ratios

	Client District	Peer Average	Difference	% Difference
Salaries				
Per Yellow Bus Rider	\$451.18	\$379.14	\$72.04	19.0%
Per Active Bus	\$25,849.76	\$23,474.17	\$2,375.59	10.1%
Per Routine Mile	\$2.21	\$1.98	\$0.23	11.6%
Benefits				
Per Yellow Bus Rider	\$142.47	\$181.76	(\$39.29)	(21.6%)
Per Active Bus	\$8,162.82	\$11,292.28	(\$3,129.46)	(27.7%)
Per Routine Mile	\$0.70	\$0.96	(\$0.26)	(27.1%)
Maintenance & Repairs				
Per Yellow Bus Rider	\$209.41	\$107.90	\$101.51	94.1%
Per Active Bus	\$11,997.76	\$6,951.79	\$5,045.97	72.6%
Per Routine Mile	\$1.02	\$0.60	\$0.42	70.0%
Fuel				
Per Yellow Bus Rider	\$154.71	\$113.00	\$41.71	36.9%
Per Active Bus	\$8,864.24	\$7,088.87	\$1,775.37	25.0%
Per Routine Mile	\$0.76	\$0.61	\$0.15	24.6%
Bus Insurance				
Per Yellow Bus Rider	\$16.24	\$16.64	(\$0.40)	(2.4%)
Per Active Bus	\$930.71	\$1,007.33	(\$76.62)	(7.6%)
Per Routine Mile	\$0.08	\$0.08	\$0.00	0.0%
All Other Costs				
Per Yellow Bus Rider	\$83.11	\$15.94	\$67.17	421.4%
Per Active Bus	\$4,761.94	\$1,058.46	\$3,703.48	349.9%
Per Routine Mile	\$0.41	\$0.09	\$0.32	355.6%
Total Expenditures				
Per Yellow Bus Rider	\$1,057.13	\$814.36	\$242.77	29.8%
Per Active Bus	\$60,567.24	\$50,872.90	\$9,694.34	19.1%
Per Routine Mile	\$5.17	\$4.33	\$0.84	19.4%

Source: REVSD and Peer District T-Forms

Table B.4 illustrates that REVSD's salaries, maintenance and repairs, fuel, all other costs, and total expenditures are significantly higher than the peer average on a per yellow bus rider, per active bus and per routine miles basis (see **R.19** for additional analysis).

Table B.5 shows the cost to the District of the current pension pick up for employees.

Table B.5: District Pick-Up of Employees' Pension Contribution

Position	Salary	Pick-Up %	Cost
Treasurer	\$123,999	10.0%	\$12,400
Superintendent	\$114,285	10.0%	\$11,429
Junior High Principal	\$112,475	6.5%	\$7,311
High School Principal	\$109,177	6.5%	\$7,097
Eagle Point Principal	\$98,036	6.5%	\$6,372
Special Services Director	\$94,694	6.5%	\$6,155
Glenwood Principal	\$93,000	6.5%	\$6,045
High School Assistant Principal	\$91,686	6.5%	\$5,960
Technology Director	\$80,369	6.5%	\$5,224
Indian Hills Principal	\$78,925	6.5%	\$5,130
Athletic Director	\$75,000	6.5%	\$4,875
Buildings & Grounds Supervisor	\$72,398	6.5%	\$4,706
Transportation Director	\$69,628	6.5%	\$4,526
Food Service Supervisor	\$41,220	6.5%	\$2,679
Assistant Treasurer	\$57,886	2.0%	\$1,158
Administrative Assistant & Communications Liaison	\$55,271	2.0%	\$1,105
Student Services Liaison	\$51,435	2.0%	\$1,029
Central Office Secretary	\$45,461	2.0%	\$909
Payroll Clerk	\$45,668	2.0%	\$913
Accounting & Benefits Specialist	\$42,840	2.0%	\$857
District's Total Cost of Paying Staff Members Employees Contribution:			\$95,880

Source: REVS D payroll records

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.



"Striving for Excellence"

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June 2, 2014

Ms. Carrie Bartunek
Director of Public Affairs
Auditor of State Dave Yost
4679 Winterset Drive
Columbus, OH 43220

Dear Ms. Bartunek:

On behalf of the Rossford Exempted Village School District, I would like to recognize the staff members on the Performance Audit Team for their work in compiling this report. Its content and data will serve as an additional tool for consideration when reviewing our district and its operations. Prior to the report's completion, the district has taken steps in the same direction as those recommended in the audit.

We will continue to reference the report as we look for additional efficiencies, while at the same time providing an excellent education to all students and district stakeholders.

Sincerely,

Dan Creps
Superintendent

DC:ls

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Dave Yost • Auditor of State

ROSSFORD EXEMPTED VILLAGE SCHOOL DISTRICT

WOOD 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 17, 2014**