

OHIO AUDITOR OF STATE  
KEITH FABER



Union  
Local School District

# Performance Audit

May 2023

OHIO AUDITOR OF STATE  
**KEITH FABER**



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**To the Union Local School District community,**

The Auditor of State's Office recently completed a performance audit for the Union Local School District (the District). The District was selected for a performance audit based on its projected financial condition. This review was conducted by the Ohio Performance Team and provides an independent assessment of operations within select functional areas. The performance audit has been provided at no cost to the District through state funds set aside to provide analyses for districts that meet certain criteria, including conditions that would lead to fiscal distress.

This performance audit report contains recommendations, supported by detailed analysis, to enhance the District's overall economy, efficiency, and/or effectiveness. This report has been provided to the District and its contents have been discussed with the appropriate elected officials and District management. The District has been encouraged to use the recommendations contained in the report and to perform its own assessment of operations and develop alternative management strategies independent of the performance audit report.

This data-driven analysis of operations provides the District valuable information which can be used to make important financial decisions. Additional resources related to performance audits are available on the Ohio Auditor of State's website.

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,

Keith Faber  
Auditor of State  
Columbus, Ohio

May 30, 2023

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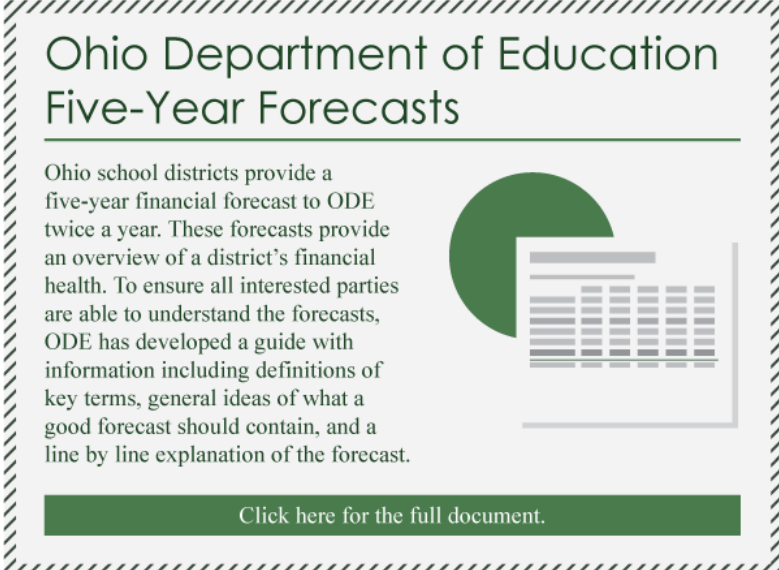
# Introduction

The public expects and deserves government entities to be good stewards of taxpayer dollars. School officials have a responsibility to maximize program outcomes and success while minimizing costs.

Transparent management of taxpayer dollars promotes a good relationship with the constituents served by a school district. School districts in Ohio are required to submit budget forecasts to the Ohio Department of Education (ODE) annually in the fall, with updates to the forecast submitted in the spring.<sup>1</sup> These documents

provide three years of historical financial data, as well as the projected revenues and expenses for a five-year period.

The Ohio Auditor of State's Office Ohio Performance Team (OPT) routinely reviews the submitted forecasts in order to identify districts which may benefit from a performance audit. These audits are designed to assist school districts that are struggling financially. We use data-driven analyses to produce and support recommendations that identify opportunities for improved operations, effectiveness, increased transparency, and reductions in cost. While we have the authority to initiate a performance audit for school districts facing financial distress, any school district can request, and benefit from, an audit.<sup>2</sup>



**Ohio Department of Education  
Five-Year Forecasts**

Ohio school districts provide a five-year financial forecast to ODE twice a year. These forecasts provide an overview of a district's financial health. To ensure all interested parties are able to understand the forecasts, ODE has developed a guide with information including definitions of key terms, general ideas of what a good forecast should contain, and a line by line explanation of the forecast.

[Click here for the full document.](#)



## NOTE TO REPORT USERS

Due to the COVID-19 pandemic, districts received federal funds from the Coronavirus Aid, Relief, and Economic Security (CARES) Act. The aid was provided through Elementary and Secondary School Emergency Relief (ESSER) funding. Nearly \$500 million was allocated to traditional public schools and community schools throughout Ohio. Districts are allowed to use this funding on a variety of expenditures, and may, for a short time, impact the five-year forecasts.

<sup>1</sup>ORC § 5705.391 and OAC 3301-92-04.

<sup>2</sup>Performance audits are conducted using Generally Accepted Government Auditing Standards guidelines, see [Appendix A](#) for more details.

# Union Local School District

Union Local School District (ULSD or the District) is located in Belmont County and, as of fiscal year (FY) 2022, had 1,352 students enrolled. The District spans approximately 148 square miles and has a median income of \$35,180. Of the total enrolled students, approximately 15.8 percent were students with disabilities.

## Audit Methodology

Our audit focuses on identifying opportunities where expenditures may be reduced as the District administration can make decisions in these areas. The information, which was presented to District officials, is based on a combination of peer district comparisons, industry standards, and statewide requirements.

Two groups of peer districts were identified for the purpose of this audit. The first, local peers, is comprised of districts in the surrounding area and is used for labor market comparisons, such as salary schedules. The second peer group, primary peers, are districts located throughout Ohio and are chosen based on having similar or better academic performance while maintaining relatively lower spending per pupil. Primary peer districts are used for financial comparisons and analyses regarding operations such as staffing levels. See [Appendix A](#) for a list of all districts used in our peer comparisons.

## Financial Condition

In May 2022, the District released its semi-annual five-year forecast that showed expenditures exceeding revenues in each year of the forecast. This draws down the ending fund balance, and the District projects negative year-end fund balances in the forecast period beginning in FY 2024. A summary of this forecast is in the table below. Due to the declining fiscal condition, of the District, and in consultation with ODE, we chose to conduct a performance audit.

### Financial Condition Overview (May 2022 Forecast)

	FY 2022	FY 2023	FY 2024	FY 2025	FY 2026
Total Revenue	\$18,143,417	\$18,731,787	\$19,297,026	\$19,643,750	\$20,003,661
Total Expenditures	\$19,772,381	\$19,937,327	\$20,464,578	\$20,908,340	\$21,357,200
<b>Results of Operations</b>	<b>(\$1,628,964)</b>	<b>(\$1,205,540)</b>	<b>(\$1,167,552)</b>	<b>(\$1,264,590)</b>	<b>(\$1,353,539)</b>
Beginning Cash Balance	\$3,213,313	\$1,584,349	\$378,809	(\$788,743)	(\$2,053,333)
<b>Ending Cash Balance</b>	<b>\$1,584,349</b>	<b>\$378,809</b>	<b>(\$788,743)</b>	<b>(\$2,053,333)</b>	<b>(\$3,406,872)</b>
Encumbrances	\$250,000	\$250,000	\$150,000	\$150,000	\$150,000
Cumulative Balance of Replacement/Renewal Levies	\$0	\$0	\$0	\$0	\$0
Cumulative Balance of New Levies	\$0	\$0	\$0	\$0	\$0
<b>Ending Fund Balance</b>	<b>\$1,334,349</b>	<b>\$128,809</b>	<b>(\$938,743)</b>	<b>(\$2,203,333)</b>	<b>(\$3,556,872)</b>

Source: ODE



In November 2022, the District released its required annual forecast, which projects negative year-end fund balances beginning in FY 2025. This deficit is projected to grow to more than \$2.3 million by the end of the forecast period in FY 2027.

### Financial Condition Overview (November 2022 Forecast)

	FY 2023	FY 2024	FY 2025	FY 2026	FY 2027
Total Revenue	\$17,950,407	\$18,538,920	\$19,113,227	\$19,455,201	\$19,814,362
Total Expenditures	\$19,073,534	\$19,773,051	\$19,871,766	\$20,388,398	\$20,921,467
<b>Results of Operations</b>	<b>(\$1,123,127)</b>	<b>(\$1,234,131)</b>	<b>(\$758,539)</b>	<b>(\$933,197)</b>	<b>(\$1,107,105)</b>
Beginning Cash Balance	\$2,917,053	\$1,793,926	\$559,795	(\$198,744)	(\$1,131,941)
<b>Ending Cash Balance</b>	<b>\$1,793,926</b>	<b>\$559,795</b>	<b>(\$198,744)</b>	<b>(\$1,131,941)</b>	<b>(\$2,239,046)</b>
Encumbrances	\$250,000	\$250,000	\$150,000	\$150,000	\$150,000
Cumulative Balance of Replacement/Renewal Levies	\$0	\$0	\$0	\$0	\$0
Cumulative Balance of New Levies	\$0	\$0	\$0	\$0	\$0
<b>Ending Fund Balance</b>	<b>\$1,543,926</b>	<b>\$309,794</b>	<b>(\$348,744)</b>	<b>(\$1,281,941)</b>	<b>(\$2,389,046)</b>

Source: ODE

The District submitted an updated forecast to ODE in May, 2023. However, due to the timing of the release of this audit, the information contained in that forecast was not available to our staff. The forecast can be found by searching for the District on the ODE reports portal found here: [Reports Portal](#).

## Funding

Historically, school funding in Ohio has been a partnership between the state and local districts. Local districts can raise funds through property and income taxes and the state provides funding primarily through a foundation formula, which is intended to ensure a basic level of education funding for all students. Districts may also receive some funding from other sources, such as federal grants. In FY 2022, of the approximately \$26.1 billion in reported revenue for public education in Ohio, nearly 80 percent, or \$20.7 billion, came from state and local sources.

### State Funding

On June 30, 2021, House Bill 110 of the 134th General Assembly (the biennial budget bill) was signed by the Governor. This bill included changes to the state foundation funding formula, commonly referred to as the Fair School Funding Plan, which replaced the previous state funding allocation model. This new model establishes and implements a cost methodology using student teacher ratios, minimum staffing levels, local property values, and district-level income data. Further, the legislation includes guarantees to ensure no school district receives less funding than it did in FY 2021.

The new model is planned to be phased-in over several years, which will impact the amount of state funding received under the new formula over the period of the phase-in. During the phase in period, the amount of state funding received in any given year may be less than what would have been received if the formula were fully funded. ODE transitioned to the new funding model in January of 2022.

## Local Funding

Local revenue can be raised through a combination of property and income taxes. While property taxes are assessed on both residential and business properties within a district, income tax is assessed only on residents.<sup>3</sup> Approximately one-third of Ohio school districts currently have an income tax.

### *Property Tax*

Property taxes levied in Ohio are subject to restrictions in the Ohio Constitution<sup>4</sup> and the Ohio Revised Code (ORC).<sup>5</sup> These restrictions limit the amount of tax that can be levied without voter approval to 10 mills<sup>6</sup> or 1 percent of property value. While the Constitutional limitation is based on fair market value, the ORC sets a more restrictive limit based on taxable value, which is defined as 35 percent of fair market value.

The 10 mills allowed by the Constitution are typically referred to as inside, or un-voted mills. School districts share these un-voted mills with other local governments. The actual breakdown of inside mills differs from county to county and, because of this, the inside mills for school districts varies. On average, school districts have approximately 4.7 inside mills, and the remainder of property tax revenue would come from voted, or outside millage.

School districts can obtain additional property tax revenue through voter approved bonds and levies. These taxes can have a variety of purposes that are defined in the authorizing language which are generally divided into three broad categories: general operations, permanent improvement, and construction.

Levies may be defined as either a fixed-rate or a fixed-sum. A fixed-rate levy identifies the number of mills that will be assessed in order to raise revenues. If new construction occurs within the district, the rate will apply, and the district would realize additional revenues. Current expense levies, used for general operations, and permanent improvement levies are typically fixed-rate. A fixed-sum levy identifies an amount that will be generated from the levy. While there may be an estimated millage rate, the actual rate will vary based on assessed property values. If new construction occurs within the district, there would be no new revenues for a fixed-sum levy. Emergency levies<sup>7</sup> for general operations, and bond levies for the financing of new buildings, are typically fixed-sum levies.

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<sup>3</sup> See <https://tax.ohio.gov/wps/portal/gov/tax/individual/school-district-income-tax>

<sup>4</sup> Ohio Const. Art. XII, Section 2.

<sup>5</sup> Ohio Rev. Code § 5705.02.

<sup>6</sup> A mill is defined as one-tenth of one percent or \$1 for every \$1,000 of taxable value.

<sup>7</sup> Authorized by ORC §5705.194.

Ohio has historically had laws which limit the impact rising property values can have on property taxes. The most recent version of these limitations was enacted in 1976 and requires that the amount collected on fixed-rate millage is frozen at the dollar value collected in its first year.<sup>8</sup> In subsequent years, with exceptions such as new construction, a district would not receive additional revenue from a levy as property values increased.<sup>9</sup> Instead, the outside mills are subject to reduction factors<sup>10</sup> which lower the effective millage rate in order to maintain the preceding year's level of revenue from the same properties.<sup>11</sup>

However, under state law, in order to receive state foundation funding, a district must collect a minimum of 20 mills in property taxes for general purposes, or current expenses.<sup>12</sup> In order to prevent a district from failing to meet this minimum threshold, reduction factors stop being applied once a district reaches an effective rate of 20-mills, colloquially known as the 20-mill floor. Practically speaking, this means that if a district's effective tax rate is reduced to 20 mills for current expenses, the amount of revenue generated from levies will increase with property values unless a new operating levy is approved by voters. It is important to note not all levies count toward the 20-mill floor.

Ultimately, the mixture of property taxes approved by voters can have a wide-ranging impact on both the revenues collected by a district and the amount of tax that individual property owners are required to pay on an annual basis.

### *Income Tax*

A school district income tax is an alternative method of raising local revenue. Like property taxes, an income tax must be approved by voters and may be for either general use or specific purposes, such as bond repayment. Once approved, a tax becomes effective on January 1st of the following year. Unlike municipal income taxes which are generally levied on wages earned in the municipality by both residents and nonresidents, school district income taxes are levied on wages earned by residents of the district, regardless of where the resident may work. Businesses operating within the school district are not required to pay the income tax.

A school board, when determining that an income tax is necessary for additional revenue, must submit a resolution to the Ohio Tax Commissioner identifying the amount of revenue to be raised and the tax base to be used for calculations. A school district income tax can be assessed on either a traditional tax base or an earned income tax base. The traditional tax base uses the same income base as Ohio's income tax and the earned income tax base is only earned income from an employer or self-employment. Under the earned income tax base, income such as capital

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<sup>8</sup> Am.Sub.H.B. No. 920, 136 Ohio Laws, Part II, 3182, 3194.

<sup>9</sup> If property value decreased due to reappraisal, it is possible that a district would receive less revenue than originally intended.

<sup>10</sup> ORC § 319.301.

<sup>11</sup> We are providing this information for historical purposes only. The law which regulates collection of on outside millage has been amended since enacted in 1976. The District should consult with the most current version of the law for a clear understanding of how this process works today.

<sup>12</sup> The term 'current expense' refers to revenue generated from levies that are not restricted in their use. It does not include bonds or levies that generate revenues for restricted funds, such as Permanent Improvement levies.

gains or pension payments is not taxable, though this type of income may be taxed under the traditional tax base. Once this information is received, the Tax Commissioner identifies the income tax rate and equivalent property tax millage for the district.

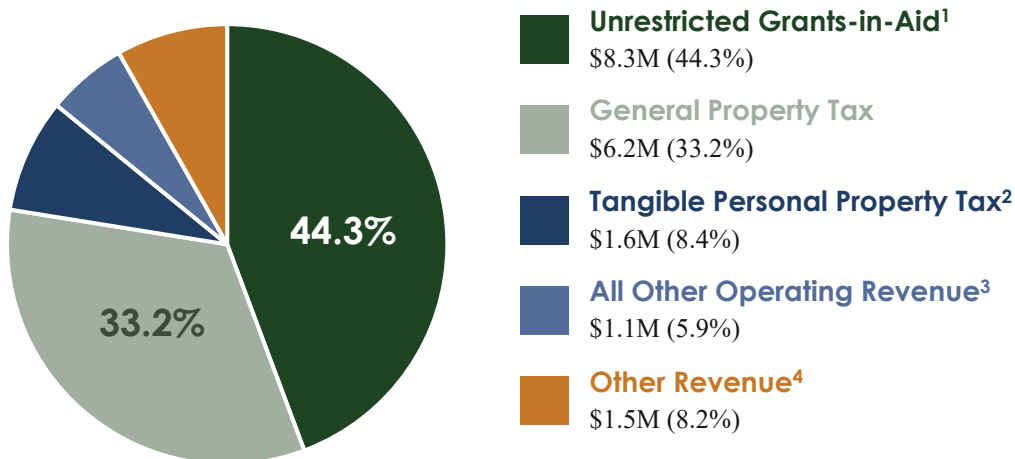
The Ohio Department of Taxation collects income tax through employer withholding, individual quarterly estimated payments, and annual returns. Employers are required to withhold the tax and submit payments to the state under the same rules and guidelines as are currently used for state income taxes. Districts receive quarterly payments from the Department of Taxation and each payment is for the amount collected during the prior quarter. A district receives the total amount of revenue collected less a 1.5 percent fee retained by the state for administration purposes. The amount of revenue collected via income tax each year will vary based on the earnings of the district’s residents.

## ULSD Revenues

A school district budget is comprised of revenues and expenditures. In FY 2022, the District’s total General Fund revenue was approximately \$18.8 million.<sup>13</sup> The District’s primary sources of revenue are general property taxes and state foundation funding. The remaining revenue is comprised of a variety of sources as seen below.

### FY 2022 Total General Fund Revenue Composition

**Total: \$18.8M**



Source: ODE

- 1: Unrestricted grants-in-aid is comprised primarily of state foundation funding.
2. Tangible Personal Property Tax includes taxes levied by a school district on the assessed valuation of tangible personal property located within the district including public utility personal property tax.
- 3: All Other Operating Revenue includes tuition, fees, earnings on investments, rentals, and donations.

<sup>13</sup> This total excludes advances to the General Fund. For purposes of comparison, we excluded advances to the General Fund for both ULSD and the peer groups throughout the Revenues section.

4: Other Revenue includes Restricted Grants-in-Aid, Property Tax Allocation (which are state-paid reimbursements of property tax credits), Operating Transfers-In, and All Other Financing Sources.

Note: Due to rounding, revenue categories may not sum up to the total listed.

In 2022, ULSD collected revenues on 20.00 mills of property tax for residential properties.<sup>14</sup> This included 3.90 inside mills and 16.10 outside mills for current expenses. The District's current expense millage rate is at the 20-mill floor and therefore not subject to reduction factors. The District does not have additional property tax revenue.

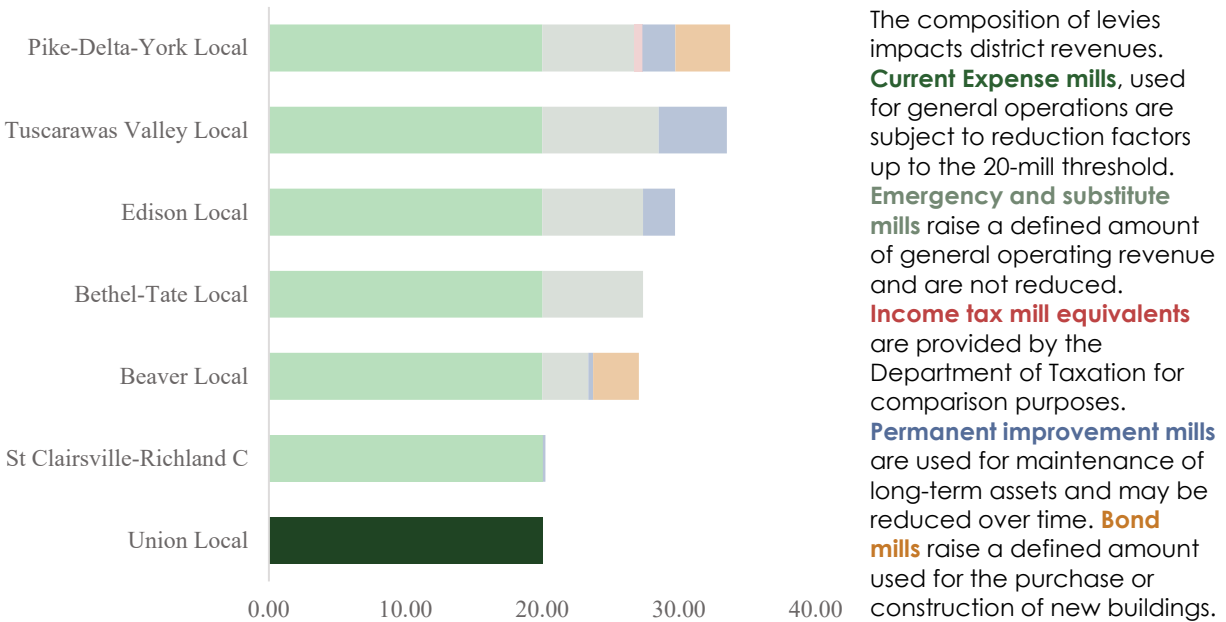
Because the total millage rate can be rolled back as a result of reduction factors, we compared the total effective millage for ULSD to that of its primary peers. This comparison is found in the chart below. The green portion of the bar represents the current expense millage rate, where all but two of the peers are also on the 20-mill floor.<sup>15</sup> The grey portion represents emergency and substitute revenue which is not subject to reduction factors. The blue represents permanent improvement funds, and the orange represents bond funding. While ULSD does not have a school district income tax, one peer does have revenue from income tax. This revenue is converted to an estimated millage equivalent by the Department of Taxation and represented in pink.

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<sup>14</sup> Residential and agricultural property is considered Class 1 real estate. Commercial Property is considered Class 2 real estate and subject to a different set of reduction factors. The effective millage rate for Class 2 property in 2022 was 20.88.

<sup>15</sup> Bethel-Tate Local School District and St. Clairsville-Richland City School District have an effective millage rate of 20.02 and 20.03, respectively. Both districts will likely be reduced to the floor in the immediate future.

## 2022 Millage and Millage Equivalents | Primary Peers



Source: Ohio Department of Taxation

The composition of levies impacts district revenues. **Current Expense mills**, used for general operations are subject to reduction factors up to the 20-mill threshold. **Emergency and substitute mills** raise a defined amount of general operating revenue and are not reduced. **Income tax mill equivalents** are provided by the Department of Taxation for comparison purposes. **Permanent improvement mills** are used for maintenance of long-term assets and may be reduced over time. **Bond mills** raise a defined amount used for the purchase or construction of new buildings.

The composition of levies impacts district revenues. Current expense mills, used for general operations are subject to reduction factors up to the 20-mill threshold. Emergency and substitute mills raise a defined amount of general operating revenue and are not reduced. Income tax mill equivalents are provided by the Department of Taxation for comparison purposes. Permanent improvement mills are used for maintenance of long-term assets and may be reduced over time. Bond mills raise a defined amount used for the purchase or construction of new buildings.

Overall, the District’s total effective millage rate of 20.00 is lower than all of the primary peers. While all of the primary peer districts are either at or near the 20-mill floor for current expenses, each of the peer districts collects additional revenue from other property taxes whereas ULSD does not. It is important to understand that revenue generated from bond and emergency levies remains the same regardless of changes to property values as they are voted as fixed-sum levies. The current expense millage and permanent improvement millage also stay the same until the 20-mill floor is hit for current expense taxes. At that point, a district at the floor would see additional revenues from increases in value to existing properties. ULSD and its peers are currently at the 20-mill floor, or very close to it, which means most will see additional revenue if property values increase.

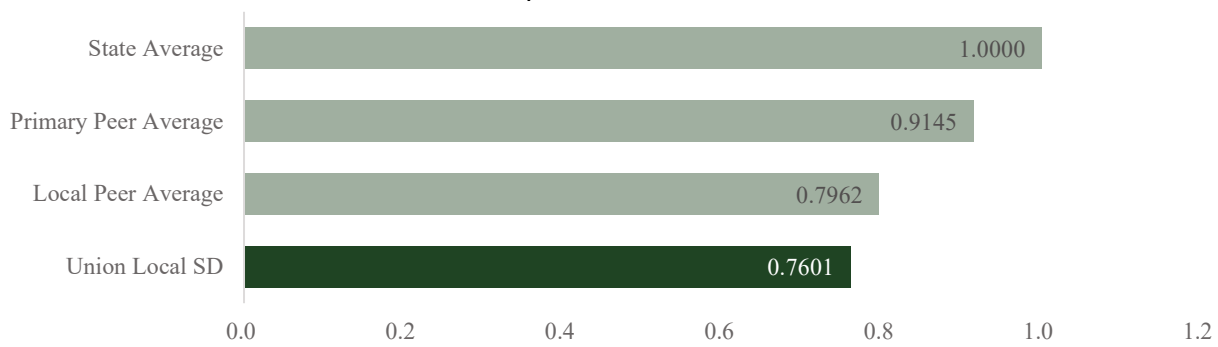
### Local Tax Effort

ODE uses the Local Tax Effort Index as a measure of taxpayer support for the district in which they reside. This index, one of a number of possible measures for evaluating local effort, was initially developed by the Division of Tax Analysis within the Ohio Department of Taxation and

is calculated in the context of the residents’ abilities to pay by determining the relative position of each school district in the state in terms of the portion of residents’ income devoted to supporting public education. This index uses median income data and provides context to better understand a community’s tax burden, not only compared to other districts, but also as a function of the residents’ ability to pay.

On this sliding scale, a value of 1.0 indicates the state average, a baseline against which all districts in the state are weighed. If a district has a local tax effort below 1.0, residents provide a smaller portion of their available income to public education whereas a value above 1.0 indicates the community pays a larger portion of their available income to public education compared to the state average. The index is updated annually by ODE as part of its District Profile Reports, also known as the Cupp Report, to reflect changes in local conditions from year to year.

### FY 2022 Local Tax Effort Comparison



Source: ODE

The District’s local tax effort was compared to the local peers, primary peers, and the state average. The District has a local tax effort of 0.7601. This is the 470<sup>th</sup> highest local tax effort out of 606 districts in the state, which is approximately the 22<sup>nd</sup> percentile of all districts. By comparison, the local peer average of 0.7962 would rank approximately 441<sup>st</sup> out of all 606 districts, or the 27<sup>th</sup> percentile.

### Revenue per Pupil

Revenue per pupil, broken down by type of funding, is another way to compare funding sources between Ohio school districts. Because our audit focuses on the projected deficit in the five-year forecast, we reviewed only the forecasted fund revenues for this purpose.<sup>16</sup> In FY 2022, the District received approximately \$13,919 per pupil, with 42.2 percent, or approximately \$5,869, coming from local taxes.<sup>17</sup> In FY 2022, the primary peer average was \$12,733 in revenue per

<sup>16</sup> Forecasted funds include the District’s General Fund and funds derived from emergency levies.

<sup>17</sup> The Cupp Report, issued by ODE, provides information on all revenues received by a district. Because of this, the percentage of revenues from local revenues in the Cupp report may vary from the amount in our report due to the inclusion of additional revenues. This is particularly true when reviewing FY 2021 data as districts received federal funding for COVID-19 relief through ESSER grants.

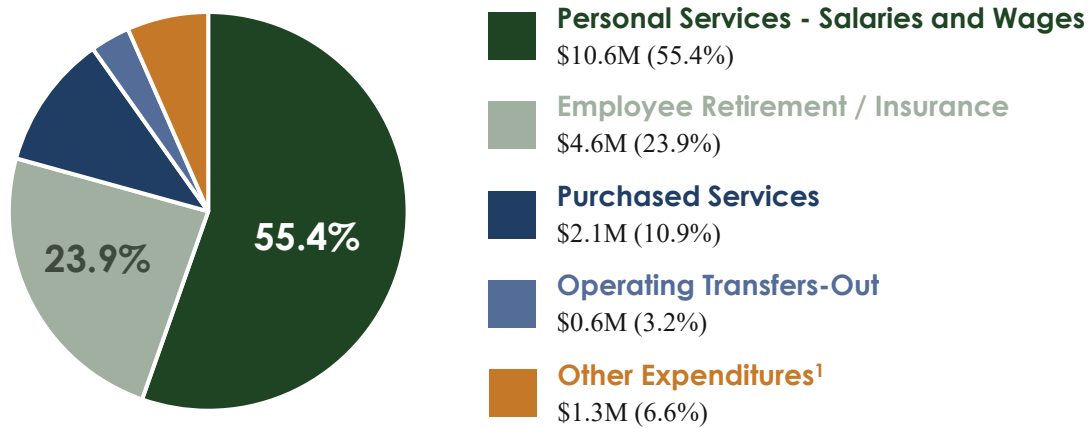
pupil, with 47.2 percent, or approximately \$6,015, coming from local taxes. The District’s local revenue was lower than the primary peer average in FY 2022.

## ULSD Expenditures

In FY 2022, the District’s total General Fund expenditures were approximately \$19.2 million.<sup>18</sup> The largest source of expenditures was human resources, which includes salaries, wages, and benefits, followed by purchased services. The chart that follows provides additional detail regarding District expenditures.

### FY 2022 Total General Fund Expenditure Composition

Total: \$19.2M



Source: ODE

1: Other Expenditures includes Supplies and Materials, Capital Outlay, Other Objects, and Principal on Loans, Interests & Fiscal Charges.

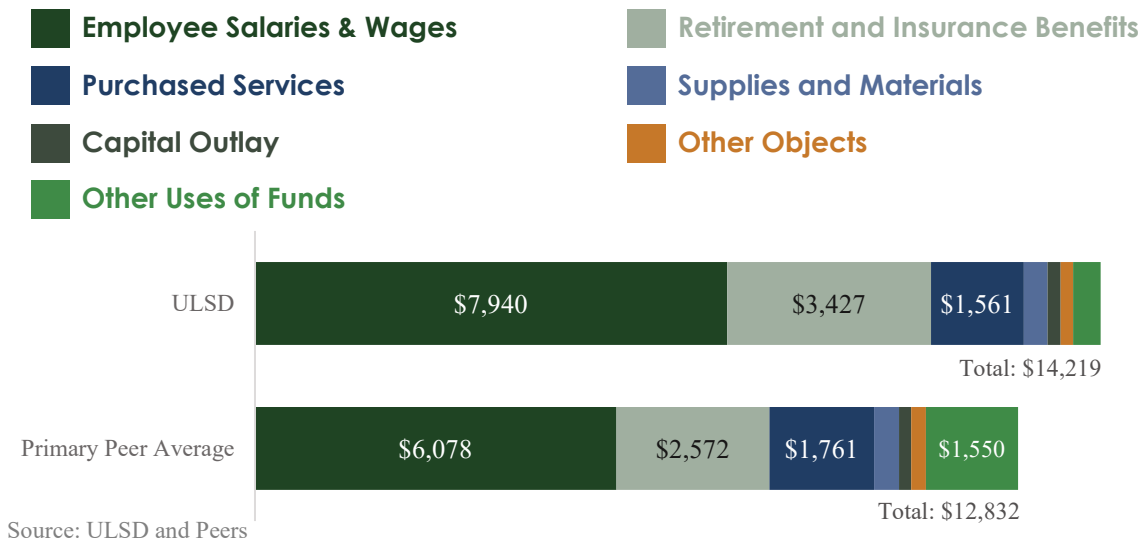
<sup>18</sup> This total excludes advances from the General Fund. For purposes of comparison, we excluded advances from the General Fund for both ULSD and the peer groups throughout the Expenditures section.



## Expenditures per Pupil

In FY 2022, ULSD spent approximately \$14,219, or 10.8 percent more, per pupil when compared to the primary peer average of \$12,832 per pupil. The District spent more than the primary peer average on employee salaries and wages, employee benefits, and capital outlay. The District spent less than the primary peer average on purchased services, supplies and materials, other objects, and other uses of funds.<sup>19</sup> The chart that follows provides a graphic comparison of expenditures per pupil for ULSD and the primary peer average.

### FY 2022 Total Expenditures Per Pupil



<sup>19</sup> The category of “Other Objects” includes things such as interest on loans, memberships in professional organizations, County Board of Education contributions, and various types of non-healthcare insurance. “Other Uses of Funds” mainly consists of transfers, and contingencies within the various accounting dimensions.

# Results of the Audit

Based on an initial analysis of the District’s data as compared to its peer groups, the following scope areas were included for detailed review and further analyses: Financial Management, Human Resources, Facilities, Transportation, and Food Service. We identified 10 recommendations which would result in reduced expenses or improve the District’s operational management based on industry standards and peer averages.

## Summary of Recommendations

<b>Recommendations from Tier I</b>		<b>Savings</b>
<b>R.1</b>	<b>Develop Formal Capital Plan and Update Current Strategic Plan</b>	<b>\$0</b>
<b>R.2</b>	<b>Eliminate Direct Student Education and Support Positions above the Peer Average</b>	<b>\$569,000</b>
	Eliminate 6.5 FTE General Education Teachers	\$464,000
	Eliminate 0.5 FTE K-8 Music Teacher	\$31,000
	Eliminate 0.5 FTE Nursing Staff	\$74,000
<b>R.3</b>	<b>Evaluate Instructional Tutor Positions</b>	<b>\$0</b>
<b>R.4</b>	<b>Align Employer Insurance Costs with SERB Regional Average</b>	<b>\$359,000</b>
<b>R.5</b>	<b>Align Salary Schedules</b>	<b>\$0</b>
<b>R.6</b>	<b>Renegotiate Collective Bargaining Agreement Provisions</b>	<b>\$0</b>
<b>R.7</b>	<b>Formalize a Facilities Preventative Maintenance Plan</b>	<b>\$0</b>
<b>R.8</b>	<b>Formalize a Transportation Preventative Maintenance Plan</b>	<b>\$0</b>
<b>R.9</b>	<b>Develop a Formal Bus Replacement Plan</b>	<b>\$0</b>
<b>R.10</b>	<b>Monitor Food Service Operations</b>	<b>\$0</b>
<b>Total Cost Savings from Performance Audit Recommendations</b>		<b>\$928,000</b>
Less: Food Service portion of Insurance Costs		\$9,000
<b>Total Cost Savings from Performance Audit Recommendations (General Fund)</b>		<b>\$919,000</b>

Note: These estimated savings reflect the average annual savings that could be achieved in FY 2024 through the remainder of the forecast period.

Note: Numbers in this table are rounded down to provide conservative estimates and for readability purposes.

The financial impact of this audit’s recommendations on the November 2022 five-year forecast is shown in the following table. This table reflects the cumulative financial impact of the implementation of these recommendations on the five-year forecast.

## Results of the Audit Recommendations (November 2022 Forecast)

	<b>FY 2024</b>	<b>FY 2025</b>	<b>FY 2026</b>	<b>FY 2027</b>
<b>Original Ending Fund Balance</b>	<b>\$309,794</b>	<b>(\$348,744)</b>	<b>(\$1,281,941)</b>	<b>(\$2,389,046)</b>
<b>Cumulative Balance of Tier I Recommendations</b>	<b>\$890,037</b>	<b>\$1,800,198</b>	<b>\$2,731,066</b>	<b>\$3,683,245</b>
<b>Revised Ending Fund Balance with Tier I Recommendations</b>	<b>\$1,199,831</b>	<b>\$1,451,454</b>	<b>\$1,449,125</b>	<b>\$1,294,199</b>

Source: ULSD

# Financial Management

Any organization needs to consider both short-term needs and long-term goals when developing policies and procedures related to financial management. This requires strategic planning in order to identify the best use of available resources. School districts, in particular, must have sound planning processes in place so that they can effectively and transparently provide services to their residents. We reviewed ULSD’s financial management policies in order to determine if there were areas for improved management.

## Recommendation 1: Develop Formal Capital Plan and Update Current Strategic Plan

In order to effectively address all financial, programmatic, and operational needs, ULSD should develop a formal comprehensive capital plan and update its current strategic plan and fully link the plans to annual budgets.

### Impact

Linking formal strategic and capital plans to annual budgets could provide the District with necessary guidance on overall spending and program allocations based on plan-related goals. These plans could also assist the District in making more efficient and effective long-term decisions.

### Methodology

We interviewed District officials and confirmed that the District has a strategic plan, but not a formal comprehensive capital plan. We compared the District’s current strategic and capital planning practices to the Government Finance Officers’ Association (GFOA) best practices to identify opportunities for improvement.

### Analysis

The GFOA provides guidance to governmental entities in the development and maintenance of effective long-term planning. *Establishment of Strategic Plans* (GFOA, 2005) defines strategic planning as “a comprehensive and systematic management tool designed to help organizations assess the current environment, anticipate and respond appropriately to changes in the environment, envision the future, increase effectiveness, develop commitment to the organization’s mission, and achieve consensus on strategies and objectives for achieving that mission.”

Key steps in the strategic planning process include:

- Initiating the strategic planning process;
- Preparing a mission statement;
- Assessing and identifying environmental factors and critical issues;

- Agreeing upon and developing strategies for a small number of broad goals;
- Creating an action plan, including measurable objectives and performance measures;
- Obtaining approval of the plan; and,
- Implementing, monitoring, and reassessing the plan.

*Multi-Year Capital Planning* (GFOA, 2006) recommends that public entities create and implement a multi-year capital plan as a component of their comprehensive strategic plan. A properly prepared capital plan is essential to the future of the financial health of an organization and its continued delivery to its constituents and stakeholders. An adequate capital plan should:

- Identify and prioritize expected needs based on the entity’s strategic plan;
- Establish project scopes and costs;
- Detail estimated amounts of funding from various sources; and,
- Project future operating maintenance costs.

The District currently has a Comprehensive Educational Facilities Plan (the Plan), which is a strategic plan covering two broad categories – curriculum and facilities. The 10-year plan is in effect until 2028 and is split into nine sections. The last update to the Plan occurred prior to the COVID-19 pandemic. The Plan is not fully linked to annual budgets and does not have measurable objectives associated with the curriculum aspect.

As part of the Plan, the District identifies the necessary improvements associated with each of the District’s buildings and includes the expenditures associated with each proposed improvement. The District’s capital planning is limited to the facilities component of the Plan and does not include capital needs such as technology upgrades and bus replacements (see [Recommendation 9](#)).

## Conclusion

Without formal strategic and capital plans fully linked to the budget, ULSD is not able to effectively address all financial, programmatic, and operational needs of the District. Therefore, it should develop a comprehensive capital plan and update its current strategic plan to improve program and funding decisions.

# Human Resources

Human resources (HR) expenditures are significant to both the operational and financial conditions within school districts. OPT reviewed ULSD’s staffing levels, salaries, and CBA provisions and compared them to peer districts. Certain staff, including Title I and Special Education staffing, were excluded from our analyses due to various legal and contractual requirements within these programs.

## Recommendation 2: Eliminate Direct Student Education and Support Positions above the Peer Average

ULSD should consider eliminating direct student education and support positions above the primary peer average.

### Impact

By reducing direct education and student support staff to be in line with the primary peer average, the District could save an average of approximately \$569,000 annually.<sup>20</sup>

### Background

Direct education and support positions perform functions that assist students in an educational setting directly in some manner. Positions may include a variety of professionals including teachers, educational support specialists, and counselors. Based on peer comparisons, ULSD could eliminate staffing positions in several categories.

### Methodology/Analysis

Staffing levels for the District were identified and compared to primary peer averages on a per-1,000-student basis.<sup>21</sup> Areas where ULSD could reduce direct student education and support staffing include:

- 6.5 FTE Teachers;
- 0.5 FTE K-8 Music Teachers; and,
- 0.5 FTE Nursing Staff.

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<sup>20</sup> Calculated savings are based on the salary and benefits of the lowest tenured employee in each position category.

<sup>21</sup> A Full-Time Equivalent (FTE) was used to identify staffing levels, based on ODE reporting guidelines.

## Teachers

ULSD employs 70.0 FTE general education teachers and career-technical teachers.<sup>22</sup> When examining these positions in total, the District is 6.82 FTEs above the peer average. Eliminating 6.5 FTE teaching positions could save an average of approximately \$464,000 annually.

## K-8 Music Teachers

ULSD employs 3.0 FTE K-8 music teachers, which is 0.66 FTEs above the peer average. Eliminating 0.5 FTE K-8 music teaching positions could save an average of approximately \$31,000 annually.

*During the course of the audit, the District indicated that it is expecting to reduce one FTE K-8 music teacher position through attrition, effective beginning in FY 2024.*

## Nursing Staff

ULSD employs 2.0 FTE nursing staff members, which is 0.69 FTEs above the peer average. Eliminating 0.5 FTE nurse positions could save an average of approximately \$74,000 annually.

## Conclusion

The District should eliminate 7.5 FTE direct student education and support positions. Eliminating these positions could save an average of approximately \$569,000 annually and bring staffing to a level consistent with the primary peer average.

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<sup>22</sup> The District's career-technical teachers teach elective courses. According to ODE, as part of State Foundation Funding, Districts are provided with funds for career-technical education. At least 75 percent of the funds must be spent on program needs such as curriculum development, instructional services, and supplies, and up to 25 percent may be used for personnel costs. The District is also a member of a joint vocational school district which allows students to opt into career-technical programs or pathways and earn certifications.

## Recommendation 3: Evaluate Instructional Tutor Position

ULSD should evaluate the need for its instructional tutor positions.

### Impact

There is no financial implication for this recommendation as instructional tutors are currently paid with ESSER funds and are not reflected in the five-year forecast.

### Background

ULSD employs instructional tutors, also known as remedial specialists. These licensed individuals are on a limited one-year contract and, according to the District, work with students who are struggling academically as a result of the pandemic. Instructional tutors are currently funded with ESSER funds, but once the funds are exhausted, salaries and benefits will be paid out of the General Fund, which is not reflected in the five-year forecast. ESSER funds must be spent by September 30, 2024, in FY 2025.

### Methodology/Analysis

Staffing levels for the District were identified and compared to primary peer averages on a per-1,000-student basis. ULSD employs 4.0 FTE remedial specialists, which is 3.34 FTEs above the peer average.

### Conclusion

The District is currently using ESSER funds to pay the salaries and benefits of instructional tutors. These employees are under one-year contracts. If the District determines that it wishes to continue these contracts after available ESSER funds are exhausted or beyond September 30, 2024, it will need to consider the financial implication of using general operating funds to cover the expense associated with these individuals.

## Recommendation 4: Renegotiate Collective Bargaining Agreement Provisions

ULSD should renegotiate and align its collective bargaining agreement (CBA) provisions with ORC requirements and local peer districts in order to reduce future expenditures and decrease the risk for future liabilities.

### Impact

While there is no identified financial implication for this recommendation, the District's certificated and classified CBAs contain certain provisions which may increase future liabilities.

### Background

ULSD maintains two collective bargaining agreements:

- OAPSE/AFSCME 4/AFL-CIO and Local #283, representing classified staff, effective through June 30, 2024; and
- Union Local Education Association, representing certificated staff, effective through August 31, 2023.

### Methodology

The Districts CBAs were obtained from the State Employment Relations Board (SERB). ULSD's CBAs were then analyzed and compared to ORC requirements and local peer districts' CBAs to highlight any overly generous provisions or potential opportunities to reduce costs or increase operational efficiency.

### Analysis

**Sick Leave Accumulation and Severance Payout:** ORC §124.39 requires that public employees must be paid one quarter of accrued sick leave at retirement, based on a maximum accrual of 120 days. Based on this requirement, employees are eligible for up to 30 days of severance pay. However, public entities may choose to provide severance pay in excess of ORC requirements.

At ULSD, certificated employees may receive up to 90 days in paid severance, which is triple the ORC requirement (30 days), and 24 days more than the local peer average. Further, certificated employees with 35 years of service, 25 of which have been at ULSD, may receive up to 120 days in paid severance, which is 90 days more than the ORC requirement and 56.03 days more than the local peer average. Classified employees may receive up to 70 days in paid severance, which is 40 days more than the ORC requirement, but less than the local peer average of 76.87 days.

Furthermore, certificated employees can accumulate up to 300 days of sick leave, which is 180 days more than the ORC requirement (120 days), and 32 days more than the local peer average.<sup>23</sup>

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<sup>23</sup> One peer offers unlimited sick leave accumulation and was excluded from our analysis.



Classified employees can accumulate up to 280 days of sick leave, which is 160 days more than the ORC requirement, and 5.8 days more than the local peer average.

**Personal Leave:** The District’s certificated employees are provided with annual personal leave accrual of three days. Employees have the option to carry over three days of personal leave each year, but the balance of personal days cannot exceed eight in any given school year. Employees also have the option of converting unused personal leave to sick leave. Local peer districts allow an average maximum accrual of 4.17 personal leave days per year, which is approximately 3.8 days less than the eight-day maximum allowed by ULSD. Allowing additional personal leave days to carry over can represent a future liability for the District in terms of substitute costs and the continuity of education. In addition, while other peers also allow for unused personal leave to be converted to sick leave, accumulating additional sick leave can increase future severance liability.

**Vacation Leave:** The District’s classified employees are provided with annual vacation accrual whereby they can earn 540 vacation days over the course of a 30-year career. This exceeds the statutory minimum of 460 days established for full-time employees under ORC § 3319.084, and also exceeds the local peer average of 526.17 days. Providing employees with more vacation days could increase substitute and overtime costs and increase future liabilities. Direct savings from reducing the vacation schedule could not be quantified; however, this would serve to increase the number of available work hours, at no additional cost to the District.

**Monitor Attendance Incentive:** ULSD offers an attendance incentive to both certificated and classified employees on a sliding scale up to \$225 to staff with perfect attendance every nine-week grading period. That amount is reduced with the amount of time missed, but employees can miss up to 2 days and still receive \$75. Employees may earn up to \$900 annually, which exceeds the local peer averages by \$200 and \$183, respectively. All but one peer district offers an attendance incentive to certificated staff, and half of the peer districts offer an attendance incentive to classified staff. The District should continue to monitor the effectiveness of this provision to ensure it is meeting the intended results of reducing leave and substitute costs. Further, the District could consider renegotiating this provision to align with local peers that also maintain an attendance incentive for employees.

## Conclusion

The District has negotiated CBA provisions that exceed ORC requirements and local peer averages. ULSD should consider renegotiating the provisions discussed above in order to provide cost savings and reduce potential liabilities.

## Recommendation 5: Align Salary Schedules

ULSD should align its certificated and classified salary schedules with the local peer average.

### Impact

While cost savings are not calculated for this recommendation, aligning certificated and classified salary schedules with the local peer average will allow the District to improve its overall fiscal condition and reduce future expenses.

### Background

The District has CBAs for both certificated and classified employees which contain salary schedules. The certificated CBA is in effect until August 31, 2023, and the classified CBA is in effect until June 30, 2024.

### Methodology

We used the District's CBAs and salary schedules which were in effect during FY 2023 for purposes of our analysis. The District's certificated and classified salaries over a 30-year career were reviewed and compared to the local peer averages (see [Appendix C](#)). A 30-year career was chosen since school district CBAs are generally structured around a 30-year period. Position categories used in our analysis were determined based on the identification of comparable positions and corresponding salary schedules at the local peer districts. As such, this analysis did not include all of the District's salary schedules. Pay schedules from peer district CBAs were obtained from the SERB website. When updated contracts and salary schedules were unavailable from SERB, they were obtained directly from peer districts.

### Analysis

The following certificated categories were identified for salary comparison between the District and the local peers:

- BA;
- 5<sup>th</sup> Year; and,
- MA.

For all certificated salary schedules analyzed, ULSD has a higher starting salary for all categories. Further, the 30-year career compensation for the District is higher than the local peers for all categories examined, ranging from approximately 2.5 percent to approximately 5 percent higher than the local peers.

The following classified categories were identified for salary comparison between the District and the local peers:

- Mechanics;
- Bus Drivers;

- Secretaries I & II;
- Custodians;
- Head Cook;
- Assistant Cooks/Café Assistant;
- Maintenance; and,
- Paraprofessionals.

The District's starting salaries are higher than the local peers for all classified positions we analyzed, with the exception of maintenance. Further, with the exception of mechanics, bus drivers, and maintenance, the District has a higher 30-year career compensation, with a range of approximately 1.1 percent to 12.7 percent more, than the local peers in its classified positions.

## Conclusion

The salary schedules for the District's certificated and classified employees, for all categories analyzed except mechanics, bus drivers, and maintenance, have a higher 30-year career compensation than the local peer average. To achieve savings, the District should align its salaries with the local peer average. Any future savings achieved would affect the forecasted funds as well as the Food Service Fund, as salaries of food service employees are charged to the Food Service Fund.

## Recommendation 6: Align Employer Insurance Costs with SERB Regional Average

The District should align its employer costs for medical, dental, and vision insurance premiums with the SERB regional average for other school districts.

### Impact

Aligning employer costs with the SERB regional average for school districts would reduce expenditures and result in average annual savings of approximately \$359,000 beginning in FY 2024.<sup>24</sup> This could be accomplished by seeking out alternative insurance offerings or increasing employee premium contributions.

### Background

The District is a part of the Stark County Schools Council of Governments, an organization which provides insurance to participating members. ULSD offers one insurance plan for medical and prescription coverage, a Preferred Provider Organization (PPO) plan, with an option for single or family coverage. In addition to medical coverage, the District also offers employees dental and vision insurance. These plans are obtained through the Stark County Schools Council of Governments, and the District does not have alternative coverage options available through the organization.

At the time of analysis, ULSD had 105 enrollees in the medical family plan and 36 enrollees in the medical single plan. Prescription coverage is included in the medical plan. The District also had 111 enrollees in the family dental plan and 36 enrollees in the single dental plan. Finally, the District's vision insurance had 96 employees enrolled in the family plan and 32 employees enrolled in the single plan.

### Methodology

We compared the District's medical, dental, and vision insurance premiums to the SERB regional peer average for school districts. Peer information was obtained through the FY 2022 SERB survey<sup>25</sup> and was inflated to reflect expected changes for FY 2023 for purposes of comparison. The District's medical plan was compared to 43 regional peers, the dental plan was compared to 42 regional peers, and the vision plan was compared to 30 regional peers.

This peer average excluded outlier districts whose plans were more than two standard deviations outside the mean. Using the District's assumptions for increases to annual insurance costs, we then projected the potential cost savings over the course of the forecast period.

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<sup>24</sup> Approximately \$9,000 of these average annual savings would not impact the General Fund as food service employees' benefits are charged to the Food Service Fund (see [Recommendation 10](#)).

<sup>25</sup> Since the District's medical insurance rates have been updated for FY 2023, we inflated the SERB 2022 data for use in that analysis. Dental and vision insurance rates were not inflated.

## Analysis

The District offers combined medical and prescription, dental, and vision coverage to both full-time and part-time employees in its certificated and classified CBAs. These insurance benefits are specified in the District’s certificated and classified CBAs, which state that the Board shall provide health, dental, vision, and life insurance through the Stark County Schools Council of Governments. The insurance premium, or cost of obtaining insurance, is split between the District and the employee on a percentage basis. For full-time employees, the District covers 90 percent of the insurance premium and for part-time employees, the District covers 85 percent of the insurance premium. Similarly, dental and vision insurance is offered to certificated and classified employees by ULSD. The District splits the dental and vision insurance premium with employees in the same manner it does for medical and prescription coverage. Like the coverage provision, the District’s CBAs identify the percentage of the premium split for the employer and employee.

Historically, the District has received insurance premium holidays from the Stark County Schools Council of Governments. These holidays are instances where the insurer has collected revenue that exceeds actual insurance related expenditures in a given year. In FY 2023, the District received one premium holiday, which resulted in a reduction of approximately \$300,000 in insurance expense for the District. These holidays are not guaranteed; however, the District projects one holiday for each year of the five-year forecast for FY 2024 through FY 2027. As such, we took this into consideration for our analysis by calculating monthly savings using an 11-month period, rather than 12 months.

### *Medical Insurance*

Our review of the District’s insurance plan found that the coverage and provisions, such as deductibles and copayments, are more generous than the regional peer group. Generally, the medical plan is generous to the employee and has no copayment for office visits and lower deductibles and out of pocket maximums.

Under the current medical insurance plan, as seen in the table on the following page, the District pays more for medical insurance on a monthly basis than the regional peer group. Notably, total premium cost for insurance, when District cost and employee cost are combined, is lower than that of the regional peer group. If the District were to maintain the current insurance plan, it would need an adjustment to shift a greater portion of the premium to employees to reduce insurance related expenditures. The results of this adjustment are calculated in the following table.

### 2023 Monthly Medical Insurance Costs – PPO

		ULSD		Regional Peer Averages		ULSD Adjustment	
		Costs	% Share	Costs	% Share	Costs	% Share
<b>Single Medical + Rx</b>	District	\$876.86	90.0%	\$867.52	87.5%	\$867.52	89.0%
	Employee	\$97.43	10.0%	\$124.30	12.5%	\$106.77	11.0%
<b>Family Medical + Rx</b>	District	\$2,130.12	90.0%	\$2,072.90	84.2%	\$2,072.90	87.6%
	Employee	\$236.68	10.0%	\$387.74	15.8%	\$293.90	12.4%

Source: ULSD and SERB

Even if the District were to shift the premium payments to be in-line with the regional peer group, full-time employees would still be responsible for a lower percentage of the premium and maintain a lower overall premium payment. Currently, the District’s premium contribution percentages are defined in the certificated and classified CBAs, and any changes would be subject to negotiations.

### Dental Insurance

Under the current dental insurance plan, as seen in the table on the following page, the District pays more for dental insurance on a monthly basis than the regional peer group. Notably, the District’s total premium cost for dental insurance is more than double that of the regional peer group. If the District were to maintain the current dental insurance plan, it would need an adjustment to shift a greater portion of the premium to employees to reduce insurance related expenditures. The results of this adjustment are calculated in the following table.

### 2023 Monthly Medical Insurance Costs – Dental

		ULSD		Regional Peer Averages		ULSD Adjustment	
		Costs	% Share	Costs	% Share	Costs	% Share
<b>Single Dental</b>	District	\$92.52	90.0%	\$35.39	93.8%	\$35.39	34.4%
	Employee	\$10.28	10.0%	\$2.34	6.2%	\$67.41	65.6%
<b>Family Dental</b>	District	\$228.28	90.0%	\$70.70	89.2%	\$70.70	27.9%
	Employee	\$25.36	10.0%	\$8.56	10.8%	\$182.94	72.1%

Source: ULSD and SERB

Because the District’s total dental insurance premium is significantly higher than that regional peer group, the premium shift would require the employee to take on a much higher portion of the total premium payment.

### Vision Insurance

Under the current vision insurance plan, as seen in the table on the following page, the District pays more for vision insurance on a monthly basis than the regional peer group. If the District

were to maintain the current vision insurance plan, it would need an adjustment to shift a greater portion of the premium to employees to reduce insurance related expenditures. The results of this adjustment are calculated in the following table.

### 2023 Monthly Medical Insurance Costs – Vision

		ULSD		Regional Peer Averages		ULSD Adjustment	
		Costs	% Share	Costs	% Share	Costs	% Share
<b>Single Vision</b>	District	\$19.75	90.0%	\$7.60	75.0%	\$7.60	34.7%
	Employee	\$2.19	10.0%	\$2.54	25.0%	\$14.34	65.3%
<b>Family Vision</b>	District	\$48.47	90.0%	\$13.93	62.2%	\$13.93	25.9%
	Employee	\$5.39	10.0%	\$8.47	37.8%	\$39.93	74.1%

Source: ULSD and SERB

Because the District’s total vision insurance premium is higher than that regional peer group, the premium shift would require the employee to take on a higher portion of the total premium payment.

Using the November 2022 forecast submitted by ULSD, we identified potential cost savings associated with bringing insurance costs in-line with the regional peer average. The District has projected a four percent increase annually for health insurance costs from FY 2024 through FY 2027. The District could save an average of approximately \$350,000 annually in FY 2024 through FY 2027 by bringing medical insurance costs in-line with peers.

In order to lower the District’s insurance expenditures, it would likely need to shift a greater portion of the current monthly premium to employees or seek out an alternative insurance policy that carried lower overall costs. Because the Stark County Schools Council offers only one insurance plan, seeking out an alternative policy would require leaving the group. Both of these options would require the District to renegotiate provisions within its CBAs.

### Conclusion

ULSD should work to bring its insurance premiums for medical, dental, and vision more in line with the SERB regional average. Doing so could result in average annual savings of approximately \$359,000. These savings can be realized by reducing District contributions towards premium costs and or alternative insurance offerings.

# Facilities

The changing landscape of education requires periodic reviews of facility staffing and maintenance to ensure that a district is using limited resources wisely. We reviewed ULSD's facilities staffing levels and maintenance practices in comparison to best practices and industry standards to determine if there were any areas for improvement.

## Recommendation 7: Formalize a Facilities Preventative Maintenance Plan

ULSD should formalize a preventative maintenance plan as recommended by the National Center for Education Statistics (NCES) to help ensure that preventative maintenance of its facilities is conducted at optimal intervals, which could help mitigate otherwise unneeded costly repairs.

### Impact

There is no direct financial implication of this recommendation; however, a formal preventive maintenance plan can assist the District in forecasting costs and reducing the impact of emergency repairs or replacements. It is generally more efficient to regularly maintain facilities as repairs and replacements are needed rather than attempt to conduct all repairs and replacements simultaneously.

### Methodology

We conducted interviews with District officials on their preventative maintenance practices. Their practices were then compared to industry standards and best practices from NCES.

### Analysis

ULSD does not have a formal preventative maintenance plan and, instead, performs maintenance on an as-needed basis rather than on scheduled intervals. The District's Comprehensive Educational Facilities Plan acknowledges that maintenance staff currently do not follow a formalized preventative maintenance schedule. The Plan indicates that the District intends to enact a plan which addresses preventative maintenance, as well as establishes a software-based preventative maintenance program to change their maintenance approach from reactive to preventative.

According to *Planning Guide for Maintaining School Facilities* (NCES, 2003), preventative maintenance is the cornerstone of any effective maintenance initiative. It begins with an audit of the buildings, grounds, and equipment. Once facilities' data has been assembled, structural items and pieces of equipment can be selected for preventative maintenance. Once the items that receive preventative maintenance have been identified, planners can decide on the frequency and type of inspection. Manufacturer's manuals are a good place to start when developing this



schedule; they usually provide guidelines about the frequency of preventative service, as well as a complete list of items that must be maintained.

## **Conclusion**

A lack of a formal preventative maintenance plan can make it difficult to forecast and accurately plan for expenditures related to maintenance and repairs. The establishment of a formal preventative maintenance plan as recommended by the NCEC could assist the District in planning for repairs, ensuring the maximum useful life of assets and effective allocation of resources, increased energy efficiency, and reducing the possibility of unnecessary costs.

# Transportation

Transportation of students is a critical function for school districts. Ensuring that busing services are provided in a safe and efficient manner is important for both the well-being of students and the fiscal health of the school district. We examined ULSD's T-1<sup>26</sup> reporting policies and procedures, preventative maintenance procedures, and bus replacement practices in comparison to industry standards and best practices to determine whether there were any areas for improvement.

## Recommendation 8: Formalize a Transportation Preventative Maintenance Plan

ULSD should establish a formal preventative maintenance plan as recommended by the American Public Works Association (APWA) in order to ensure the maximum useful life of its assets, the proper allocation of resources for maintenance and replacement, and the avoidance of unnecessary costs.

### Impact

There is no direct financial implication of this recommendation; however, a formal preventative maintenance plan can assist the District in forecasting costs and reducing the impact of emergency repairs or replacements. It is generally more efficient to regularly maintain transportation assets as repairs and replacements are needed rather than attempt to conduct all repairs and replacements simultaneously.

### Methodology

We conducted interviews with District officials on their preventative maintenance practices and confirmed that the District does not have a formal transportation preventative maintenance plan. We then compared the District's practices to industry standards.

### Analysis

The District does not have a formal fleet preventative maintenance plan. The District indicated that some informal preventative maintenance procedures are performed.

According to the *Public Works Management Practices Manual* (APWA, 2014), effective management of fleet equipment and services includes maintaining equipment and parts inventories, performing equipment inspections, scheduling preventative and normal maintenance, recording maintenance history, analyzing equipment costs and defining replacement cycles, drafting specifications, and procuring and maintaining all mechanized

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<sup>26</sup> T-1 reports are submitted annually to certify to ODE the actual number of students transported and the total daily miles traveled. The data is used for calculations of the pupil transportation payment pursuant to ORC § 3317.0212.

equipment. Fleet management systems allow management to maintain costs for personnel and equipment and control daily maintenance workflow.

OAC 3301-83-22 states that school buses and other vehicles used to transport children should be maintained in a safe operating condition through a systematic preventative maintenance program.

## **Conclusion**

Developing and implementing a formal preventative maintenance plan will help ensure the District receives the maximum useful life of its assets, properly allocates resources for maintenance and replacement, and does not incur unnecessary costs.

## Recommendation 9: Develop a Formal Bus Replacement Plan

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

### Impact

Adopting a formal bus replacement plan will assist the District in planning for large purchases, will reduce the risk of incurring large maintenance expenses for buses that have exceeded their expected lifespan, and will help avoid the need to replace a major portion of the fleet at the same time.

### Background

ULSD currently owns 11 assigned and 6 spare buses. The average age of an assigned, or active, bus is 3 years, and the average mileage is 88,612. The average age of all buses is 4 years, and the average mileage of the entire fleet is 95,058.

### Methodology

We interviewed District officials regarding ULSD's bus replacement planning. We confirmed the bus fleet inventory along with mileages and model year. We then compared the current state of the bus fleet to industry benchmarks.

### Analysis

The National Association of State Directors of Pupil Transportation Services (NASDPTS) recommends that districts create a bus replacement plan that takes into account data related to maintenance costs, insurance costs, and other factors specific to the area in order to facilitate timely replacement of buses. NASDPTS also recommends a bus replacement cycle of 12 to 15 years, or when buses reach 250,000 miles.

While the District does not have any buses that require immediate replacement, the lack of a formal bus replacement plan may heighten the risk of operating buses that have increased maintenance concerns, decreased fuel economy benefits, higher pollution levels, and less stringent safety equipment in the future. Further, because the District lacks a formal bus replacement plan, it may not be able to adequately budget for the purchase of new buses.

### Conclusion

ULSD should develop a formal, data-driven bus replacement plan that considers the full cost of bus operations, including fuel, parts, labor, and vehicle depreciation, in addition to safety and

emissions. Doing so would allow the District to communicate its progress in meeting its schedule of replacement and any risks posed by the current state of the fleet.

# Food Service

Providing meals to students is a critical component of any school district’s operations. The way districts choose to provide and fund food services can have a significant impact on the annual budget and the overall fiscal health of the district.

## Recommendation 10: Monitor Food Service Operations

ULSD should monitor food service operations in order to prevent future operational deficits and the need for General Fund subsidies. Continuous monitoring and evaluation of operations can also assist the District in implementing actions for increasing the overall efficiency and effectiveness of food service operations.

### Impact

The District’s food service program operates using a separate fund that should be self-sustaining. If the fund has a deficit balance, it may require a transfer from the General Fund, which could impact the District’s overall fiscal condition. Careful monitoring and evaluation of food service operations can help to ensure that expenditures are appropriate. There are no cost savings associated with this recommendation.

### Background

At the end of FY 2022, the District’s Food Service Fund had a balance of approximately \$28,000. The Food Service Fund has not required a General Fund transfer in the fiscal years analyzed, but has advanced-in amounts of approximately \$117,000, \$1.4 million, and \$2.3 million from FY 2020 to FY 2022.<sup>27</sup> As a result, amounts of approximately \$1.3 million and \$2.5 million were advanced-out in FY 2021 and FY 2022, respectively. According to the District, these advances are conducted to avoid negative fund balances.

The District’s Food Service Fund is used to pay for the salaries and benefits of food service staff as well as purchasing food and supplies needed to prepare and serve meals. In FY 2023, the District prepared meals that were served at its three buildings.

### Methodology

We conducted interviews with food service staff to understand how the District provides meals to students. Using data from the Ohio Department of Education’s Claims Reimbursement and Reporting System (CRRS), we identified the number of meals served from August to December

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<sup>27</sup> According to AOS Bulletin 97-003 (1997), transfers are intended to reallocate money permanently from one fund to another and may be made only as authorized in Sections 5705.14 to 5705.16 of the Revised Code. Advances on the other hand, are intended to temporarily reallocate cash from one fund to another and involve an expectation of repayment.

2022 in order to calculate a meals per labor hour (MPLH) metric to identify the efficiency of food service staffing and operations at the District for the current year. We then compared the District’s food service labor efficiency to industry benchmarks.

Using District revenue and expenditure data, we assessed Food Service Fund trends and cash balances from FY 2020 to FY 2022. We also assessed food service meal pricing, student participation, and commodity entitlement usage.

## Analysis

*School Food and Nutrition Service Management for the 21<sup>st</sup> Century* (Pannell-Martin and Boettger, 2014) establishes a MPLH benchmark based on the number of meals served and the type of system used for food service. Using this criteria, we found that the District is efficiently staffed.

ULSD’s food service program experienced an operating deficit in FY 2020 and FY 2021. As seen in the following table, FY 2020 had a deficit of \$138,636, and FY 2021 had a deficit of \$101,165. The Food Service Fund also had a low fund balance for FY 2020 and FY 2021. In FY 2022, when universal federal free meal reimbursements were offered by the USDA, food service revenue increased significantly.

### Food Service Net Gain/(Loss) History

	FY 2020	FY 2021	FY 2022
<b>Revenue</b>	\$277,241.16	\$284,303.62	\$649,739.01
<b>Expenditures</b>	\$415,877.82	\$385,469.34	\$450,433.71
<b>Net Gain/(Loss)</b>	<b>(\$138,636.66)</b>	<b>(\$101,165.72)</b>	<b>\$199,305.30</b>

Source: ULSD

Note: Transfers/advances were removed to display net gain/loss of food service operations

The District can take steps to reduce operational costs or increase revenues related to food service operations. The Florida Office of Program Policy Analysis & Government Accountability (OPPAGA) outlines many steps that can be taken including:

- Establish expectations and measures for program performance and cost;
- Develop effective annual budgets and long-term program plans;
- Identify and reduce participation barriers;
- Promote the food service program;
- Maximize the use of USDA commodities;
- Join purchasing cooperatives to receive quantity discounts; and/or,
- Revise meal prices, but only after ensuring the food service program is efficient and effective.<sup>28</sup>

<sup>28</sup> *Best Practices Could Help School Districts Reduce Their Food Service Program Costs*, Florida Office of Program Policy Analysis & Government Accountability, 2009.

While the District should not maintain excessive fund balances for food services, it should be mindful in its spending and maximize available assistance. The USDA provides funds to the District to offset the cost of food purchases, known as commodity dollars. The District can use these dollars to purchase foods such as meat, fish, poultry, fruits, cheese, and grains. Based on our analysis, ULSD used, on average 78 percent of its available USDA funding between FY 2018 and FY 2021. The District left an average of about \$8,000 annually in commodity entitlement dollars on the table between FY 2018 and FY 2021. As of December 2022, the District had used all of its commodity dollars for FY 2022. As food prices rise, it will be important for the District to continue to take advantage of this available funding.

From FY 2017 through FY 2022, the District had an average daily participation rate of 29 percent. This is a lower average participation level than that of ODE similar districts, other districts in Belmont County, and the statewide average, which means that fewer students historically have been purchasing meals from the school. At the beginning of FY 2023, the District raised meal prices by \$0.25 for all buildings. Even with the increase, the District's meal prices are lower than that of the primary peer, local peer, and statewide averages, meaning that the cost to students who purchase meals is lower than that of the peers. Increasing meal prices and participation are methods of increasing revenues, however, these options may be difficult to implement if they are not economically viable options for students and their families. As a result, the District may need to address expenditure levels in order to ensure the Food Service Fund remains self-sustaining.

Further, if the District makes changes to insurance as identified in [Recommendation 6](#), the cost associated with food service labor will be reduced.

## Conclusion

The District's food service program is operating efficiently in relation to the MPLH staffing benchmark but has experienced operational deficits in recent years and a low participation rate compared to ODE similar districts, other districts in Belmont County, and statewide averages. While there have not been permanent transfers from the General Fund, low Food Service Fund balances increase the risk of requiring subsidies from the General Fund to maintain operations. The District should carefully monitor operations and adjust as necessary to ensure the food service program operates efficiently. In doing so, it should seek to maximize available resources such as commodity funding, continue to monitor and adjust meal prices, and monitor employee salaries and benefits that are paid from the Food Service Fund.



# Client Response Letter

Audit standards and AOS policy allow clients to provide a written response to an audit. The letter on the following page is the District's official statement in regards to this 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.



# UNION LOCAL BOARD OF EDUCATION

66779 BELMONT-MORRISTOWN ROAD  
BELMONT OH 43718  
(740) 782-1978



May 17, 2023

The Honorable Keith Faber  
Auditor of State  
88 East Broad Street, 5<sup>th</sup> Floor  
Columbus, Ohio 43215


Dear Auditor of State Faber:

The Union Local Administration on behalf of our Board of Education would like to express our appreciation to the Performance Audit Team led by Ms. Alisha Zura. The entire team was extremely professional and the process was collaborative in nature.

The results of the performance audit process revealed areas where costs could potentially be reduced in order to balance our finances and better serve our students. The data shared in the report provided personnel and financial information from comparable districts, allowing us to reflect on areas where we could be more fiscally efficient.

The timing of the report was ideal, as we are entering the phase of the academic year that focuses on staffing needs for the 23-24 school year. Sharing the information with our leadership team will allow us to make educated decisions in a variety of areas related to district operations.

Sincerely,

  
Janet Hissrich, Treasurer

  
Zac Shutler, Superintendent

# Appendix A: Purpose, Methodology, Scope, and Objectives of the Audit

## Performance Audit Purpose and Overview

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

Generally accepted government auditing standards (GAGAS) 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.

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

## Audit Scope and Objectives

In order to provide the District with appropriate, data driven, recommendations, the following questions were assessed within each of the agreed upon scope areas:

### Summary of Objectives and Conclusions

Objective	Recommendation
<b>Financial Management</b>	
Are the District’s strategic and capital planning efforts consistent with leading practices?	<b>R.1</b>
Is the District’s General Fund subsidy of extracurricular activities appropriate in comparison to local peers and the District’s financial condition?	<b>No Recommendation</b>
<b>Human Resources</b>	
Are the District’s staffing levels appropriate in comparison to primary peers, state minimum standards, demand for services, and the District’s financial condition?	<b>R.2, R.3</b>

Are the District’s salaries and wages appropriate in comparison to local peers and the District’s financial condition?	<b>R.5</b>
Are the District’s collective bargaining agreement provisions appropriate in comparison to local peers, minimum requirements, and the District’s financial condition?	<b>R.4</b>
Are the District’s insurance costs appropriate in comparison to other governmental entities within the local market and the District’s financial condition?	<b>R.6</b>
<b>Facilities</b>	
Are the District’s facilities staffing levels appropriate in comparison to leading practices, industry standards, and the District’s financial condition?	<b>No Recommendation</b>
Are the District’s facilities preventive maintenance practices consistent with leading practices and industry standards?	<b>R.7</b>
<b>Transportation</b>	
Is the Districts fleet maintained efficiently and appropriately in comparison to transportation peers, leading practices, industry standards, and the District’s financial condition?	<b>R.8</b>
Are the District’s fleet replacement practices consistent with leading practices and industry standards and appropriate based on the District’s financial condition?	<b>R.9</b>
Is the District’s T-1 Report accurate, and did it result in the appropriate level of State transportation funding?	<b>No Recommendation</b>
<b>Food Service</b>	
Is the District’s food service program operated in a manner that is consistent with leading practices and industry standards and appropriate based on the District’s financial condition?	<b>R.10</b>

Although assessment of internal controls was not specifically an objective of this performance audit, internal controls were considered and evaluated when applicable to scope areas and objectives. The following internal control components and underlying principles were relevant to our audit objectives:<sup>29</sup>

- Control environment
  - We considered the District’s control of its EMIS and payroll systems.
- Risk Assessment
  - We considered the District’s activities to assess fraud risks.
- Information and Communication
  - We considered the District’s use of quality information in relation to transportation data.
- Control Activities
  - We considered the District’s compliance with applicable laws and contracts.
  -

Internal control deficiencies were not identified during the course of this audit.

## Audit Methodology

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

- Peer Districts;
- Industry Standards;
- Leading Practices;
- Statutes; and
- Policies and Procedures.

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

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<sup>29</sup> We relied upon standards for internal controls obtained from *Standards for Internal Control in the Federal Government* (2014), the U.S. Government Accountability Office, report GAO-14-704G.

impact transportation efficiency. The table below shows the Ohio school districts included in these peer groups.

## Peer Group Districts

### Primary Peers

- Beaver Local School District (Columbiana County)
- Bethel-Tate Local School District (Clermont County)
- Edison Local School District (Erie County)
- Pike-Delta-York Local School District (Fulton County)
- St. Clairsville-Richland City School District (Belmont County)
- Tuscarawas Valley Local School District (Tuscarawas County)

### Local Peers

- Barnesville Exempted Village School District (Belmont County)
- Bellaire Local School District (Belmont County)
- Harrison Hills City School District (Harrison County)
- Shadyside Local School District (Belmont County)
- St. Clairsville-Richland City School District (Belmont County)
- Switzerland of Ohio Local School District (Monroe County)

### Transportation Peers

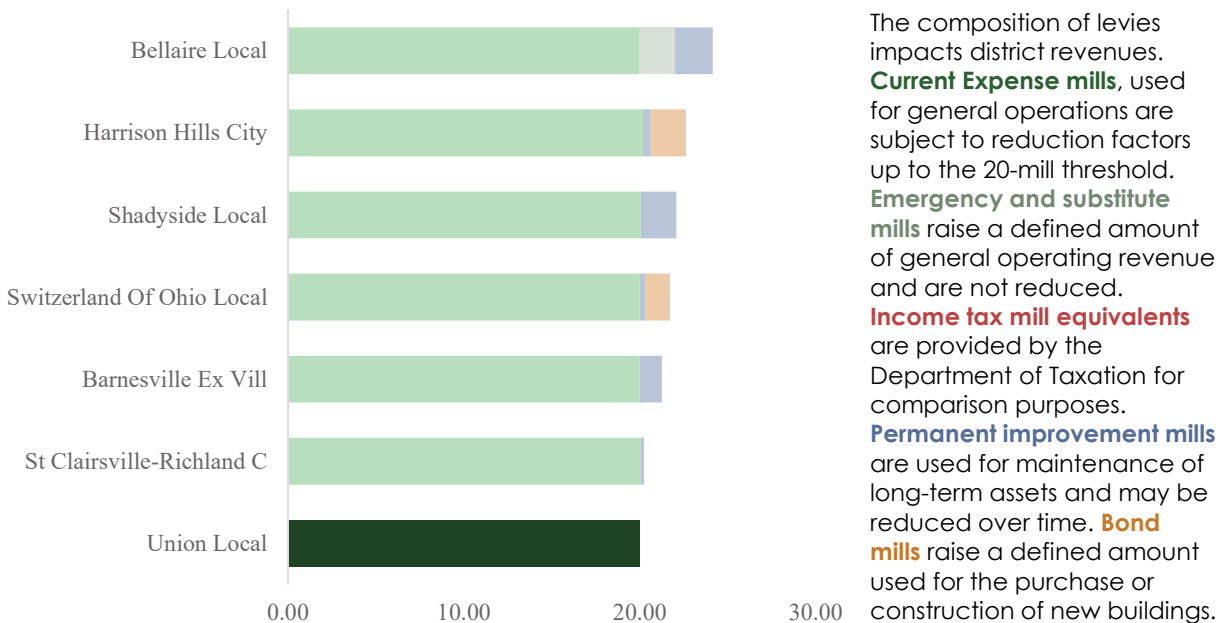
- Barnesville Exempted Village School District (Belmont County)
- Ridgewood Local School District (Coshocton County)
- Scioto Valley Local School District (Pike County)

Where reasonable and appropriate, peer districts were used for comparison. However, industry standards or leading practices were used in some operational areas for primary comparison. District policies and procedures as well as pertinent laws and regulations contained in the Ohio Administrative Code (OAC) and the Ohio Revised Code (ORC) were also assessed. Each recommendation in this report describes the specific methodology and criteria used to reach our conclusions.

## Appendix B: Financial Systems

The following chart shows the General Fund millage for local peers. The green portion of the bar represents the current expense millage rate, where three of the local peers are at the 20-mill floor. Overall, the District's effective millage rate is lower than the local peers. Because the District is at the 20-mill floor, it will see continued growth from current expense mills as property value increases.

### 2022 Millage and Millage Equivalents | Local Peers



Source: Ohio Department of Taxation

The following tables show the income tax revenue for primary peer districts and local peer districts. Only one primary peer and one local peer collect revenue from an income tax.

### 2022 Income Tax Revenue and Millage Equivalents | Primary Peers

District	Tax Rate	Income Tax Revenue	Estimated Millage Equivalents
Pike-Delta-York Local	1.00%	\$125,405.61	0.62
Beaver Local	0.00%	-	-
Bethel-Tate Local	0.00%	-	-
Edison Local	0.00%	-	-
St Clairsville-Richland City	0.00%	-	-
Tuscarawas Valley Local	0.00%	-	-
Union Local	0.00%	-	-

Source: Ohio Department of Taxation

## 2022 Income Tax Revenue and Millage Equivalents | Local Peers

District	Tax Rate	Income Tax Revenue	Estimated Millage Equivalents
Barnesville Ex Vill	0.50%	\$264.04	0.00
Bellaire Local	0.00%	-	-
Harrison Hills City	0.00%	-	-
Shadyside Local	0.00%	-	-
St Clairsville-Richland City	0.00%	-	-
Switzerland Of Ohio Local	0.00%	-	-
Union Local	0.00%	-	-

Source: Ohio Department of Taxation

The following tables show the local tax effort (LTE) comparison between ULSD and the primary peer districts and the local peer districts. The District's LTE is below the statewide average and is amongst the lowest of the primary and local peer groups.

### 2022 Local Tax Effort Comparison | Primary Peers

District	LTE	Rank	Percentile
Bethel-Tate Local SD	1.1012	221	63.5%
Edison Local SD	1.0094	284	53.1%
Pike-Delta-York Local SD	1.0013	290	52.1%
Tuscarawas Valley Local SD	0.8805	370	38.9%
Beaver Local SD	0.8234	423	30.2%
Union Local SD	0.7601	470	22.4%
St Clairsville-Richland City	0.6711	538	11.2%
<b>Primary Peer Average</b>	<b>0.9145</b>	<b>348</b>	<b>42.6%</b>

Source: ODE

### 2022 Local Tax Effort Comparison | Local Peers

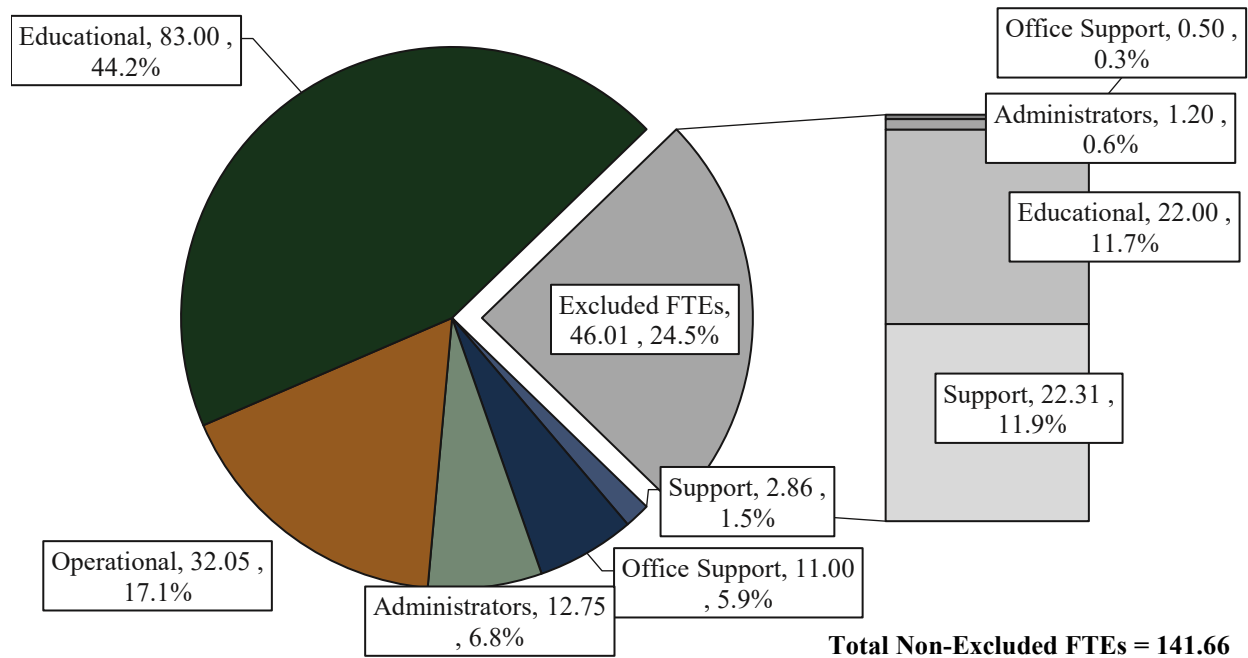
District	LTE	Rank	Percentile
Harrison Hills City SD	0.8897	362	40.3%
Switzerland Of Ohio Local SD	0.8572	397	34.5%
Barnesville Ex Vill SD	0.8513	401	33.8%
Bellaire Local SD	0.8211	424	30.0%
Union Local SD	0.7601	470	22.4%
Shadyside Local SD	0.6868	529	12.7%
St Clairsville-Richland City	0.6711	538	11.2%
<b>Local Peer Average</b>	<b>0.7962</b>	<b>441</b>	<b>27.2%</b>

Source: ODE



## Appendix C: Human Resources

Personnel costs represent over 82 percent of the District’s spending. Due to this, we conduct several analyses relating to the expense associated with maintaining existing staffing levels. During the course of our analysis, we routinely exclude staff that are designated as Title 1 or Special Education as a result of specific rules relating to the funding of these employees.



In the chart above, there are approximately 46 excluded staff FTEs, which includes individuals that are associated with Special Education or Title 1 programming. These programs have certain legal and contractual requirements that would make reductions difficult.

### Staffing Comparison Tables

The following tables illustrate the District’s employee FTEs compared to the primary peer average. In order to allow for more precise comparison, employees were compared on an FTE per 1,000 student basis. These variances are then converted to FTEs for the client district. This calculation (shown below) allows for a more accurate comparison between districts when student counts differ.

$$\left[ \frac{Client\ FTE}{\left( \frac{Client\ Enrollment}{1,000} \right)} \right] - \left[ \frac{Peer\ Avg\ FTE}{\left( \frac{Peer\ Avg\ Enrollment}{1,000} \right)} \right] * \left( \frac{Client\ Enrollment}{1,000} \right)$$

### Central Office Administrator Staff Comparison

<b>Students</b>	<b>Union Local SD</b>		<b>Primary Peer Avg.</b>	<b>Difference</b>	
Students Educated		1,358	1,369	(11)	
Students Educated (Thousands)		1.358	1.369	(0.011)	
<b>Position</b>	<b>FTEs</b>	<b>FTEs per 1,000 Students</b>	<b>FTEs per 1,000 Students</b>	<b>Difference per 1,000 Students</b>	<b>Adjusted Difference in FTEs</b>
Supervisor/Manager	2.00	1.47	1.47	0.00	0.00
Coordinator	2.45	1.80	2.03	(0.23)	(0.31)
Education Administrative Specialist	2.00	1.47	0.13	1.34	1.82
Director	0.00	0.00	0.55	(0.55)	(0.75)
Other Official/Administrative	0.00	0.00	0.24	(0.24)	(0.33)
<b>Total</b>	<b>6.45</b>	<b>4.74</b>	<b>4.42</b>	<b>0.32</b>	<b>0.43</b>

Source: ULSD and ODE

### Building Administrator Staff Comparison

	<b>Union Local SD</b>		<b>Primary Peer Avg.</b>	<b>Difference</b>	
Students Educated		1,358	1,369	(11)	
Students Educated (Thousands)		1.358	1.369	(0.011)	
Buildings		3.0	3.3	(0.3)	
<b>Position</b>	<b>FTEs</b>	<b>FTEs per 1,000 Students</b>	<b>FTEs per 1,000 Students</b>	<b>Difference per 1,000 Students</b>	<b>Adjusted Difference in FTEs</b>
Assistant Principal	0.00	0.00	0.67	(0.67)	(0.91)
Principal	3.80	2.80	2.44	0.36	0.49
Dean of Students	0.50	0.37	0.28	0.09	0.12
<b>Total</b>	<b>4.30</b>	<b>3.17</b>	<b>3.39</b>	<b>(0.22)</b>	<b>(0.30)</b>
<b>Position</b>	<b>FTEs</b>	<b>FTEs per Building</b>	<b>FTEs per Building</b>	<b>Difference in FTE per Building</b>	<b>Adjusted Difference in FTEs</b>
Assistant Principal	0.00	0.00	0.28	(0.28)	(0.84)
Principal	3.80	1.27	1.00	0.27	0.81
Dean of Students	0.50	0.17	0.11	0.06	0.18
<b>Total</b>	<b>4.30</b>	<b>1.44</b>	<b>1.39</b>	<b>0.05</b>	<b>0.15</b>

Source: ULSD and ODE

### Teaching Staff Comparison

<b>Students</b>	<b>Union Local SD</b>		<b>Primary Peer Avg.</b>	<b>Difference</b>	
Students Educated		1,358	1,369	(11)	
Students Educated (thousands)		1.358	1.369	(0.011)	
<b>Position</b>	<b>FTEs</b>	<b>FTEs per 1,000 Students</b>	<b>FTEs per 1,000 Students</b>	<b>Difference per 1,000 Students</b>	<b>Adjusted Difference in FTEs</b>
General Education	64.00	47.13	45.59	1.54	2.09
Gifted and Talented	0.00	0.00	0.21	(0.21)	(0.29)
Career-Tech Programs	6.00	4.42	0.73	3.69	5.01
<b>Total</b>	<b>70.00</b>	<b>51.55</b>	<b>46.53</b>	<b>5.02</b>	<b>6.82</b>

Source: ULSD and ODE

### K-8 Teaching Staff Comparison

<b>Students</b>	<b>Union Local SD</b>		<b>Primary Peer Avg.</b>	<b>Difference</b>	
Students Educated		927	968	(41)	
Students Educated (thousands)		0.927	0.968	(0.041)	
<b>Position</b>	<b>FTEs</b>	<b>FTEs per 1,000 Students</b>	<b>FTEs per 1,000 Students</b>	<b>Difference per 1,000 Students</b>	<b>Adjusted Difference in FTEs</b>
Art Education K-8	2.00	2.16	1.82	0.34	0.31
Music Education K-8	3.00	3.24	2.52	0.72	0.66
Physical Education K-8	2.00	2.16	2.68	(0.52)	(0.48)

Source: ULSD and ODE

### Non-Teaching Educational Staff Comparison

<b>Students</b>	<b>Union Local SD</b>		<b>Primary Peer Avg.</b>	<b>Difference</b>	
Students Educated		1,358	1,369	(11)	
Students Educated (thousands)		1.358	1.369	(0.011)	
<b>Position</b>	<b>FTEs</b>	<b>FTEs per 1,000 Students</b>	<b>FTEs per 1,000 Students</b>	<b>Difference per 1,000 Students</b>	<b>Adjusted Difference in FTEs</b>
Counseling	1.00	0.74	1.95	(1.21)	(1.64)
Remedial Specialist	4.00	2.95	0.49	2.46	3.34
Teacher Mentor/Evaluator	0.00	0.00	0.12	(0.12)	(0.16)

Source: ULSD and ODE

## Technical Staff Comparison

<b>Students</b>	<b>Union Local SD</b>		<b>Primary Peer Avg.</b>	<b>Difference</b>	
Students Educated		1,358	1,369	(11)	
Students Educated (thousands)		1.358	1.369	(0.011)	
<b>Position</b>	<b>FTEs</b>	<b>FTEs per 1,000 Students</b>	<b>FTEs per 1,000 Students</b>	<b>Difference per 1,000 Students</b>	<b>Adjusted Difference in FTEs</b>
Computer Operating	0.00	0.00	0.12	(0.12)	(0.16)
Other Technical	0.00	0.00	0.09	(0.09)	(0.12)

Source: ULSD and ODE

## Central Office Support Staff Comparison

<b>Students and Buildings</b>	<b>Union Local SD</b>		<b>Primary Peer Avg.</b>	<b>Difference</b>	
Students Educated		1,358	1,369	(11)	
Students Educated (thousands)		1.358	1.369	(0.011)	
<b>Position</b>	<b>FTEs</b>	<b>FTEs per 1,000 Students</b>	<b>FTEs per 1,000 Students</b>	<b>Difference per 1,000 Students</b>	<b>Adjusted Difference in FTEs</b>
Administrative Assistant	1.00	0.74	0.30	0.44	0.60
Accounting	0.00	0.00	0.49	(0.49)	(0.67)
Bookkeeping	3.00	2.21	0.15	2.06	2.80
Central Office Clerical	1.00	0.74	1.30	(0.56)	(0.76)
Records Managing	0.00	0.00	0.37	(0.37)	(0.50)
Other Office/Clerical	0.00	0.00	0.33	(0.33)	(0.45)
<b>Total</b>	<b>5.00</b>	<b>3.69</b>	<b>2.94</b>	<b>0.75</b>	<b>1.02</b>

Source: ULSD and ODE

## Building Office Support Staff Comparison

<b>Students and Buildings</b>	<b>Union Local SD</b>		<b>Primary Peer Avg.</b>	<b>Difference</b>	
Students Educated		1,358	1,369	(11)	
Students Educated (thousands)		1.358	1.369	(0.011)	
Buildings		3.000	3.333	(0.333)	
<b>Position</b>	<b>FTEs</b>	<b>FTEs per 1,000 Students</b>	<b>FTEs per 1,000 Students</b>	<b>Difference per 1,000 Students</b>	<b>Adjusted Difference in FTEs</b>
School Building Clerical	6.00	4.42	3.88	0.54	0.73
Other Office/Clerical	0.00	0.00	0.35	(0.35)	(0.48)
<b>Total</b>	<b>6.00</b>	<b>4.42</b>	<b>4.23</b>	<b>0.19</b>	<b>0.26</b>
<b>Position</b>	<b>FTEs</b>	<b>FTEs per Building</b>	<b>FTEs per Building</b>	<b>Difference in FTE per Building</b>	<b>Adjusted Difference in FTEs</b>
School Building Clerical	6.00	2.00	1.59	0.41	1.23
Other Office/Clerical	0.00	0.00	0.14	(0.14)	(0.42)
<b>Total</b>	<b>6.00</b>	<b>2.00</b>	<b>1.73</b>	<b>0.27</b>	<b>0.81</b>

Source: ULSD and ODE

## Library Staff Comparison

<b>Students</b>	<b>Union Local SD</b>		<b>Primary Peer Avg.</b>	<b>Difference</b>	
Students Educated		1,358	1,369	(11)	
Students Educated (thousands)		1.358	1.369	(0.011)	
<b>Position</b>	<b>FTEs</b>	<b>FTEs per 1,000 Students</b>	<b>FTEs per 1,000 Students</b>	<b>Difference per 1,000 Students</b>	<b>Adjusted Difference in FTEs</b>
Librarian/Media	1.00	0.74	0.00	0.74	1.00
Library Aide	0.00	0.00	0.40	(0.40)	(0.54)
<b>Total</b>	<b>1.00</b>	<b>0.74</b>	<b>0.40</b>	<b>0.34</b>	<b>0.46</b>

Source: ULSD and ODE

### Nursing Staff Comparison

<b>Students</b>	<b>Union Local SD</b>		<b>Primary Peer Avg.</b>	<b>Difference</b>	
Students Educated		1,358	1,369	(11)	
Students Educated (thousands)		1.358	1.369	(0.011)	
<b>Position</b>	<b>FTEs</b>	<b>FTEs per 1,000 Students</b>	<b>FTEs per 1,000 Students</b>	<b>Difference per 1,000 Students</b>	<b>Adjusted Difference in FTEs</b>
Registered Nursing	2.00	1.47	0.72	0.75	1.02
Practical Nursing	0.00	0.00	0.24	(0.24)	(0.33)
<b>Total</b>	<b>2.00</b>	<b>1.47</b>	<b>0.96</b>	<b>0.51</b>	<b>0.69</b>

Source: ULSD and ODE

### Classroom Support Staff Comparison

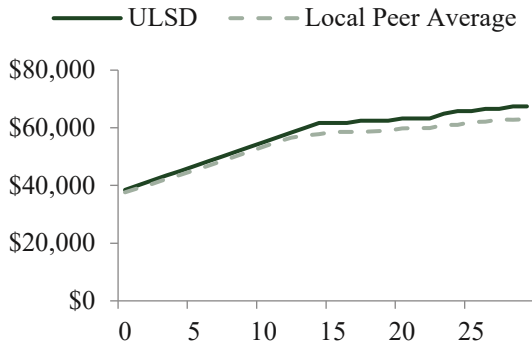
<b>Students</b>	<b>Union Local SD</b>		<b>Primary Peer Avg.</b>	<b>Difference</b>	
Students Educated		1,358	1,369	(11)	
Students Educated (thousands)		1.358	1.369	(0.011)	
<b>Position</b>	<b>FTEs</b>	<b>FTEs per 1,000 Students</b>	<b>FTEs per 1,000 Students</b>	<b>Difference per 1,000 Students</b>	<b>Adjusted Difference in FTEs</b>
Instructional Paraprofessional	0.00	0.00	1.36	(1.36)	(1.85)
Teaching Aide	0.00	0.00	4.66	(4.66)	(6.33)
<b>Total</b>	<b>0.00</b>	<b>0.00</b>	<b>6.02</b>	<b>(6.02)</b>	<b>(8.18)</b>

Source: ULSD and ODE

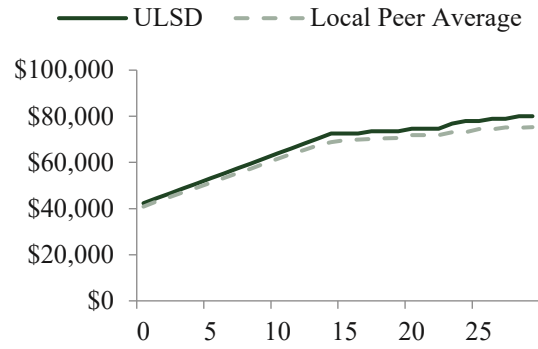
We also looked at annual salaries for all certificated employees and the hourly wage rates for various classified employee positions over the course of a career, as seen in the following charts.

### Certificated Career Compensation

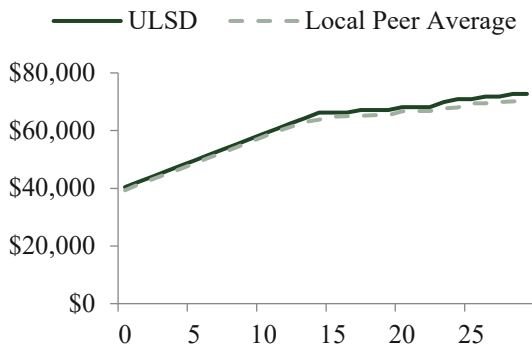
Bachelors



Master's

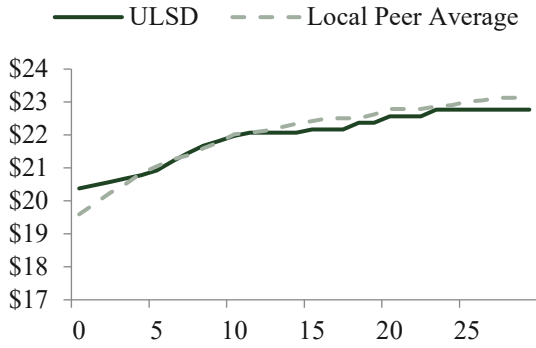


5th Year

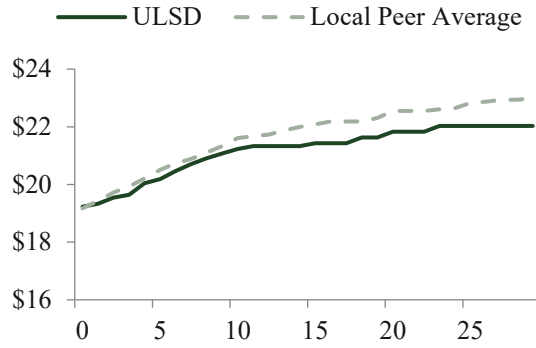


## Classified Career Compensation

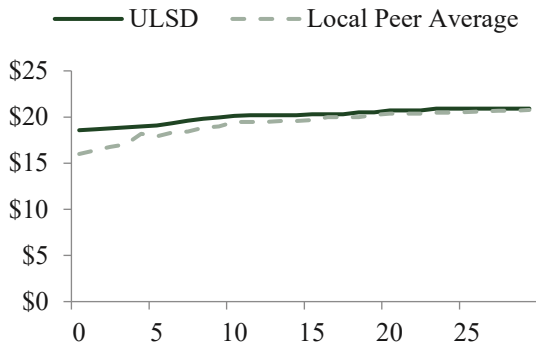
Mechanic



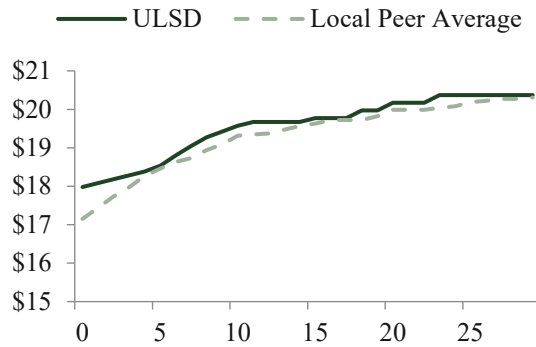
Bus Driver



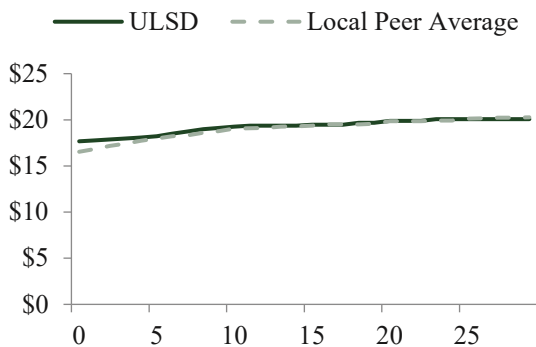
Secretary I & II



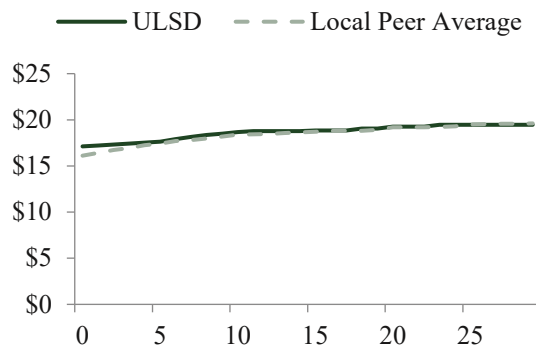
Custodians



Head Cook

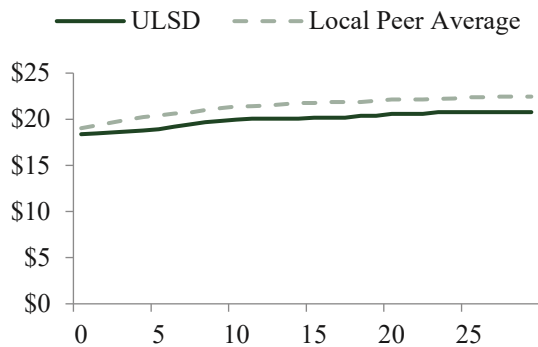


Assistant Cook

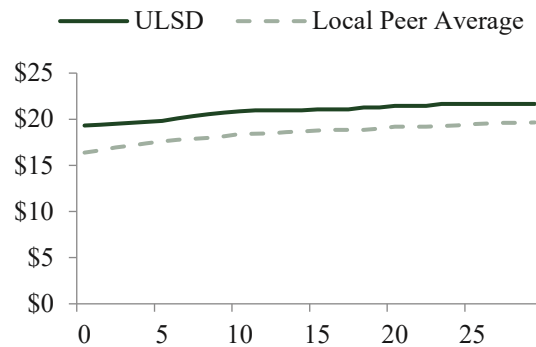




### Maintenance



### Paraprofessional



## Administrative Career Compensation

Similar to our classified and certificated salary analyses, we reviewed administrative salaries. It is important to note to conduct a full analysis of administrative compensation, additional data would be needed and was not requested as a part of this audit. Administrators often have other benefits in addition to salaries and wages that should be considered when calculating total compensation, such as district paid retirement contributions, low or no insurance premium contributions, or other fringe benefits. These other factors would need to be considered when conducting a full analysis of administrative salaries and compensation.

Our high-level review included a comparison of salary data only. We attempted to match similar administrative positions to the local peers to evaluate differences in compensation to the local market. Generally, administrative staff do not have comparable salary schedules like those that are negotiated in a collective bargaining agreement. This is often because the responsibilities and experience of administrators can vary greatly between districts. We found that the District’s administrative salaries were generally in-line with the local peers. Specifically, salaries were not noticeably higher among all positions. While individual positions may have had a higher salary, this could be due to a variety of factors including the workload or staffing at the District or the experience level of the individual.

# OHIO AUDITOR OF STATE KEITH FABER



**UNION LOCAL SCHOOL DISTRICT**

**BELMONT COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 5/30/2023**

88 East Broad Street, Columbus, Ohio 43215  
Phone: 614-466-4514 or 800-282-0370

This report is a matter of public record and is available online at  
[www.ohioauditor.gov](http://www.ohioauditor.gov)