

OHIO AUDITOR OF STATE
KEITH FABER



Springfield
Local School District

Performance Audit

March 8, 2022

OHIO AUDITOR OF STATE
KEITH FABER



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To the Springfield Local School District community,

The Auditor of State's Office recently completed a performance audit for the Springfield 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

March 8, 2022

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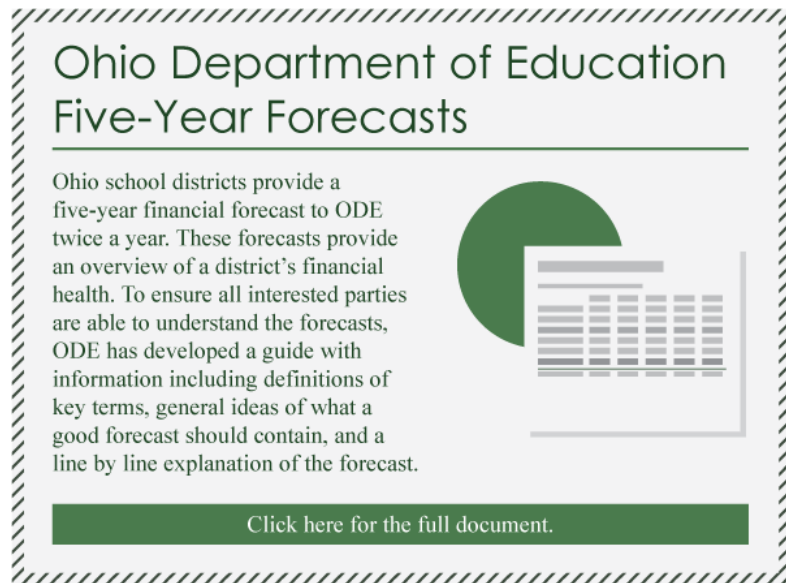
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Introduction

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.¹ These documents provide three years of historical financial data, as well as the projected revenues and expenses for a five-year period.



**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.](#)

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.²

NOTE TO REPORT USERS

Throughout this report, data from FY 2020 and FY 2021 is generally used for analysis. However, due to the on-going COVID-19 pandemic and changes in operations, at times data from FY 2019 may be used for a baseline comparison. Further, there may be some instances where a hybrid approach was used, combining data from multiple years for analytical purposes. The data used for each analysis is explained throughout the report, along with the reasoning for its usage.

¹ Ohio Rev. Code § 5705.391 and Ohio Admin. Code 3301-92-04.

² Performance audits are conducted using Generally Accepted Government Auditing Standards guidelines, see **Appendix A** for more details.

Springfield Local School District

Springfield Local School District (SLSD or the District) is located in Summit County and as of FY 2021 had approximately 2,000 students enrolled. The District spans 20 square miles and has a median income of approximately \$33,500. Of the total enrolled students, 19.3 percent were students with disabilities.



Financial Condition

The Ohio Auditor of State monitors the fiscal health of school districts and at times may declare a state of fiscal watch or emergency.³ These declarations are based on specific criteria and are designed to identify situations where the solvency of a district is threatened and provide appropriate assistance to resolve financial issues. SLSD has had a history of being in various states of fiscal distress dating back to 2000; and, in September 2021 was placed under fiscal watch.

In November 2020, SLSD released its semi-annual five-year forecast, which showed progressively declining year-end fund balances throughout the forecast period. That forecast showed deficit spending projected for FY 2021, and a negative fund balance throughout the remainder of the forecast. Due to the declining financial condition, and in consultation with ODE, we chose to conduct a performance audit for the District.

Financial Condition Overview (November 2020)

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Revenue	\$27,055,711	\$27,895,079	\$28,432,052	\$28,921,858	\$29,420,589
Total Expenditures	\$30,228,877	\$29,266,661	\$29,846,432	\$30,466,296	\$31,109,256
Results of Operations	(\$3,173,166)	(\$1,371,582)	(\$1,414,380)	(\$1,544,438)	(\$1,688,667)
Beginning Cash Balance	\$88,972	(\$3,084,194)	(\$4,455,776)	(\$5,870,156)	(\$7,414,593)
Ending Cash Balance	(\$3,084,194)	(\$4,455,776)	(\$5,870,156)	(\$7,414,593)	(\$9,103,260)
Encumbrances	\$45,000	\$40,000	\$40,000	\$40,000	\$40,000
Cumulative Balance of Replacement/Renewal Levies*	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance	(\$3,129,194)	(\$4,495,776)	(\$5,910,156)	(\$7,454,593)	(\$9,143,260)

Source: ODE

³ ORC § 3316.03

The District’s most recent five-year forecast was released in May 2021. While this forecast shows an improved financial condition, it still identifies a projected fund balance deficit in four out of the five years. The following table is a high level summary of the May 2021 five-year forecast.

Financial Condition Overview (May 2021)

	FY 2021	FY 2022	FY 2023	FY 2024	FY 2025
Total Revenue	\$27,286,929	\$28,902,371	\$28,069,234	\$28,371,059	\$28,677,161
Total Expenditures	\$28,580,474	\$27,154,830	\$25,528,181	\$31,388,270	\$32,187,379
Results of Operations	(\$1,293,545)	\$1,747,541	\$2,541,053	(\$3,017,211)	(\$3,510,218)
Beginning Cash Balance	\$88,972	(\$3,054,573)	(\$1,625,448)	\$596,675	(\$2,739,754)
Ending Cash Balance	(\$3,054,573)	(\$1,625,448)	\$596,675	(\$2,739,754)	(\$6,574,972)
Encumbrances	\$45,000	\$40,000	\$40,000	\$40,000	\$40,000
Cumulative Balance of Replacement/Renewal Levies*	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance	(\$3,099,573)	(\$1,665,448)	\$556,675	(\$2,779,754)	(\$6,614,972)

Source: ODE

Note: The November 2021 forecast was not used for analysis because the majority of fieldwork was already completed prior to the release of the November 2021 forecast. However, a high level review of the November 2021 forecast showed that the District’s financial condition had not changed significantly since the May forecast.

School 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 2021, of the approximately \$25.3 billion in reported revenue for public education in Ohio, nearly 84 percent, or \$21.2 billion, came from state and local sources.

State Funding

On June 20, 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 phased-in period, the amount of state funding received in any given year will be less than what would have been received if the formula were fully funded. ODE is currently working to modify their

systems in order to process payments according to the new funding model and districts began to see some changes to their payments in July of 2021. Payments reflecting all changes under the new funding model, as phased-in, are expected to begin in December of 2021.⁴

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 residents⁵ – that is, individuals who work in a district but do not reside there would not be assessed an income tax on wages. 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 Constitution⁶ and the Ohio Revised Code (ORC).⁷ These restrictions limit the amount of tax that can be levied without voter approval to 10 mills⁸ 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. These taxes are split between the various taxing districts that operate where a property is located.

The 10 mills allowed by the Constitution are typically referred to as inside, or un-voted mills. School districts usually receive revenue from 4 to 6 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

Inside Millage

In Ohio, millage is referred to as “inside” millage and “outside” millage. “Inside” millage is provided by the Constitution of the State of Ohio and is levied without a vote of the people. It is called “inside” millage because it is “inside” the law. Another term would be un-voted millage.

The Constitution allows for 10 mills of inside millage in each political subdivision. Public schools, counties, townships, and other local governments are allocated a portion of the 10 inside mills. Cities can collect additional inside millage if it is a part of the City’s charter.

Outside Millage

Outside millage is any millage “outside” the 10 mills provided by the Constitution of the State of Ohio. This millage is voted in by the public. Another term for outside millage is voted millage. This millage can be used for general purposes or it may be restricted, depending on the language of the law which enables it.

⁴ According to ODE notification dated 9-30-21.

⁵ See <https://tax.ohio.gov/wps/portal/gov/tax/individual/school-district-income-tax>

⁶ Ohio Const. Art. XII, Section 2.

⁷ Ohio Rev. Code § 5705.02.

⁸ A mill is defined as one-tenth of one percent or \$1 for every \$1,000 of taxable value.

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 an amount of mills that will be assessed in order to raise revenues. If new construction occurs within the district, the rate would 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 levies⁹ for general operations, and bond levies for the financing of new buildings, are typically fixed-sum levies.

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.¹⁰ In subsequent years, with exceptions such as new construction, a district would not receive additional revenue from a levy as property values increased.¹¹ Instead, the outside mills are subject to reduction factors¹² which lower the effective millage rate in order to maintain the preceding year's level of revenue from the same properties.¹³

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.¹⁴ 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, as discussed below, 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.

⁹ Authorized by ORC §5705.194.

¹⁰ Am.Sub.H.B. No. 920, 136 Ohio Laws, Part II, 3182, 3194.

¹¹ If property value decreased due to reappraisal, it is possible that a district would receive less revenue than originally intended.

¹² ORC § 319.301

¹³ 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.

¹⁴ 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.

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 also 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 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.

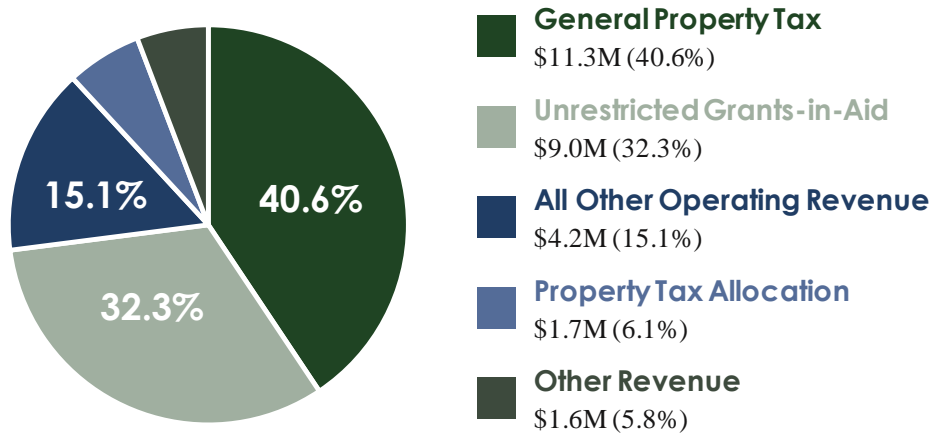
The Ohio Department of Taxation collects income tax through employer withholding, individual quarterly estimated payments, and annual returns. Employers are required to withhold the tax and submit payments to the state under the same rules and guidelines as are currently used for state income taxes. Districts receive quarterly payments from the Department of Taxation each year; 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.

SLSD Revenues

In FY 2020, the District's total general fund revenue was approximately \$27.8 million. 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 in the chart on the following page.

FY 2020 Total General Fund Revenue Composition

Total: \$27.8M



Source: ODE

Note: Other Operating Revenue may include tuition, fees, earnings on investments, rentals, and donations.

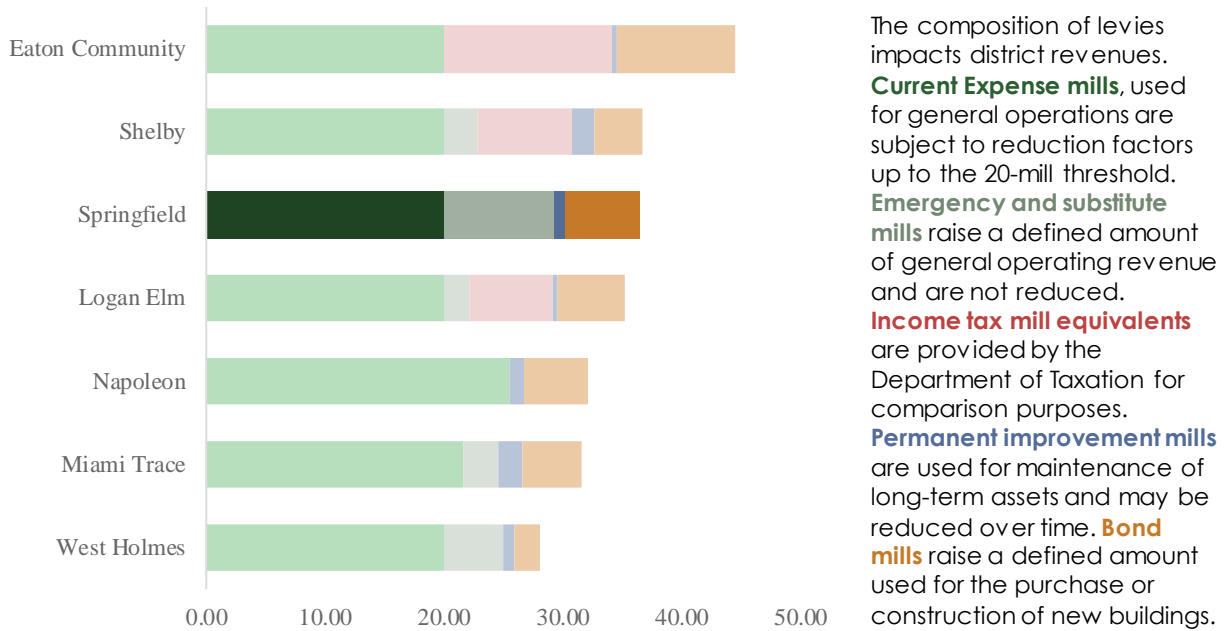
Note: Other Revenue includes Operating Transfers-In, Restricted Grants-in-Aid, and Other Financing Sources.

In 2020, SLSD collected revenues on 36.51 mills of property tax for residential properties.¹⁵ This included 5.5 inside mills and 14.5 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. In addition to the 20 mills for current expenses, the District collects additional property tax revenue that does not count towards the 20-mill floor. In 2020, this additional millage totaled 16.51 mills and was comprised of a permanent improvement levy of 0.94 mills, an emergency levy of 9.32 mills, and a bond levy of 6.25 mills.

Because the total millage rate can be rolled back as a result of reduction factors, we compared the total effective millage for SLSD to that of its peers. The primary peer comparison is found in the chart on the following page. The green portion of the bar represents the current expense millage rate, where several of the peers are also on the 20-mill floor. 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 SLSD does not have a school district income tax, some peers do have revenue from income taxes. This revenue is converted to an estimated millage equivalent by the Department of Taxation and represented in pink.

¹⁵ 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 2020 was 39.04.

2020 Millage and Millage Equivalents | Primary Peers



Source: Ohio Department of Taxation

Overall, the District’s effective millage rate of 36.51 exceeds the majority of the primary peers. It is important to understand that the revenue generated from bond and emergency levies will remain the same regardless of changes to property values as they are voted as a fixed-sum levy. 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 on the floor would see additional revenues from increases in value to existing properties. SLSD is currently at the 20-mill floor, which means it will see additional revenue if property values increase.

Local Tax Effort

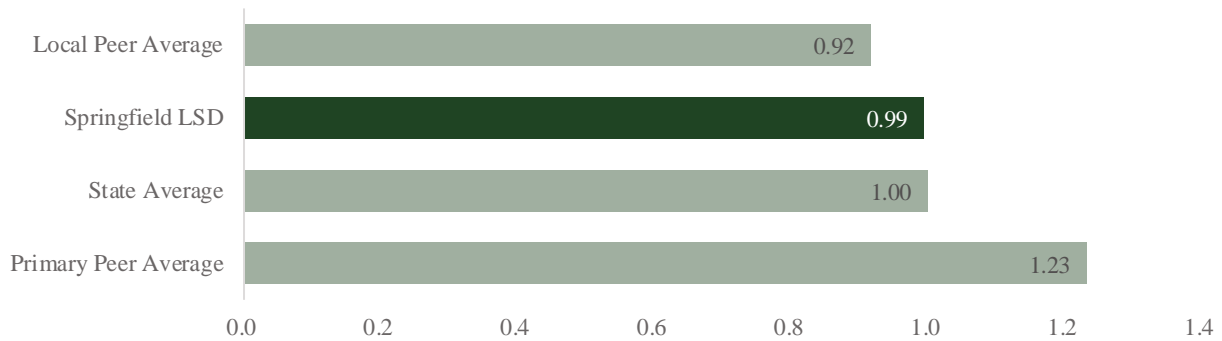
ODE uses the Local Tax Effort Index as a measure of taxpayer support for the district in which they reside. This index, one of a number of possible measures for evaluating local effort, was initially developed by the Division of Tax Analysis within the Ohio Department of Taxation and is calculated in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

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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 2020 Local Tax Effort Comparison



Source: ODE

The District’s local tax effort was compared to the state average and both local and primary peers. The District has a local tax effort of 0.99. This is the 299th highest local tax effort in the state, which is approximately the 50th percentile of all districts. By comparison, the local peer average of 0.92 would rank approximately 342nd out of all districts, or about the 56th percentile. SLSD’s local tax effort could change as a result of the passage of any additional levy initiatives.

Revenue per Pupil

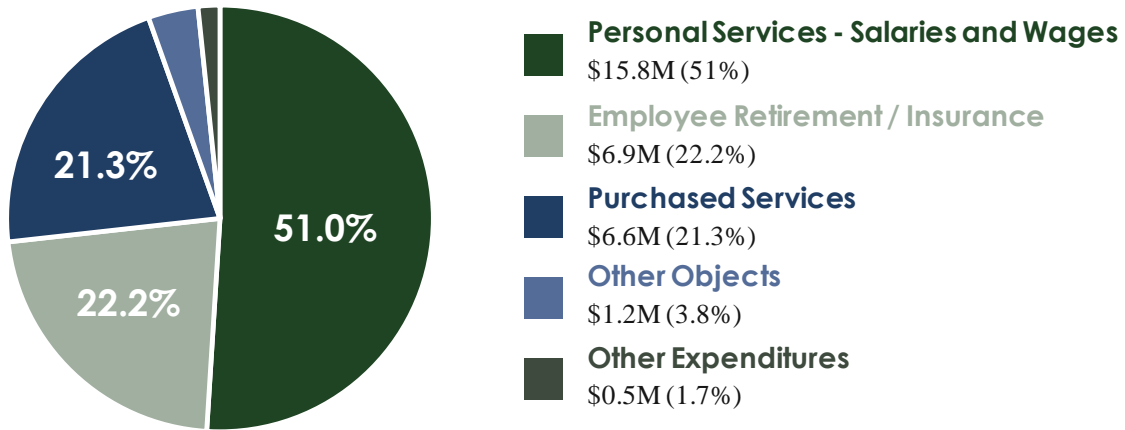
Revenue per pupil, broken down by type of funding, is another way to compare funding sources between Ohio school districts. The District receives \$20,574 per pupil, with 61.6 percent, or \$12,673, coming from local revenue sources. The primary peer average is \$22,102 per pupil, with 63.4 percent, or \$14,012, coming from local revenue sources. The District’s local revenue is lower than the primary peer average.

Expenditures

In FY 2020, the District’s total expenditures were \$31 million. The largest source of expenditures was human resources, which includes salaries, wages, and benefits, followed by purchased services.

FY 2020 Total General Fund Expenditure Composition

Total: \$31.1M



Source: ODE

Note: Other Objects may include membership dues and fees, ESC contract deductions, audit expenses, and election expenses.

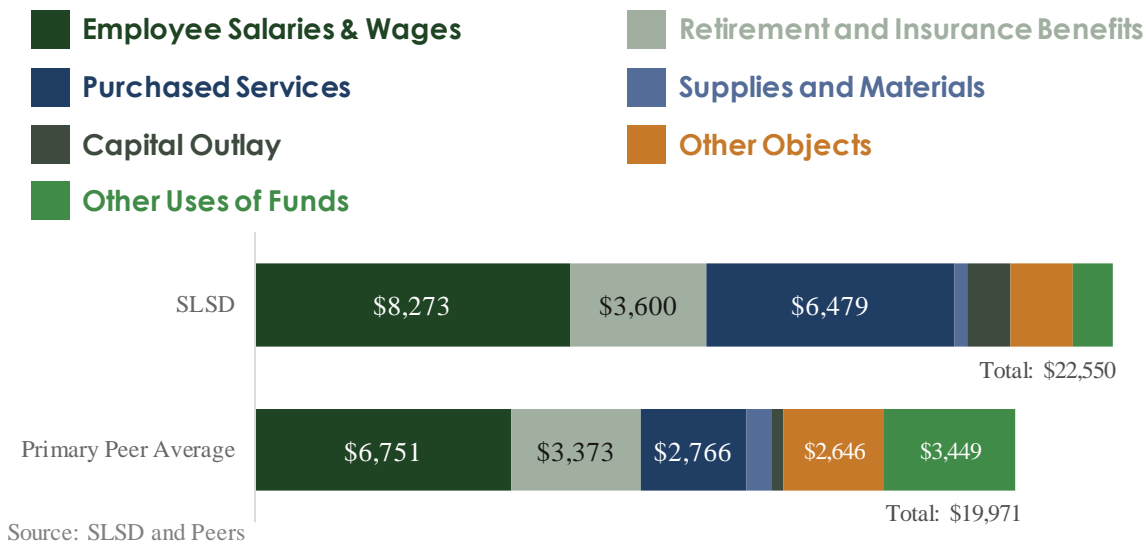
Note: Other Expenditures includes Capital Outlay, Operating Transfers-Out, and Supplies and Materials.

Expenditure per Pupil

In FY 2020 SLSD spent \$22,549 (or 11 percent more) per pupil as compared to the primary peer average of \$19,970 per pupil. The District spent more than the primary peer average on employee salaries and wages, employee benefits, purchased services, and capital outlay. The District spent less than the primary peer average on supplies and materials, other objects, and other uses of funds.¹⁶

¹⁶ 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, contingencies, and advances within the various accounting dimensions.

FY 2020 Total Expenditures Per Pupil



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, and the operational areas of Human Resources, Facilities, Transportation, and Food Service. We identified nine recommendations which would result in reduced expenses or improve the District’s operational management based on industry standards and peer averages. These nine recommendations are referred to as **Tier I** recommendations in the audit. The table below provides a summary of the tier one recommendations identified in this report.

Summary of Tier I Recommendations

Recommendations	Savings
R.1 Consider reducing the General Fund subsidy of Extracurricular to the Local Peer Level	\$57,000
R.2 Eliminate 1.0 FTEs from Administrative and Administrative Support Positions above the Peer Average	\$141,000
R.3 Eliminate 3.0 FTEs from Direct Student Education and Support Positions above the Peer Average	\$79,000
R.4 The District should consider renegotiating the collective bargaining agreements provisions exceeding peers and/or ORC benchmarks to improve operational efficiency and provide cost savings	N/A
R.5 Continue a Certificated Staff Base Salary Freeze*	N/A
R.6 The District should consider insurance options to be closer to the region peer average in cost	\$951,000

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R.7	The District should consider other life insurance options to be closer to regional peer average in cost	\$6,000
R.8	Eliminate 4.0 FTEs Bus Route Driver Positions	\$221,000
IFFS.1	The District should review the cost benefit of establishing a SRTS program.	N/A
R.9	Decrease food service expenditures and/or increase revenues	N/A
Total Cost Savings from Performance Audit Recommendations (General Fund)		\$1,455,000

*Cost savings from this recommendation are already included in the District’s five-year forecast, and therefore are not calculated here.

Note: Numbers in this table are rounded down to the nearest \$1000 to provide conservative estimates and for readability purposes.

The impact of implementing these recommendations is seen in the table below. Because the insurance related recommendations require significant negotiations and would likely not be implemented until FY 2024 or FY 2025, the cost savings associated with these two recommendations are not included in the table.

Results of Tier I Audit Recommendations

	2022	2023	2024	2025
Original Ending Fund Balance	(\$1,665,448)	\$556,675	(\$2,779,754)	(\$6,614,972)
Cumulative Balance of Tier I Recommendations	\$0	\$498,002	\$997,401	\$1,996,572
Revised Ending Fund Balance with Tier I Recommendations	(\$1,665,448)	\$1,054,677	(\$1,782,353)	(\$4,618,400)

Source: SLSD

The District’s current financial condition is such that implementation of these Tier I recommendations would not resolve the projected deficit fund balance in the most recent five-year forecast. Because of this, we identified additional recommendations that the District can consider. In the audit, **Tier II** recommendations are those that have potential for increased savings but do not include additional personnel reductions. **Tier III** recommendations are additional personnel reductions identified on a case-by-case basis in areas where the District was staffed in-line with, or lower than, the respective peer averages. The potential cost savings associated with Tier II and Tier III recommendations are seen in the table below.

Additional Recommendations

Tier II Escalation	Implement a base and step salary freeze for certified and classified employees from FY 2023 through FY 2025	\$1,962,000
Tier III Escalation	Eliminate up to 22 FTEs general education teachers	\$2,384,000

When considering implementing either Tier II or Tier III recommendations, the District must consider the impact on overall operations. The recommendation identified in Tier II would require contract negotiations and likely would not be implemented immediately. Reducing the

number of general education teachers in the District is something that officials are able to do without negotiations. However, doing so may result in SLSD operating at operating levels which could impact the level of services provided to the community. In considering what steps to take to exit the current fiscal watch designation, District officials may consider implementing either of these additional recommendations, or some combination of both based on the needs of the District.

Tier I Recommendations

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 SLSD's financial management policies in order to determine if there were areas for improved management.

Recommendation 1: Reduce the General Fund Subsidy of Extracurricular Activities to the Local Peer Level

Impact

Reducing expenditures and/or increasing revenue to bring the General Fund subsidy of extracurricular activities in line with the primary peer average would save the District an average of \$57,100 annually in each year of implementation.

Background

SLSD has been using a larger portion of its General Fund subsidy to go towards extracurricular activities than local peers, particularly in regards to sports-oriented activities.

Methodology

The District's per pupil General Fund subsidy for extracurricular activities was compared to the local peer average, as was the usage of pay to participate fees.

Analysis

In FY 2020, the District spent approximately \$917,500 on extracurricular activities, which included the salaries and benefits of directors, coaches, advisors; supplies and materials; transportation services; awards and prizes; and other miscellaneous expenditures. A total of \$564,500 was subsidized by the General Fund. On a per-pupil basis, this amounts to a General Fund expenditure of \$276 per pupil. The local peer average was \$248 per pupil, which is a difference of \$28 per pupil. Lowering per-pupil spending to the peer average would reduce the total General Fund subsidy by \$57,100. The District cited its lack of pay-to-participate fees as a

possible cause for higher than average expenditures for extracurricular activities. All of the local peers have pay to play.

Conclusion

The District subsidizes its extracurricular activities on a per pupil basis to a greater degree than the local peers. SLSD should reduce subsidies for extracurricular activities to be in line with the peer average. The District should consider implementing one or more of the following steps to reduce the General Fund subsidy to the level of the local peers:

- Implement pay-to-participate fees for extracurricular activities;
- Increase admissions and sales;
- Increase booster club funding;
- Reduce the supplemental salary schedule; and/or,
- Eliminate programs that require higher expenses than the revenue generated, or activities that have low participation levels.

Instituting any of these measures would help reduce the General Fund subsidy, allowing more resources to be dedicated to student instruction. However, the District leadership should continue to consider the impact on families and students within SLSD resulting from the implementation of any of these measures.

During the course of this audit the District implemented pay-to-participate fees, which is expected to generate approximately \$70,000 in its first year.

Human Resources

Human resource (HR) expenditures are significant to both the operational and financial conditions within school districts. OPT reviewed SLSD’s staffing levels, salaries, and CBA provisions and compared them to peer districts. We also reviewed ORC and OAC requirements¹⁷ to determine areas where the District could save money through reductions.¹⁸

Recommendation 2: Eliminate Administrative Positions above the Peer Average

Impact

By reducing administrative staff to be in line with the primary peer averages, the District could save an average of \$141,700 annually.¹⁹

Background

The District employs individuals in administrative positions that are responsible for activities related to the daily operations of the District. While these positions provide critical support to students and educators within SLSD, the District may be able to reduce some positions based on peer comparisons.

Methodology and Analysis

Staffing levels for the District were identified and compared to primary peer averages.²⁰ In order to make data-driven decisions, the data was normalized on both a per-1,000 student level and per building level and compared to the peer average.

An area where SLSD could reduce administrative staffing is building administrators. Building administrators, such as a principal, assistant principal, or Dean of Students, are responsible for the daily operations of a school building. SLSD employs 6.0 FTE building administrators which include principals and assistant principals. The OAC requires that every school be provided with the services of a principal, but additional staffing is at the discretion of the district.

The District could reduce administrative staff by 1.0 FTE building administrators. Due to the recent closure of Young Elementary, the District may have an opportunity to realign building

¹⁷ Ohio Rev. Cod §§ 124.39, 3319.071, 3317.084, 3319.087, 3319.141, 3319.142, 3319.17, 3319.22 and Ohio Admin. Code § 3301-35-05.

¹⁸ Title 1, Special Education, and auxiliary staffing is excluded from our analysis due to various requirements.

¹⁹ The value of the savings for all staffing recommendations were based on the lowest tenured employee salaries. Benefits include medical, dental, and life insurance, Medicare, and retirement.

²⁰ A Full-Time Equivalent (FTE) was used to identify staffing levels, based on ODE reporting guidelines.

administrators to be in line with the primary peer average on a per building basis. Based on FY 2021 data, reducing staff by 1.0 FTEs would bring the District in line with the primary peer average.

Conclusion

By eliminating 1.0 FTE building administrator positions, the district could save an average of \$141,700 in each year of implementation over the forecasted period, bringing the district's baseline staffing ratio to a level consistent with the primary peer average.

Recommendation 3: Eliminate Student Support Positions above the Peer Average

Impact

By reducing student support staff to be in line with the primary peer averages, the District could save an average of \$79,700 annually.²¹ However, the District should consider that a reduction in staff may also impact educational programming.

Background

Support positions assist students directly in some manner. Staffing decisions in these areas are based on a variety of factors. However, based on peer comparisons, SLSD could eliminate some staffing in one category.

Methodology and Analysis

Staffing levels for the District were identified and compared to primary peer averages.²² In order to make data-driven decisions, the data was normalized on a per-1,000 student level and compared to the peer average.

SLSD employs 3.6 FTE monitors who are cafeteria and playground aides.²³ The District staffs monitor positions at 3.0 FTEs above the primary peer average. Five of the seven primary peers require other employees, such as teachers or custodians, to cover monitor duties and do not hire for a specific monitor position.

Conclusion

By eliminating 3.0 FTE monitor positions, the district could save an average of \$79,700 in each year of implementation over the forecasted period, bringing the district's baseline staffing ratio to a level consistent with the primary peer average.

²¹ The value of the savings for all staffing recommendations were based on the lowest tenured employee salaries. Benefits include medical, dental, and life insurance, Medicare, and retirement.

²² A Full-Time Equivalent (FTE) was used to identify staffing levels, based on ODE reporting guidelines.

²³ Title 1, Special Education, and auxiliary staffing is excluded from our analysis due to various requirements.

Recommendation 4: Renegotiate CBA Provisions

Impact

While there is no identified financial implication of this recommendation, the District’s CBAs contain certain provisions that may increase future liabilities. Aligning these provisions with ORC minimums and local peer averages would reduce future expenditures, the extent to which is not calculated in this audit.

Background

SLSD maintains three CBAs: the AFSCME-AFL Local #179 classified CBA, the AFSCME-AFL Local #530 classified CBA,²⁴ and the Springfield Local Association of Classroom Teachers certificated CBA.

Methodology

Classified and certificated CBA provisions were obtained from the State Employment Relations Board (SERB) for SLSD and peer districts. SLSD’s CBAs were then compared to state standards and local peer district CBA provisions.

The CBA provisions we reviewed which could be renegotiated to reduce costs for SLSD include the following:

- Severance and sick leave accumulation;
- Certificated tuition reimbursement;
- Extra student stipend;
- Insurance stipend in lieu of benefits;
- Attendance incentives;
- Internal substitute pay; and,
- Master Teacher Committee Pay.

Analysis

Severance and Sick Leave: 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. According to the District’s CBAs, certificated employees with 15 years of service or more may receive up to 64 days in paid severance and classified employees with 10 years of service or more may receive up to 65 days in paid severance. In both cases, this is more than double the ORC requirement.

²⁴ AFSCME: American Federation of State, County & Municipal Employees

Further, the District allows for unlimited sick leave accrual during the course of a career. Of the peer districts, three also allowed for unlimited sick leave accrual. The average limit for the remaining three peer districts was 317 days. Excessive sick leave accrual increases the likelihood of severance payouts that are larger than required by state law.

Certificated Tuition Reimbursement: The District pays an average of \$35,100 in tuition reimbursement annually. Local peer districts allocate an average of \$23,300 in tuition reimbursement annually.

Extra Student Stipend: SLSD has a policy on maximum student-to-teacher ratios.²⁵ For every student that is above that maximum number, up to three extra students, the teacher is paid an extra \$1,000 annually. Local peer districts do not offer stipends to teachers who have extra students above the maximum.

Insurance Stipend: SLSD pays stipends to both certificated and classified employees who waive their benefits. Certificated employees may receive \$700 for a single coverage waiver and \$1,500 for a family coverage waiver. Classified employees receive the same amount for single coverage, but receive \$1,000 for a family coverage waiver. None of SLSD's local peer districts offer insurance stipends in lieu of benefits.

Attendance Incentive: Certificated employees have the possibility of receiving an incentive of up to \$600. The incentive is earned by not using personal and sick leave days. The local peer average attendance incentive offered to certificated employees is \$290.

Internal Substitute Pay: The hourly rate for the District's internal substitutes is \$35 for elementary classes and \$26 for higher grade levels. The peer average internal substitute hourly rate is \$28.

Master Teacher Committee Pay: SLSD offers a master teacher membership stipend of \$300 annually plus an extra \$25, and up to \$100, for every application reviewed. Master teacher stipends are not common amongst local peer districts. Only one peer offers a master teacher committee one-time stipend of \$500.

Conclusion

The District has negotiated CBA provisions that exceed local peer averages and/or ORC provisions. SLSD should consider renegotiating its CBA provisions to in order to improve operational efficiency and provide cost savings.

²⁵ For kindergarten classes, the maximum student count is 23 students. For first-third grade students, the maximum number allowed is 25 students. Finally, the maximum number of fourth grade students shall be limited to 29 students.

Recommendation 5: Continue the Freeze on Certificated Base Salaries

Impact

Under the District's previous certificated CBA, employees were scheduled to receive a two percent wage increase in FY 2020 and FY 2021. However, due to the District's fiscal condition, it negotiated a base wage freeze for FY 2021. Continuing the base wage freeze for certificated employees for one additional year, through FY 2022, would help to bring certificated salaries more in line with the local peer average. During the audit, the District was in negotiations for a new CBA and included a continued base wage freeze in the five-year forecast projections.

Methodology and Analysis

The District's salaries, over a 30-year career, were compared to the local peer average for four education levels (See Appendix C). The total career compensation for SLSD's certificated staff is higher than the local peer average for all education levels, and ranges from 3.8 percent to 11.7 percent higher. Based on the number of employees the District had in FY 2021 and their corresponding salary schedule, SLSD spends approximately \$374,300 more in annual salary compensation than the local peer average. Continuing the base wage freeze in FY 2022 for certificated employees would help to bring salaries more in line with the local peer average.

Conclusion

Career compensation for certificated employees on the BA, Five Year, MA, and MA+30 schedules were higher than the local peer average over the course of a 30-year career. Continuing the base wage freeze for certificated employees for one additional year, through FY 2022, would help to bring certificated salaries more in line with the local peer average.

During the course of the audit, the District successfully negotiated a base salary freeze for certified employees for FY 2022. Because this cost savings was already included in the five-year forecast materials, it was not calculated as a part of this audit.

Recommendation 6: Consider Alternate Health Insurance Options to be closer to the Regional Peer Average Cost

Impact

By bringing employer costs associated with insurance in-line with peers, the District could save approximately \$950,000 annually. This can be achieved keeping the current plan through successful negotiations with the District's CBAs that would increase employee contributions significantly. Because insurance is negotiated in CBAs, this recommendation would likely not be implemented until FY 2024.

Once the District is able to improve the health of its insurance fund, it can consider joining the Portage Area Schools Consortium (PASC) for insurance coverage, which would likely result in a lower overall plan cost and would allow the District to reduce the employee share of premium costs.

Background

The District is currently self-insured, which means that it takes on the financial risk related to providing health care benefits to employees. Both the District and employee premiums are deposited into an insurance fund which is used to pay eligible claims. The District has additional stop loss insurance that provides assistance for large claims. For individual claims exceeding \$125,000, the excess liability is paid for by Medical Mutual. Further, if total claims exceed 120 percent of total premiums, any further liability would be paid for through the stop loss insurance plan.

Methodology

Data from the State Employee Relations Board (SERB) was used to identify regional peer data related to insurance plans. Cost to the employer, overall plan design, and types of insurance offered were all compared to peers in order to identify potential cost savings for the District.

SERB is a state entity that administers issues related to government collective bargaining agreements. One function of the board is to gather information from government entities in the state relating medical, dental, and vision insurance costs. This information is published annually and is presented at a regional level. We obtained insurance related data for other school districts in the same region as SLSD in order to conduct our analysis and draw meaningful conclusions. More than half of the peer districts are members of the Portage Area School Consortium (PASC), which is an organization which allows schools to pool their resources in order to purchase insurance together. In addition to conducting analysis on peer averages, we also conducted analysis to compare the District's cost to that of the average PASC cost.

Analysis

The District offers health, dental, and vision benefits which are purchased through the Ohio School Employees Insurance Consortium. In FY 2021 there were 212 employees who participated in the insurance program with 37 requiring coverage as a single person and 175 requiring a family coverage plan.

Compared to SERB peer districts, SLSD had lower costs associated with dental and vision benefits, so these were excluded from further analysis. However, we found that the District had significantly higher costs related to medical and prescription benefits compared to the peer districts.

The cost of obtaining insurance is typically identified as a premium payment. These premiums are divided between the employer and employee. SLSD offers one plan for all employees; however, the premium cost for employees varies slightly based on the CBA to which the employee belongs. Certificated employees are responsible for paying 10 percent of the insurance premium and classified employees pay 9 percent of the insurance premium. In both cases, the remaining premium costs are paid by the District. The cost sharing between employee and employer is similar to that of the SERB peers which pay an average of 11 percent of insurance costs.

We found that while the District pays a similar percentage of insurance costs as SERB peers, the total cost of the insurance plan is higher. For coverage of an individual, the District plan is approximately \$72 per month, or 11.5 percent more expensive than peer districts. Family coverage is approximately \$362 on a monthly basis or 24 percent higher than peer districts. Under the current CBAs, the District is responsible for paying 90 percent of the additional insurance premium costs. Similarly, prescription coverage is approximately \$27 or 16 percent more expensive than peers for an individual and \$98 or 23 percent more expensive for families, with the District again paying approximately 90 percent of the additional expenses based on existing CBAs. In addition, the District has no copay, lower deductibles than peers, and lower coinsurance costs which also adds to the overall cost of the insurance plan.

Insurance Costs with Proposed Changes

		Current Classified		Current Certificated		Proposed Both	
		Costs	% Share	Costs	% Share	Costs	% Share
Single Medical	District	\$631.27	91.0%	\$624.33	90.0%	\$555.06	80.0%
	Employee	\$62.43	9.0%	\$69.37	10.0%	\$138.64	20.0%
Family Medical	District	\$1,706.14	91.0%	\$1,687.39	90.0%	\$1,345.45	71.8%
	Employee	\$168.74	9.0%	\$187.49	10.0%	\$529.43	28.2%
Single Rx	District	\$179.14	91.0%	\$177.17	90.0%	\$154.94	78.7%
	Employee	\$17.72	9.0%	\$19.69	10.0%	\$41.92	21.3%
Family Rx	District	\$484.11	91.0%	\$478.79	90.0%	\$394.18	74.1%
	Employee	\$47.88	9.0%	\$53.20	10.0%	\$137.81	25.9%

Source: SLSD and SERB

Under the existing plan, the District's monthly cost is higher than the peer average in both medical and prescription coverage. There are two options to lower the District's insurance expenditures: negotiating a change in plan design with the insurance company or negotiating a change in contribution rates through the CBAs. The table on the previous pages shows the monthly cost to the District and employees for medical and prescription coverage under the existing plan. It also shows the necessary changes in contribution rates to bring the District's expenses in line with peer levels. As seen in the table, if the current plan is kept, the District would need to negotiate with employees to double or triple the existing monthly premiums. If the District were able to negotiate for these changes, it could result in approximately \$950,000 in annual cost savings related to insurance premiums.

Portage Area School Consortium

More than half of the SERB peers purchase insurance through PASC. PASC members leverage buying power for lower cost plans. Joining any consortium will require a negotiation, during which the District's historic insurance utilization and insurance fund balance may be considered. A healthier insurance fund may give the District positive leverage during the negotiation. The insurance fund balance can be improved by negotiating higher premium payments from employees as discussed above or by altering the benefits offered to employees, which would also require negotiations.

One benefit of joining PASC is that the consortium offers the lowest cost insurance plans in the region. The savings associated with the lower cost plan could be passed onto the employees and the District costs would remain in line with peers.

Conclusion

The District's costs related to medical and prescription coverage is significantly higher than SERB peer districts. This is driven by plans that are between 11.5 and 24 percent more costly than similar peer plans. The District's higher cost may be due to the more general plan design in areas such as lower out-of-pocket maximums, lower coinsurance, and lower deductibles.

If the District could negotiate premium expenses to that of SERB peers, it could save approximately \$950,000 annually. This could be achieved by seeking out a new plan, similar to that of the peer average. However if that cannot be achieved, another possible route that is more under the District's control would be shifting contribution amounts between the District and the employee. This would require CBA negotiations and would double, and in some cases triple employees' monthly premium cost.

The District may be able to join PASC, which would allow it to purchase insurance at a lower overall cost. However, in order to be eligible for membership, SLSD would likely need to increase its insurance fund balance. Once the District joined PASC, it could return employee premiums to existing levels and remain in line with SERB peer expenditures.

Recommendation 7: Consider Alternate Life Insurance Options to be closer to the Peer Level

Impact

Bringing the employer cost of life insurance down to the regional peers' average of life insurance could save approximately \$6,000 annually. Compared to the peers who are members of the Portage Area School Consortium (PASC), the District could save approximately \$8,000 annually.²⁶

Background

SLSD is self-insured and not a member of a local consortium. The amount of paid life insurance equals an employee's base salary rounded to the next highest thousand.

Methodology

SLSD's base salary and life insurance paid for each employee group was obtained. The District's life insurance rate was compared to the peers used in **Recommendation 6**. It was also compared to the different base salaries within the District.

Analysis

The District's life insurance monthly cost is at a rate of \$0.165 per \$1,000 of base salary. This rate has been effective since September 1, 2018. The following are the monthly costs of life insurance for base salaries within the District:

- For a \$150,000 salary - \$24.75;
- For a \$50,000 salary - \$8.25;
- For a \$39,000 salary - \$6.44; and,
- For a \$37,000 salary - \$6.11.

The regional peer average cost for basic life insurance is at a rate of \$0.105 per \$1,000 of base salary. The following are the monthly regional peer average equivalent costs of life insurance for base salaries within the District:

- For a \$150,000 salary - \$15.75;
- For a \$50,000 salary - \$5.25;
- For a \$39,000 salary - \$4.10; and,
- For a \$37,000 salary - \$3.89.

²⁶ Note: Some aspects of life insurance plans are subject to CBA agreements. Due to this, this recommendation cannot be implemented until after the CBAs expire in August 2023.

The District's cost per month is higher than the regional peer average. If SLSD's employees who are currently covered were to be covered under the regional peer average rate, the monthly difference would be \$536.15, or approximately \$6,700 annually.

For districts within the PASC, the cost of basic life insurance is at a rate of \$0.09 per \$1,000 in base salary. The following are the equivalent costs for life insurance for base salaries within the District:

- For a \$150,000 salary - \$13.50;
- For a \$50,000 salary - \$4.50;
- For a \$39,000 salary - \$3.51; and,
- For a \$37,000 salary - \$3.33.

Conclusion

SLSD pays more for life insurance coverage than the State and peer rates. Bringing the employer cost down to the regional peer average could save approximately \$6,000 annually. Aligning costs with the PASC could save the District approximately \$8,000 annually.

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 SLSD’s reporting policies and procedures as well as bus routing, preventative maintenance, fuel purchasing, and bus replacement practices in comparison to industry standards and best practices to determine whether there were any areas for improvement.

Recommendation 8: Eliminate Four Routes from the Active Bus Fleet

Impact

Eliminating four bus routes would result in average annual savings of \$222,000. The savings are a combination of reducing 4.0 FTE bus driver positions and an elimination of the contract fees associated with those routes.

Background

SLSD has contracted out all transportation with First Student Inc. since November 1993.²⁷ First Student Inc. provides routing services, training, and onboarding, and also oversees general operations. The District is responsible for providing the salaries and benefits of bus drivers, including earnings for substitute drivers.

SLSD provides busing on a three-tier schedule. In FY 2020 bus utilization was 59.5 percent, 34.4 percent, and 36.7 percent for Tier I, Tier II, and Tier III, respectively.

Methodology

Opportunities for improved efficiency were identified in order to bring all possible bus routes up to the goal of 80 percent capacity utilization, per criteria from the American Association of

²⁷ We analyzed the First Student Contract and compared contractual provisions to transportation peer group who also contracts out transportation to third party vendor. There were no findings.

School Administrators (AASA).²⁸ The District's ridership on each tier was compared to industry benchmarks.²⁹

Analysis

Currently, SLSD is paying First Student Inc. \$149.94 per route each day for the District's 24 regular routes. In FY 2020,³⁰ the transportation cost per pupil was \$886, while the primary peer average was \$662. This is a difference of \$224 or 35.8 percent. The District is using more First Student Inc. buses than necessary to transport students within the District. None of the route times meet or exceed the ride time limit established by SLSD. The District is also not meeting the AASA benchmark of 80 percent capacity utilization.

As a result of the inefficiency, SLSD is paying more in transportation costs that are inclusive of staffing (salaries and benefits) and per route charges. The District's financial recovery plan expresses the intent to eliminate four routes, but the reduction will not occur in 2021.

Conclusion

SLSD is not meeting an 80 percent rate of utilization with its current transportation operations. Due to this, the District can reduce 4.0 FTE bus drivers and save \$109,000 annually.³¹ The District would also experience savings from eliminating contract fees associated with those routes, which totals \$112,000 annually. In total, eliminating four bus routes from each of the three tiers would save approximately \$221,000 annually.

²⁸ Our analysis uses peak riders, which is defined as the maximum riders per route that were observed during the count week.

²⁹ We only had AM student ridership data and therefore the bus utilization data is based off of AM counts; the new bus utilization following the reduction of four routes accounts for the possibility of more extensive ridership on the PM routes due to falling below the 80% utilization industry benchmark.

³⁰ Used FY 2020 student ridership and route data for utilization recommendations because the October count in 2019 occurred prior to the COVID-19 pandemic. Therefore, the October 2019 count is the most recent student ridership counts we can use for reported ridership unaffected by the pandemic. The goal of analyzing FY 2020 ridership data is to gain an understanding of bus utilization during "normal times".

³¹ Due to the ongoing pandemic, the District may want to keep the current staffing levels. If the District decides to do so, bus routes and staffing should be consistently monitored.

Issue for Further Study

Our audit identified an area for additional study. This issue concerns the transportation of Tier I, Tier II, and Tier III students living within one mile of the school locations (**See R.8**). ORC § 3327.01 stipulates that school districts are not legally required to transport students living within two miles of the school they attend.

The National Highway Traffic Safety Administration (NHTSA) defines Safe Routes to School (SRTS) as an approach that promotes walking and bicycling to school through infrastructure improvements, enforcement, tools, safety education, and incentives to encourage walking and bicycling to school. SRTS programs work to decrease the extent of hazard busing which occurs when school districts transports students living within one and two miles due to unsafe walking conditions. NHTSA has created steps or guidelines for districts to follow in implementing the SRTS programs.

Districts across the country have experienced success in implementing SRTS programs. For example, Melrose Elementary in Wooster, Ohio reduced hazard busing in exchange for SRTS-funded sidewalks, crosswalks, and school zone signage. The reduced need for hazard busing saved the school district \$49,000 annually.³²

SLSD should review the cost benefit of establishing a SRTS program. The program could allow them to eliminate hazards for walking and bicycling to school and stop transporting students living within one and two miles of their building. This would ultimately help decrease their cost per pupil for transportation.

³² See *Costs of School Transportation: Quantifying the Fiscal Impacts of Encouraging Walking and Bicycling for School Travel* (2014) Case Study.

Food Service

Providing meals to students is a critical component to any school district's operations. The manner in which 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 9: Decrease Food Service Expenditures and/or Increase Revenues

Impact

Decreasing expenditures and/or increasing revenues will lessen the need for General Fund subsidies and allow SLSD to redirect General Fund resources.

Background

Ohio school districts have a separate enterprise fund, the Food Service Fund, for all expenditures and revenues related to food service operations. The cost of food service operations must be fully recovered through fees and/or charges. Any Food Service Fund loss is required to be subsidized by the General Fund, which affects the District's forecasted financial position.

Methodology

The sufficiency of the Food Service Fund was analyzed to determine if it is self-sustaining. District officials were interviewed to gain an understanding on food service operations. District operations were then compared to industry benchmarks. Methods by which the District can increase revenue and/or decrease expenditures include the following:

- Use a centralized kitchen;
- Use commercially prepared foods to minimize scratch cooking and reduce labor hours;
- Identify and reduce participation barriers;
- Promote the food service meal program; and,
- Consider revising meal prices only after ensuring that the food service program is efficient and effective.

Analysis

Each of SLSD's school buildings operate with a conventional kitchen. In FY 2020, the average monthly participation rate in the food service program was 41.8 percent. Much of the food served is made from scratch by cafeteria staff and students are not surveyed on meals they would

like to have. The salaries and benefits of the food service staff make up the largest portion of food service expenditures.³³

The District's Food Service Fund has consistently experienced negative results of operations, and has required General Fund subsidies. On average, the District has needed a General Fund subsidy of approximately \$65,000 per year.

Over the last three years, food service revenue has been decreasing while expenditures have been increasing. Due to this, it is difficult for revenue to cover all of the expenditures. A lack of demand for school lunches has also caused SLSD to have participation rates below industry benchmarks. Due to the General Fund subsidy, less has been allocated to other critical areas in the District where there are deficits and educational needs.

Conclusion

SLSD's Food Service Fund has consistently experienced deficits requiring the need for General Fund subsidies. Decreasing food service expenditures and/or increasing revenues will allow the District to redirect its General Fund resources to address deficits, support educational needs, and increase food service operational revenues.

³³ SLSD advised that food service staff is very tenured and has many years of experience; insurance analysis revealed savings to decrease expenditures associated with benefits offered to employees; analysis of labor hours revealed staffing levels are in line with industry benchmarks.

Tier II and Tier III Recommendations

As discussed in detail throughout the preceding sections of this report, SLSD could gain efficiencies by aligning its operations with the peer averages and industry standards by implementing the aforementioned baseline, or Tier I, recommendations. However, the recommendations identified previously in this report would not resolve the projected deficit in the most recent five-year forecast. The following recommendations are additional actions that District leadership can consider when addressing the current fiscal situation.

Implementing the following Tier II and Tier III actions could have a significant impact on the District's operations and instructional activities. However, without additional revenue, the District will likely need to consider one or a combination of the following recommendations in order to remain fiscally solvent.

Tier II Recommendations

Implement a Base and Step Salary Freeze

As shown in **Recommendation 5**, continuing a base salary freeze for certificated staff would bring the District's certificated career compensation more in line with the local peer average. The District could consider implementing additional salary-related measures in order to achieve additional savings.

While the District's classified career compensation is generally lower than the peer average, significant annual savings could be realized without reducing additional staff by implementing a base salary freeze for classified staff as well. Additionally, a step salary freeze could also be implemented for all certificated and classified employees. Implementing a base and step salary freeze for all certificated and classified employees from FY 2023 through FY 2025 could result in average annual savings of approximately \$1,962,000.

Tier III Recommendations

If the District is unable to return to solvency through the implementation of other recommendations within this report, the District could consider making additional changes to reduce expenditures. One potential option could be the reduction of general education teachers.

Eliminate up to 22 FTE Classroom Teachers

Though previous recommendations (See **Recommendation 2** and **Recommendation 3**) addressed the District's staffing levels relative to the primary peer average, the District could make additional staffing reductions in order to regain fiscal solvency.

State law requires that for every 25 students, districts employ at least one classroom teacher, or a ratio of 25 to 1.³⁴ At the end of FY 2021, the District had a student to teacher ratio of approximately 19 to 1; the District could reduce teaching staff in order to address the existing deficit. SLSD can eliminate 22 FTE classroom teachers and remain in compliance with the state regulations.³⁵ This would save the District an average of \$2,384,000 annually. This reduction would represent the elimination of 23.8 percent of the District’s classroom teachers.³⁶ While this option would provide additional savings each year, it would drastically change service levels within the District.

³⁴ The student number used in this ratio represents the regular student population – a formula driven number that reflects students enrolled and educated within the district and excludes categories two through six of special education students. Classroom teachers include K-12 general education teachers as well as art, music, physical education, English language instructional program, and gifted and talented teachers. Preschool teachers, special education teachers and career-technical teachers are excluded from the ratio (*Source, ODE*).

³⁵ If this level of reduction becomes necessary, the District should work with ODE to ensure compliance with the state minimum requirement in OAC 3301-35-05 before reducing classroom teaching levels.

³⁶ In order to determine the number of teachers that could be reduced by the District, we determined the number of teachers necessary for a 25:1 ratio by dividing the total number of regular students in FY 2021 by 25 and then subtracting that result from the number of classroom teachers employed by the District at the end of FY 2021.

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.

Springfield Local Schools

BOARD OF EDUCATION

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Dustin Boswell
Business Manager

February 17, 2022

Mr. Keith Faber, Auditor
Office of the Auditor of State
88 East Broad Street, 5th Floor
Columbus, OH 43215

Dear Auditor of State Faber:

The Springfield Local School District Board of Education and administrative team would like to express our thanks for the work done by the performance audit team. The recommendations provided will help guide the district as we work to improve the efficiency and effectiveness of our operations. The district is committed to taking the steps necessary to reduce current expenditures and maintain strong financial performance in the future.

#1 - Extracurricular

Springfield Local has implemented a pay to participate fee of \$300 per sport/athlete, generating approximately \$70,000 annually. The district also plans to investigate ticket prices and other extracurricular expenses to reduce the strain on the general fund.

#2 - Administrative Reduction

The district will review administrative staffing regularly and reduce the number of administration positions through attrition when possible.

#3 - Student Support Positions

The district has taken steps to reduce the number of classroom aide positions, most recently making a reduction in force to .9 FTE preschool aide positions. We will continue to monitor needs closely and make reductions when feasible.

#4, 5 - Collective Bargaining Agreements

The district will take these recommendations into consideration in upcoming negotiations with bargaining units.

#6, 7 - Insurance

The district has currently undertaken the process to convene an insurance exploration committee to work with staff to determine the most beneficial insurance options to pursue.

Mr. Keith Faber, Auditor

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February 17, 2022

#8 - Transportation

In November 2021 the district eliminated one route through rerouting. The Board approved a reduction in force effective for the 2022-23 school year of 3 additional routes through the implementation of state minimum bussing.

#9 - Food Service

The district will explore the recommendations offered and work to increase participation in the food service program.

Tier II

The district will take these recommendations into consideration in upcoming negotiations with bargaining units.

Tier III

Since March 2020, the district has eliminated 48.75 positions across the district. Planning for the 2022-23 school year, an additional 12.5 certificated positions have been reduced. The district will continue to look closely at staffing and make data driven decisions.

In closing, we would like to recognize the professionalism and dedication of the performance audit team as they worked with district administration throughout this process. The information provided in this report will be utilized to assist the district in making future decisions regarding financial management of our resources.

Sincerely,



William Stauffer
Interim 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:

Audit Scope, Objectives, and Recommendations

Objective	Recommendation
Financial Management	
Are the District’s purchasing practices comparable to best practices and/or peers?	Assessment Not Yielding Recommendation (ANYR)
Is the District’s General Fund subsidy of extracurricular activities appropriate in comparison to local peers and the District’s financial condition?	R.1
Human Resources	
Are the District’s staffing levels efficient compared to the peers and state minimum requirements?	R.2, R.3, Tier III

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Are the District's salaries comparable to peers?	Tier II
Are the District's collective bargaining agreement provisions comparable to the peers and ORC minimums?	R.4
Are the District's insurance benefits comparable to industry standards?	R.6, R.7
Facilities	
Are the District's facilities expenditures comparable to peers?	ANYR
Are temporary labor expenditures comparable to peers and industry benchmarks?	ANYR
Transportation	
Are the District's T-Report procedures accurate and consistent with leading practices?	Verbal Recommendation
Does the District make efficient use of routing for its fleet?	R.8
Food Service	
Is the District's Food Service Fund self-sufficient and consistent with leading practices?	R.9
Are the District's food service staffing levels efficient compared to peers and/or leading practices?	ANYR

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 objectives³⁷:

- Control environment
 - We considered the District control of its EMIS system.
- 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.

³⁷ 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

Internal control deficiencies that were identified during the course of the audit are discussed in the corresponding recommendation.

Audit Methodology

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

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

In consultation with the District, three sets of peer groups were selected for comparisons contained in this report. A “Primary Peers” set was selected for general, District-wide comparisons. This peer set was selected from a pool of demographically similar districts with relatively lower per pupil spending and similar academic performance. A “Local Peers” set was selected for a comparison of compensation, benefits, and collective bargaining agreements, where applicable. This peer set was selected specifically to provide context for local labor market conditions. The list below shows the Ohio school districts included in these peer groups.

Peer Group Districts

Primary Peers

- Beaver Local SD, Columbiana
- Eaton Community City SD, Preble
- Logan Elm Local SD, Pickaway
- Miami Trace Local SD, Fayette
- Napoleon Area City SD, Henry
- Shelby City SD, Richland
- West Holmes Local SD, Holmes

Local Peers (Compensation, Benefits, and Bargaining Agreements)

- Coventry Local SD, Summit
- Field Local SD, Portage
- Green Local SD, Summit
- Lake Local SD, Stark

- Mogadore Local SD, Summit
- Springfield Local SD, Summit
- Tallmadge City SD, Summit

Where reasonable and appropriate, peer districts were used for comparison. However, in some operational areas industry standards or leading practices were used for primary comparison. 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

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.

2020 Local Tax Effort Comparison | Local Peers

	LTE	Rank	Percentile
Coventry	1.1907	179	29.49%
Mogadore	1.1398	205	33.77%
Springfield	0.9944	299	49.26%
Tallmadge	0.8981	353	58.15%
Lake	0.7616	455	74.96%
Green	0.7557	463	76.28%
Field	0.7555	464	76.44%
Peer Average	0.9169	344	56.67%

Source: ODE

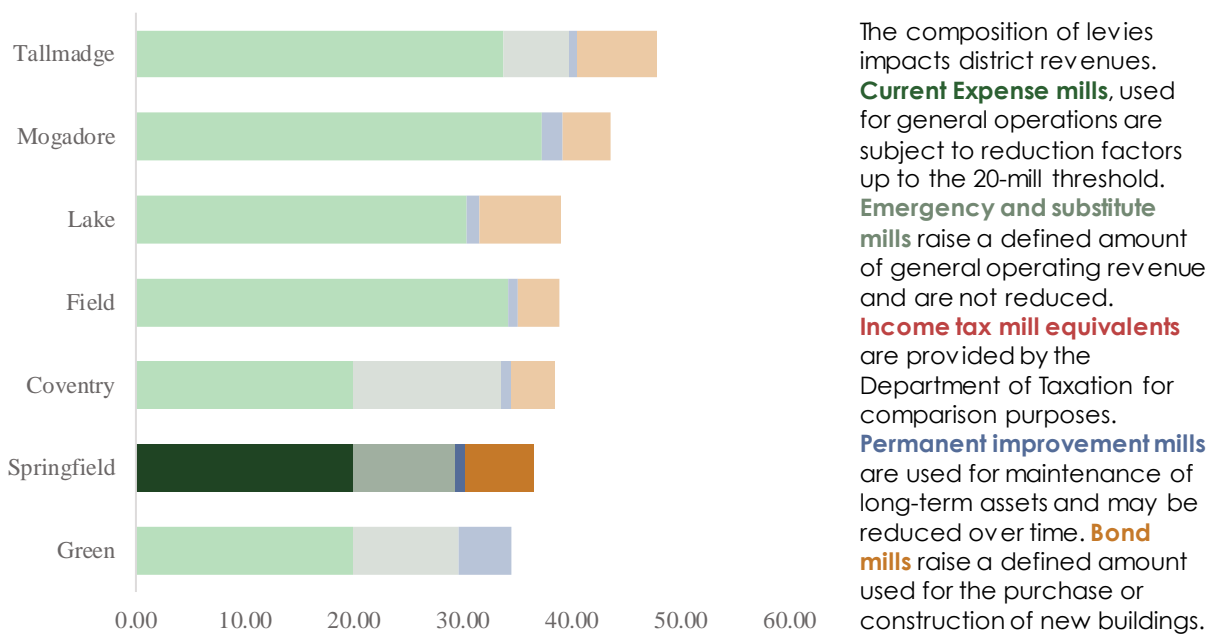
2020 Local Tax Effort Comparison | Primary Peers

	LTE	Rank	Percentile
Eaton Community	1.5735	63	10.38%
Miami Trace	1.4333	101	16.64%
Logan Elm	1.3928	112	18.45%
Shelby	1.3110	135	22.24%
West Holmes	1.1910	178	29.32%
Springfield	0.9944	299	49.26%
Napoleon	0.9046	350	57.66%
Peer Average	1.3010	136	22.41%

Source: ODE

The following chart provides a comparison of the total amount of millage or millage equivalents that were collected in 2020 by SLSD and local peer districts.

2020 Millage and Millage Equivalents | Local Peers



Source: Ohio Department of Taxation

Some districts collect revenue from an income tax on district residents. The Ohio Department of Taxation calculates the estimated amount of millage that would need to be raised in a given year to replicate the revenue generated by an income tax. The table below shows the income tax rate, revenue, and estimated millage equivalents based on 2020 tax revenue.

2020 Income Tax Revenue and Millage Equivalents

District	Tax Rate	Income Tax Revenue	Estimated Millage Equivalents
Eaton Community	1.50%	\$4,848,783	14.1608
Logan Elm	1.00%	\$2,789,486	6.9926
Shelby	1.00%	\$2,669,586	7.9508
Miami Trace	0.00%	-	-
Napoleon	0.00%	-	-
Springfield	0.00%	-	-
West Holmes	0.00%	-	-

Source: Ohio Department of Taxation

Appendix C: Human Resources

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. This calculation (shown below) allows for a more accurate comparison between districts when student counts differ.

Adjusted Difference in FTEs Equation

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

Central Office Administrator Staff Comparison

Students	Springfield Local SD	Primary Peer Avg.	Difference		
Students Educated	2081	1924	157		
Students Educated (Thousands)	2.081	1.924	0.157		
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Assistant, Deputy/Associate Superintendent	0.00	0.00	0.22	(0.22)	(0.46)
Supervisor/Manager	2.00	0.96	0.58	0.38	0.79
Coordinator	2.00	0.96	0.52	0.44	0.92
Education Administrative Specialist	0.00	0.00	0.15	(0.15)	(0.31)
Director	0.00	0.00	0.37	(0.37)	(0.77)
Other Official/Administrative	0.00	0.00	0.07	(0.07)	(0.15)
Total	4.00	1.92	1.91	0.01	0.02

Source: SLSD and ODE

Building Administrator Staff Comparison

Students	Springfield Local SD	Primary Peer Avg.	Difference	
Students Educated	2,081	1,924	157	
Students Educated (Thousands)	2.081	1.924	0.157	
Buildings	3.00	4.00	(1.00)	

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Position	FTEs	FTEs per	FTEs	Difference	Adjusted
		1,000	per 1,000	per 1,000	Difference
		Students	Students	Students	in FTEs
Assistant Principal	3.00	1.44	1.11	0.33	0.69
Principal	3.00	1.44	2.08	(0.64)	(1.33)
Total	6.00	2.88	3.19	(0.31)	(0.65)

Position	FTEs	FTEs per	FTEs per	Difference	Adjusted
		Building	Building	per	Difference
				Building	in FTEs
Assistant Principal	3.00	1.00	0.54	0.46	1.38
Principal	3.00	1.00	1.00	0.00	0.00
Total	6.00	2.00	1.54	0.46	1.38

Source: SLSD and ODE

Teaching Staff Comparison

Students	Springfield	Primary	Difference	Adjusted
	Local SD	Peer Avg.		
Students Educated	2081	1924	157	
Students Educated (Thousands)	2.081	1.924	0.157	

Position	FTEs	FTEs per	FTEs	Difference	Adjusted
		1,000	per 1,000	per 1,000	Difference
		Students	Students	Students	in FTEs
General Education	88.13	42.35	45.83	(3.48)	(7.24)
Gifted and Talented	0.00	0.00	0.32	(0.32)	(0.67)
Career-Technical Programs/Career Pathways	2.00	0.96	0.99	(0.03)	(0.06)
LEP Instructional Program	0.00	0.00	0.00	0.00	0.00

Source: SLSD and ODE

K-8 Teaching Staff Comparison

Students	Springfield	Primary	Difference	Adjusted
	Local SD	Peer Avg.		
Students Educated	2081	1924	157	
Students Educated (Thousands)	2.081	1.924	0.157	

Position	FTEs	FTEs per	FTEs	Difference	Adjusted
		1,000	per 1,000	per 1,000	Difference
		Students	Students	Students	in FTEs
Art Education K-8	1.00	0.67	1.63	(0.96)	(1.43)
Music Education K-8	1.80	1.21	2.39	(1.18)	(1.76)
Physical Education K-8	1.87	1.26	2.18	(0.92)	(1.38)

Source: SLSD and ODE

Non-Teaching Educational Staff Comparison

Students	Springfield Local SD	Primary Peer Avg.	Difference		
Students Educated	2081	1924	157		
Students Educated (Thousands)	2.081	1.924	0.157		
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Curriculum Specialist	0.00	0.00	0.15	(0.15)	(0.31)
Counseling	4.00	1.92	1.78	0.14	0.29
Remedial Specialist	1.00	0.48	0.52	(0.04)	(0.08)
Tutor/Small Group Instructor	0.00	0.00	0.37	(0.37)	(0.77)
Full-time (Permanent) Substitute Teacher	0.00	0.00	0.07	(0.07)	(0.15)
Other Educational	0.00	0.00	0.18	(0.18)	(0.37)

Source: SLSD and ODE

Central Office Support Staff Comparison

Students	Springfield Local SD	Primary Peer Avg.	Difference		
Students Educated	2081	1924	157		
Students Educated (Thousands)	2.081	1.924	0.157		
Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
Administrative Assistant	1.00	0.48	0.29	0.19	0.40
Accounting	0.00	0.00	0.15	(0.15)	(0.31)
Bookkeeping	1.65	0.79	0.61	0.18	0.37
Central Office Clerical	2.00	0.96	1.38	(0.42)	(0.87)
Records Managing	1.35	0.65	0.00	0.65	1.35
Other Office/Clerical	0.00	0.00	0.22	(0.22)	(0.46)
Total	6.00	2.88	2.65	0.23	0.48

Source: SLSD and ODE

Building Office Support Staff Comparison

Students	Springfield Local SD	Primary Peer Avg.	Difference	
Students Educated	2,081	1,924	157	
Students Educated (Thousands)	2.081	1.924	0.157	
Buildings	3.00	4.14	(1.14)	

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Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Difference per 1,000 Students	Adjusted Difference in FTEs
School Building Clerical	5.71	2.74	3.84	(1.10)	(2.29)
Other Office/Clerical	0.00	0.00	0.07	(0.07)	(0.15)
Total	5.71	2.74	3.91	(1.17)	(2.43)

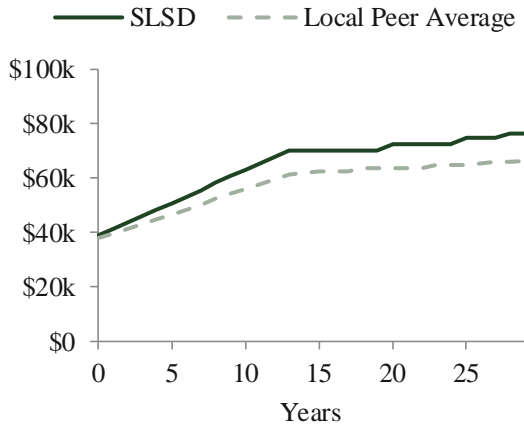
Position	FTEs	FTEs per Building	FTEs per Building	Difference per Building	Adjusted Difference in FTEs
School Building Clerical	5.71	1.90	1.79	0.11	0.33
Other Office/Clerical	0.00	0.00	0.03	(0.03)	(0.09)
Total	5.71	1.90	1.82	0.08	0.24

Source: SLSD and ODE

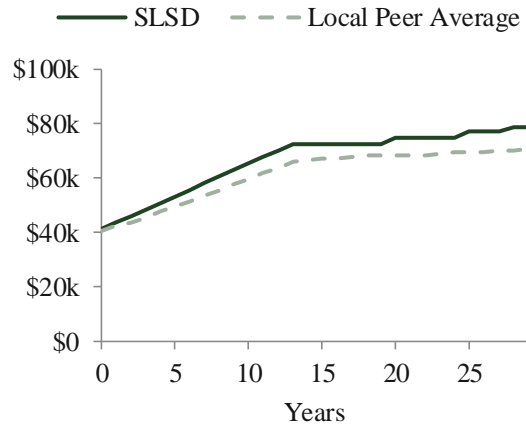
We looked at annual salaries for all certificated employees and the hourly wage rates for a few classified employee position types over the course of a career. The charts which follow show how the annual salaries according to the respective salary and wage schedules compare to peer districts.

Certificated Annual Salary Comparison

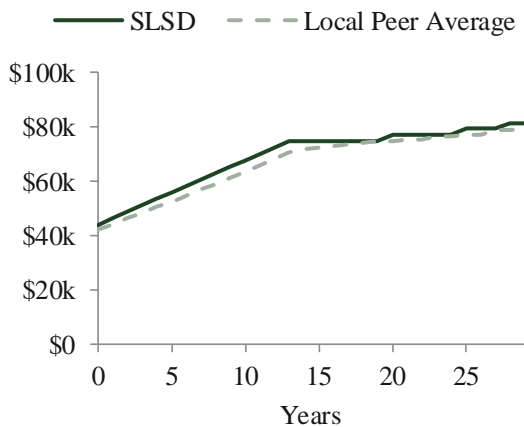
Bachelor's



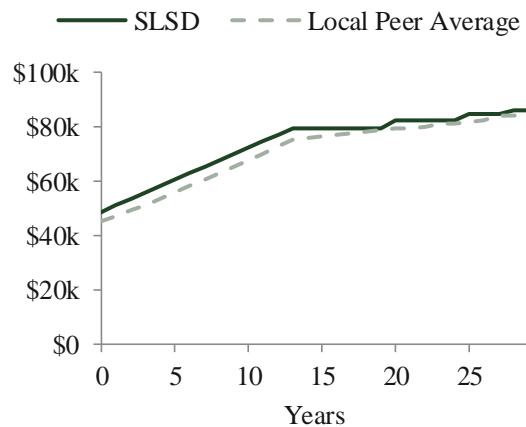
BA + 5



Master's

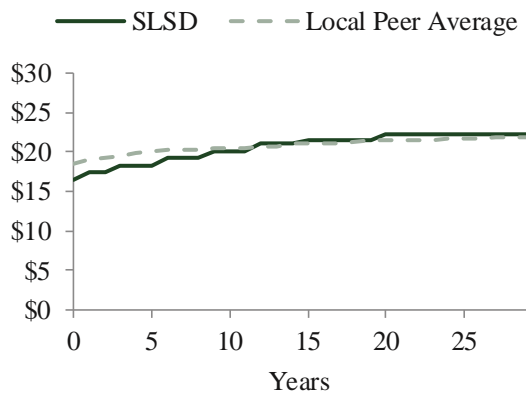


MA + 30

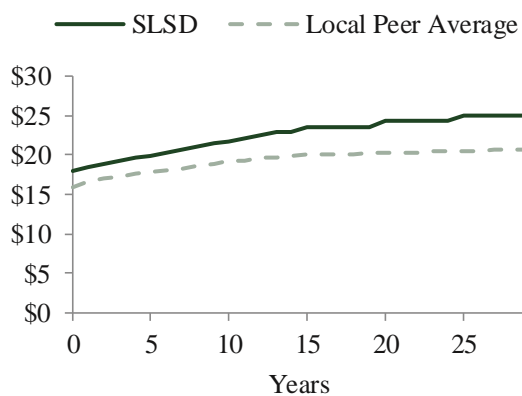


Classified Annual Salary Comparison

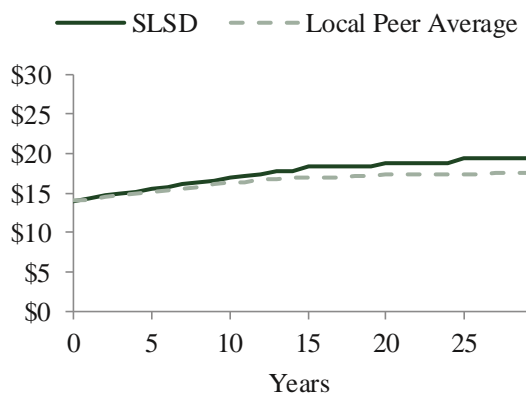
Bus Driver



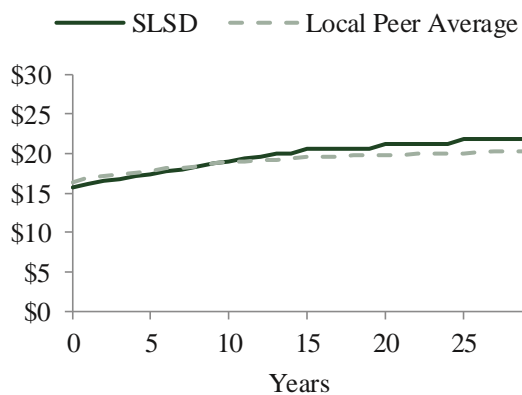
Custodian



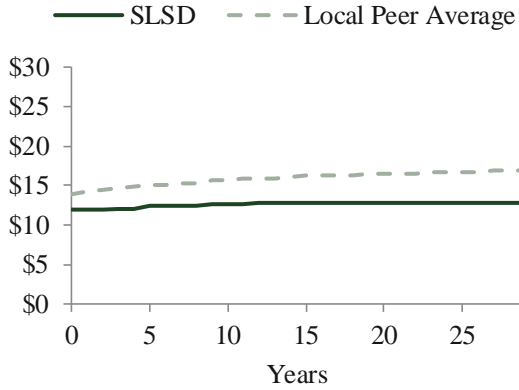
Cook



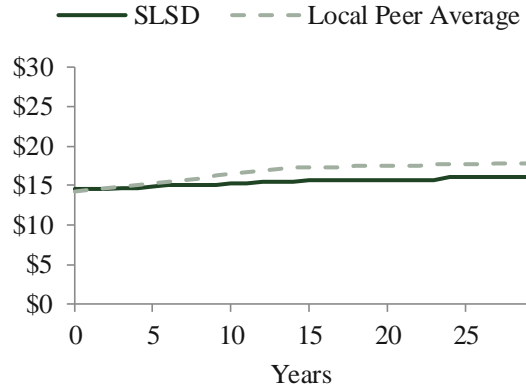
Secretary



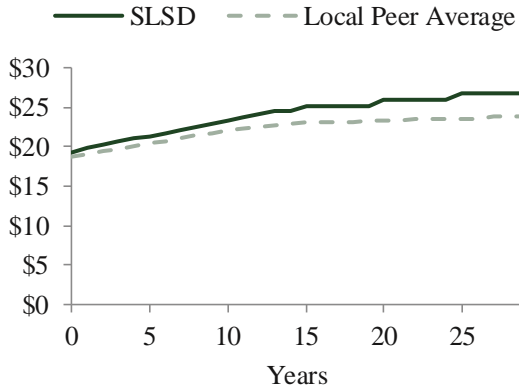
Educational Assistant



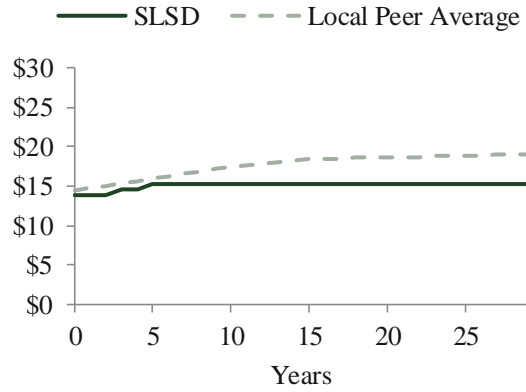
Teaching Assistant



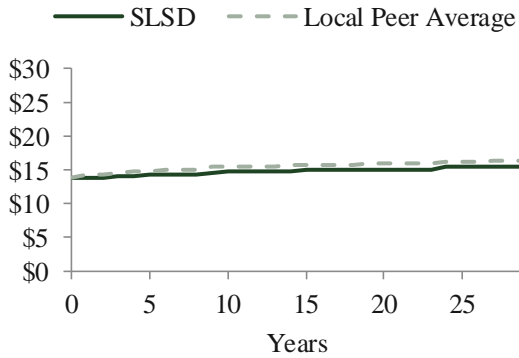
Head Custodian



Monitor



Cafeteria Worker



Insurance

Copayments Comparison

	SLSD PPO Plan	SERB Regional	Difference
Office Visit	\$0	\$12	(\$12)
Urgent Care Visit	\$0	\$32	(\$32)
Emergency Room Visit	\$0	\$71	(\$71)

Deductible Comparison

	SLSD PPO Plan	SERB Regional	Difference
Network			
<i>Single</i>	\$200	\$244	(\$44)
<i>Family</i>	\$400	\$491	(\$91)
Non-Network			
<i>Single</i>	\$500	\$468	\$32
<i>Family</i>	\$1,000	\$950	\$50

Out-of-Pocket Maximum Comparison

	SLSD PPO Plan	SERB Regional	Difference
Network			
<i>Single</i>	\$935	\$1,188	(\$253)
<i>Family</i>	\$1,870	\$2,335	(\$465)
Non-Network			
<i>Single</i>	\$1,500	\$60,579	(\$59,079)
<i>Family</i>	\$2,500	\$62,350	(\$59,850)

Coinsurance Comparison

	SLSD PPO Plan	SERB Regional	Difference
Network			
Office Visit	10%	10%	0%
Urgent Care Visit	10%	11%	(1%)
Emergency Room Visit	10%	12%	(2%)
Non-Network			
Office Visit	30%	36%	(6%)
Urgent Care Visit	30%	32%	(2%)
Emergency Room Visit	30%	35%	(5%)

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Prescriptions – Retail Comparison

	SLSD PPO Plan	SERB Regional	Difference
Tier 1 - Generic	\$14	\$8	\$6
Tier 2 - Formulary Preferred	\$28	\$16	\$12
Tier 3 - Non-Formulary	N/A	\$31	N/A

Prescriptions – Mail Order Comparison

	SLSD PPO Plan	SERB Regional	Difference
Tier 1 - Generic	\$28	\$14	\$14
Tier 2 - Formulary Preferred	\$56	\$29	\$27
Tier 3 - Non-Formulary	N/A	\$58	N/A

Source: SLSD and SERB

FY 2020-21 Single Medical Insurance Employer Cost

SLSD Employees Enrolled by Plan Type

Medical Certificated & Admin	21
Medical Classified	16
Prescription Certificated & Admin	21
Prescription Classified	16
Dental Certificated & Admin	20
Dental Classified	13

Annual Cost

	SLSD Annual Employer Cost	PASC Regional Average Annual Employer Cost
Medical Certificated & Admin	\$7,491.96	\$6,484.02
Medical Classified	\$7,575.24	\$6,484.02
Prescription Certificated & Admin	\$2,126.04	\$1,845.84
Prescription Classified	\$2,149.68	\$1,845.84
Dental Certificated & Admin	\$416.40	\$422.28
Dental Classified	\$419.16	\$422.28

Annual Difference per Employee

Medical Certificated & Admin	(\$1,007.94)
Medical Classified	(\$1,091.22)
Prescription Certificated & Admin	(\$280.20)
Prescription Classified	(\$303.84)
Dental Certificated & Admin	\$7.68
Dental Classified	\$3.12

Total Annual Cost Savings per Type

Medical Certificated & Admin	(\$21,166.70)
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Medical Classified	(\$17,459.49)
Prescription Certificated & Admin	(\$5,884.20)
Prescription Classified	(\$4,861.44)
Dental Certificated & Admin	\$153.60
Dental Classified	\$40.56
Total Annual Savings for Single Medical Plans	(\$49,177.67)

Source: SLSD and SERB

FY 2020-21 Family Medical Insurance Employer Cost

SLSD Employees Enrolled by Plan Type

Medical Certificated & Admin	120
Medical Classified	55
Prescription Certificated & Admin	120
Prescription Classified	55
Dental Certificated & Admin	120
Dental Classified	56

Annual Cost

	SLSD Annual Employer Cost	PASC Regional Average Annual Employer Cost
Medical Certificated & Admin	\$20,248.68	\$16,090.91
Medical Classified	\$20,473.68	\$16,090.91
Prescription Certificated & Admin	\$5,745.48	\$4,672.32
Prescription Classified	\$5,809.32	\$4,672.32
Dental Certificated & Admin	\$1,120.80	\$944.16
Dental Classified	\$1,133.28	\$944.16

Annual Difference per Employee

Medical Certificated & Admin	(\$4,157.77)
Medical Classified	(\$4,382.77)
Prescription Certificated & Admin	(\$1,073.16)
Prescription Classified	(\$1,137.00)
Dental Certificated & Admin	(\$176.64)
Dental Classified	(\$189.12)

Total Annual Cost Savings per Type

Medical Certificated & Admin	(\$498,932.19)
Medical Classified	(\$241,052.25)
Prescription Certificated & Admin	(\$128,779.20)
Prescription Classified	(\$62,535.00)
Dental Certificated & Admin	(\$21,196.80)
Dental Classified	(\$10,590.72)
Total Annual Savings for Single Medical Plans	(\$963,086.16)

Source: SLSD and SERB

FY 2020-21 Single Medical Insurance Employer Cost

SLSD Employees Enrolled by Plan Type

Medical Certificated & Admin	21
Medical Classified	16
Prescription Certificated & Admin	21
Prescription Classified	16

Annual Cost

	SLSD Annual Employer Cost	SERB County Average Annual Employer Cost
Medical Certificated & Admin	\$7,491.96	\$6,660.66
Medical Classified	\$7,575.24	\$6,660.66
Prescription Certificated & Admin	\$2,126.04	\$1,859.27
Prescription Classified	\$2,149.68	\$1,859.27

Annual Difference per Employee

Medical Certificated & Admin	(\$831.30)
Medical Classified	(\$914.58)
Prescription Certificated & Admin	(\$266.77)
Prescription Classified	(\$290.41)

Total Annual Cost Savings per Type

Medical Certificated & Admin	(\$17,457.21)
Medical Classified	(\$14,633.21)
Prescription Certificated & Admin	(\$5,602.11)
Prescription Classified	(\$4,646.51)
Total Annual Savings for Single Medical Plans	(\$42,339.05)

Source: SLSD and SERB

FY 2020-21 Family Medical Insurance Employer Cost

SLSD Employees Enrolled by Plan Type

Medical Certificated & Admin	120
Medical Classified	55
Prescription Certificated & Admin	120
Prescription Classified	55

Annual Cost

	SLSD Annual Employer Cost	SERB County Average Annual Employer Cost
Medical Certificated & Admin	\$20,248.68	\$16,145.38
Medical Classified	\$20,473.68	\$16,145.38
Prescription Certificated & Admin	\$5,745.48	\$4,730.21
Prescription Classified	\$5,809.32	\$4,730.21

Annual Difference per Employee

Medical Certificated & Admin	(\$4,103.30)
Medical Classified	(\$4,328.30)
Prescription Certificated & Admin	(\$1,015.27)
Prescription Classified	(\$1,079.11)

Total Annual Cost Savings per Type

Medical Certificated & Admin	(\$492,395.55)
Medical Classified	(\$238,056.29)
Prescription Certificated & Admin	(\$121,832.47)
Prescription Classified	(\$59,351.08)
Total Annual Savings for Single Medical Plans	(\$911,635.40)

Source: SLSD and SERB

FY 2020-21 Family Medical Insurance Total Cost

SLSD Employees Enrolled by Plan Type

Medical Certificated & Admin	69
Medical Classified	5
Prescription Certificated & Admin	69
Prescription Classified	5

Annual Cost

	SLSD Annual Employer Cost	SERB County Average Annual Total Cost
Medical Certificated & Admin	\$17,144.76	\$16,144.44
Medical Classified	\$16,335.96	\$16,144.44
Prescription Certificated & Admin	\$3,460.32	\$4,957.21
Prescription Classified	\$3,503.16	\$4,957.21

Annual Difference per Employee

Medical Certificated & Admin	\$1,000.32
Medical Classified	\$191.52
Prescription Certificated & Admin	(\$1,496.89)

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Prescription Classified		(\$1,454.05)
	Total Annual Cost Savings per Type	
Medical Certificated & Admin		\$69,022.08
Medical Classified		\$957.60
Prescription Certificated & Admin		(\$103,285.25)
Prescription Classified		(\$7,270.24)
Total Annual Savings for Family Medical Plans		(\$40,575.81)

Source: SERB

OHIO AUDITOR OF STATE KEITH FABER



SPRINGFIELD LOCAL SCHOOL DISTRICT

SUMMIT 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 3/8/2022

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