

OHIO AUDITOR OF STATE
KEITH FABER



East Cleveland
City School District

Performance Audit

January 2024

OHIO AUDITOR OF STATE
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To the East Cleveland City School District community,

The Auditor of State's Office recently completed a performance audit for the East Cleveland City School District (the District). The performance audit was conducted as a result of the District's Academic Distress status, pursuant to ORC § 3302.103. This review was conducted by the Ohio Performance Team and provides an independent assessment of operations within select functional areas, specifically as they relate to the District's Academic Improvement Plan. The performance audit has been provided at no cost to the District.

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,

A handwritten signature in black ink that reads "Keith Faber".

Keith Faber
Auditor of State
Columbus, Ohio

January 16, 2024

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East Cleveland City School District

Performance Audit Summary

WHAT WE LOOKED AT

East Cleveland City School District is an urban school district located in northeast Ohio. As of FY 2022, the District had approximately 1,400 students. The District has historically underperformed compared to statewide academic performance measures. Academic progress can be measured in a variety of ways, including grades, standardized test scores, and graduation rates. Though its method of measuring success has shifted several times, the Ohio Department of Education (ODE) publishes the Ohio School Report Cards. These reports "grade" school districts on the academic success of their students. Under ORC 3302.10, districts that chronically underperform on the Ohio School Report Card are subject to state oversight. This process, the creation of an Academic Distress Commission (ADC), removes authority from the school district's local board of education and authorizes the ADC to appoint a CEO to replace the superintendent. This CEO is granted complete operational, managerial, and instructional control of the district. This control includes authority to enact interventions intended to improve academic performance. Examples of these interventions include conducting employee evaluations; making adjustments to staffing; modifying policies and procedures established by the district board; and selecting instructional materials and assessments. In 2018, ODE placed the District in Academic Distress due to continued failure to meet minimum statewide academic performance measures.

Our office conducted a performance audit of the District in accordance with ORC 3302.103, effective June 30, 2021, which provided districts under the authority of an ADC an alternative means of resolution. Under this law, the District is required to develop and submit an Academic Improvement Plan detailing academic improvement benchmarks and strategies for achieving those benchmarks within the designated implementation period. Our performance audit identified the District's progress towards meeting its Academic Improvement Plan goals, the financial feasibility of reaching those goals, and how district operations may impact academic progress. Based on the timing of our audit, we were able to review both baseline data as well as the impact of the first year of Academic Improvement Plan implementation. This information may be used by the District to adjust operations as necessary to achieve its Academic Improvement Plan benchmark targets by June 30, 2025.

WHAT WE FOUND

ECCSD, not unlike other urban districts, faces challenging circumstances with the students it serves. These challenges include having a much greater share of its students qualify as economically disadvantaged, differing household makeups, issues with student attendance and student mobility, and higher rates of violent crime in the District than statewide

averages. To combat some of these challenges, ECCSD both receives and spends more on educating its students than its peers.

The District's leadership minimally cooperated with this legislatively-mandated performance audit. There were several instances where we did not receive responses from District leadership, nor from District staff. Oftentimes the response that were sent to us lacked the context or explanation necessary to allow the audit team to fully understand the nuances associated with the management and operations of the District. Performance audits are meant to be a collaborative process between audit staff and clients. Because District officials chose to be minimally involved in this performance audit, it not only increased the time and effort put forth by the audit team, it also potentially reduced the relevance of audit results for the District.

During the course of the audit, the District's FY 2023 report card was released by ODE. Based on their progress to date, the District met half of their FY 2023 benchmarks. If the District does not make more progress during FY 2024 and FY 2025 than they did during FY 2023, they will not be on track to meet the majority of their Academic Improvement Plan benchmarks and will need to ask for an extension or will fall back under Academic Distress Commission control.

KEY OBSERVATIONS

Key Observation 1: ECCSD has historically been reliant on guaranteed payments through the state foundation funding formula. In FY 2023, with the implementation of a new foundation formula, this trend continued. For example, under the new formula, if fully phased-in, the District would have received approximately \$11.4 million less, or 40.7 percent less, in total state foundation funding in FY 2023, if not for existing guarantees. While these guarantees are included in state law, if changes are made to how these are calculated, the District's finances would be particularly vulnerable.

Key Observation 2: The District received approximately \$20,000 in state foundation funding on a per-pupil basis compared to the peer average of approximately \$10,000 in FY 2022. The stark difference in per-pupil funding can be attributed to a number of factors, but is particularly impacted by the District's declining enrollment along with the District's reliance on state guaranteed funding levels. So long as the guaranteed funding levels remain in place and the District's enrollment continues to decline, the difference in per-pupil funding levels between ECCSD and the peer group will likely continue to grow.

Key Observation 3: In FY 2022, ECCSD spent more than twice as much per-pupil as the peer average on non-classroom operating costs. This resulted in approximately \$6,250 more in expenditures for each student educated compared to the peers. These expenditures were driven by a variety of factors including payments to utility providers, salaries and benefits of employees, and legal services.

Key Observation 4: The District spent \$5.1 million in ESSER funds in FY 2022 and \$15.6 million in FY 2023; as of October 2023, \$7.1 million remains to be expended before the funding expires. After reviewing ESSER-funded expenditures and interviewing ECCSD personnel regarding ESSER spending, it appears the District generally followed ODE’s ESSER spending guidance, and—for the most part—utilized funds for one-time and short-term purchases. The District should continue to carefully manage its ESSER dollars by tracking ESSER Fund spending, following available guidance, and assessing the financial and academic impact of expenditure decisions, especially those that will either need to be continued or discontinued in the future.

Key Observation 5: ORC §3319.111 requires teacher expertise and performance to be evaluated on an annual basis. The District’s management paused the statutorily required evaluations during the COVID-19 pandemic. This resulted in the District not completing teacher evaluations in FY 2022 and completing approximately half of the evaluations in FY 2023. Because this data was unavailable, we were unable to complete comparative analyses regarding teacher performance. While ECCSD stopped teacher evaluations starting in FY 2022 and into FY 2023, they reported that they are working to resume evaluations and return to typical evaluation cycles.

Key Observation 6: ORC §3319.02 requires principals to be evaluated on an annual basis. The District’s FY 2022 principal evaluations revealed half of the District’s principals are reported as developing and the other half is reported as skilled. These numbers indicate that the District’s principals are less accomplished than the peer average, which had approximately 7 percent rated as developing, 70 percent rated as skilled, and 17 percent rated as accomplished. As part of the Academic Improvement Plan, the District is working to build upon the professional development of building leadership. However, despite this stated goal, the District’s expenditures directed to professional development have been decreasing, which could limit the ability to improve principal performance.

Key Observation 7: Despite having policies and reported actions that meet best practices established by ODE and Attendance Works, the District’s student attendance rate and chronic absenteeism rate worsened from FY 2022 to FY 2023. This has resulted in the District not meeting its FY 2023 Academic Improvement Plan chronic absenteeism benchmark target. Further, the benchmark goals continue to increase in FY 2024 and FY 2025, which means that the District will have to increase efforts and make more progress than initially planned in FY 2024 to meet the Academic Improvement Plan benchmark goal. While reducing chronic absenteeism is important for the District to achieve its

benchmarks, it is also important because high chronic absenteeism may be negatively impacting student performance.

Key Observation 8: The District met 10 of 20, or half, of the FY 2023 benchmark targets, which is not a majority of benchmarks. To be removed from Academic Distress, the District must meet the majority of its stated Academic Improvement Plan benchmarks. In addition to maintaining progress for the ten goals that met the FY 2023 benchmark, the District will have to make up ground on the other benchmarks to meet the FY 2025 goals and be removed from Academic Distress. While the District did not meet a majority of the FY 2023 benchmark targets, it did make improvement on 19 of the 20 benchmarks. Additionally, the District already met or surpassed 7 of 20 (35 percent) of its FY 2024 benchmark targets and 6 of 20 (30 percent) of its FY 2025 benchmark targets. It should be noted that regardless of FY 2023 results, the District will need to continue to work towards meeting the stated benchmark goals at the end of FY 2025. If, for example, it met a goal in FY 2023 or FY 2024 and then regresses, the benchmark would not be considered met in FY 2025.

SUMMARY OF RECOMMENDATIONS

Recommendation 1: While the District creates an annual budget, it does not have a formal, written budgeting process. ECCSD spent more than \$47 million in FY 2022, and the budget process led to the decisions on where to allocate each one of these dollars. GFOA School Budgeting Best Practices outline the ideal contents of such a process, and while ECCSD generally follows these best practices, it does not meet all of the GFOA criteria. A formal, written budgeting process that identifies roles and responsibilities for employees would allow for a more transparent and effective budget. In order to ensure the District is making the most informed decisions with their resources, and is as prepared as possible for future needs, they should consider developing a written budget plan and addressing each of the GFOA elements into their annual budget process through the addition of steps or design and implementation of relevant policies/plans.

Recommendation 2: Capital expenditures occur each year and require adequate planning and preparation. In FY 2022, ECCSD spent more than \$6 million on these types of expenditures, fueled by ESSER funds. A capital plan aids an organization in outlining current and future capital expenditures and how they are to be funded, as well as tracking capital assets to prepare for replacement or repair. As ECCSD does not currently have a formal approved capital plan, the District should design, approve, and implement a formal capital improvement plan, including taking steps to align their plan with GFOA best practices for a Capital Improvement Plan and its contents, as well as incorporating an asset maintenance and replacement plan.

Issue for Further Study 1: Our audit did not include a detailed building utilization or facilities staffing analysis. However, during the course of the audit, we identified potential opportunities for increased efficiency in this area along with overall staffing based on other areas of analysis. The District’s enrollment declined by nearly 30 percent between FY 2018 and FY 2022. We found that building related expenditures for the District were significantly higher than the peer averages, likely driven by declining enrollment. A strategic review of building operations could identify opportunities for consolidation or improved efficiency that may lead to reductions in expenditures in this area.

Recommendation 3: While ECCSD has goals and action steps relating to staffing integrated into the Academic Improvement Plan, the District does not have a formalized strategic staffing plan. As future staffing decisions are made, the District should adopt a strategic approach designed to improve teaching quality and enhance student performance. The District should develop a formal and comprehensive strategic staffing plan that addresses districtwide staffing needs and is linked to the District’s budget and forecast. Establishing staffing allocation for administrative, certificated, and support staff will assist the District in better planning for the future, both in the areas of ensuring adequate delivery of education as well as proper management of financials. A strategic staffing plan will help ensure staffing is appropriate and can be leveraged to achieve the goals and objectives of the District, such those in the Academic Improvement Plan, in a way that aligns with available financial resources.

Recommendation 4: Employee compensation has multiple components including salaries or wages and insurance benefits. Our analysis found that the District’s salaries are generally lower than the local peer averages, but the insurance benefits offered by the District are more generous than the peer averages. Because total compensation involves both salaries and insurance, the District must consider the impact of its offerings to ensure it is competitive in the local market. Particularly, we found that offering lower salaries and generous insurance benefits may result in lower total compensation for those employees that do not utilize their full insurance benefits. Conversely, for those employees that hit out of pocket maximums for insurance, the total value of their salaries and insurance benefits exceeds that of the peer average. The District should work to determine which compensation factors would help to attract and retain educators. Evaluating salary and insurance offerings together could assist the District in negotiating compensation packages that are competitive within the local market. This could assist the District in attracting and retaining quality staff, while ensuring District costs are in alignment with local peers.

Recommendation 5: ECCSD officials expressed concerns about the impact of employee leave usage on District operations. We found that usage of employee leave at the District is in-line with peer averages. However, the District does not use specific USAS coding to

identify detailed information about leave usage. Without detailed information, it is difficult to evaluate the impact leave usage and policy decisions have on the budget. The District should follow the level of coding designated by the USAS manual and required by OAC to identify which expenditures are dedicated to employee leave usage. By coding to the required level of detail as indicated by USAS, the District will comply with OAC and be able to quantify the costs for planning and management purposes.

Recommendation 6: The District must achieve a majority of its benchmarks at the end of FY 2025 to be released from Academic Distress. Because the District met only half of the FY 2023 benchmark targets, it will need to work to make up ground to meet the FY 2024 targets and ultimately the FY 2025 Academic Improvement Plan benchmarks. Since the FY 2023 results were released, the District has not communicated whether it plans to make adjustments to its Academic Improvement Plan implementation strategies in order to improve progress toward achieving a majority of benchmark targets in FY 2024 and FY2025. Because the District did not make the necessary improvements to meet FY 2023 benchmark targets, it should determine how its Academic Improvement Plan implementation strategies need to be adjusted. Once these adjustments are identified, the District should communicate its decisions with appropriate stakeholders. Additionally, the District should use the results of this report to evaluate whether additional resources, such as its \$7 million in remaining ESSER funding, should be dedicated toward implementing strategies to meet the future benchmark targets in FY 2024 and FY 2025. Communicating any adjustments with stakeholders will allow for greater transparency and sustained outcomes, while continuing to evaluate the allocation of Districts funds will allow the District to best utilize its resources in implementing the Academic Improvement Plan.

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Introduction

More than 100,000 students graduate from Ohio public high schools each year. Local public school systems are entrusted with educating and guiding students through childhood and into adulthood. Ensuring that every student, regardless of where they live, receives a quality education is in the best interest of all Ohioans.

While school districts are controlled by locally elected boards of education, the Ohio Department of Education (ODE) is responsible for the oversight of the entire public education system in Ohio. (*The Ohio Department of Education became a cabinet-level agency and was renamed the Ohio Department of Education and Workforce during this audit as a result of provisions contained in the state's biennial budget bill, H.B. 33 of the 135th General Assembly. In FY 2025, the new agency will be responsible for determining if a district is released from Academic Distress. Due to timing, throughout this report, we will use the acronym ODE.*) In some instances when a district fails to meet certain benchmarks or standards, ODE may be required to provide additional oversight and guidance. Generally, state oversight occurs as the result of either fiscal or academic distress.

ODE and the Ohio Auditor of State (AOS) monitor the fiscal health of each school district through the evaluation of five-year financial forecasts that are submitted to ODE on a semiannual basis. When a district is deemed to be in fiscal distress (an escalating series of designations based on the severity of the district's fiscal health) it may receive a performance audit from AOS to identify cost saving measures. Ultimately, if a district is placed in fiscal emergency, a financial planning and supervision commission is created to oversee operations and approve expenditures.

Academic achievement can be measured in a variety of ways, including grades, standardized test scores, and graduation rates. Though its method of measuring success has shifted several times, ODE publishes the Ohio School Report Cards, first implemented in 1998. These reports "grade" school districts on the academic success of their students. Under ORC § 3302.10, which first became effective July 1, 2007, districts that chronically underperform on the Ohio School Report Card are subject to state oversight. This process, the creation of an Academic Distress Commission (ADC), removes authority from the school district's local board of education and authorizes additional interventions intended to improve academic performance. Examples of these interventions include conducting employee evaluations; making reductions in staff; modifying policies and procedures established by the district board; and selecting instructional materials and assessments. Three school districts in Ohio, Youngstown City Schools, Lorain City Schools,¹ and East Cleveland City Schools, have been subject to an Academic Distress Commission (ADC) under ORC § 3302.10.

¹ The Lorain City School District was released from Academic Distress on October 3, 2023 as a result of provisions contained in the state's biennial budget bill, H.B. 33 of the 135th General Assembly.

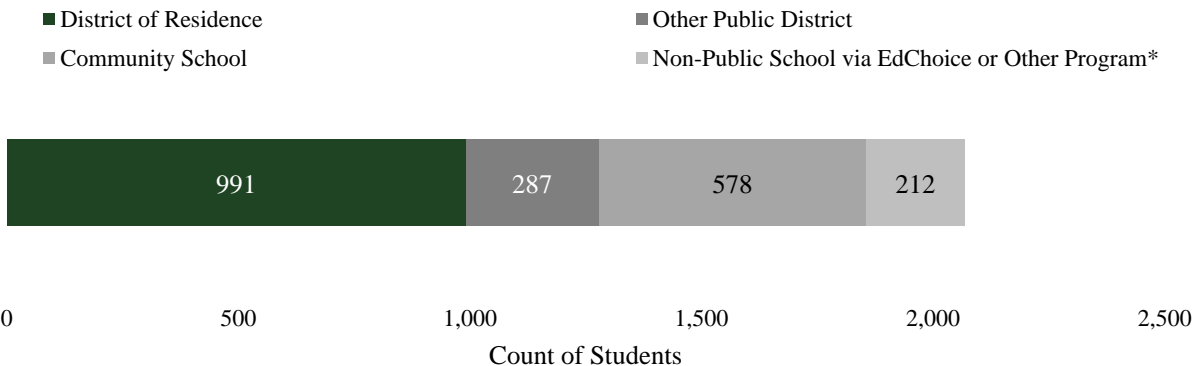
The requirements for exiting academic distress have changed several times since ORC § 3302.10 originally became effective. Previously, a district could be released from its ADC if its performance rating met specific requirements for two of three school years or based on the judgement of the state superintendent. Later iterations did not allow for state superintendent judgement and instead required the district to meet a higher performance rating to enter a transitional period before maintaining a certain level of performance for two consecutive years. On June 30, 2021, ORC § 3302.103, a provision of the 134th General Assembly’s state budget bill, became effective, providing a new way for these districts to dissolve their ADCs and give control back to the district board of education. This new process required ADC districts to develop and submit an Academic Improvement Plan detailing academic improvement benchmarks and strategies for achieving those benchmarks within the designated implementation period. This legislation also required the AOS to complete a performance audit of each of the districts.²

² Performance Audits are conducted according to Generally Accepted Government Accounting Standards, see **Appendix A** for additional details.

East Cleveland City School District

East Cleveland City School District (ECCSD or the District) is an urban school district located in northeast Ohio. The District encompasses 2.8 square miles, primarily located in the City of East Cleveland (East Cleveland or the City), while also containing a small portion of the City of Cleveland Heights. The District maintains 4 school buildings and has approximately 300 employees. In fiscal year (FY) 2022, there were approximately 1,400 students enrolled at the District, compared to the statewide average of approximately 2,400 students. Between FY 2012 and FY 2022, the District saw enrollment decline by approximately 1,500 students, or approximately 52 percent. In FY 2022, more than 50 percent of students living in the District in FY 2022 chose to attend non-District schools. The visual below shows where students living in ECCSD are attending schools.

Place of Enrollment, Students Living in ECCSD, FY 2022



Source: ODE School Report Card

*Includes students participating in the EdChoice or EdChoice Expansion Scholarship Programs, the Cleveland Scholarship Program, the Ohio Autism Scholarship Program, or the Jon Peterson Special Needs Scholarship Program.

Note: Does not include district residents who are non-voucher students attending a non-public school. ODE does not collect and cannot report information on these residents.

The District has high student poverty levels, with 100 percent of students being considered economically disadvantaged.³ According to the FY 2022 Cupp report, the District has the lowest federal average income per tax return filed in Ohio.

³ Economically disadvantaged students, as defined by the Ohio Department of Education, include students who receive free or reduced-price lunch, students living in a household wherein a family member receives free or reduced-price lunch, students who live in a household receiving public assistance, and students who are recorded as a Title I students.

Audit Methodology

Our performance audit, which was conducted at no expense to the District, was initiated in accordance with ORC § 3302.103, which required a performance audit as a component of being released from the ADC. We identified three main areas for analysis that would provide the District with data-driven information to be used for strategic decision making. Specifically, we analyzed the District's allocation of financial resources, selected operations, and reviewed its Academic Improvement Plan, as approved by ODE. Our office used industry standards, peer school districts, and ECCSD's achievement on a year over year basis for analysis purposes. In general, we reviewed FY 2022 as a baseline year for analyses, since this was the year prior to the Academic Improvement Plan implementation period required under ORC § 3302.103. When relevant, we updated selected analyses using FY 2023 data since it was the first year of Academic Improvement Plan implementation. In addition to our analysis, we conducted research relating to academic performance and education generally so that our office could understand the overall factors that may impact the District.

In consultation with the District, two sets of Ohio school districts were selected for comparisons contained in this report. A set of *primary peers* was selected to provide useful comparisons in the areas of district operations and the allocation of financial resources.⁴ The selection of primary peers took into consideration key attributes of the community as well as enrollment characteristics and performance metrics of the districts.⁵ The goal was to identify districts with higher academic performance ratings but similar regarding the populations they serve. A second set of *local peers* was selected to provide comparisons in the areas of compensation (salaries/wages and insurance benefits).⁶ These districts are in the same geographical area as ECCSD and were selected specifically to provide context for local labor market conditions.

⁴ Primary peers include North College Hill CSD (Hamilton), Whitehall CSD (Franklin), Painesville CSD (Lake), Maple Heights CSD (Cuyahoga), Lima CSD (Allen), Euclid CSD (Cuyahoga), and Campbell CSD (Mahoning).

⁵ The components considered in the section of primary peers included: total enrollment, the percentage of disadvantaged students, percentage of racial minority, percentage of students with disabilities, pupil density, district square miles, the Ohio Facilities Construction Commission 3-year valuation, median income, and the performance index score.

⁶ Local peers include Cleveland MSD (Cuyahoga), Cleveland Heights-University-Heights CSD (Cuyahoga), Euclid CSD (Cuyahoga), Richmond Heights LSD (Cuyahoga), Shaker Heights CSD (Cuyahoga), and South Euclid-Lyndhurst CSD (Cuyahoga).

Academic Distress

There are certain standards for academic achievement that are set by ODE. After the passage of S.B. 55 in 1998 by the 122nd General Assembly, ODE began publishing Ohio School Report Cards (Report Cards), which provided both educational and fiscal performance data. These report cards are now published on ODE’s website annually in September.

The Report Cards have evolved over time, along with the standards used by the Department to identify a district’s overall performance. Initially a district could fall into one of six designations based on report card performance:

- 1) Excellent with Distinction;
- 2) Excellent;
- 3) Effective;
- 4) Continuous Improvement;
- 5) Academic Watch; and,
- 6) Academic Emergency.

The District was under academic watch in 2004, academic emergency in 2005, and academic watch again from 2006 to 2012. The District was not rated from 2013 to 2017, nor were any other school districts, due to the statewide implementation of a new A-F rating system.

In 2005, ORC § 3302.10 was authorized, which allowed for the creation of an ADC. This law, which has been revised multiple times, provides both the criteria that must be met by a school district to qualify for an ADC along with the criteria needed to dissolve the ADC.

The District was placed under an ADC in calendar year 2018 after receiving a state performance index score of 52.1 in 2016, 57.7 in 2017, and an overall district grade of F in 2018. The District’s designations, grades, and performance indexes from FY 2004 to FY 2018 are on the following page.

Barriers to Learning

The District experiences challenges that many Ohio school districts don’t face—or face to a lesser degree. These challenges include having a much greater share of its students qualify as economically disadvantaged, issues with student attendance and student mobility, and higher rates of violent crime in the District than statewide averages. (For a more in-depth review of these barriers, please see **Appendix B**.)

Socioeconomic status has been shown to be a significant predictor of educational success. In particular, poverty, and the associated potential lack of resources, can negatively impact achievement in many ways. Research shows that students from low-income families, on average, score lower on standardized testing than their higher-income peers, even at the very start of their educational career.

In a district like ECCSD, where 100 percent of students are economically disadvantaged, the impact of poverty on education is significant. In many cases, students may be entering the school system already behind their peers in more affluent districts, and this learning gap can be difficult to overcome.

ECCSD Report Card Designation, Grade, and Performance Index 2004 to 2018

Fiscal Year	Designation or Grade	Performance Index
FY 2004	Academic Watch	70.9
FY 2005	Academic Emergency	66.9
FY 2006	Academic Watch	78.0
FY 2007	Academic Watch	71.1
FY 2008	Academic Watch	76.0
FY 2009	Academic Watch	73.8
FY 2010	Academic Watch	72.5
FY 2011	Academic Watch	74.4
FY 2012	Academic Watch	75.9
FY 2013	Not Rated	74.8
FY 2014	Not Rated	75.4
FY 2015	Not Rated	66.8
FY 2016	Not Rated	52.1
FY 2017	Not Rated	57.7
FY 2018	F	56.4

Source: ODE

The ECCSD Board of Education (BOE) filed a civil complaint against the state, based on factors which included the District’s ADC eligibility. On August 14, 2019, the court granted a motion to temporarily stay all proceedings for the case, pending the outcome of the Ohio Supreme Court decision regarding the constitutionality of H.B. 70’s ORC § 3302.10⁷ filed by the Youngstown City School District Board of Education. In May 2020, the Ohio Supreme Court ruled that H.B. 70 ORC § 3302.10 did not violate the Ohio constitution. ECCSD BOE’s case was terminated June 22, 2020 after the ECCSD BOE voluntarily dismissed the pending claim that remained after the Ohio Supreme Court decision.

Since the District was placed under an ADC, changes and updates have been made to the law governing ADCs generally. Most recently, the District has been afforded the chance to have its ADC dissolved if it successfully meets more than 50 percent of the targets identified in its Academic Improvement Plan at the end of FY 2025.

A more detailed discussion on the ODE report cards and legislative changes to academic distress commissions can be found in **Appendix C**.

⁷ H.B. 70 of the 131st General Assembly became effective October 15, 2015. To read more about the versions of ORC § 3302.10, see **Appendix C**.

District Finances

Historically, school funding in Ohio has been a partnership between the state and local districts. Local districts can raise funds through property and income taxes and the state provides funding primarily through a foundation formula, which is intended to ensure a basic level of education funding for all students. Districts may also receive some funding from other sources, such as federal grants. In FY 2022, which is the baseline year for comparison prior to ECCSD’s official implementation of the Academic Improvement Plan, of the approximately \$26.1 billion in reported revenue for public education in Ohio, nearly 80 percent, or \$20.7 billion, came from state and local sources. These revenues were then used for district operations including paying the salaries and benefits of teachers and other staff, building maintenance and upkeep, and other items deemed necessary by a district’s board of education. For additional information on school funding, please see **Appendix D**.

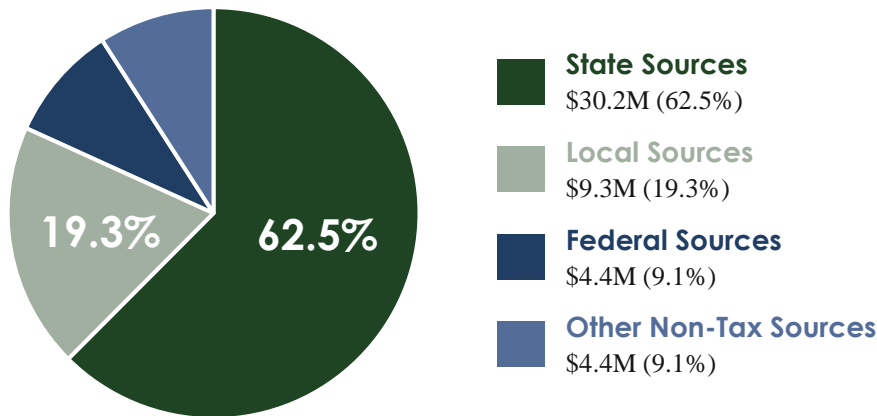
District Revenue

In FY 2022, the District received approximately \$52.5 million in revenue that was derived primarily from local, state, and federal sources.⁸ This represents all revenue for the District, including General Fund dollars and other revenue that was designated for specific purposes. Included in this amount is \$4.1 million of Elementary and Secondary School Emergency Relief (ESSER) grants; these dollars were awarded to schools throughout the country to combat the impact of the COVID-19 pandemic on learning. In FY 2022, ECCSD spent more than \$5.1 million of its ESSER funding—see **Appendix G** for details on how this spending was allocated. Because of the impact this amount of funding has on calculations, it has been largely excluded from our analysis. The pie chart below shows the District’s revenues for FY 2022 excluding ESSER funding that was received. In total, without ESSER, \$48.3 million was received.

⁸ Note that this analysis excludes certain funds, functions, and objects as specified in ODE’s 2021-2022 school year technical documentation for the calculations in its school report cards.

FY 2022 ECCSD Revenue Composition

Total: \$48.3M



Source: ECCSD USAS Data

As seen in the pie chart, the District received 62.5 percent of its funding, or approximately \$30.2 million, from state sources. An additional 19.3 percent, or approximately \$9.3 million, was received from local sources. The District received 9.1 percent, or approximately \$4.4 million, from non-ESSER federal sources. Finally, the District received another 9.1 percent, or \$4.4 million, in other non-tax sources—this includes tuition, transportation fees, earnings on investments, revenues from sales of food, extracurricular activities revenues, revenues from sales of classroom materials, miscellaneous receipts from local sources, and receipts from intermediate sources (i.e., not local, state, or federal sources).

Local Revenue

A district can raise local revenue through both property taxes and income taxes. In Tax Year 2022, the District collected revenues on 54.71 mills of property tax for residential properties and on 66.27 mills for commercial and industrial properties, generating \$6,235 in local revenue per pupil. While property taxes are assessed on both residential and business properties within a district, income tax is assessed only on residents. Although ECCSD does not have a school district income tax, approximately one-third of Ohio school districts do have one. Additional information on property taxes and school district income taxes in Ohio can be found in **Appendix D**.

State Revenue

ECCSD's ability to procure local funding is limited by its lower than average property values; its assessed property value per pupil in FY 2022 was \$104,641, falling far short of the statewide average of \$219,076 per pupil. Still, the District's local revenue received per pupil exceeded the peer average due to its higher-than-average millage rates—in FY 2022, ECCSD received \$6,235 per pupil, compared to the peer average of \$4,258 per pupil. Additionally, the District receives relatively high levels of state funding—in FY 2022, it received \$20,174 per pupil, compared to the peer average of \$10,140 per pupil. The State of

Ohio has a complex formula for distributing its public education appropriation, or its foundation funding, amongst its more than 600 school districts in its biennial operating budget. Ohio’s public education appropriation uses a system of funding where lower capacity school districts receive relatively higher rates of state funding than higher districts. This system of funding helps lower income school districts make up for smaller sources of local revenue and address some of the challenges facing disadvantaged communities raised in the **Barriers to Learning** section above.

The primary component of the foundation funding formula is the calculation of a district’s base cost, wherein student/teacher ratios, minimum staffing levels, and actual costs are used to calculate a unique base cost per pupil that’s needed to run each school district in the state. Once a base cost is identified, ODE determines the portion of the base cost that is funded by the State. Importantly, the state share is determined by a district’s local capacity per-pupil—this is defined as a district’s ability to raise revenue locally and is calculated using property wealth and resident income values. The lower the local capacity, the higher the state share must be, with the state having to provide a minimum of 5 percent of the base cost.⁹ ECCSD has both a low property wealth and low median income when compared to the state average, meaning its local capacity is very low. This results in a proportionally larger state share of base cost, contributing to ECCSD’s high foundation funding allotment. ECCSD’s base cost in FY 2022 was \$12.7 million; the state share of this base cost was \$8.9 million.

Once the state share of the base cost is determined, a number of other formula components are added to it, namely provisions for targeted assistance, special education, Disadvantaged Pupil Impact Aid (DPIA), English learners, gifted students, and career technical education. Targeted assistance is additional funding to districts with low property wealth and low resident income. Special education funding is funding provided for students with disabilities. DPIA is funding for economically disadvantaged students in acknowledgement that low-income students require additional resources and supports. Once these components are added, the resulting value is the core foundation funding value; for ECCSD in FY 2022, this was \$17.6 million.

The current foundation formula was instituted in FY 2022. To minimize the impact of the formula on the state budget, changes to funding levels are expected to be phased in over a six-year period. As FY 2022 was the first year of the phase-in, ECCSD’s core foundation funding value was brought up to \$26.3 million, so that its FY 2022 funding would not fall too far from its FY 2020 funding base of \$28.3 million. On top of this, ECCSD received an additional \$1.9 million in temporary transitional aid, which guarantees that districts do not receive less in state funding than they received in FY 2020. Finally, ECCSD received some additional funding for supplemental targeted assistance and transportation. In FY 2022, these formula components brought ECCSD’s final foundation funding allotment to \$29.0 million. It should be noted that a significant portion of the District’s state funding is due to guaranteed payments through the state foundation funding formula.

⁹ H.B. 33 of the 135th G.A. increased the minimum state share percent of base cost from 5 to 10 percent for FY 2024-FY 2025.

Federal Revenue

In FY 2022, ECCSD received revenue from a variety of federal sources. One such source was the Elementary and Secondary School Emergency Relief Fund (ESSER), a grouping of grant programs provided to school districts to address issues relating to and stemming from the COVID-19 pandemic. ESSER was authorized via three different pieces of legislation, each providing a new round of funding with slight differences. All three rounds of ESSER are allowed to be used for expenses related to preventing, preparing for, and responding to COVID-19. However, ESSER II and III expanded upon that to specifically include addressing learning loss stemming from the pandemic, reopening preparation, and projects to improve the air quality in school buildings, but with ESSER III specified that a school district had to reserve at least 20 percent of its allocation to address learning loss, and that the district needed to create or already have had a safe return-to-school plan to receive funding. In total, ECCSD received more than \$29 million in ESSER funding in three rounds, named “ESSER I”, “ESSER II”, and “ESSER III”. The deadline to liquidate ESSER I dollars passed in January 2023; the deadline to liquidate ESSER II dollars is in January 2024, and the deadline for ESSER III is January 2025. More information on ESSER is available in **Appendix G**.

Another source of federal revenue was Title I, Part A of the Elementary and Secondary Education Act (ESEA). The U.S. Department of Education’s largest K-12 grant program, Title I-A provides financial assistance to local educational agencies (LEAs) and schools with high numbers or high percentages of children from low-income families. The goal of Title I-A is to ensure economically disadvantaged children receive a fair, equitable, and high-quality education, and to shrink educational achievement gaps. More details on Title I-A are available in the Revenue Received for Disadvantaged Students section. ECCSD received \$2.4 million in Title I-A funding in FY 2022.¹⁰

Beyond ESSER and Title I-A, in FY 2022, ECCSD received a combined \$2.4 million in federal revenue via the following funds: the Food Services Fund, the IDEA Part B Special Education Fund, the Coronavirus Relief Fund, the Improving Teacher Quality Fund, the General Fund, the Vocational Education Fund, the Title I-Improvement Stimulus A Fund, the Title I-Improvement Stimulus G Fund, the Drug Free School Grant Fund, the Miscellaneous Federal Grants Fund, the IDEA Preschool Grant Handicap Fund, and the Miscellaneous State Grants Fund.

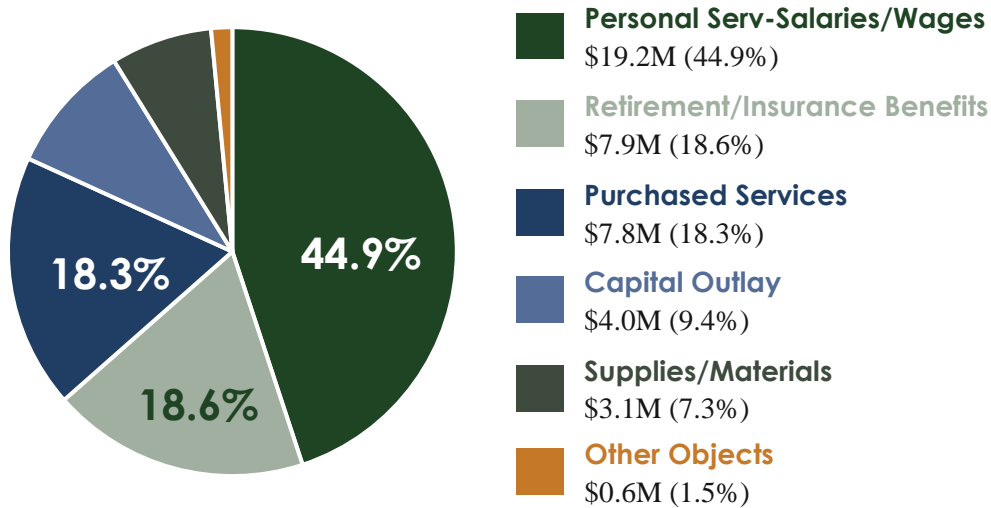
¹⁰ 7.4 percent of the Title I-A funds received by ECCSD in FY 2022 was passed to non-public schools.

District Expenditures

In FY 2022, the District’s total expenditures were approximately \$47.8 million; excluding ESSER, expenditures reduced to \$42.7 million. The largest source of expenditures was human resources, which includes salaries, wages, and benefits, followed by purchased services. The chart that follows provides additional detail regarding District expenditures.

FY 2022 ECCSD Expenditure Composition

Total: \$42.7M



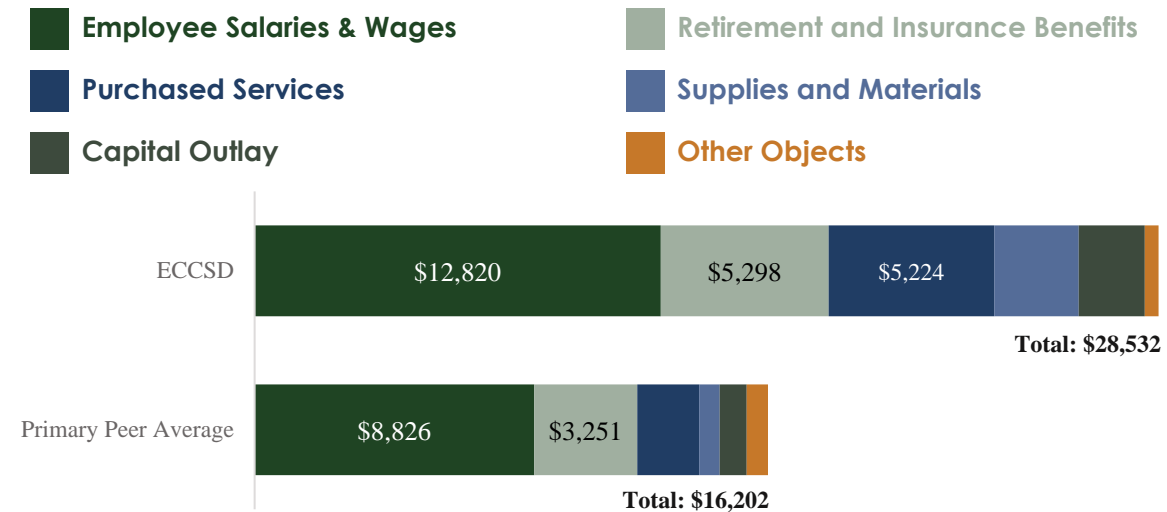
Source: ECCSD USAS Data

Note: Due to rounding, values in chart may not sum to total listed.

Expenditures per Pupil

In FY 2022, excluding ESSER, the District spent \$28,532 per pupil; its primary peers, on average, spent \$16,202 per pupil. The District spent more per pupil than the primary peer average on salaries/wages, benefits, purchased services, supplies/materials, and capital outlay. It spent less than the primary peer average on other objects. The chart that follows provides a graphic comparison of expenditures per pupil for ECCSD and the primary peer average.

FY 2022 Total Expenditures Per Pupil



Source: ECCSD and Peers
Note: Excludes Advances

Financial Condition

The District must balance academic initiatives with actual revenues. Districts are required to submit a five-year financial forecast to ODE in November of each year with an update in May. These forecasts show actual results of district operations associated with the General Fund for the three preceding years and project revenues and expenditures associated with these funds for the upcoming five years. The forecast also notes the balance that remains between in the General Fund after each year, based on the deficit or surplus in yearly spending. Because the forecast only shows figures associated with the General Fund, not all revenues received, or expenditures made by the District are reflected in the visual—in FY 2022, excluding ESSER, the General Fund represented 88.0 percent of ECCSD’s total revenue. ECCSD’s Five-Year Forecast from November 2023 is as follows:

Financial Condition Overview (November 2023 Forecast)

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Total Revenue	\$49,312,020	\$42,629,036	\$42,559,731	\$42,503,554	\$42,496,231
Total Expenditures	\$43,386,944	\$44,632,446	\$46,130,502	\$47,781,011	\$49,514,589
Results of Operations	\$5,925,076	(\$2,003,410)	(\$3,570,771)	(\$5,277,457)	(\$7,018,358)
Beginning Cash Balance	\$19,758,240	\$25,683,316	\$23,679,906	\$20,109,135	\$14,831,678
Ending Cash Balance	\$25,683,316	\$23,679,906	\$20,109,135	\$14,831,678	\$7,813,320
Encumbrances	\$0	\$0	\$0	\$0	\$0
Cumulative Balance of Replacement/Renewal Levies	\$0	\$0	\$0	\$0	\$0
Cumulative Balance of New Levies	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance	\$25,683,316	\$23,679,906	\$20,109,135	\$14,831,678	\$7,813,320

Source: ODE

As seen, ECCSD projected positive results of operations for FY 2024; as such, its General Fund balance was expected to reach \$25.7 million in that year. However, the District projected to experience an annual operating deficit in FY 2025 that would continue to grow through FY 2028, surpassing a deficit of \$7.0 million in that year. The projected deficit spending in the last four years of the forecast would chip away at the fund balance, reducing it to \$7.8 million in FY 2028. The District will need to continue to be mindful of operations and expenditures so that it can make strategic decisions that support the implementation and success of the Academic Improvement Plan.

Academic Improvement Plan Overview

Under ORC § 3302.103, ECCSD can have its ADC dissolved by developing an Academic Improvement Plan and meeting a majority of the academic improvement benchmarks contained within the plan in FY 2025. Additionally, ORC § 3302.103 grants the school board authority over district operations, with the ADC serving in an advisory capacity during the Academic Improvement Plan implementation period. The Academic Improvement Plan was developed by the District and reviewed and approved by ODE.

The District's Academic Improvement Plan will be in place for an initial term beginning in FY 2023 and ending in FY 2025. During Academic Improvement Plan implementation, the ECCSD school board has regained control of district operations, with the ADC serving in an advisory capacity. ORC § 3302.103 requires that the District report its progress annually to ODE. At the end of the initial three school years, ECCSD will be evaluated by ODE based on its attainment of the academic benchmarks established in the plan.

If ECCSD shows improvement but does not meet a majority of the academic improvement benchmarks in the Academic Improvement Plan after three years of implementation (in FY 2025), it can apply for a 1-year extension up to two times. If ECCSD meets a majority of the academic improvement benchmarks in the Academic Improvement Plan after the three school years or after an extension, the ADC will be dissolved and the District board will retain control. Ultimately, if ECCSD does not meet at least a majority of the academic improvement benchmarks at the end of five school years or if ODE does not approve its extension application(s) the ADC shall appoint a new CEO and regain control of the District.

Academic Improvement Plan Development

ECCSD's Academic Improvement Plan is titled The East Cleveland City School District's Road to Academic Recovery and Revitalization, or the Revitalization Plan. The Revitalization Plan is a 58-page document that includes areas of focus, strategies for accomplishing area objectives, and 20 improvement benchmarks. The Revitalization Plan was approved by ODE on Friday, December 3, 2021 and went into effect July 1, 2022.

ECCSD's latest strategic planning process began in February 2019, before ORC 3302.103 and the process that would allow school boards to regain control of district operations through Academic Improvement Plan benchmarks was enacted. To inform the strategic plan, listening tours and stakeholder meetings were held throughout the ECCSD community. Additionally, two surveys were conducted, one for ECCSD staff members and one for ECCSD families and community members.

Academic Improvement Plan Benchmarks

The Revitalization Plan has 20 benchmarks that have been approved by ODE. These benchmarks include College Ready benchmarks and Career Ready benchmarks. Life Ready benchmarks are also in the document, but these are not included in the benchmarks to get ECCSD out of academic distress. Baseline data comes from the latest available data, which is FY 2021. Benchmark targets were developed based on baseline data with assistance from ODE. The data used to measure these benchmarks include assessments established by the state of Ohio and external assessments approved by the state. A complete list of the benchmarks, the District baseline measurement, and FY 2025 target measurement are listed in the table below.

ECCSD FY 2021 Benchmark Baseline and FY 2025 Targets

#	Benchmark	Baseline	Target
1	District Performance Index	35.20%	60.00%
2	% of students in grades 9-12 with GPA of 3.0 or higher	13.66%	50.09%
3	% of students in grades 6-8 with GPA of 3.0 or higher	25.20%	52.75%
4	% of ACT Composite scores 18 or higher	3.85%	19.50%
5	% of 6-8 grade students meeting or exceeding expected growth in reading over the course of one school year using MAP Growth Reading	27.00%	68.33%
6	% of 3-5 grade students meeting or exceeding expected growth in reading over the course of one school year using MAP Growth Reading	25.82%	63.06%
7	% of 6-8 grade students meeting or exceeding expected growth in math over the course of one school year using MAP Growth Math	38.60%	74.12%
8	% of 3-5 grade students meeting or exceeding expected growth in math over the course of one school year using MAP Growth Math	17.06%	57.08%
9	% of students in 6-8 grade passing core classes	68.09%	95.60%
10	% of students in 3-5 grade passing core classes	76.98%	94.29%
11	Four Year Graduation Rate	80.00%	86.00%
12	% of students passing Algebra 2	22.83%	54.46%
13	% of K-2 students proficient in early numeracy	20.93%	42.47%
14	% of prekindergarten students proficient in early numeracy	51.11%	59.00%
15	% of K-2 students proficient or higher in phonological awareness	12.63%	45.00%
16	% of prekindergarten students proficient or higher in phonological awareness	42.20%	50.00%
17	Lower District Chronic Absenteeism Rate	62.32%	20.00%
18	% of 9-12 grade students in co-curricular activities	38.06%	58.00%
19	% of 6-8 grade students in co-curricular activities	35.59%	50.00%
20	% of students who have earned Industry Credential(s)	7.95%	65.00%

Source: ECCSD

If the District meets a majority, or at least 11 out of the 20 FY 2025 targets at the conclusion of FY 2025, then it will qualify to have the ADC dissolved. In addition to the final target, the District has identified targets for each of the benchmarks in FY 2023 and FY 2024. By meeting these annual targets, the District can more easily monitor its progress toward meeting the FY 2025 target.

Academic Improvement Plan Implementation Strategies

As part of implementing the Academic Improvement Plan, ECCSD utilizes the Ohio Improvement Process (OIP). OIP is an organizational strategy from ODE that has five steps for continuous improvement. Using OIP, districts engage in a collaborative needs assessment process with stakeholders to identify critical needs. Districts then conduct research to find evidence-based strategies, practices, or activities that have been evaluated and shown to improve student outcomes. These either support all students (Tier I, universal supports); provide interventions to groups of students (Tier II); or include individual interventions (Tier III). Districts then plan for implementation using Ohio's One Plan system. Implementation includes the changes in teacher, staff, and administrator behavior that impact student outcomes. These student outcomes are monitored to allow implementers to course correct. This correction includes recommendations to continue, modify, or eliminate practices.

The Revitalization Plan has five commitments to accomplish the mission of providing the children of East Cleveland with the academic and social-emotional preparation to succeed in the college and/or career pathway of their choice. These five commitments include:

1. Turnaround Leadership;
2. Transformative Instruction and Supports;
3. Talent Management;
4. Together WE are East Cleveland; and,
5. Transparent Finances and Operations.

Each of these commitments has a theory of action, which is a hypothesis about what will happen when a set of strategies is implemented. Following each theory of action is a series of strategic objectives, strategic initiatives, and proposed action steps or proposed measures.

A sample of Academic Improvement Plan strategic initiatives and how they will help the District meet its benchmark targets are listed below. A full list of the District's commitments, strategic objectives, strategic initiatives, and action steps can be found [here](#).

- **Develop and implement a system to recruit and support highly qualified staff at all levels.** Qualified staff are more effective in their roles. Qualified and effective teachers are an important factor in academic achievement (see **Staffing** section).
- **Share measurement targets, timelines, and milestones with board of education, ADC, students, staff, parents and the community.** Regularly updating and collaborating with stakeholders helps sustain an entity's mission and promote favorable outcomes.
- **Preserve and expand common planning time for educators at all levels to develop lessons, problem-solve and review data regularly and collaboratively.** Having time to review and reflect on data is essential for allowing educators to adjust instructional methods to improve student outcomes.

- **Ensure a safe and nurturing learning environment for all students.** Students are more likely to attend school and learn when they feel safe at school.
- **Explore new ways to engage families effectively.** Families are important stakeholders in the educational process.

We found that there are not proposed dates for starting or target dates for completing the action steps within the Revitalization Plan. Additionally, the School Scorecard and reporting available on ECCSD’s website does not include what action steps have been completed to date, or if there have been obstacles in implementing the action steps.

Additionally, while the action steps are related to each respective commitment, and all benchmarks are within the Transformative Instruction and Supports commitment, there are not action steps for specific benchmarks. The reason for this, as stated by ECCSD leadership during discussions about the Revitalization Plan, was due to the interconnected nature of instruction and student results. Due to the nature of education, one action step may influence multiple benchmarks, or a necessary action step may not influence benchmarks but rather make other actions possible. However, this approach makes it difficult to ascertain progress and adjustments to action steps, both for our auditors and for community members or parents seeking to monitor progress.

Academic Improvement Plan Monitoring and Communicating Progress

ECCSD is formally monitoring progress in 11 benchmarks on a quarterly basis and 9 benchmarks on an annual basis, as shown in the table below. While those are the frequencies with which the benchmarks are formally monitored, ECCSD officials discussed monitoring some benchmarks more frequently due to the availability of data and the ability of the data to inform decisions quickly.

ECCSD Benchmark Monitoring Formal Frequency

Readiness Category	Area of Focus	Benchmark(s)	Quarterly Monitoring	Annual Monitoring
College	Performance Index	1		✓
College	GPA	2, 3	✓	
College	Standardized Testing	4		✓
College	Reading Growth	5, 6		✓
College	Math Growth	7, 8		✓
College	Passing Classes	9, 10, 12	✓	
College	Graduation	11		✓
College	Early Numeracy	13, 14	✓	
College	Early Literacy	15, 16	✓	

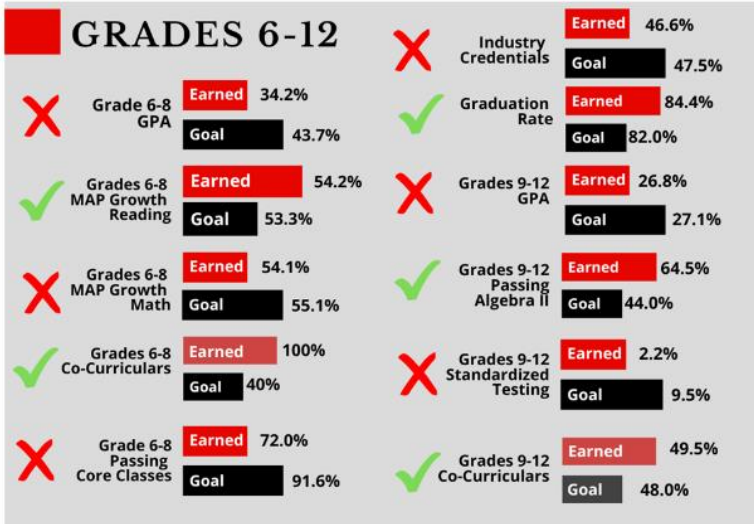
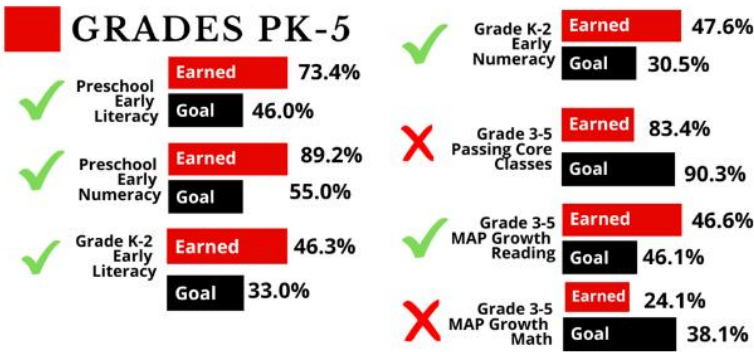
Efficient • Effective • Transparent

Career	Chronic Absenteeism	17		✓
Career	Co-Curricular Involvement	18, 19	✓	
Career	Industry Credential	20		✓

Source: ECCSD

ECCSD is communicating its progress toward completing benchmarks with the public through district and school scorecards. These scorecards show the District’s progress toward completing the annual benchmark targets established in the Academic Improvement Plan.

FY 2023 District Scorecard




The East Cleveland City School District’s Revitalization Plan measures twenty metrics across all grade levels. To solidify local control, the District must meet at least 11 of these metrics by the close of the 2024-25 school year.



Source: ECCSD

Additionally, scorecards for each school are updated as data becomes available, as seen in the visual below.

FY 2023 Quarter 2 School Scorecard Example

 SHAW HIGH SCHOOL Score Card										
Quarterly Benchmarks						Annual Benchmarks				
Benchmarks	Goal (%)	Q. 1	Q. 2	Q. 3	Q. 4	GOAL	RESULT			
Grade Point Average	27.1	29.1	31.6	----	----	Standardized Testing	9.5	2.1*		
AP Classes	90.0	80.0	67.7	----	----	Industry Credentials	47.6	----		
Honors Classes	90.0	100	77.7	----	----	Graduation Rate	82.0	----		
Algebra II	44.4	80.3	75.4	----	----	Chronic Absenteeism	35.0	54.5*		
Dual Credit	10.0	01.1	01.1	----	----	Attendance				
Self-Regulation	95.0	92.4	98.8	----	----	1st	2nd	3rd	4th	
Co-Curricular Activities	48.0	15.8	25.9	----	----	Grade 9	88.4	84.5	----	----
						Grade 10	85.2	82.9	----	----
						Grade 11	88.6	84.7	----	----
						Grade 12	87.9	85.0	----	----

Source: ECCSD

Additional information about the Academic Improvement Plan can be found in the **Academic Improvement Plan Progress** section.

Results of the Audit

Our audit focused on three broad areas of analysis: Resource Allocation, District Operations, and the Academic Improvement Plan. Over the course of the audit, we analyzed data from FY 2022 to identify and develop a baseline for comparison. To achieve a majority of the District’s benchmarks in FY 2025, the District will need to successfully implement strategies to improve student academic achievement, monitor progress, and make adjustments as necessary. To accomplish this, the District will need to carefully allocate both their financial and human resources. FY 2022 baseline data was compared to FY 2023 data, where appropriate, so that we could identify any areas that might help the District to achieve its overall Academic Improvement Plan goals.

Throughout our audit, we acknowledge that the District’s expenditures were higher than the primary peer and statewide average. However, due to the circumstances facing the District, our primary goal was not to identify cost savings measures. Instead, our audit results are a combination of key observations and recommendations that were identified through our data-driven analyses. The District can use the information that we present in this audit report and that we have provided throughout the audit process to make strategic decisions designed to improve the District’s academic performance.

Summary of Observations and Recommendations

Key Observation 1: ECCSD has historically been reliant on guaranteed payments through the state foundation funding formula. In FY 2023, with the implementation of a new foundation formula, this trend continued. For example, under the new formula, if fully phased-in, the District would have received approximately \$11.4 million less, or 40.7 percent less, in total state foundation funding in FY 2023, if not for existing guarantees. While these guarantees are included in state law, if changes are made to how these are calculated, the District’s finances would be particularly vulnerable.

Key Observation 2: The District received approximately \$20,000 in state foundation funding on a per-pupil basis compared to the peer average of approximately \$10,000 in FY 2022. The stark difference in per-pupil funding can be attributed to a number of factors, but is particularly impacted by the District’s declining enrollment along with the District’s reliance on state guaranteed funding levels. So long as the guaranteed funding levels remain in place and the District’s enrollment continues to decline, the difference in per-pupil funding levels between ECCSD and the peer group will likely continue to grow.

Key Observation 3: In FY 2022, ECCSD spent more than twice as much per-pupil as the peer average on non-classroom operating costs. This resulted in approximately \$6,250 more in expenditures for each student educated compared to the peers. These expenditures were driven by a variety of factors including payments to utility providers, salaries and benefits of employees, and legal services.

Key Observation 4: The District spent \$5.1 million in ESSER funds in FY 2022 and \$15.6 million in FY 2023; as of October 2023, \$7.1 million remains to be expended before the funding expires. After reviewing ESSER-funded expenditures and interviewing ECCSD personnel regarding ESSER spending, it appears the District generally followed ODE’s ESSER spending guidance, and—for the most part—utilized funds for one-time and short-term purchases. The District should continue to carefully manage its ESSER dollars by tracking ESSER Fund spending, following available guidance, and assessing the financial and academic impact of expenditure decisions, especially those that will either need to be continued or discontinued in the future.

Key Observation 5: ORC §3319.111 requires teacher expertise and performance to be evaluated on an annual basis. The District’s management paused the statutorily required evaluations during the COVID-19 pandemic. This resulted in the District not completing teacher evaluations in FY 2022 and completing approximately half of the evaluations in FY 2023. Because this data was unavailable, we were unable to complete comparative analyses regarding teacher performance. While ECCSD stopped teacher evaluations starting in FY 2022 and into FY 2023, they reported that they are working to resume evaluations and return to typical evaluation cycles.

Key Observation 6: ORC §3319.02 requires principals to be evaluated on an annual basis. The District’s FY 2022 principal evaluations revealed half of the District’s principals are reported as developing and the other half is reported as skilled. These numbers indicate that the District’s principals are less accomplished than the peer average, which had approximately 7 percent rated as developing, 70 percent rated as skilled, and 17 percent rated as accomplished. As part of the Academic Improvement Plan, the District is working to build upon the professional development of building leadership. However, despite this stated goal, the District’s expenditures directed to professional development have been decreasing, which could limit the ability to improve principal performance.

Key Observation 7: Despite having policies and reported actions that meet best practices established by ODE and Attendance Works, the District’s student attendance rate and chronic absenteeism rate worsened from FY 2022 to FY 2023. This has resulted in the District not meeting its FY 2023 Academic Improvement Plan chronic absenteeism benchmark target. Further, the benchmark goals continue to increase in FY 2024 and FY 2025, which means that the District will have to increase efforts and make more progress than initially planned in FY 2024 to meet the Academic Improvement Plan benchmark goal. While reducing chronic absenteeism is important for the District to achieve its benchmarks, it is also important because high chronic absenteeism may be negatively impacting student performance.

Key Observation 8: The District met 10 of 20, or half, of the FY 2023 benchmark targets, which is not a majority of benchmarks. To be removed from Academic Distress, the District must meet the majority of its stated Academic Improvement Plan benchmarks. In addition to maintaining progress for the ten goals that met the FY 2023 benchmark, the District will have to make up ground on the other benchmarks to meet the FY 2025 goals and be removed from Academic Distress. While the District did not meet a majority of the FY 2023 benchmark targets, it did

make improvement on 19 of the 20 benchmarks. Additionally, the District already met or surpassed 7 of 20 (35 percent) of its FY 2024 benchmark targets and 6 of 20 (30 percent) of its FY 2025 benchmark targets. It should be noted that regardless of FY 2023 results, the District will need to continue to work towards meeting the stated benchmark goals at the end of FY 2025. If, for example, it met a goal in FY 2023 or FY 2024 and then regresses, the benchmark would not be considered met in FY 2025.

Recommendation 1: While the District creates an annual budget, it does not have a formal, written budgeting process. ECCSD spent more than \$47 million in FY 2022, and the budget process led to the decisions on where to allocate each one of these dollars. GFOA School Budgeting Best Practices outline the ideal contents of such a process, and while ECCSD generally follows these best practices, it does not meet all of the GFOA criteria. A formal, written budgeting process that identifies roles and responsibilities for employees would allow for a more transparent and effective budget. In order to ensure the District is making the most informed decisions with their resources, and is as prepared as possible for future needs, they should consider developing a written budget plan and addressing each of the GFOA elements into their annual budget process through the addition of steps or design and implementation of relevant policies/plans.

Recommendation 2: Capital expenditures occur each year and require adequate planning and preparation. In FY 2022, ECCSD spent more than \$6 million on these types of expenditures, fueled by ESSER funds. A capital plan aids an organization in outlining current and future capital expenditures and how they are to be funded, as well as tracking capital assets to prepare for replacement or repair. As ECCSD does not currently have a formal approved capital plan, the District should design, approve, and implement a formal capital improvement plan, including taking steps to align their plan with GFOA best practices for a Capital Improvement Plan and its contents, as well as incorporating an asset maintenance and replacement plan.

Issue for Further Study 1: Our audit did not include a detailed building utilization or facilities staffing analysis. However, during the course of the audit, we identified potential opportunities for increased efficiency in this area along with overall staffing based on other areas of analysis. The District's enrollment declined by nearly 30 percent between FY 2018 and FY 2022. We found that building related expenditures for the District were significantly higher than the peer averages, likely driven by declining enrollment. A strategic review of building operations could identify opportunities for consolidation or improved efficiency that may lead to reductions in expenditures in this area.

Recommendation 3: While ECCSD has goals and action steps relating to staffing integrated into the Academic Improvement Plan, the District does not have a formalized strategic staffing plan. As future staffing decisions are made, the District should adopt a strategic approach designed to improve teaching quality and enhance student performance. The District should develop a formal and comprehensive strategic staffing plan that addresses districtwide staffing needs and is linked to the District's budget and forecast. Establishing staffing allocation for administrative, certificated, and support staff will assist the District in better planning for the future, both in the areas of

ensuring adequate delivery of education as well as proper management of financials. A strategic staffing plan will help ensure staffing is appropriate and can be leveraged to achieve the goals and objectives of the District, such those in the Academic Improvement Plan, in a way that aligns with available financial resources.

Recommendation 4: Employee compensation has multiple components including salaries or wages and insurance benefits. Our analysis found that the District’s salaries are generally lower than the local peer averages, but the insurance benefits offered by the District are more generous than the peer averages. Because total compensation involves both salaries and insurance, the District must consider the impact of its offerings to ensure it is competitive in the local market. Particularly, we found that offering lower salaries and generous insurance benefits may result in lower total compensation for those employees that do not utilize their full insurance benefits. Conversely, for those employees that hit out of pocket maximums for insurance, the total value of their salaries and insurance benefits exceeds that of the peer average. The District should work to determine which compensation factors would help to attract and retain educators. Evaluating salary and insurance offerings together could assist the District in negotiating compensation packages that are competitive within the local market. This could assist the District in attracting and retaining quality staff, while ensuring District costs are in alignment with local peers.

Recommendation 5: ECCSD officials expressed concerns about the impact of employee leave usage on District operations. We found that usage of employee leave at the District is in-line with peer averages. However, the District does not use specific USAS coding to identify detailed information about leave usage. In its current account coding practices, ECCSD does not record leave as its own category distinct from overall employee compensation. Nor can the District distinguish between various leave sub-categories (such as sick, vacation, personal, maternity, etc.) in their accounting queries. Collecting this information will provide the District the ability to run financial analyses that could inform operational strategies related to leave usage.

Recommendation 6: The District must achieve a majority of its benchmarks at the end of FY 2025 to be released from Academic Distress. Because the District met only half of the FY 2023 benchmark targets, it will need to work to make up ground to meet the FY 2024 targets and ultimately the FY 2025 Academic Improvement Plan benchmarks. Since the FY 2023 results were released, the District has not communicated whether it plans to make adjustments to its Academic Improvement Plan implementation strategies in order to improve progress toward achieving a majority of benchmark targets in FY 2024 and FY 2025. Because the District did not make the necessary improvements to meet FY 2023 benchmark targets, it should determine how its Academic Improvement Plan implementation strategies need to be adjusted. Once these adjustments are identified, the District should communicate its decisions with appropriate stakeholders. Additionally, the District should use the results of this report to evaluate whether additional resources, such as its \$7 million in remaining ESSER funding, should be dedicated toward implementing strategies to meet the future benchmark targets in FY 2024 and FY 2025. Communicating any adjustments with stakeholders will allow for greater transparency and

sustained outcomes, while continuing to evaluate the allocation of Districts funds will allow the District to best utilize its resources in implementing the Academic Improvement Plan.

Financial Operations

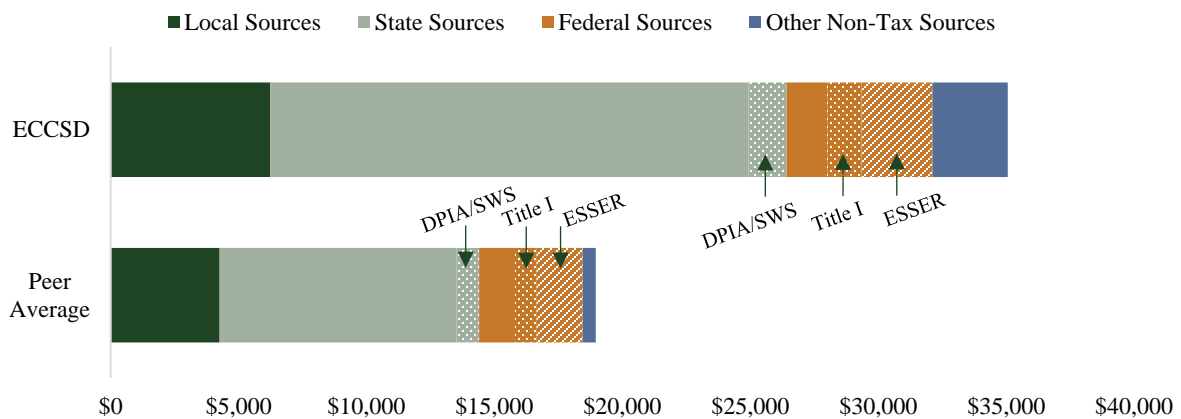
Government entities, including school districts, are expected to be good stewards of taxpayer dollars. School officials have a responsibility to maximize program outcomes and success while minimizing costs. The District has one of the highest revenues and expenditures per pupil across the state. Our detailed analysis of per-pupil revenue and expenditures provides insight into the ways in which the District is attempting to strategically spend these dollars in order to provide students with a quality education and achieve goals identified in the District’s Academic Improvement Plan.

Revenue Comparison Overview

Revenue per Pupil

In FY 2022, ECCSD received \$35,060 in revenue per pupil, while its peers received an average of \$18,961 per pupil. Note that some of this difference can be attributed to the fact that ECCSD chose to use more ESSER funds than its peers did in FY 2022. Details on ECCSD’s FY 2022 spending of its ESSER funds can be found in **Appendix G**. Without the presence of ESSER Fund revenues, ECCSD received \$32,290 in revenue per pupil, while its peers, on average, received \$17,170 per pupil. See the below visual for a breakdown of revenue per pupil by source in FY 2022.

Revenue per Pupil by Source, ECCSD vs. Peers, FY 2022



Source: ECCSD & Peer USAS Data, FY 2022

Note: Other Non-Tax Sources include tuition, transportation fees, earnings on investments, revenues from sales of food, extracurricular activities revenues, revenues from sales of classroom materials, miscellaneous receipts from local sources, and receipts from intermediate sources (i.e., not local, state, or federal sources).

Note: The “Title I” bar, while mostly composed of Title I-A funds, contains some amounts of Title I-D funds for Neglected or Delinquent Children, School Quality Improvement Grants, Expanding Opportunities for Each Child Grants, and McKinney-Vento Homeless Assistance Program Grants, that are also liquidated into Fund 572 in the USAS data.

As seen above, ECCSD received more state revenue per pupil than the peer average in FY 2022—\$20,174 per pupil, compared to the peer average of \$10,140 per pupil. Though much less so, ECCSD’s local funding was also higher than its peer average—ECCSD received \$6,235 per pupil in local revenue, compared to the peer average of \$4,258 per pupil. The District’s assessed property valuation per pupil in FY 2022 was \$104,641, slightly less than the peer average of \$105,949. However, the District compensated with higher property tax rates—in Tax Year 2022, ECCSD collected revenues on 54.71 mills of property tax for residential properties; the peer average in that year was 43.3 mills. This, in combination with ECCSD’s low median income, means that ECCSD’s local tax effort exceeded its peer average, and East Cleveland residents, as compared to their available resources, spend more on their District than their peers.

Revenue Received for Disadvantaged Students

A greater percent of ECCSD’s student population is economically disadvantaged compared to the state average. In fact, in FY 2022, 100 percent of the District’s students qualified as economically disadvantaged—in that year, the state average was 44.94 percent. To address the unique barriers to learning caused by poverty (see Barriers to Learning section), ECCSD receives some funding that other school districts in the state either do not receive or receive at a proportionately lower amount.

One such example is Title I, Part A of the Elementary and Secondary Education Act (ESEA). The U.S. Department of Education’s largest K-12 grant program, Title I-A provides financial assistance to local educational agencies (LEAs) and schools with high numbers or high percentages of children from low-income families. The goal of Title I-A is to ensure economically disadvantaged children receive a fair, equitable, and high-quality education, and to shrink educational achievement gaps. Districts like ECCSD wherein the proportion of students in poverty is 40 percent or greater are considered “schoolwide program schools”—under this model, all students attending the district’s public schools are considered “Title I students”, and the school may use Title I-A to support any reasonable activity designed to improve the school’s educational program, so long as it is consistent with the school’s needs and plan. ECCSD received \$2,442,000, or \$1,633 per pupil, in Title I-A funding in FY 2022; its peers received an average of \$640 per pupil.¹¹

Furthermore, high-poverty districts receive more in two important state foundation funding components—Disadvantaged Pupil Impact Aid (DPIA) and the Base Cost Student Wellness and Success (SWS) Component. DPIA is “supplemental funding ... provided for economically disadvantaged students in acknowledgement that low-income students require additional resources and supports to ensure an opportunity to learn”. The Base Cost Student Wellness and Success Component is similar in nature and purpose to DPIA. DPIA and Base Cost Student Wellness and Success Component monies are permitted to be spent only on a select set of

¹¹ 7.4 percent of the Title I-A funds received by ECCSD in FY 2022 was passed to non-public schools; for its peers, an average of 6.1 percent was passed to non-public schools.

initiatives intended to improve the mental, physical, and emotional well-being and academic outcomes of disadvantaged students. In FY 2022, ECCSD received \$1,198,000, or \$801 per pupil, in DPIA and \$873,000, or \$584 per pupil, in SWS; its peers received \$651 per pupil in DPIA and \$192 per pupil in SWS, on average.

Expenditure Comparison Overview

Expenditure per Pupil

In FY 2022, ECCSD spent \$31,968 per pupil¹²—however, 10.8 percent of the expenditure amount was made from the Elementary and Secondary School Emergency Relief Fund. ECCSD’s FY 2022 ESSER spending patterns are covered in **Appendix G**. Because the presence of this fund skews how much ECCSD spends in a typical year, expenditures from the ESSER fund are removed from the visuals below. With ESSER funded expenditures removed, ECCSD spent \$28,532 per pupil in FY 2022.

The Ohio Department of Education’s school report cards sort a school district’s expenditures into three categories: classroom instruction operating expenditures, non-classroom operating expenditures, and non-operating expenditures. These categories are a useful way to distinguish expenditures and are thus used in portions of this audit. Details on the items included in each category are provided below.

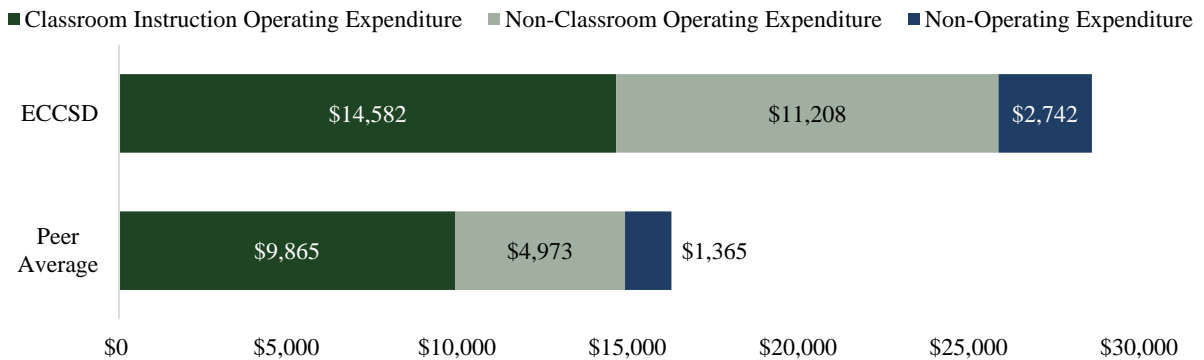
Classroom Instruction Operating Expenditures	Non-Classroom Operating Expenditures	Non-Operating Expenditures
<ul style="list-style-type: none"> • Instruction • Pupil Support <i>(Guidance, Health, Psychological, Speech, Audiology, Social Work Services, etc.)</i> • Instructional Staff Support Services 	<ul style="list-style-type: none"> • General & School Administration • Maintenance Services • Pupil Transportation • Food Service • Other and Non-Specified Support Services <i>(Fiscal, Business, Central Services, etc.)</i> 	<ul style="list-style-type: none"> • Enterprise Operations • Community Services • Non-Public School Services • Adult Education • Construction • Land and Existing Structures • Equipment • Interest on Debt • Other Operation of Non-Instructional Services <i>(including Sport Oriented Activities)</i>

Excluding ESSER, ECCSD spent \$28,532 per pupil in FY 2022; its peers, on average, spent \$16,202 per pupil. These per-pupil expenditures are broken out into the three aforementioned ODE school report card categories in the visual below. As seen, roughly half of ECCSD’s

¹² In FY 2022 ECCSD's Pre-K through 12th grade enrollment of 1,496 as reported by ODE in the District Report Card was used in these per pupil calculations.

expenditures were classroom instruction operating expenditures—most of the remaining expenditures were non-classroom operating expenditures. ECCSD’s operating expenditures (in and out of the classroom), as well as its non-operating expenditures, exceeded the peer average in FY 2022.

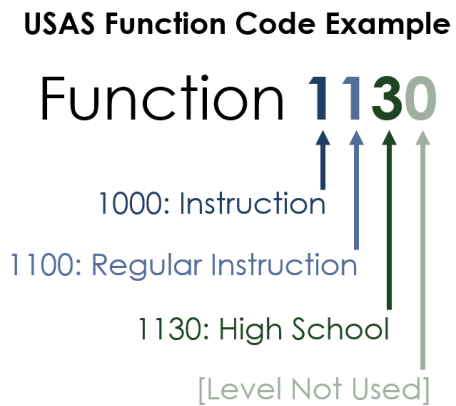
Expenditure per Pupil, ECCSD vs. Peers, FY 2022



Source: ECCSD & Peer USAS Data, FY 2022

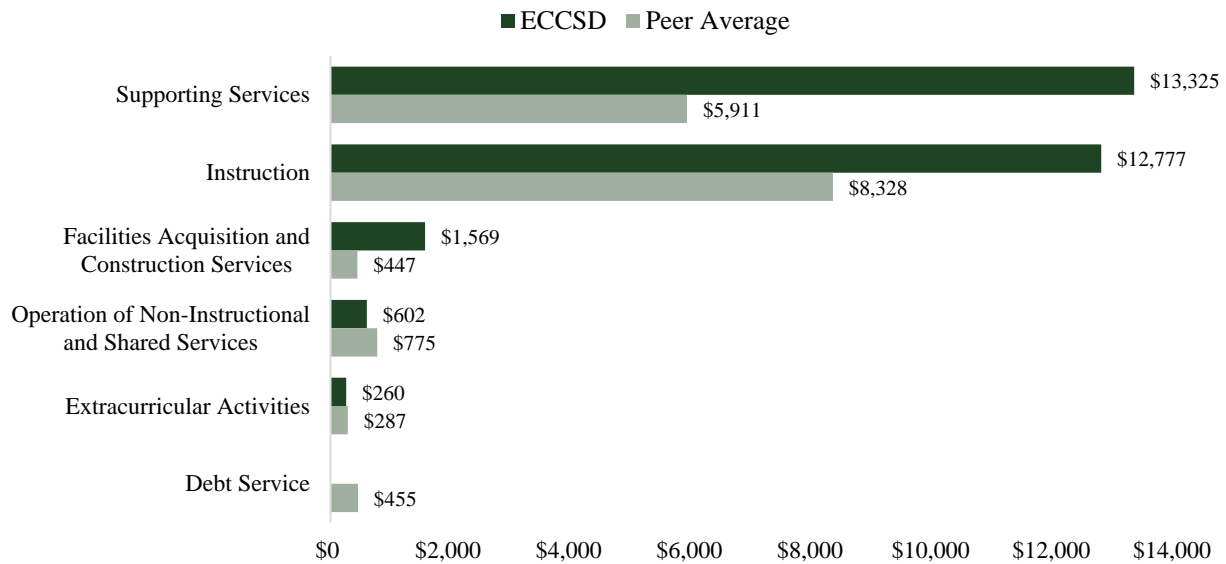
ECCSD’s classroom instruction operating spending per pupil was 47.8 percent higher per pupil than its peer average in FY 2022, its non-classroom operating spending per pupil was 125.4 percent higher, and its non-operating spending per pupil was 100.9 percent higher.

Expenditures can also be observed according to the functions and objects school districts are required to assign their financial transactions to, per the USAS Manual. A function is a broad area of programs, sub-programs and activities into which expenditures are classified. The function code associated with a transaction is four digits, permitting four levels of detailing—see the graphic to the right. Essentially, viewing expenditures by function allows one to observe to which activities, broadly speaking, ECCSD is allocating its funding.



The visual below compares ECCSD expenditures per pupil by Function Level 1, the broadest function level, to the peer average in FY 2022. In FY 2022, the majority of ECCSD’s and its peers’ expenditures were for the purposes of instruction and supporting services.

Expenditure per Pupil by Function, ECCSD vs. Peers, FY 2022



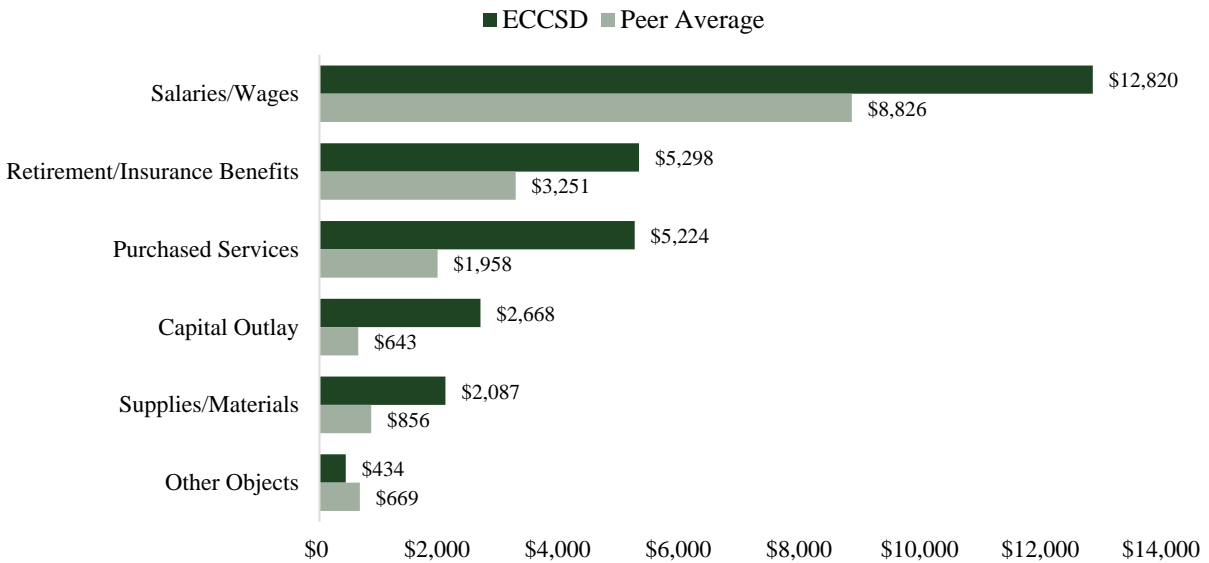
Source: ECCSD & Peer USAS Data, FY 2022

In FY 2022, the majority of ECCSD’s and its peers’ expenditures were for the purposes of supporting services and instruction. Unlike its peers, ECCSD dedicated more of its spending toward supporting services than instruction. ECCSD’s per-pupil expenditures exceeded the peer average under both of these functions.

ECCSD’s and its peers’ FY 2022 expenditures can also be delineated by object in order to show the goods and services purchased by ECCSD for the implementation of its activities. An object further identifies expenditures by defining goods and services the school district pays for. The object code associated with a transaction is three digits, permitting three levels of detailing—see the graphic to the right. The below visual depicts ECCSD expenditures per pupil by Object Level 1, the broadest object level, against its peer average in FY 2022.



Expenditure per Pupil by Object, ECCSD vs. Peers, FY 2022



Source: ECCSD & Peer USAS Data, FY 2022

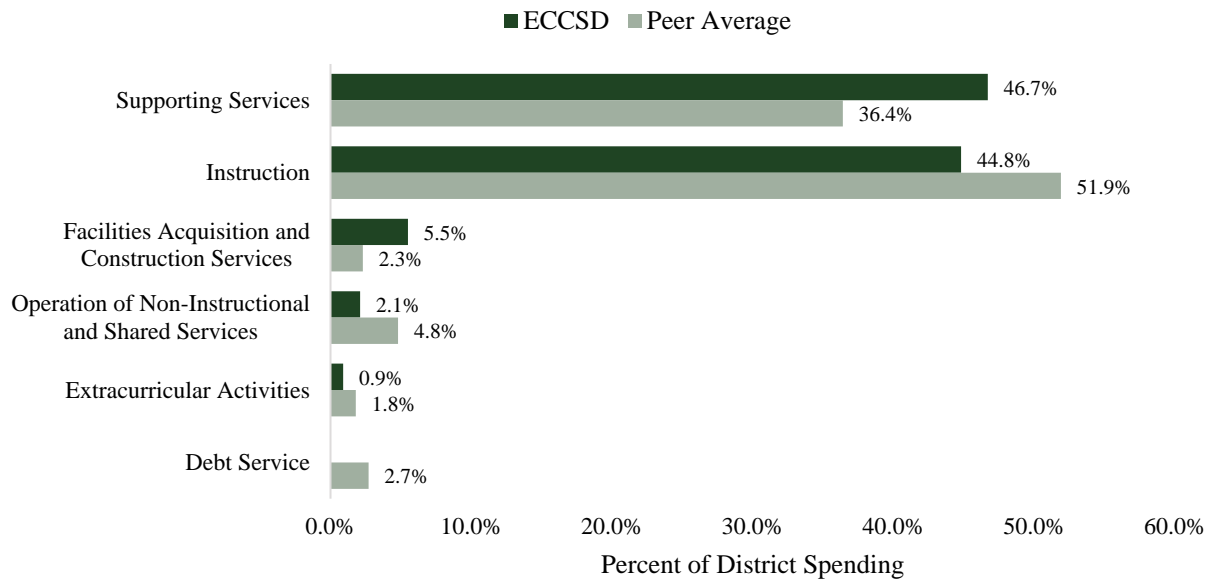
Most of ECCSD’s FY 2022 spending was on employee salaries and benefits—the District’s per-pupil expenditures exceeded the peer average under both of these objects. The District’s spending per pupil was also higher for purchased services, capital outlay, and supplies/materials.

Expenditure as a Proportion of Total

ECCSD’s expenditures per pupil surpass its peer average across most function and object codes, as well as in total—at least in part, because the District receives more funding per pupil. To control for this, one can observe the District’s spending and its peers’ spending by function/object as a percent of its total spending. This view allows one to see if the District distributes its spending across functions/objects at a similar proportion to its peers, regardless of whether the District is overall spending more or less per pupil.

The below visual displays the proportion of its total FY 2022 spending that ECCSD and its peers, on average, dedicated to each function at Function Level 1.

Expenditure Distribution by Function, ECCSD vs. Peers, FY 2022

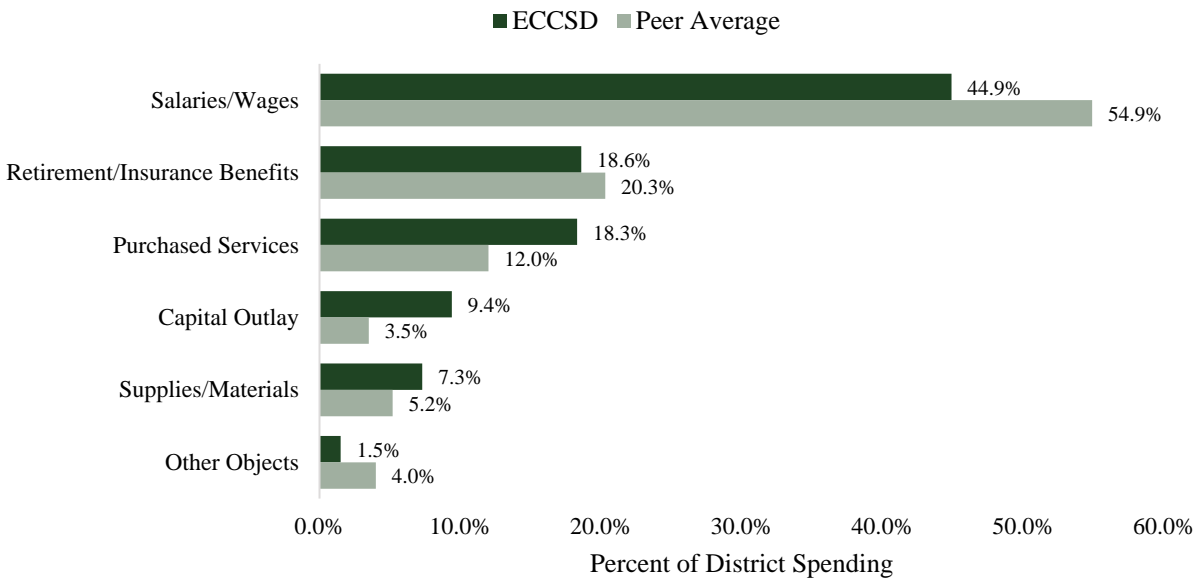


Source: ECCSD & Peer USAS Data, FY 2022

As seen, in FY 2022, ECCSD allocated its spending differently than its peers did. Unlike its peers, ECCSD dedicated a larger percentage (46.7 percent) of its expenditures toward supporting services—its peers dedicated 36.4 percent of their spending toward this function, on average. On the other hand, ECCSD dedicated 44.8 percent of its FY 2022 spending toward instruction, compared to the peer average of 51.9 percent. The District dedicated a slightly higher proportion of its spending toward facilities acquisition and construction services and a slightly lower proportion toward operation of non-instructional and shared services, extracurricular activities, and debt service.

The below visual displays the proportion of total FY 2022 spending that ECCSD and its peers, on average, dedicated to each object at Object Level 1.

Expenditure Distribution by Object, ECCSD vs. Peers, FY 2022



Source: ECCSD & Peer USAS Data, FY 2022

As seen, in FY 2022, ECCSD allocated its spending differently than its peers did. ECCSD dedicated a smaller proportion of expenditures to salaries and wages when compared to its peers—44.9 percent of its FY 2022 spending went toward this object, while its peers dedicated 54.9 percent of their spending toward the object, on average. However, ECCSD dedicated a similar proportion of its FY 2022 spending toward employee benefits—18.6 percent, compared to the peer average of 20.3 percent. In place of salaries and wages, the District dedicated a higher proportion of its spending toward purchased services, capital outlay, and supplies/materials.

Resource Allocation and Planning

The District must strategically manage revenues and expenditures to ensure that it remains in a strong fiscal condition. This can be accomplished through the development and implementation of multiple planning documents. Revenue should be allocated to regular expenditures on an annual basis through the use of a budget. Larger expenditures, such as building renovations or bus purchases, should be tracked using capital planning documents. These types of formal documents and plans can also be used to supplement the information provided in the District’s required five-year forecasts, which are submitted to ODE in May and November. This section of the report considers the District’s allocation of resources as they work to improve student performance and outcomes.

Recommendation 1: Enhance the Budgeting Process

While the District creates an annual budget, it does not have a formal, written budgeting process. ECCSD spent more than \$47 million in FY 2022, and the budget process led to the decisions on where to allocate each one of these dollars. GFOA School Budgeting Best Practices outline the ideal contents of such a process, and while ECCSD generally follows these best practices, it does not meet all of the GFOA criteria. A formal, written budgeting process that identifies roles and responsibilities for employees would allow for a more transparent and effective budget. In order to ensure the District is making the most informed decisions with their resources, and is as prepared as possible for future needs, they should consider developing a written budget plan and addressing each of the GFOA elements into their annual budget process through the addition of steps or design and implementation of relevant policies/plans.

Background

School district administrators put together a budget each year for the operation of the District. The budget outlines the planned distribution of the District’s funding for the fiscal year based on expected revenues and resource needs of students and staff.

Impact

By understanding its expected revenues and the resource needs of students and staff—and creating a plan for where received dollars will be allocated to meet those needs—ECCSD can ensure that each dollar the District receives is spent thoughtfully to achieve maximum impact. Fully adhering to best practices in school budgeting may help prevent the District from overlooking gaps between its resource acquisition and resource needs.

Methodology

We requested information from the District, including relevant policies and plans, in regard to their annual budgeting process. Though ECCSD was not able to provide documentation that explicitly draws out the budgeting process from start to finish, administrators provided testimonial evidence on how the process typically occurs.

Once we acquired an adequate understanding of ECCSD’s budgeting process, we compared the District’s process to *Best Practices in School Budgeting* (Government Finance Officers Association (GFOA), 2017), a formal guidance for school district financial administrators to adhere to when creating their annual budget. The guidance outlines five major steps and 15 sub-steps for budgeting—these can be seen in the table visual below. For each sub-step, we determined whether the District meets the best practice.

Further, *The Strategic School: Making the Most of People, Time, and Money* (Miles and Frank, Corwin Press, 2008) provides guidance related to the allocation of school resources. They propose a three-part strategy: invest in teaching quality, focus time on core academics, and create

individual attention. They note that high-performing schools look at staff and students first to determine their needs and then create a resource strategy that addresses those specific needs and supports an overarching instructional framework.

Analysis

ECCSD has a lengthy, multi-faceted budgeting process which covers multiple buildings, departments, and categories. Budgeting decisions are discussed throughout the year, up until budget submission, and after, and the impacts of those decisions are continuously monitored.

After comparing ECCSD’s budgeting process (as understood by analysts) to the GFOA’s best practices, we determined that ECCSD adheres to 11 of the 15 budgeting sub-steps recommended by the GFOA. ECCSD nearly meets best practices for the remaining four sub-steps.

GFOA School Budgeting Best Practices

	<input checked="" type="checkbox"/> Fully Meets Best Practices	<input type="checkbox"/> Nearly Meets Best Practices		
Plan and Prepare	Set Instructional Priorities	Pay for Priorities	Implement Plan	Ensure Sustainability
Establish a Partnership between the Finance and Instructional Leaders	Develop Goals	Applying Cost Analysis to the Budget Process	Develop a Strategic Financial Plan	Put Strategies into Practice and Evaluate Results
Develop Principles and Policies to Guide the Budget Process	Identify Root Cause of Gap between Goal and Current State	Evaluate and Prioritize Use of Resources to Enact the Instructional Priorities	Develop a Plan of Action	
Analyze Current Levels of Student Learning	Research and Develop Potential Instructional Priorities		Allocate Resources to Individual School Sites	
Identify Communications Strategy	Evaluate Choices amongst Instructional Priorities		Develop a Budget Presentation	

Source: ECCSD and GFOA

The sub-steps labeled as “Nearly Meets Best Practices” were marked as such for the following reasons:

- **Develop Principles and Policies to Guide the Budget Process:** While ECCSD has many principles and policies that guide its budgeting process, the District currently does not have a capital plan in place to outline and support capital expenditure decisions. Further information regarding capital plans can be found in **Recommendation 2**.
- **Identify Root Cause of Gap between Goal and Current State:** This sub-step recommends that a district should perform a root cause analysis to find underlying cause of gaps between current performance and desired performance. While the District sets goals, seen in the Academic Improvement Plan creation process and the District Strategic Plan, the inclusion of root cause analysis steps and tools would enhance the annual budgeting process.
- **Develop a Strategic Financial Plan & Develop a Plan of Action:** The District has many elements within these two sub-steps, such as a strategic plan with district-wide goals, forecasting processes using strategic discussions and past financial data, and sources to compare student learning outcomes to. However, they would need a strategic financial plan¹² with all elements combined in order to be marked as “Fully Meets Best Practices” for these sub-steps.

Though not explicitly called out in one of the aforementioned 15 sub-steps, an important component of a school district’s budgeting process is management of its grant funding. When comparing their grants management process to GFOA *10 Steps to Managing Grants Effectively* (2023) best practices the District appears to be generally in line. However, the District was not able to provide a list of grants applied for and/or received in the last three fiscal years. While the Treasurer indicated this information was kept as physical copies, having this data stored in a centrally accessible format could enhance future grant management decisions.

Lastly, the Academic Improvement Plan defines the District’s instructional framework. The District reported to us that one of the first stages in their budgeting process is an internal assessment of needs conducted by each principal within their building where the students are the focus. As part of this process step any expenditure changes, according to District personnel, are reviewed to determine how they will assist student outcomes. However, the District was unable to provide documentary evidence of this. As a result, it remains unclear how the budgeting process considers the student or staff needs crucial to effective classroom instruction.

Conclusion

The budgeting process is an extremely important and annual process which culminates in the allocation of District resources to reach their goals and positively impact their students. ECCSD spent more than \$47 million in FY 2022, and the budget process led to the decisions on where to allocate each one of these dollars. GFOA School Budgeting Best Practices outline the ideal contents of such a process, and generally ECCSD falls in line in comparison. However, with the

District receiving a “Nearly Meets” value for four of the fifteen sub-steps during our comparison, ECCSD may have an opportunity to enhance their budget process by addressing these areas. Further, we could not verify the process is consistent with the strategic school guidance typically employed by high-performing schools. In order to ensure the District is making the most informed decisions with their resources, and is as prepared as possible for future needs, they should consider incorporating these GFOA elements as well as the *Strategic School* guidance into their annual budget process through the addition of steps or design and implementation of relevant polices/plans.

Recommendation 2: Develop and Implement a Formal Capital Plan

Capital expenditures occur each year and require adequate planning and preparation. In FY 2022, ECCSD spent more than \$6 million on these types of expenditures, fueled by ESSER funds. A capital plan aids an organization in outlining current and future capital expenditures and how they are to be funded, as well as tracking capital assets to prepare for replacement or repair. As ECCSD does not currently have a formal approved capital plan, the District should design, approve, and implement a formal capital improvement plan, including taking steps to align their plan with GFOA best practices for a Capital Improvement Plan and its contents, as well as incorporating an asset maintenance and replacement plan.

Impact

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

Methodology

We interviewed District officials to determine whether they had a formal capital plan in place. While ECCSD does use various resources and study results in order to inform capital expenditure decisions, it was confirmed that there is no formal approved capital plan.

Analysis

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

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

Per GFOA, “It is extremely difficult for governments to address the current and long-term needs of their citizens without a sound multi-year capital plan that clearly identifies capital needs, funding options, and operating budget impacts.”

The District spent \$6.7 million, or \$4,451 per pupil, on capital outlay in FY 2022, and this represented 13.9 percent of total expenditures. Much of the capital outlay expenditures were

funded with ESSER dollars. The District spent \$3 million from ESSER funds in FY 2022 on capital outlay, or 40 percent of ESSER funded expenditures in that year.

Additionally, the District did not provide evidence of an asset maintenance and replacement plan. GFOA recommends establishing a system for “assessing their capital assets and then appropriately plan and budget for any capital maintenance and replace needs.” This type of plan would fit into the District’s overall capital plan, and some key elements include:

- Complete inventory and periodic measurement of physical condition and existence of all capital assets, with essential information recorded for tracking;
- Established condition and functional performance standards; and,
- Within the multi-year capital plan, allot sufficient funds for inventory assessment, reporting, maintenance, repair, renewal, replacement.

Within our analysis, supplies and materials coded transactions were determined to be key drivers of expenditure per pupil differences between ECCSD and the peer average for FY 2022 in multiple Instruction related function codes, as well as Administrative Technology Services. FY 2023 saw an increase in Classroom Instruction Operating Expenditures per pupil within supplies and materials object code. A large portion of these expenditures were computer related; computers are an asset that would greatly benefit from having an asset maintenance and replacement plan.

Conclusion

Identifying capital needs in the short and long term, how to fund them, and how that fits in with a district’s strategic plan are very important impacts that a formal capital improvement plan can realize. The capital expenditures that these plans inform can range in proportion of a district’s overall expenditures, and the benefits of a plan would have aided in District planning and budgeting in FY 2022 when ECCSD spent \$7 million on capital outlay. With ESSER funds remaining to spend, which the District tends to use for capital outlay expenditure, an approved and implemented plan should be a priority.

While the District has referenced study results specific to their facilities when planning capital expenditures, the District does not currently have a formal capital improvement plan approved and implemented to strategically utilize in their budgeting process. Decisions on how to spend funds and resources on these types of expenditures are made much more difficult without this type of plan, and in order to better position themselves in the future, the District should design, implement, and adhere to a formal capital improvement plan.

Issue for Further Study: Review Building Utilization

Our audit did not include a detailed building utilization or facilities staffing analysis. However, during the course of the audit, we identified potential opportunities for increased efficiency in this area along with overall staffing based on other areas of analysis. As previously stated, ECCSD has experienced declining enrollment over the past decade. According to ODE District Enrollment report data, between FY 2018 and FY 2022, ECCSD enrollment dropped by 29.5 percent.

ECCSD operated four K-12 school buildings in FY 2022. Additionally, the District has a preschool building and the Chambers Community Empowerment Center. Each building comes with an unavoidable fixed cost that the District must pay to keep it maintained and cover its utilities; additionally, certain staff members must be assigned to every building.

During the course of our analysis, we determined that in FY 2022 the District spent \$1,682 more per pupil than the peer average within Function 2720, Care and Upkeep of Building Services.¹³ This difference fell primarily into two objects, purchased services and personnel related expenditures. Within purchased services, ECCSD spent \$586 more per pupil than the peer average, which was further categorized as either “Repairs/Maintenance Services” or “Utilities” including Electricity and Water/Sewage. In terms of personnel related expenditures, ECCSD spend \$983 more per pupil on salaries and insurance within Function 2720. In FY 2023, the expenditure per pupil within Non-Classroom Operating Expenditures labeled as Function 2720 increased by 24.7 percent.

Additionally, within Function 2760, Security Services, the District spent \$357 more per pupil than the peer average. This difference was driven by personnel related expenditures, as the District spent \$245 more per pupil than the peer average on salaries and insurance within this function code. In FY 2023, spending in Function 2760 increased by 46 percent.

The District contracted with an architectural firm to complete a facilities study in 2019. ECCSD contracted with a building facilities company to further develop this study and through a series of meetings created an Infrastructure Repair and Replacement Cost budget with timelines. Additional spending found within “Repairs/Maintenance Services” may be attributed to the District applying the results of this process.

A strategic review of building operations could identify opportunities for consolidation that may lead to reductions in expenditures in this area. Further, results from this review should be incorporated in the District’s overall strategic capital plan outlined in **Recommendation 2**.

¹³ These expenditures per pupil comparison were conducted as a part of our key driver analysis and include expenditures contained within the “Non-Classroom Operating Expenditures” category.

Personnel and Personnel Expenditures

School district staffing shortages have long been in the forefront of national discussions. A 2016 report by the Learning Policy Institute found that teacher shortages were driven in-part by high rates of teacher attrition. While teacher attrition is high overall, teachers in high-poverty and high-minority schools have tended to have even higher rates of attrition in times of teacher shortages. Since high teacher turnover rates negatively affect the achievement of all students in a school, widespread teaching shortages disproportionately impact the academic achievement of high-poverty and high-minority schools.

National staffing challenges have been exacerbated by challenges arising from the COVID-19 pandemic. These staffing concerns have been expressed for both teaching and non-teaching positions. In the Sixth American School District Panel Survey conducted in fall 2022, 50 percent or more of school district respondents expressed slight to considerable shortages in the following staffing areas:

- Substitute teachers
- Special education
- Mathematics teaching staff
- Science teaching staff
- Elementary school teaching staff
- Bus drivers
- Paraprofessionals
- Mental health staff
- Tutors

Given these staffing shortages, school districts across the country have had to adapt their strategies for recruiting and retaining employees. Some of these strategies include changing the salaries, wages, and health insurance benefits offered by the district.

To find well-qualified workers for their open teaching and non-teaching positions, Districts need to evaluate how their salaries and wages compare to the local job market and adjust accordingly. In the Sixth American School District Panel Survey, 90 percent of responding districts made one or more policy changes in response to teacher shortages within their district, with 62 percent making at least one change to pay structures for teachers.

In conjunction with salaries and wages, insurance benefits make up a significant portion of the total compensation packages available for teaching and classified staff. When school districts are evaluating strategies for recruiting and retaining staff, the design of the health insurance plan should be included. The 2022 Global Benefits Attitudes Survey found that 48 percent of respondents said health care benefits were an important reason why they joined their employer. Additionally, 46 percent said they would forgo added pay for a more generous health care plan.

While it is important to have enough staff to accomplish school district goals, it is also essential to staff at a level that is fiscally sustainable. Additionally, while having a competitive compensation package is important for attracting and retaining talent, the compensation package's impact on a district's solvency should continue to be a consideration.

The following sections will include analyses comparing ECCSD's staffing levels, salaries and wages, and insurance benefits to those of peers. The context provided here and information about the District's financial condition should be included in any actions resulting from the comparisons shown.

Staffing

Ohio school districts are obligated to provide a basic education to students. This responsibility requires a workforce consisting of many different roles contributing to the overall operations of the district and the successes of the student.

The Education Management Information System (EMIS) is the statewide data collection system for Ohio’s primary and secondary education. Staff data, including demographic and employment information, is one of the many elements collected through this system. Uniform staffing data for all Ohio schools provides a means for comparative analysis. Using the position code¹⁴ descriptions as reported in the EMIS Manual, Section 3.9 Position Codes (ODE, 2022),¹⁵ we created categories to summarize and evaluate the distribution of the District’s staff and compared various staffing levels within categories to the peer average.

In FY 2022, ECCSD reported approximately 300 FTEs across the District.¹⁶ The District’s staffing levels by category are explained and illustrated below:

Administrators – includes assignments of the various skill levels required to perform management activities including system-wide executive management functions, and overseeing and managing staff members, programs, projects, and functions.

Educational – consists of assignments to provide educational services to students including, but not limited to, teachers, tutors, and counselors.

Support – includes assignments provided by licensed professionals (therapists, psychologists, social workers, nurses) as well as other instructional support positions inside and outside of the classroom including, but not limited to, technology staff, teaching aides, and instructional paraprofessionals.

Office Support – includes assignments to perform activities of preparing, transcribing, and preserving communications, records, and transactions. Further, office support consists of family and community liaisons.

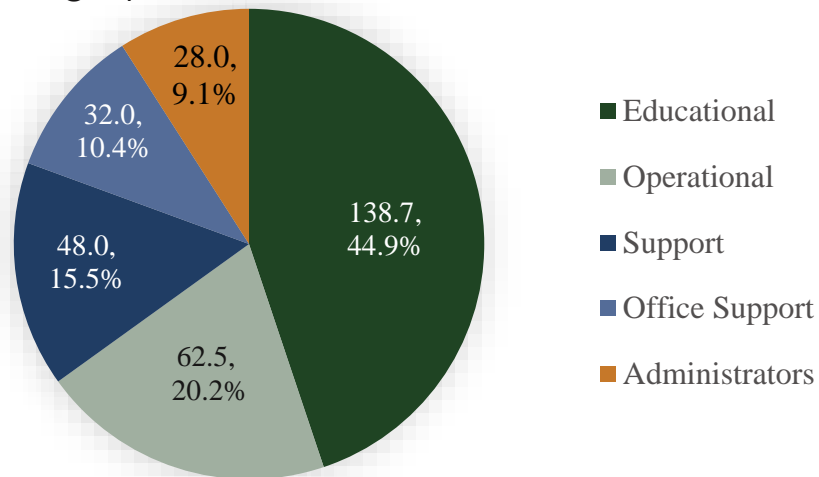
Operational – consists of assignments to provide operational services including, but not limited to, groundskeeping, maintenance, food service, transportation, custodial, and security.

¹⁴ Position codes are numeric identifiers in EMIS that identify staff members by his/her duties rather than by job titles that vary across districts.

¹⁵ [EMIS Manual, Section 3.9 Position Codes](#)

¹⁶ In FY 2023, ECCSD’s districtwide staffing decreased by 36.8 FTEs, which is a decrease of 11.9 percent.

FY 2022 FTEs by Category



Source: ODE

As shown in the chart above, approximately 45 percent of ECCSD’s FTEs in FY 2022 were within the educational category, providing direct educational services to students in and outside of the classroom. When examining the peer district average distribution of FTEs, 62 percent of FTEs fell into this category.

Our staffing analysis consisted of examining staff in position groups that impact academic performance, either directly or indirectly. After categorizing FTEs based on EMIS position codes and definitions, we identified groups of employees that have the most impact on the academic performance of a school district’s student population.¹⁷ Comparative analysis was conducted in the following groups:

- Teachers;
- Educational and Classroom Support;
- Administrators;
- Health and Wellness;
- Library; and,
- Outreach and Engagement.

To draw meaningful conclusions, District FY 2022 staffing levels were first analyzed and compared to the primary peer average on a per 1,000-student basis.¹⁸ We also calculated and compared ratios for select groupings by grade-band. Finally, we analyzed the experience, evaluations, and attendance of the District’s principals and teachers, as these metrics are shown to have a direct impact on academic performance.

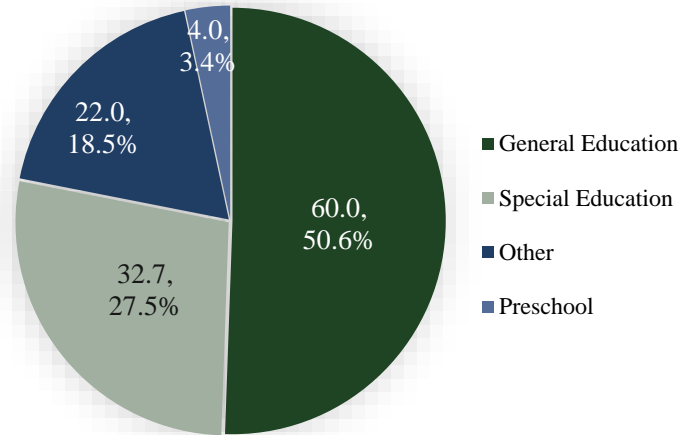
¹⁷ In the proceeding pages, see subsections in staffing for breakdown of positions and FTEs in each group.

¹⁸ Employees compared to primary peer average on an FTE per 1,000 student basis to allow for more precise and normalized comparison. Variances were converted to FTEs for the ECCSD.

Teachers

Teachers make up most of the educational category, 118.7 of the 138.7 FTEs illustrated in the Background Section.¹⁹ ECCSD employs multiple types of teachers to serve its student population. The largest portion, 60.0 percent, are general education teachers with another 27.5 percent making up the special education portion (which includes special education teachers and supplemental service teachers²⁰). The 18.5 percent in the other category includes 11.0 K-8 art, music, and physical education teachers, 7.0 career technical teachers, and 4.0 gifted education teachers.

ECCSD FY 2022 Teaching Staff



ECCSD reported 4.0 preschool teachers, making up 3.4 percent of its total teaching staff. The following analyses focus on teaching staff, preschool teachers and preschool enrollment are excluded from the staffing comparisons. ORC §3301.011 requires Ohio districts to report special education preschool enrollment, but not regular enrollment. Districts have various options for carrying out a preschool program to ensure students eligible for preschool special education receive the appropriate services. Because districts are only required to report special education preschool enrollment, comparative analysis to peer averages was impractical. Preschool services, however, are an important aspect of the District’s educational services.

Preschool programs support early learning for students prior to enrolling into kindergarten. The U.S. Department of Health and Human Services (HHS, 2017) says that studies indicate participation in these programs have been linked to reductions in special education placement, improvements in student retention, and increased high school graduation rates. ECCSD offers preschool programming at one building in the District, which is the Prospect Academy. Further, the District’s Academic Improvement Plan includes two benchmarks relating to the performance of its preschool students.

¹⁹ The remaining 20.0 FTEs within the educational category include: 2.0 curriculum specialists, 3.0 counselors (see mental health staffing comparison), 8.0 FTE remedial specialists (see educational support comparison), and 7.0 FTEs coded to “other professional-educational”.

²⁰ Intervention specialists are supplemental teaching positions who provide supplemental services to students with disabilities who receive their core academic subjects from a general education teacher.

In FY 2023, ECCSD reported a decline of 11.8 FTE teaching positions, a difference of 10.3 percent. The area of the most notable decrease was special education.

Staffing Comparison

The table illustrates the District’s K-12 teaching staff FTEs compared to the peer average on a per 1,000 student basis. The calculation for the adjusted difference is shown below:

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

The adjusted difference in FTEs shows the normalized variance between the ECCSD FTEs per 1,000 students and the peer average FTEs per 1,000 students. The adjusted difference column contains the values that demonstrates whether the District is below, in line with, or above the peer average. It is calculated through linking ECCSD’s student enrollment to the variance by multiplying the raw difference by the District’s K-12 student enrollment.

ECCSD and Peer District FY 2022 Teaching Staff

Students	ECCSD	Peer Average	Difference
Students Educated	1,417	2,655	(1,239)
Students Educated (thousands)	1.42	2.66	(1.238)

Position	FTEs	FTEs per 1,000 Students	FTEs per 1,000 Students	Adjusted Difference in FTEs
General Education	60.0	42.3	52.1	(13.9)
Special Education	32.7	23.1	17.2	8.3
Other Teachers	22.0	15.5	8.8	9.5
Total	114.7	80.9	78.1	4.0

Source: ODE

ECCSD exceeds the peer average in the areas of special education²¹ and other teachers. The District’s special education population as a percent of the total K-12 student population exceeds the peer average and could be a contributing factor to the higher FTE per 1,000 students. Further, although the extent is unknown, the intensity of the individualized education plans (IEPs) could possibly be a contributor to the overage in the special education category. In total, ECCSD reports 4.0 more teacher FTEs than the peer average when analyzing staff on a per 1,000 student

²¹ ECCSD’s K-12 special education population makes up 25.2 percent of the total student enrollment, which exceeds the peer average of 17.6 percent by 7.6 percent and could be one of the key drivers behind the FTEs per 1,000 students in this category.

basis.²² Although the District’s overall teaching staff slightly exceeds the peer average, they employ relatively fewer general education teachers by approximately 14.0 FTEs.

Student-to-Teacher Ratio

In FY 2022, the District employed 114.7 K-12 FTE teaching positions. This total includes K-12 general education, special education, supplemental service teachers, gifted and talented teachers, EL teachers, career-technical teachers, and K-8 art, music, and physical education teachers.²³ With an enrollment of 1,417 in K-12, this equates to a student-teacher ratio of approximately 12 students per teacher. This ratio is not intended to reflect an average class size, as many teachers provide supplemental services to students both inside and outside the traditional classroom setting. Instead, this student-teacher ratio is meant to measure and compare the District’s total teaching resources relative to its student population.



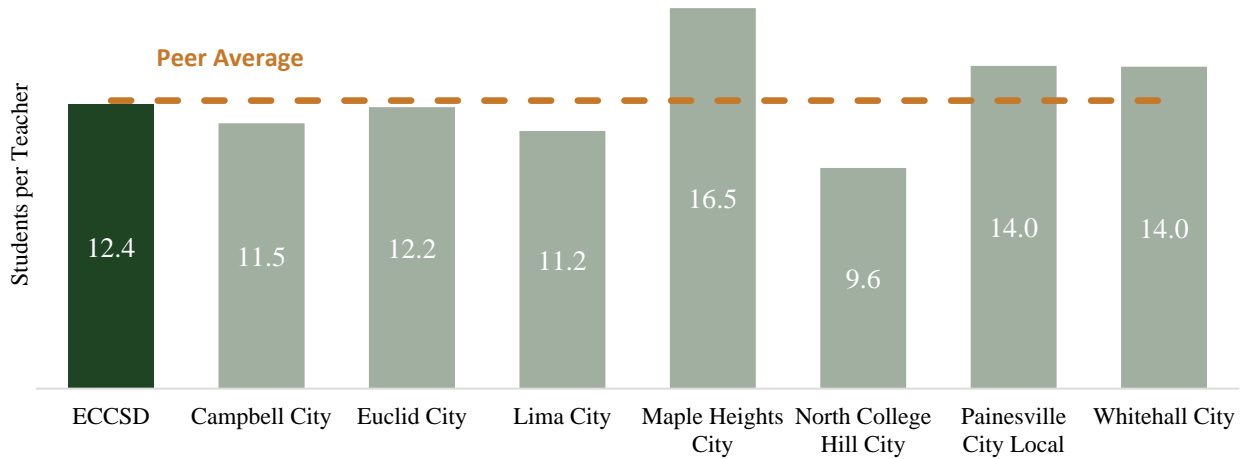
The chart below compares the districtwide FY 2022 student-teacher ratios for ECCSD to the peer districts. The orange line indicates the peer average of a 12.5:1 student to teacher ratio.²⁴

²² This variance is slightly different than that of the student-to-teacher ratio comparison above because of the way it is calculated. The peer average in the per 1,000 student comparisons reflects the total of all teachers across the five peer districts divided by the total student population per 1,000 students of all five peer districts.

²³ This total does not include the 7.0 FTEs coded to the “other professional-educational” category in EMIS.

²⁴ State minimum standards as outlined in OAC 3301-35-05 require districts maintain a 25:1 student-to-teacher ratio across the district.

ECCSD and Peer District FY 2022 Student-Teacher Ratios

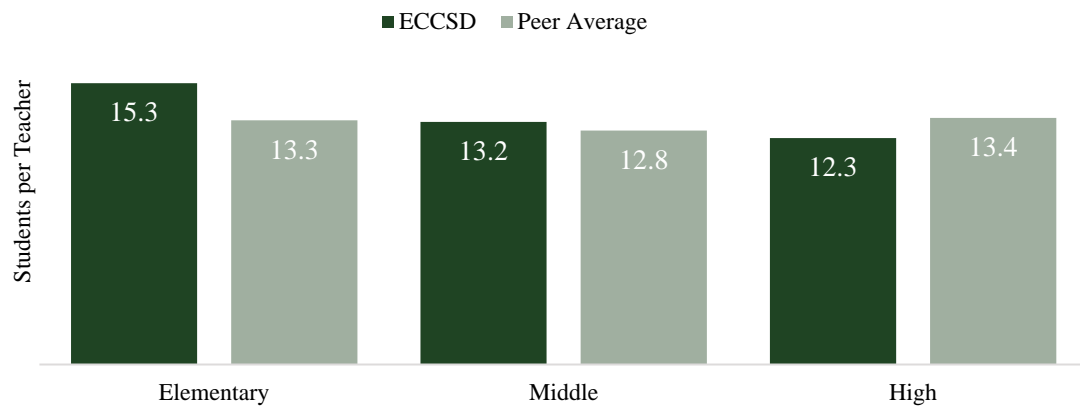


Source: ODE

The student-teacher peer ratios range from 9.6 to 16.5, averaging 12.5 students per teacher. Again, this ratio is not intended to reflect an average class size, but instead provides a measure of the total teaching resources relative to the student population. ECCSD’s ratio is in line with the peer average and indicates the District employs approximately the same number of teaching staff as the peer districts, which is demonstrated in the staffing comparison of teaching FTEs for every 1,000 students. With 114.7 teachers reported in FY 2022, ECCSD exceeds the peer average by 1.5 teachers, or 1.8 percent.

Research on the impact of class size has mixed results. We analyzed the student-to-teacher ratio by grade band to summarize and understand the distribution of teaching positions across the elementary, middle, and high schools. A chart showing the results of this analysis is shown below.

FY 2022 Student-Teacher Ratio by Grade Band



Source: ODE

ECCSD has the most teachers relative to its student population at the high school level. The elementary level has the fewest teachers relative to its student population. To measure and compare the individual attention available to students in each grade band, we compared ECCSD’s student-to-teacher ratio to the peer average. Lower student-to-teacher ratios would suggest the potential for a higher level of individualized attention.

Although ECCSD has a student-to-teacher ratio that is in line with the peer average, the District's expenditure per pupil exceeds the peer average for certificated salaries and wages. When examining the financial resources²⁵ dedicated to the certificated salaries and wages within the instruction category in FY 2022, ECCSD spent \$6,934 per student, 33.1 percent more than the peer average of \$5,209 per student. The bulk of the difference in classroom instruction operating expenditures can be explained by salaries and benefits for high school regular instruction and salaries for disadvantaged youth instruction²⁶ (see **Appendix F**). ECCSD spent \$1,083 more per pupil on these items than the peer average in FY 2022. This difference is not caused by higher salaries, as shown in our **Salaries** analysis, but by having slightly more teachers per pupil than the peer average.

ECCSD exceeds the peer student-to-teacher ratios in the middle and elementary school grade bands, whereas they fall below the peer average within the high school grade band. With 580 high school students and 47.0 teachers coded to the high school building, ECCSD has a student-teacher ratio of 12.3 compared to the peer average of 13.4. This equates to approximately 4.0 more teachers than the peers.

ECCSD offers a comprehensive in-house Career-Technical Education (CTE) program at its high school and reported 7.0 FTE career technical teachers in FY 2022. This program provides students with the opportunity to bridge the gap between education and real-world successes by taking courses in areas including, but not limited to, automotive technology, construction technology, cosmetology, cybersecurity, and nursing. While all school districts are required²⁷ to provide students in grades 7-12 with CTE, many do so by joining a compact or being a member of a joint vocational school district. ECCSD’s in house offering of this program may contribute to the lower than average student teacher ratio at its high school.

The District’s 15.3 student-to-teacher ratio for the elementary grade band is 15.2 percent higher than the peer average of 13.3 percent. Examination of student to teacher ratios for individual buildings throughout the District revealed Caledonia Elementary School has the highest ratio of

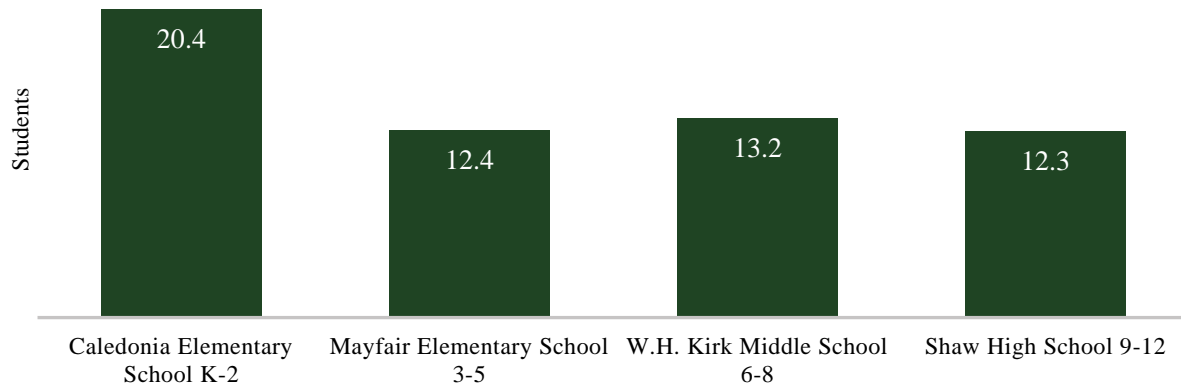
²⁵ Reflects the spending coded in USAS object 111 (regular salaries and wages of certificated staff) within the function level 1000, Instruction: Activities directly dealing with the teaching of pupils or the interaction between teacher and pupil.

²⁶ This is categorized under USAS Function Code 1270, which is for special learning experiences for students who can be classified as educationally disadvantaged and includes children from low-income families, and those that are handicapped, orphaned, or neglected.

²⁷ ORC §3313.90

20.4 students for every one teacher, which exceeds all other building ratios throughout the District. A chart illustrating the results of the analysis is shown below.

FY 2022 Student-Teacher Building Ratios



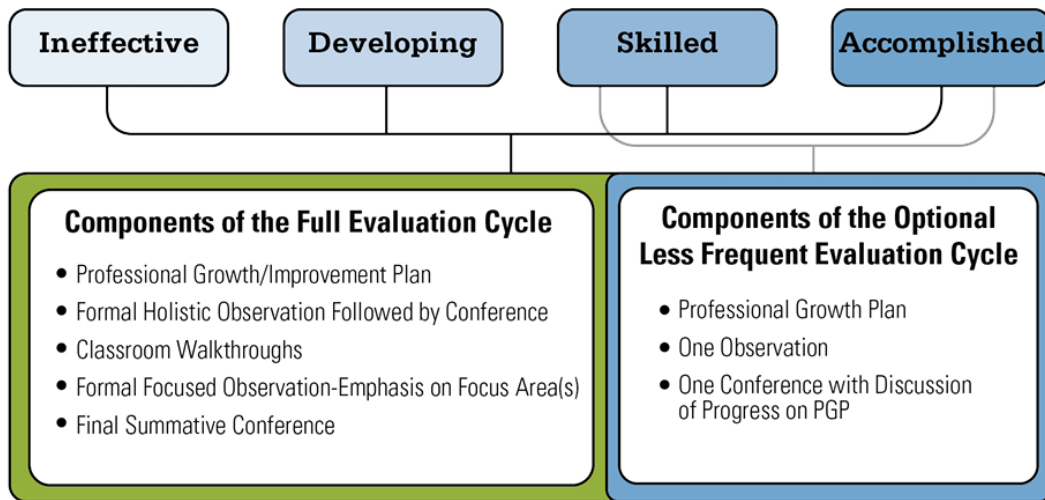
Source: ODE

Teacher Experience and Evaluations

The experience and quality of teachers has been shown to have a direct impact on student achievement. We determined that the District’s teaching staff has less experience than both the peer average and the state average. In FY 2022, ECCSD teachers had an average of 9.0 years of experience. This falls below the peer average of 12.1 years and below the state average of 15.3 years. We also found that ECCSD had a higher percentage of teaching staff with a master’s degree compared to both the peer and state averages. In FY 2022, 66.0 percent of ECCSD’s teachers held a master’s degree, which exceeds the peer average of 57.3 percent and the state average of 64.0 percent.

ORC §3319.111 requires teacher expertise and performance to be evaluated and monitored. Districts are required to conduct evaluations of teachers at least once annually. ODE created a framework for evaluating teachers and identifying opportunity for professional development that districts must adhere to.²⁸ As illustrated in the following visual created by ODE, the evaluation process includes three to five essential components:

²⁸ More information on the evaluation framework can be found here:
<https://education.ohio.gov/Topics/Teaching/Educator-Evaluations/Teacher-Evaluations>



Source: ODE

Local boards of education may choose to evaluate teachers with “Accomplished” and “Skilled” ratings less frequently than those who have a rating of “Developing”, or “Ineffective.”²⁹ One important attribute of the evaluation process is that it uses at least two district-determined high quality student data sources to provide evidence of student learning directly linked to the teacher. Teachers are responsible for delivering classroom instruction to students and so it is critical to understand their impact on learning outcomes.

We examined ECCSD’s FY 2022 teacher evaluation data. In doing so, we learned 100 percent of the evaluations were reported by ODE as not completed. As a result, we were unable to perform a sufficient comparison of ECCSD’s teacher evaluations to the peer and state average evaluations. In FY 2023, 50.5 percent of the evaluations were indicated as not completed.

The District’s management stated that teacher evaluations were not completed due to the COVID-19 pandemic. During the pandemic, ECCSD did not want to burden teachers with the evaluation process, given the hardships the pandemic presented to them already. The District indicated it is working to resume evaluations, which explains the decrease in the percentage of evaluations reported as not completed for FY 2023.

ECCSD has a board policy that says the superintendent is to implement the policy regarding teacher evaluations in accordance with ORC §3319.111, which says that the Board shall report to the state board the number of teachers for whom an evaluation was completed and the number of teachers assigned each rating. The Board shall conduct an evaluation for every teacher at least

²⁹ Although skilled and accomplished teachers are only required to be evaluated once every three years and two years, respectively, they must continue to demonstrate professional growth in relation to their most recent evaluation.

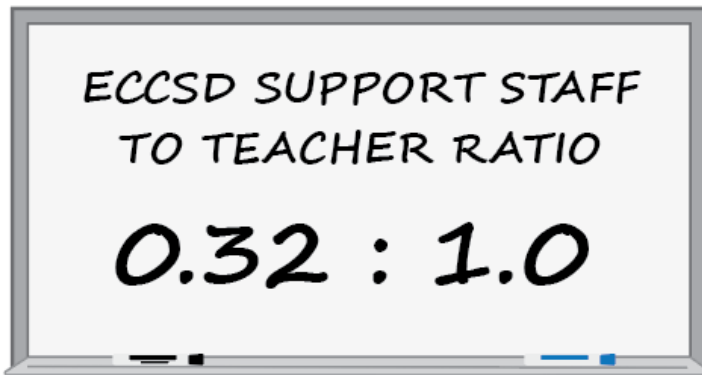
once a year. In FY 2022 and FY 2023, the District was found to be non-compliant with ORC §3319.111 and consequently, their own board policy.

Since FY 2020, the District's expenditures directed to professional development have been decreasing. In FY 2022, ECCSD's expenditure per pupil for professional development was \$631, whereas the peer average was \$449 per student. Although ECCSD financial resources directed to professional development have been decreasing, the District still exceeds the peer average by \$182 per student. The level of financial resources dedicated to professional development and the source of these expenditures can be found in the **Academic Improvement Plan Progress** section.

Educational Support Staff

Teachers are not the only staff impacting a student’s success in the classroom. Teachers, and students alike, rely on other key positions in the district to support the delivery of education. These educational support positions include both non-certificated classroom support personnel as well as other certificated positions.

Classroom support positions, including instructional paraprofessionals and teaching aides, provide instructional assistance to teachers in the classroom. In addition, certificated non-teaching educational staff, including tutors, remedial specialists, and other educational staff, work with teachers and students inside and outside the classroom providing supplemental educational support.



In FY 2022, ECCSD reported 23.0 FTE³⁰ classroom support personnel and 15.0 certificated non-teaching educational FTE³¹ personnel. In total, this equates to 38.0 FTEs, or 24.5 FTEs per 1,000 students. When compared to the peer average, ECCSD has 3.0 FTEs, or 12.3 percent, more FTEs per 1,000 students in this category.

While ECCSD reports more educational support staff than the peer average, the ECCSD ratio of support staff to teachers of 0.32 to 1.0 is relatively comparable to the peers. Specifically, the peer average support staff to teacher ratio in FY 2022 was 0.31 to 1.0.

In FY 2023, the District’s educational support staff were consistent with the staffing levels in FY 2022.

When evaluating the ratio of educational support FTEs to teachers, ECCSD’s teachers have a similar level of support compared to the peer average, as shown in the visual.

In *Paraprofessionals: What Are They, and What is Their Role in Education*, (IFE, 2021) the Institute for the Future of Education says paraprofessionals play a critical role in school districts because they assist with some of the following activities:

- Supervision of students;
- Assist with identification of each student’s skills and interests;
- Personalized in-classroom guidance;

³⁰ Consists of instructional paraprofessionals.

³¹ Includes 8.0 FTE remedial specialists and 7.0 FTE other educational.

- Installation of equipment; and,
- Preparation of materials.

Further, educational and classroom support staff help to increase the connection between students, parents, and teachers.

Regardless of the number of teaching staff ECCSD employs, or level of staff providing support to the teachers in and outside of the classroom, the quality of the teacher can have a direct impact on the academic outcomes of students. According to *Understanding Teacher's Impact of Student Achievement* (RAND, 2019) teachers matter most when it comes to academic performance of students. For example, when it comes to reading and math tests, “teachers are estimated to have two to three times the effect of any school factor, including services, facilities, and even leadership.” Experience level, evaluation outcomes, and education levels are three metrics that can provide insight into a district’s teacher quality and are reported along with the academic successes of students with the annual Ohio School Report Cards intended to inform stakeholders about district and school performance.

Administrators

The National Center on Safe Supportive Learning Environments (2023)³² explains district central office and school building administrators are responsible for providing instructional leadership and developing, implementing, and evaluating district and school systems and policies. As such, they play a key role in the academic success of students.

Central office administrators are responsible for overseeing and managing staff members programs, and services. In FY 2022, ECCSD reported 14.0 FTE central office administrators. Building administrators are those who provide leadership at the school building level and include principals, assistant principals, and deans of students. ECCSD reported 10.0 FTE building administrators within four school buildings in FY 2022.³³

In FY 2023, ECCSD's reported central office administrator staff decreased by 21.4 percent, or 3.0 FTEs. Further, the District's building administrators decreased by 10.0 percent, or a 1.0 FTE.

Staffing Comparison

When examining the financial resources³⁴ dedicated to district administration in FY 2022, ECCSD spent \$3,159 per student, 134.7 percent more than the peer average of \$1,346 per student. Further analysis showed that the majority, 87.9 percent, of spending in this area was dedicated to salaries and benefits of District employees. Again, as with teaching staff, this variation is caused by the number of administrators the District employs.

Central Office Administrators

Central office administrators include positions such as supervisors, managers, coordinators, and directors. The superintendent and treasurer positions were not included in this analysis, as all districts employ these positions.

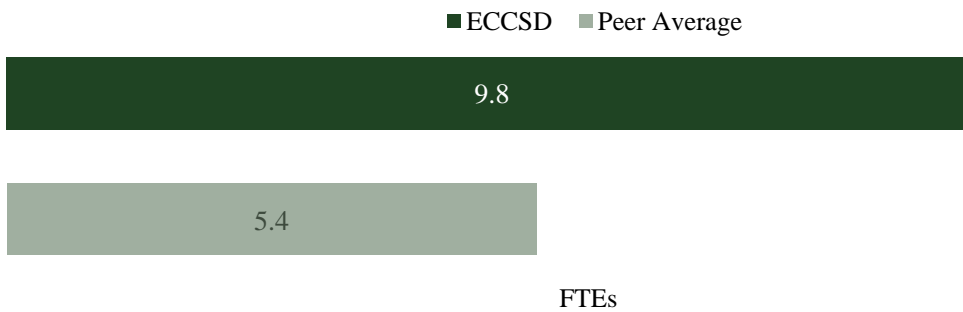
In FY 2022, ECCSD employed 14.0 central office administrators, equating to 9.8 FTEs per 1,000 students. When compared to the peer average of 5.4 FTEs per 1,000 students, ECCSD employs approximately 6.4 more FTEs in the central office administrator category. The visual on the following page compares ECCSD FTEs per 1,000 students to the peer average.

³² Funded by the Department of U.S. Education and provides information and technical assistance on improving school climate and conditions for learning.

³³ Includes the following buildings: Caledonia Elementary, Mayfair Elementary, W.H. Kirk Middle School, and Shaw High School.

³⁴ Reflects the spending coded in USAS function level 2400, Support Service – Administration: Those activities concerned with overall administrative responsibility for a single school, a group of schools, or the entire district.

FY 2022 Central Office FTEs per 1,000 Students



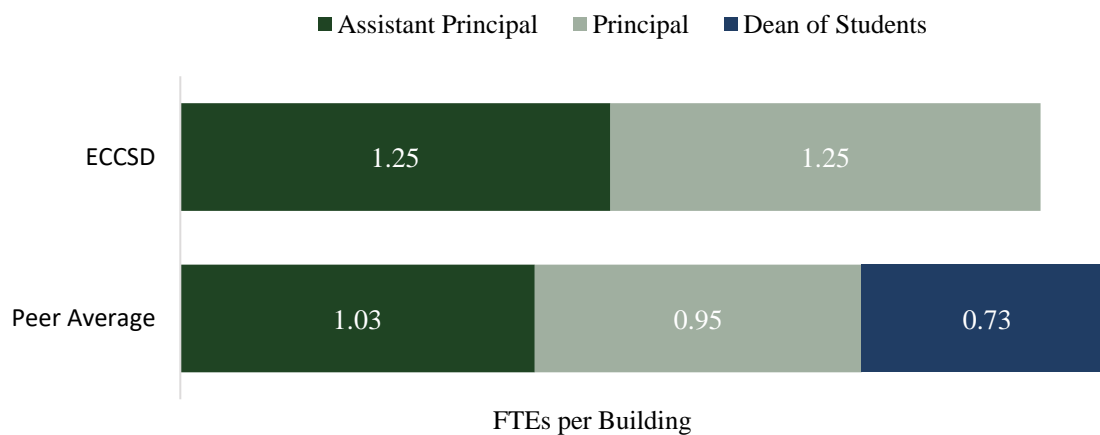
Source: ODE

This variance is primarily driven by the 5.0 FTE supervisors and 5.0 FTE coordinators.

Building Office Administrators

OAC 3301-35-05 requires that every school shall be provided the services of a principal. Assistant principals are not required by law but if deemed necessary by the Board of Education, they are hired to assist the principal with administrative duties. Therefore, the number of buildings in a district influences the number of administrators. In FY 2022, ECCSD operated four school buildings compared to the peer average of six buildings. The below visual compares ECCSD's building administrators per building to the peer average.

FY 2022 Building Administrator Breakdown per Building



Source: ODE

ECCSD's 2.5 administrator FTEs per building is in line with the peer average of 2.7 FTEs. For some buildings the District reports more than one principal and/or assistant principal and contributes to the 1.3 FTE per building values in the above chart.

Regardless of the number of building administrators and how the staffing levels compare to the peer districts, the effectiveness of a principal’s leadership can impact the learning environment. The *Ohio Standards for Principals* (ODE, 2018) says an effective educational leader should do the following:

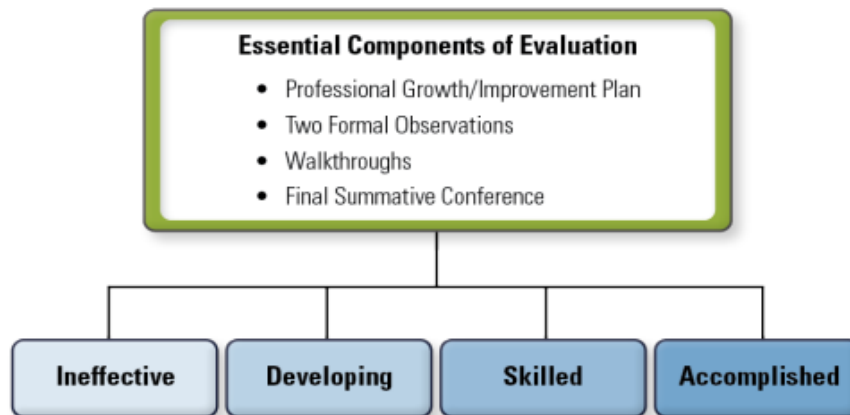
- Develop, advocate, and enact shared mission, vision, and core values;
- Act ethically according to professional norms;
- Embrace continuous improvement in the district via collaboration and share leadership;
- Foster an environment of effective instruction by ensuring students have access to effective teachers, leaders, and learning supports;
- Advocate for continuous improvement and personal growth amongst employees;
- Model, support, and give rise to school culture characterized by equity and inclusiveness;
- Develop partnerships between staff, students, and other stakeholders as well as the community;
- Recruit, hire, and assign staff to ensure knowledge, experience, and skill sets align with educational goals of the district; and,
- Maximize learning through relationships, management, fiscal responsibility, and adherence to district and state law, policies, and procedures.

Principal Evaluations

Like teachers, the leadership and guidance provided by a principal can have a direct impact on student performance. ORC §3319.02 requires principals to be evaluated annually through a written evaluation process. A structured rubric is used for the evaluations and the final rating is based on a set of observations and evidence contained within the rubric.³⁵

ODE created a framework for evaluating principals and identifying opportunity for professional development. As illustrated in the following visual created by ODE, the evaluation process includes four essential components.

³⁵ The following is a link to the ODE website that explains principal evaluations in more detail:
<https://education.ohio.gov/Topics/Teaching/Educator-Evaluations/Principal-Evaluations/Principal-Evaluation-FAQs#FAQ1018>



Source: ODE

In FY 2022, none of the District’s 7.0 FTE principals were rated as accomplished in comparison to the peer average of 16.8 percent and the state average of 37.2 percent. Below is a complete breakdown of the District’s principal evaluations:

FY 2022 Principal Evaluations

	Ineffective	Developing	Skilled	Accomplished	Not Completed
ECCSD	0.0%	50.0%	50.0%	0.0%	0.0%
Peer Average	0.0%	7.3%	69.3%	16.8%	5.6%
State Average	0.1%	3.1%	48.6%	37.2%	9.5%

Source: ODE Report Card

It is potentially more challenging for principals in the District to provide effective leadership in schools because they are not rated as favorably or highly in comparison to the peer districts and the state as a whole. The National Association of Elementary School Principals (NAESP, 2013) explains there is an empirical correlation between the effectiveness of building leadership and student achievement. When a principal is not as positioned to deliver quality leadership, a ripple effect may occur and negatively impact student learning outcomes. Further, NAESP notes that “finding practical ways to thoughtfully and appropriately assess and develop leaders can have an important impact on the quality of leadership, and through that, on the quality of education in our schools”. Strategically planning for and implementing appropriate professional development based on the specific needs of the District’s principals could improve the effectiveness of the building level leadership. For example, using the evaluations to identify areas for improvement can assist the District in ensuring appropriate professional development is being delivered.

As part of the District’s Academic Improvement Plan, the District stated that “100 percent of the workforce will receive at least four days of professional development/training session every school year.” Additionally, the District’s Academic Improvement Plan has several strategic objectives, strategic initiatives, and action steps related to professional development of its

certificated employees and leadership teams. Some of these components also have measures to evaluate the District’s implementation of the action steps. An example of one measure includes 100% of teachers receiving professional development in explicit literacy instruction, teacher clarity and Universal Design for Learning. These features of the Academic Improvement Plan were designed both to assist the District in reaching its benchmark goals, and to also provide education that supports the social, emotional, and academic preparedness of its students. See the **Academic Improvement Plan Progress** section for more information about professional development in the District.

Health and Wellness Staff

While administrators and teachers play a vital role in the development and guidance of students, school districts employ additional staff that specialize in added supports and services to promote positive mental health and wellbeing. The National Alliance on Mental Illness (2023) says “undiagnosed, untreated, inadequately treated mental illnesses can significantly interfere with a student’s ability to learn, grow, and develop. Since children spend much of their productive time in educational settings, schools offer a unique opportunity for early identification, prevention, and interventions that serve students where they already are.”

According to ODE, school-based mental health and wellness initiatives are key to ensuring students are in school, healthy, ready to learn, and prepared for success. Mental health includes both the absence of illness and the presence of high levels of wellbeing. Wellbeing includes having positive emotions, feeling fulfillment, contributing to the community, and being able to cope with daily life stressors.

Addressing the mental health of students is important to ensuring success, both inside and outside the classroom. The pandemic created an environment riddled with uncertainty and unprecedented change, both of which negatively impacted the emotional health of many students. Perhaps now, more than ever, it is critical to ensure students have access to the professional services they need to take care of their mental health.

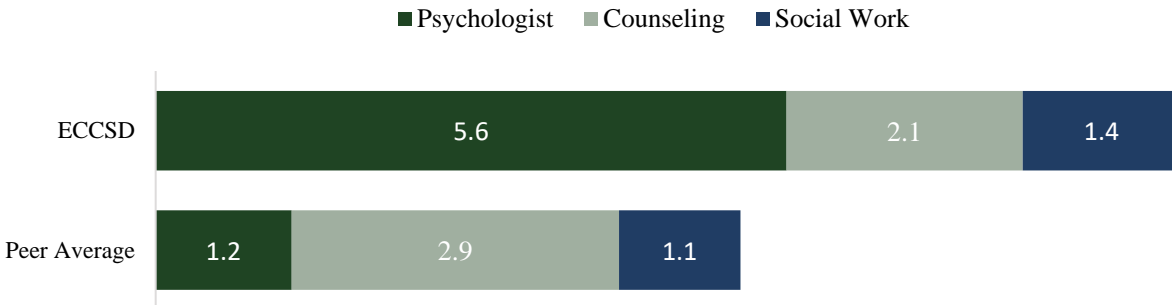
We analyzed the health and wellness staff in two separate categories: mental health staff (counselors, social workers, and psychologists) and physical health staff (registered and practical nurses). In FY 2022, ECCSD reported 13.0 FTE mental health staff which included 8.0 psychologist FTEs, 3.0 counselor FTEs, and 2.0 social worker FTEs.

Staffing Comparison

When comparing the mental health staff, ECCSD has more FTEs per 1,000 students in each of the three positions within this category. The District exceeds the peer average by 5.6 FTEs, based on the total FTEs per 1,000 students, with the main drivers of the variance being more psychologists relative to the student population.³⁶

³⁶ The difference is calculated by determining the number of FTEs needed based on the peer average FTEs per 1,000 students.

FY 2022 Mental Health FTEs per 1,000 Students



Source: ODE

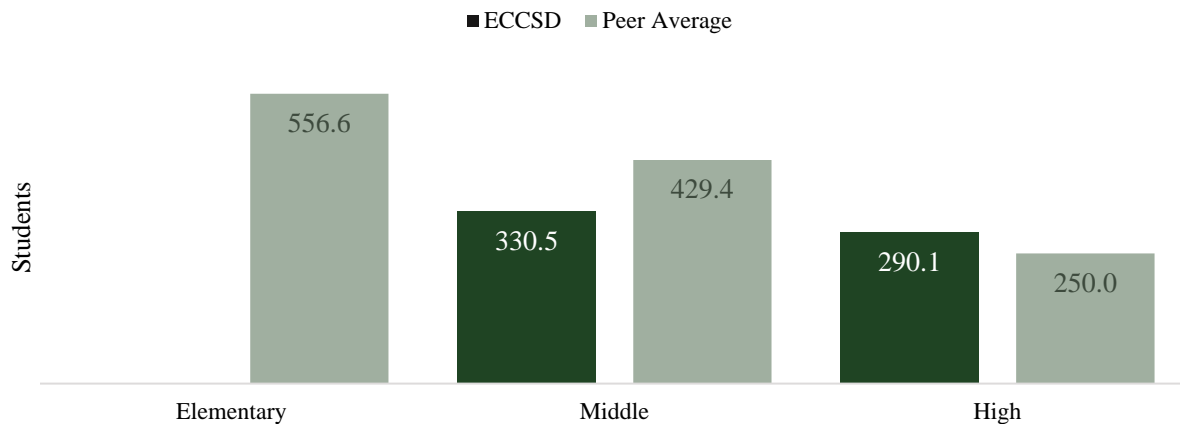
In comparing FY 2022 to FY 2023, ECCSD reported a decline of 2.0 FTE mental health staff, specifically psychologists, and is a decrease of 15.4 percent. In FY 2023, the District still exceeds the peer average.

Counseling Staff

ECCSD reports 3.0 FTE counselors, which makes up 23.0 percent of the total mental health staff category. ODE (2023) explains “the duties of a counselor may vary across districts, but generally, they work to provide direct and indirect services in support of students’ academic, career, and social/emotional development.” We analyzed the student-counselor ratio by grade band to better understand distribution across the District and understand how the level of support compares to the peer average relative to the student population served.

As part of the District’s Academic Improvement Plan, they identify the strategic initiative to prepare students for their future endeavors following graduation. This is to be completed by ensuring students have the skills, knowledge, and abilities needed to transition into their postsecondary or professional careers.

Student-Counselor Ratio by Grade Band



Source: ODE

ECCSD has a lower student-to-counselor ratio within the middle school grade band. In contrast, in the high school grade band, the student to counselor ratio is higher. The elementary grade band shows no reported counselors. We also analyzed the districtwide ratio.

The American School Counselor Association (ASCA) recommends one counselor for every 250 students. In FY 2022, ECCSD had a districtwide ratio of 476 students for every one counselor, which exceeds the ASCA recommended ratio by 226 students, or 90.3 percent. ECCSD exceeds the districtwide peer average of 436 students for every one counselor by 9.1 percent.

In FY 2023, counselor staffing remained consistent at 3.0 FTEs.

Nursing Staff

As the second part of health and wellness analysis, we examined staffing in the registered and practical nursing category.³⁷ The Centers for Disease Control and Prevention (CDC) says that nurses are often the only health care provider in schools and critical to ensuring students are healthy, so they perform better academically. Some students may require more attention from nurses than others, especially those with chronic health conditions such as asthma and serious physical conditions. The unique needs of the student population at a school building or district can influence the need for these positions.

When comparing the nursing staff category relative to student population, ECCSD once again exceeds the peer average. The District reports 3.0 registered nurse FTEs, which is 1.0 FTE more

³⁷ According to ODE, practical nurses offer support to registered nurses and do things such as taking and recording temperature, giving medication, and more.

than the peer average when evaluating staffing levels on a per 1,000 student basis. There is one district that does not report registered nurses, which may affect the staffing comparison.³⁸

In FY 2023, ECCSD reported an additional 1.0 FTE registered nurses, which is an increase of 33.3 percent.

³⁸ Maple Heights City School District does not report registered nurses.

Library Staff

School libraries throughout Ohio are considered key components of a student’s success academically and professionally later in life. *Ohio’s Library Guidelines for Librarians* (ODE, 2021) says that since 1992, collective research known as school library impact studies have consistently demonstrated positive correlations between high-quality library programs and student achievement. Data from more than 34 statewide studies suggests learners tend to earn better standardized test scores in schools that have exceptional library programs. According to *Why School Librarians Matter: What Years of Research Tell Us* (Kappan, 2018), Kappan³⁹ advised studies to have found test scores tend to be higher where libraries spent more time:

- Instructing students, both classroom teachers and independently;
- Planning collaboratively with classroom teachers;
- Providing professional development to teachers;
- Meeting regularly with the principal;
- Serving on key school leadership committees;
- Facilitating and offering support for the use of technology by students and teachers; and,
- Providing reading incentive programs.

Students with all backgrounds benefit from school libraries but students who are economically disadvantaged tend to benefit more. Kappan further says that benefits coming from school library programs are strongest for the most vulnerable and at-risk learners, including students of color, low-income students, and students with disabilities.

In FY 2022 and FY 2023, ECCSD did not report any library staff, which was confirmed by the District.

Staffing Comparison

In FY 2022, when evaluating library staff per 1,000 students, ECCSD fell below the peer average by 1.8 FTEs.

In evaluating the expenditure per pupil for library services, ECCSD reported zero dollars while the peer average was \$70. The difference indicates means the District spends less on library services per student than the peer districts.

³⁹ Kappan is the nation’s premier forum for serious discussions centered around research, policy, and practice in K-12 education.

Community Outreach and Engagement

It is important for school districts, parents, and the community to be connected and work together in fostering a collaborative, positive, and nurturing learning environment for students, especially in areas of high poverty. The *Building Community School Systems: Removing Barriers to Success in U.S. Public Schools* (Center for American Progress, 2018) reveals family and community engagement is linked to reduced absenteeism, academic improvements, and increased levels of trust between the district and the community at large. Research has demonstrated a positive relationship between family involvement and student outcomes across families of all races and socioeconomic and education backgrounds.

In FY 2022, ECCSD reported a total of 7.0 FTEs dedicated to community outreach and engagement. This total consisted of the District's 5.0 FTE family/community liaisons and 2.0 FTE parent mentors.

On a per-1,000 student basis, the District employs 4.9 FTE outreach staff compared to the peer average of .3 FTE outreach staff. According to ODE, family and community liaisons are assignments to encourage parents and the community to participate and support activities of the school community. Further, parent coordinators work closely with activities surrounding the Title I Program such as by encouraging parents to participate in the program and organizing training for them.

ECCSD has a family and community engagement program, the Chamber Community Empowerment Center (CCEC), that fosters connection between the District, parents, and the community. The District describes the CCEC as transformative and serves families and communities by partnering with them to identify personal and professional goals while simultaneously, providing tools and resources to support student academic and career goals. Finally, increasing engagement with families and other stakeholders is part of the District's Academic Improvement Plan (See **Academic Improvement Plan Overview** section).

Staffing Conclusion

In conclusion, the District's staffing levels vary in how they compare to the peer average on a per 1,000 student and per-building basis and when looking at ratios. Because all evaluations for teaching staff were not completed and reported to ODE in FY 2022 and FY 2023, the overall quality of their performance is unknown for the two years and could not be compared to the peers. However, evaluations were completed for principals and we learned there is opportunity for further professional development, which ECCSD is already working on as evident in their Academic Improvement Plan. Further, ECCSD's teachers have less years of experience than the peer and state averages. Considering the variation in how the District's staffing compares to the peers and not having a formal strategic staffing plan, there is opportunity to enhance staff management practices.

Recommendation 3: Develop a Strategic Staffing Plan

While ECCSD has goals and action steps relating to staffing integrated into the Academic Improvement Plan, the District does not have a formalized strategic staffing plan. As future staffing decisions are made, the District should adopt a strategic approach designed to improve teaching quality and enhance student performance. The District should develop a formal and comprehensive strategic staffing plan that addresses districtwide staffing needs and is linked to the District’s budget and forecast. Establishing staffing allocation for administrative, certificated, and support staff will assist the District in better planning for the future, both in the areas of ensuring adequate delivery of education as well as proper management of financials. A strategic staffing plan will help ensure staffing is appropriate and can be leveraged to achieve the goals and objectives of the District, such those in the Academic Improvement Plan, in a way that aligns with available financial resources.

Impact

A strategic staffing plan will allow the District to ensure that each building has an appropriate number of teaching, administrative, and support staff. This would be particularly helpful to the District as it makes adjustments to achieve the goals identified in its Academic Improvement Plan.

Background

ECCSD, like other districts throughout Ohio, have positions that directly and indirectly impact student learning and consequentially, student outcomes. Analysis of these impactful positions in the District revealed that staffing levels vary in comparison to the peers, and fall below, exceed, and in some cases, are in-line with the peer average. Further, the District communicated that they struggle to fill certain positions, specifically in the areas of science, math, paraprofessionals, and special education teachers.

The District’s Academic Improvement Plan includes action steps relative to planning for staffing levels. These include: defining developmentally appropriate class sizes, ensuring appropriate staffing patterns to support teachers and administrators at all levels and conducting a staffing audit to review current and future needs. The strategic steps support the District’s current awareness of the importance of effectively planning for staffing. Based on peer comparisons and using the District’s staffing plans that have already been developed and integrated into the Academic Improvement Plan, ECCSD could formalize and develop a strategic staffing plan.

Methodology

Staffing levels for the District were identified and compared to primary peer averages on a per 1,000 student and per-building basis. Further, we calculated and compared ratios for select groupings by grade-band. Additionally, we analyzed the experience, evaluations, and attendance of the District’s principals and teachers, as these metrics are shown to have a direct impact on academic performance

Analysis

The results of our analysis indicate the District may benefit from a formal strategic planning plan. This could be used to formally evaluate its current staffing levels, aid in future staffing decisions, and ensure its human capital decisions align with the overall goals of the District.

The American Association of School Personnel Administrators (AASPA) in *What is “The Plan” to Fully Staff Schools in 2023.2024* (2023) says “School systems must take steps to ensure they have the staff to continue supporting students during these critical years, in the wake of the pandemic.” A comprehensive staffing plan should include clearly defined goals and a detailed timeline for filling positions. AASPA says that the process to developing a comprehensive staffing plan should include the educational organization assessing and identifying the personnel needs of each school within the district. In addition, administrators must have conversations with school building leaders on the projected outlook of the buildings’ scheduling and staffing arrangements targeting topics such as the effectiveness in providing excellent instruction to all students and any new teacher roles created and which ones would be valuable to keep and why. Finally, AASPA suggests multiple actionable steps to find the appropriate staffing fits for a district including, but not limited to:

- Creating a recruitment plan;
- Evaluating current staffing;
- Analyzing staffing patterns and changes;
- Projecting future staffing needs;
- Completing a skills gap analysis;
- Creating a plan for training;
- Examining workplace culture; and,
- Completing regular updates to the staffing plan.

Further, Miles and Frank report that teaching quality plays a greater role in student performance than class size, suggesting the need for strategic hiring practices and well-designed professional development (*The Strategic School: Making the Most of People, Time, and Money*, Corwin Press, 2008).

To ensure the staffing plan is effective, the District should ensure that it is tied to both the budget as well as strategic goals and objectives, including the Academic Improvement Plan.

Conclusion

The District should develop a formal and comprehensive strategic staffing plan that addresses districtwide staffing needs and is linked to the District’s budget and forecast. Establishing staffing appropriate allocation for administrative, certificated, and support staff will assist the District in better planning for the future, both in the areas of ensuring adequate delivery of education as well as proper management of financials.

The District can leverage its current staffing data as well as the outcomes it obtains from the Academic Improvement Plan action steps to formalize program and building level staffing data to identify and achieve staffing goals and communicate those goals to its stakeholders.

Salaries

ECCSD has two collective bargaining agreements (CBAs) with its certificated and classified staff. The certificated CBA is in effect through August 17, 2023. The classified CBA representing non-teaching personnel expired June 30, 2021, but was continued through June 30, 2022. The District’s newly negotiated classified CBA is effective through June 30, 2025.

Methodology

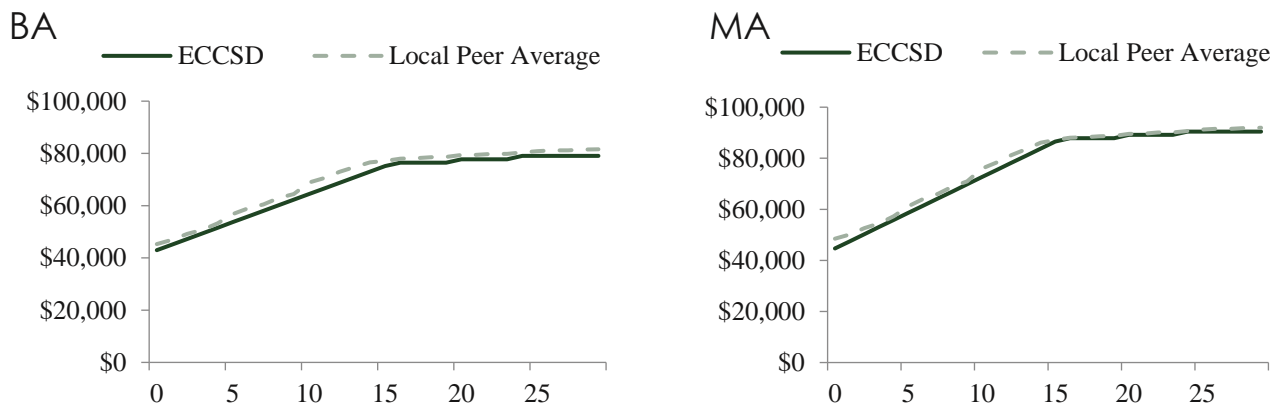
We used the District’s CBAs and salary schedules which were in effect during FY 2022 and FY 2023 for purposes of our analysis. The District’s certificated and classified salaries over a 30-year career were reviewed and compared to the local peer averages (see **Appendix H**). A 30-year career was chosen since school district CBAs are generally structured around a 30-year period. Position categories used in our analysis were determined based on the identification of comparable positions and corresponding salary schedules at the local peer districts. Additionally, we focused the classified salary comparison on positions ECCSD indicated were challenging to attract and retain staff, as well as positions with a direct effect on student attendance and achievement. As such, this analysis did not include all of the District’s salary schedules. Pay schedules from peer district CBAs were obtained from the SERB website. When updated contracts and salary schedules were unavailable from SERB, they were obtained directly from peer districts.

Analysis

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

- BA; and,
- MA.

The 30-year career compensation was lower than the local peers in both categories examined due to lower starting salaries. The BA schedule was 3.4 percent lower while the MA schedule was 2.0 percent lower.



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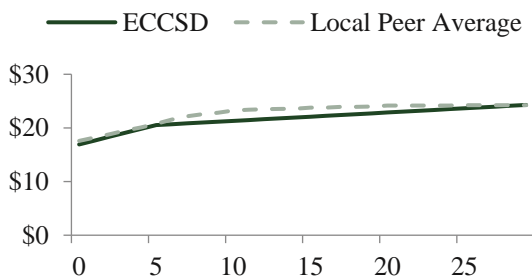
We updated this analysis with FY 2023 salary schedules and observed similar results. Refer to **Appendix H** for FY 2023 salary comparison charts.

The following classified categories⁴⁰ were analyzed for salary comparison:

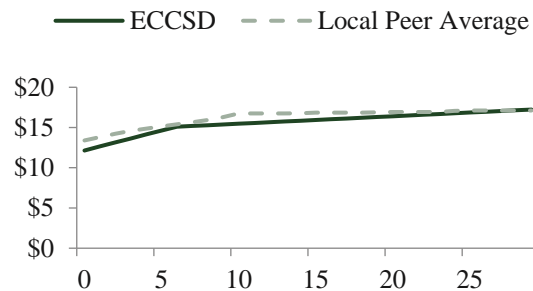
- Bus Driver;⁴¹
- Cashier/cook;⁴²
- Custodial (cleaner); and,
- Paraprofessional;

In FY 2022, starting salaries for all classified positions analyzed were lower than the local peer average. Further, the 30-year career compensation for all positions was lower, ranging from 4.0 percent to 11.9 percent lower.

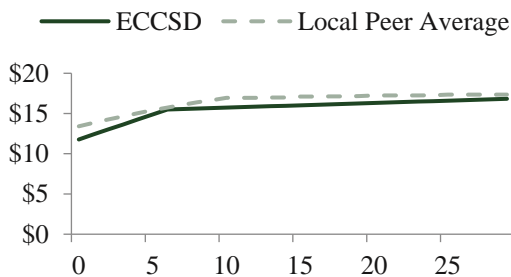
Bus Driver



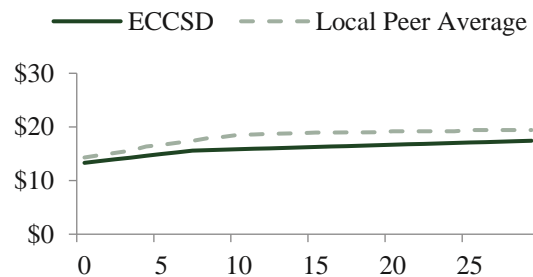
Cashier/Cook



Custodial (Cleaner)



Paraprofessional



⁴⁰ The specific ECCSD salary schedules reviewed include bus driver, cafeteria II (cash/cook), custodial I (cleaner), and paraprofessional I (classroom).

⁴¹ Excluded Euclid City SD from the analysis because they contract out transportation services.

⁴² Excluded Richmond Heights LSD, Shaker Heights CSD, and South Euclid Lyndhurst LSD because they contract out food services.

We updated this analysis with FY 2023 salary schedules and discovered that the 30-year career compensation for bus drivers and paraprofessionals remained lower while cashier/cook and custodial (cleaner) compensation were comparable. Refer to **Appendix H** for the FY 2023 salary comparison charts.

Conclusion

The salary schedules for the District’s certificated and classified employees, for all categories analyzed had a lower 30-year career compensation than the local peer average in FY 2022. In FY 2023, the salary schedules for certificated employees again had a lower 30-year career compensation than the peer average. However, the cashier/cook position was higher and the custodial (cleaner) position was comparable while the bus driver and paraprofessional remained lower. To find well-qualified workers for their open teaching and non-teaching positions, Districts need to evaluate how their salaries and wages compare to the local job market and adjust accordingly. Additionally, while having a competitive compensation package is important for attracting and retaining talent, the compensation package’s impact on a district’s solvency should continue to be a consideration.

Insurance

The District is part of the Jefferson Health Plan Consortium, an organization which provides insurance to participating members. The District offers single, single plus one, and family plan options to employees under a medical and prescription Preferred Provider Organization (PPO) plan. In addition, ECCSD offers two plans for dental and one plan for vision coverage. Our dental insurance analysis focused on one plan in which the majority of employees enrolled.

In FY 2022, ECCSD’s medical plan had 101 enrollees in the single plan, 53 enrollees in the single plus one plan, and 96 enrollees in the family plan. As for the dental plan, the District had 88 enrollees in the single plan, 59 enrollees in the single plus one plan, and 74 enrollees in the family plan. Finally for vision insurance, there were 95 enrollees in the single plan, 60 enrollees in the single plus one plan, and 71 enrollees in the family plan.

Methodology

We compared the District’s medical, dental, and vision insurance premiums and costs to the State Employment Relations Board (SERB) regional peer average for school districts as well as the averages of the local peer districts. Peer information was obtained through the FY 2022 and FY 2023 SERB surveys. The District’s medical plan was compared to 101 regional peer plans,⁴³ its dental plan to 69 regional peer plans, and its vision plan to 59 regional peer plans. This peer average excluded outlier districts whose plan costs were more than two standard deviations outside the mean.

Analysis

The District offers combined medical and prescription, dental, and vision coverage to its employees. Full-time classified employees are defined by the District as those working six daily hours or 30 hours or more weekly and are eligible for single or family coverage whereas those working less than 30 hours but at least 20 hours per week are eligible for single coverage. These insurance benefits are specified in the District’s certificated and classified CBAs, which state the Board shall provide health, dental, and vision insurance through the Jefferson Health Plan Consortium. The insurance premium, or cost of obtaining insurance, is split between the District and the employee on a percentage basis.

The percent contributions vary between certificated and classified employees. Specifically, the District pays 94 percent of the premium for certificated employees while for classified employees, ECCSD pays 95.4 percent of the premium for single coverage and 95.9 percent for family coverage. For dental insurance, certificated employees pay \$5 per month for single coverage and \$10 per month for family coverage while classified employees pay 50 percent of

⁴³ We did not compare ECCSD’s total premiums and premium contribution share for its single plus one plan to the SERB regional or local peers because few entities offer this coverage.

the certificated contribution. ECCSD pays 100 percent of the vision premium. Like the coverage provision, the District’s CBAs identify the premium split for employer and employee.

Medical Insurance

Our review of the District’s insurance plan found that ECCSD has a higher total premium than the regional and local peer average. Further examination of coverage and provisions revealed that most of the District’s plan design elements are more generous than the peers except for emergency room and urgent care visit copayments. Also, deductibles are less generous than the local peer average.

As seen in the following table, the District pays more for medical insurance on a monthly basis than the regional and local peer averages.

2022 Monthly Medical Insurance Costs – PPO

			ECCSD		Regional Peer Averages		Local Peer Averages	
			Costs	% Share	Costs	% Share	Costs	% Share
CERTIFICATED	Single Medical + Rx	District	\$810.15	94.0%	\$670.31	87.3%	\$733.89	89.2%
		Employee	\$51.71	6.0%	\$97.35	12.7%	\$88.52	10.8%
	Family Medical + Rx	District	\$2,495.52	94.0%	\$1,620.14	87.5%	\$1,839.04	89.2%
		Employee	\$159.29	6.0%	\$231.91	12.5%	\$222.05	10.8%
CLASSIFIED	Single Medical + Rx	District	\$821.86	95.4%	\$670.31	87.3%	\$733.89	89.2%
		Employee	\$40.00	4.6%	\$97.35	12.7%	\$88.52	10.8%
	Family Medical + Rx	District	\$2,544.81	95.9%	\$1,620.14	87.5%	\$1,839.04	89.2%
		Employee	\$110.00	4.1%	\$231.91	12.5%	\$222.05	10.8%

Source: ECCSD and SERB

Dental Insurance

As seen in the following table, the District generally pays more for dental insurance on a monthly basis than the regional and local peer averages. An analysis both dental plans found that employees generally contribute to a lower and/or comparable dollar value and lower percentage of the total premium compared to the SERB regional average and the local peer average, except for the certificated single plan, which was higher than the SERB average.

2022 Monthly Medical Insurance Costs – Dental

		ECCSD		Regional Peer Averages		Local Peer Averages		
		Costs	% Share	Costs	% Share	Costs	% Share	
CERTIFICATED	Single Dental	District	\$34.50	87.3%	\$33.68	89.6%	\$33.31	87.2%
		Employee	\$5.00	12.7%	\$3.92	10.4%	\$4.88	12.8%
	Family Dental	District	\$101.56	91.0%	\$83.68	88.1%	\$93.09	86.4%
		Employee	\$10.00	9.0%	\$11.35	11.9%	\$14.62	13.6%
CLASSIFIED	Single Dental	District	\$37.00	93.7%	\$33.68	89.6%	\$33.31	87.2%
		Employee	\$2.50	6.3%	\$3.92	10.4%	\$4.88	12.8%
	Family Dental	District	\$106.56	95.5%	\$83.68	88.1%	\$93.09	86.4%
		Employee	\$5.00	4.5%	\$11.35	11.9%	\$14.62	13.6%

Source: ECCSD and SERB

Vision Insurance

As seen in the following table, the District pays comparable rates for vision insurance on a monthly basis compared to the regional and local peers for single coverage, but more on a monthly basis for family coverage. Employees pay less for vision coverage, both in terms of dollar value and percentage of the total premium, compared to both the SERB regional average and local peer average.

2022 Monthly Medical Insurance Costs – Vision

		ECCSD		Regional Peer Averages		Local Peer Averages	
		Costs	% Share	Costs	% Share	Costs	% Share
Single Vision	District	\$7.45	100.0%	\$7.79	79.5%	\$7.42	93.2%
	Employee	\$0.00	0.0%	\$2.01	20.5%	\$0.54	6.8%
Family Vision	District	\$20.59	100.0%	\$17.95	76.5%	\$16.94	94.7%
	Employee	\$0.00	0.0%	\$5.51	23.5%	\$0.94	5.3%

Source: ECCSD and SERB

Conclusion

ECCSD’s FY 2022 insurance premiums for medical, dental, and family vision are higher than the SERB regional and local peer averages. The District’s FY 2022 insurance premiums for single visions are lower than the regional and local peer averages. For example, the District’s vision insurance premiums fall below the regional and local peer averages whereas for medical insurance, they exceed the peer averages. While the District could reduce costs by aligning its insurance expenditures to the SERB regional average or the local peer average, it should be aware of the overall impact of any change on its ability to attract and retain employees. Because the District’s salaries are lower than the local peer average for nearly all position categories we

analyzed, as discussed in the **Salaries** section, shifting any additional cost burden to the employee would further reduce his or her overall compensation. We updated this analysis with District and SERB FY 2023 data. Refer to **Appendix H** for FY 2023 insurance premium comparison charts.

Recommendation 4: Evaluate Salary and Insurance Packages to Ensure Offerings Are Competitive Within the Local Market

Employee compensation has multiple components including salaries or wages and insurance benefits. Our analysis found that the District’s salaries are generally lower than the local peer averages, but the insurance benefits offered by the District are more generous than the peer averages. Because total compensation involves both salaries and insurance, the District must consider the impact of its offerings to ensure it is competitive in the local market. Particularly, we found that offering lower salaries and generous insurance benefits may result in lower total compensation for those employees that do not utilize their full insurance benefits. Conversely, for those employees that hit out of pocket maximums for insurance, the total value of their salaries and insurance benefits exceeds that of the peer average. The District should work to determine which compensation factors would help to attract and retain educators. Evaluating salary and insurance offerings together could assist the District in negotiating compensation packages that are competitive within the local market. This could assist the District in attracting and retaining quality staff, while ensuring District costs are in alignment with local peers.

Impact

Evaluating salary and insurance offerings together could assist the District in negotiating compensation packages that are competitive within the local market. This could assist the District in attracting and retaining quality staff, while ensuring District costs are in alignment with local peers.

Methodology

To evaluate salaries and insurance in a combined analysis, we looked at both the employee and district perspectives. The adjusted salaries and controlled salary analyses focus on the employee’s perspective of take-home pay, while the district cost of an employee analysis focused on the district’s perspective of cost.

Adjusted Salaries

We identified two ranges to understand the different levels of take-home income by employee position (Bachelor’s and Master’s) and plan type (PPO single or family). On one end, employees who use none of their health insurance (0 percent insurance usage) had their retirement contribution and annual premium (calculated at 12 months) subtracted from their salary. Employees who utilized their insurance until the out-of-pocket maximum (100 percent insurance usage) had retirement contribution, annual health insurance premium, and out-of-pocket maximum subtracted from their salary. These two values provide a range for an employee’s adjusted salary – from 0 percent usage of their health insurance to 100 percent usage.

Controlled Salary

The controlled salary analysis sets the District's salary equal to the local peer average salary. This analysis shows the impact that the Districts' health insurance has on their adjusted salary.

District Employee Cost

This analysis seeks to understand how the major components of a certificated employee's salary and benefits impact the school district's cost of an employee over a 30-year career. The cost of an employee is calculated using three inputs: salary (including any longevity), retirement, and health insurance premiums.⁴⁴ The District's cost of an employee is compared against the peer average and against other client categories.

Analysis

To find well-qualified workers for their open teaching and non-teaching positions, school districts need to evaluate how their salaries and wages compare to the local job market and adjust accordingly. In the Sixth American School District Panel Survey, 90 percent of responding districts made one or more policy changes in response to teacher shortages within their district, with 62 percent making at least one change to pay structures for teachers.

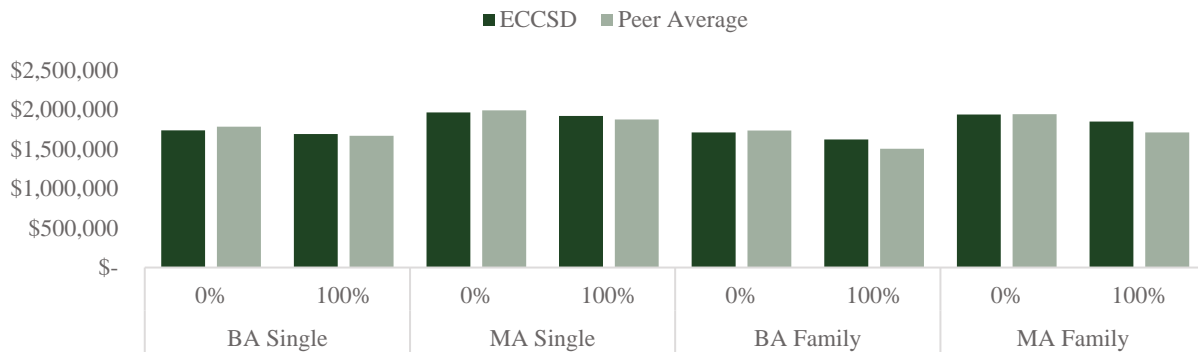
In conjunction with salaries and wages, insurance benefits make up a significant portion of the total compensation packages available for teaching and classified staff. When school districts are evaluating strategies for recruiting and retaining staff, the design of the health insurance plan should be included. The 2022 Global Benefits Attitudes Survey found that 48 percent of respondents said health care benefits were an important reason why they joined their employer. Additionally, 46 percent said they would forgo added pay for a more generous health care plan.

Adjusted Salaries

As reported in the **Salaries** section above, the District had lower salaries for certificated employees compared to local peers. Additionally, we reported in the insurance section that ECCSD had a lower out of pocket maximum than its local peers. When considering salaries and insurance together, the District had a lower adjusted salary at 0 percent insurance usage, but a higher adjusted salary in all four categories at 100 percent insurance usage. The chart below compares ECCSD's adjusted 30-year career earnings to the local peer average.

⁴⁴ This analysis does not consider all costs of an employee such as actual claims payouts, taxes, and other financial obligations as these costs tend to vary district to district.

Adjusted Salary Analysis – 30-year Career Earnings Comparison



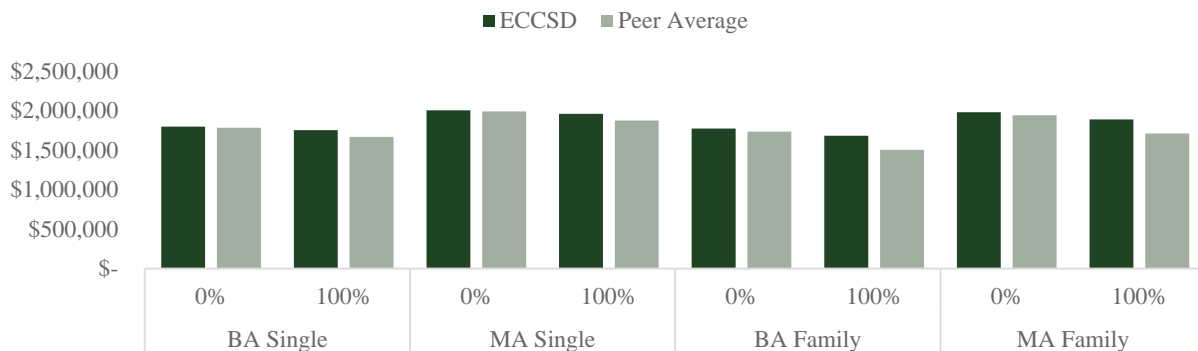
Source: ECCSD, SERB, & Local Peers, FY 2022

Overall, adjusted salaries for all categories in FY 2022 ranged from (2.6 percent) lower to 8.1 percent higher depending on which salary schedule (BA or MA), which insurance plan (family or single), and how much an employee utilizes their insurance.

Controlled Salaries

After setting ECCSD salaries to be equal to the peer average, the following chart shows how adjusted career earnings for ECCSD employees would compare to the peer average. This shows how the District’s insurance plan design (i.e., contribution rates, out of pocket maximum, etc.), can impact an employee’s adjusted salary and how much insurance benefit they are receiving.

Controlled Salary Analysis – 30-year Career Earnings Comparison



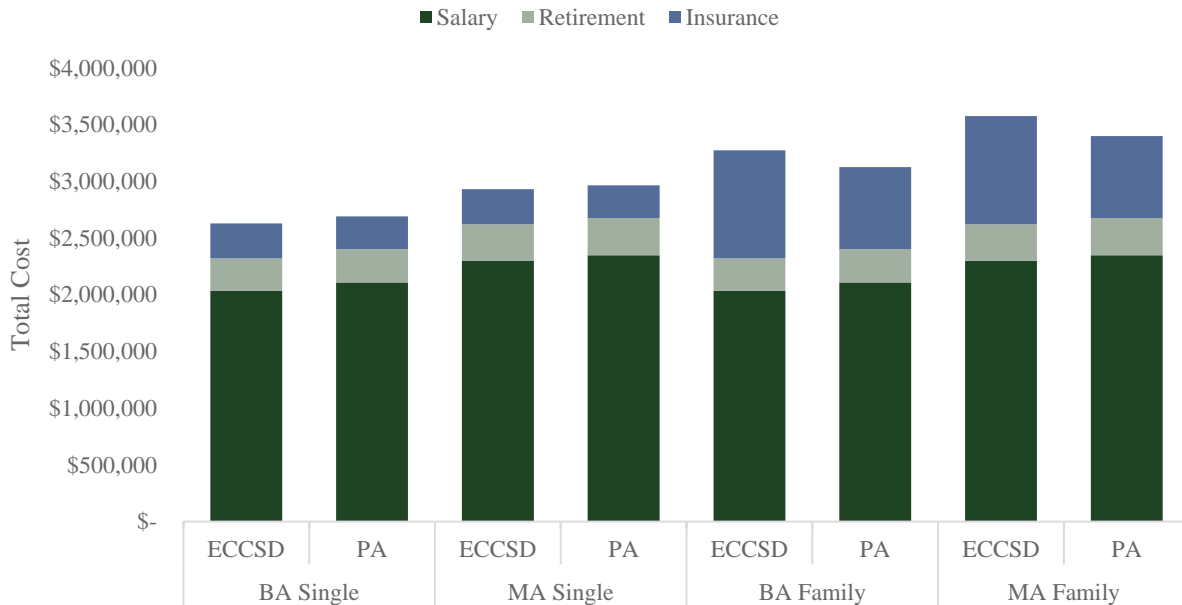
Source: ECCSD, SERB, & Local Peers, FY 2022

As shown, setting the District’s salary equal to the peer average shows ECCSD employees would have a relatively comparable adjusted salary at 0 percent insurance usage, but would have a higher adjusted salary at 100 percent insurance usage. Overall, adjusted salaries for all categories in FY 2022 would range from 0.7 to 11.9 percent higher depending on which salary schedules (BA or MA), which type of insurance plan (family or single), and how much an employee utilizes insurance.

District Employee Cost

The following chart compares the District’s cost of an employee to the local peers.

Districts’ Employee Cost Comparison – 30-year Career



Source: ECCSD, SERB, & Local Peers, FY 2022

As seen, ECCSD had a lower or comparable employee cost in the single categories but a higher employee cost in the family categories. The employee cost for a 30-year career ranged from 2.3 percent lower to 5.2 percent higher than the local peer average.

Conclusion

Overall, FY 2022 salaries were generally lower than the peer average. Additionally, FY 2022 insurance costs were higher than peers for the District’s share of the premium. From the employee perspective, adjusted certificated salaries ranged from 2.6 percent lower to 8.1 percent higher depending on which salary schedule and insurance plan employees are enrolled in, as well as how much they utilize their insurance. Altering salaries to be equal to local peers would result in employees having a similar adjusted salary at 0 percent insurance usage to a higher adjusted salary at 100 percent insurance usage. From the District’s perspective the cost of employee was comparable to the local peer average for employees on a single plan but higher for employees on a family plan.

Evaluating salaries and insurance together could assist the District in negotiating compensation packages that are competitive within the local market. This could assist the District in attracting and retaining quality staff, while ensuring District costs are in alignment with local peers.

Student and Employee Attendance

Both employee and student attendance impact school districts. In Ohio, chronic absenteeism is defined as missing 10 percent or more of the school year, whether absences are excused or unexcused. Chronic student absenteeism is one of the primary causes of low academic achievement and is one of the strongest predictors for identifying students who are likely to drop out. While chronic student absenteeism is strongly correlated with non-school factors such as poverty, school districts can still positively impact their students' attendance. By implementing policies that follow a tiered support approach based on absence rates, school districts can identify and address barriers to attending school.

High teacher absenteeism lowers student achievement and increases the administrative and direct costs of finding and hiring substitutes. For non-teaching staff, excessive use of leave can increase the costs associated with contracting additional employees, temporarily reassigning employees, or granting overtime.

ECCSD Student Attendance

Methodology

To understand the District's practices for increasing student attendance and reducing chronic absenteeism, we interviewed District staff, reviewed its policies and procedures, and reviewed its website and communications to the district community. These practices were then compared to best practices from ODE and Attendance Works. Additionally, we collected student attendance rates and chronic absenteeism rates from ODE for the District and primary peers. We then compared the District's student attendance rates and chronic absenteeism rates to the primary peer averages.

Analysis

In Ohio, chronic absenteeism is defined as missing 10 percent or more of the school year, whether absences are excused or unexcused. Higher chronic absenteeism is associated with lower levels of academic achievement. Simply put, students cannot learn all they need to know when they miss significant amounts of the school year. In FY 2023, the District's student attendance rate was 84.2 percent and the chronic absenteeism rate was 58.0 percent. Due to its impact on academic achievement, the District targeted it as a benchmark in its Academic Improvement Plan.

Ohio's Student Attendance Definitions

Chronic Student Absenteeism:

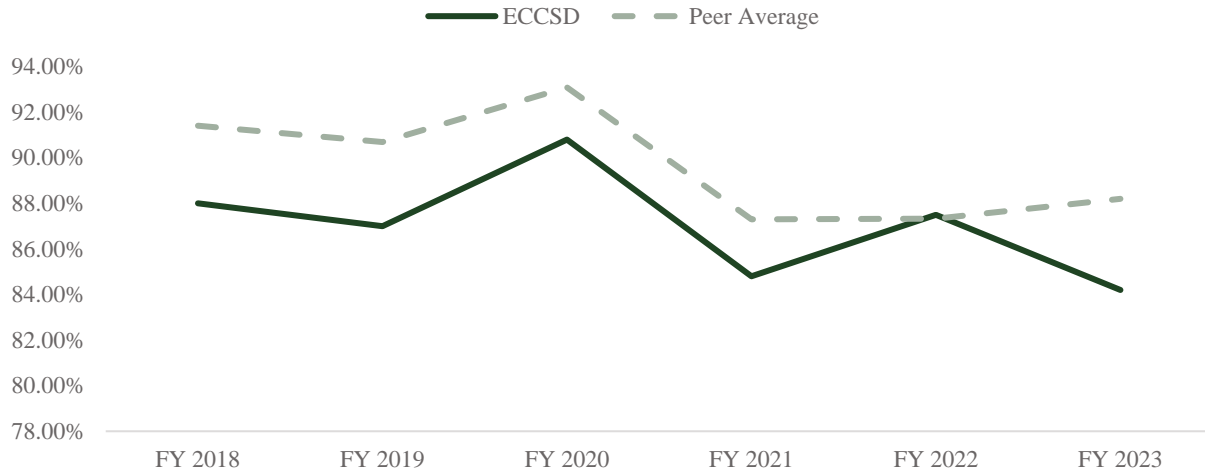
Missing 10% or more of the school year, regardless of whether absences are excused or unexcused.

Habitual Truancy: Absence without legitimate excuse for 30 or more consecutive hours, 42 or more hours in one school month, or 72 or more hours in one school year.

Excessive Absenteeism: Absences with a nonmedical excuse or without legitimate excuse from the public school the child is supposed to attend for 38 or more hours in one school month, or 65 or more hours in a school year.

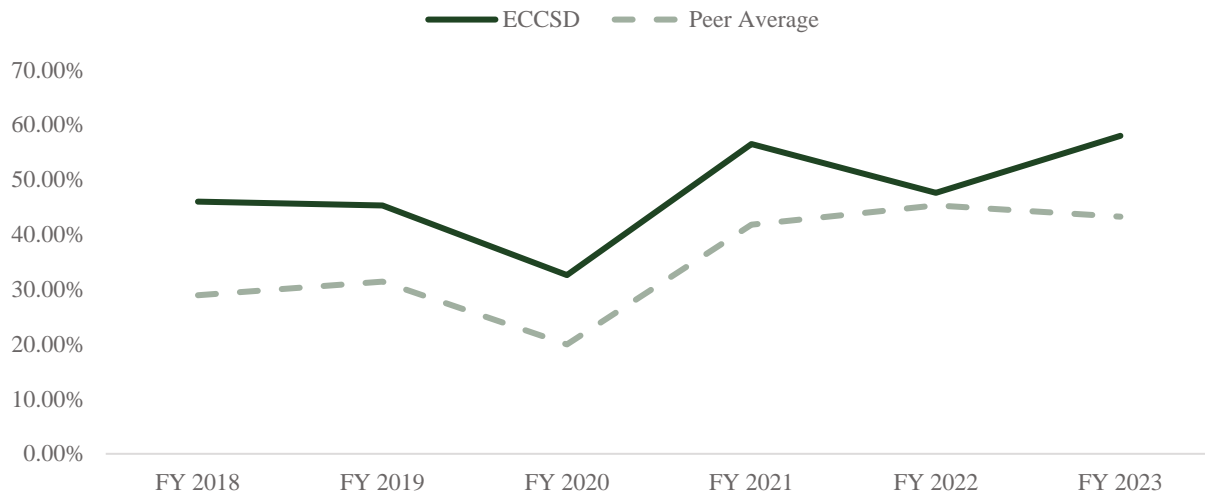
The following graphs illustrate the District’s student attendance and chronic absenteeism rates compared to the primary peer averages.

Student Attendance Rate Comparison



Source: ODE

Student Chronic Absenteeism Rate Comparison



Source: ODE

The District’s student attendance and chronic absenteeism have fluctuated over the past six years, largely due to the effects of COVID-19. The District, primary peers, and the state as a whole all saw rates worsen as instruction was adapted in response to the COVID-19 pandemic. Ultimately, the District’s FY 2023 student attendance rate was below the peer average, and the District’s FY 2023 chronic absenteeism rate was above the peer average.

In FY 2022, 100 percent of the District’s students qualified as economically disadvantaged, compared to the statewide average of 44.94 percent. As discussed in the **Attendance Background**, chronic student absenteeism is strongly correlated with non-school factors such as poverty and family background.

We compared the District’s Academic Improvement Plan strategies and the District’s other practices to foundational supports recommended by ODE and strategies to reduce chronic absenteeism from Attendance Works.⁴⁵ Examples of the District’s strategies include the following:

- The District partners with Harvard Proving Ground to pilot attendance intervention and attendance strategies;
- Secretaries run Absence Thresholds Summary reports from Analytics Hub each week, which are sent to the Attendance Intervention Team;
- The District has the support of the Cleveland Browns and the Stay In The Game network to support attendance interventions. Students can receive awards/recognition for attendance; and,
- The District’s Academic Improvement Plan includes establishing and maintaining collaborative and reciprocal relationships with families to result in increased participation in school-wide events, including daily student attendance.

As shown in the tables below, the District is meeting all best practices.

Foundational Supports Recommended by ODE

Foundational Support	ECCSD Meets?
Review district attendance policies annually to ensure they align with policies and expectations	✓
Clearly communicate attendance expectations, policies, and procedures to the entire school community	✓
Have consistent attendance procedures throughout the district	✓
Engage in partnerships with community members, local businesses, and local juvenile courts to provide services and supports to families	✓
Use positive family and community engagement strategies	✓
Provide information for English Learners and families in their home language	✓
Incorporate attendance into the district or school PBIS model	✓
Establish early warning systems to identify students who are struggling with attendance	✓

Source: ODE and ECCSD

⁴⁵ Attendance Works is an action research project finally sponsored by Community Initiatives, 501(c)(3) nonprofit.

Strategies Recommended by Attendance Works

Strategy	ECCSD Meets?
Engage Students and Parents	✓
Recognize Good and Improved Attendance	✓
Monitor Attendance Data and Practice	✓
Provide Personalized Early Outreach	✓
Develop Programmatic Response to Barriers	✓

Source: Attendance Works and ECCSD

The District has focused on adopting policies and practices to improve student attendance and chronic absenteeism and has included chronic absenteeism as a focus area of the Academic Improvement Plan. The District meets the best practices established by ODE and Attendance Works.⁴⁶

Conclusion

Despite having policies and reported actions that meet best practices established by ODE and Attendance Works, ECCSD's Student Attendance and Chronic Absenteeism rates worsened from FY 2022 to FY 2023. This has resulted in ECCSD not meeting its FY 2023 Chronic Absenteeism Benchmark Target. As research indicates the importance of student attendance on learning, the District will have to adjust and strengthen its strategies to meet its goals and get its students into the classrooms. This may require creative approaches that exceed the criteria and best practices, and should be tailored to the individual circumstances of the District.

⁴⁶ [During the course of the Performance Audit, Ohio's Attendance Taskforce Recommendations Report was released.](#)

Recommendation 5: Code Employee Leave As Required

ECCSD officials expressed concerns about the impact of employee leave usage on District operations. We found that usage of employee leave at the District is in-line with peer averages. However, the District does not use specific USAS coding to identify detailed information about leave usage. In its current account coding practices, ECCSD does not record leave as its own category distinct from overall employee compensation. Nor can the District distinguish between various leave sub-categories (such as sick, vacation, personal, maternity, etc.) in their accounting queries. Collecting this information will provide the District the ability to run financial analyses that could inform operational strategies related to leave usage.

Background

In early interviews, the District indicated teaching and staff absences were causing difficulties for operations. We decided to evaluate the leave usage within the District, District policies regarding leave usage, and attempted to evaluate the costs of employee leave.

Districts submit a significant amount of data through EMIS. This includes data such as employee attendance, and financial data which is standardized through the USAS manual. USAS is based upon the use of a combination of different codes used by school districts to report their financial data. Certain categories of financial data are required to be coded in more detail than others. This required level of coding is indicated by an asterisk.

Impact

By coding to the required level of detail as indicated by USAS, the District will comply with OAC and be able to quantify the costs for planning and management purposes.

Methodology

To evaluate whether the District's employee leave usage was comparable to that of peers, we gathered employee leave data from Districts' Information Technology Centers (ITCs), and ODE. We used this data to evaluate the District's distribution of leave benefits by leave type and select positions. Finally, we compared overall employee leave usage to peers. Additionally, we gathered USAS data in an attempt to calculate what percentage of total salaries and benefit expenditures could be attributed to leave, with the goal of comparing this to peers. Finally, we evaluated the District's employee leave policies and procedures, and compared these to best practices.

Analysis

Per the FY 2022 EMIS Staff Records & Demographics (CI) report, the District's total attendance rate of 92.1 percent is in line with the peer average attendance rate of 92.5 percent. Per the

District's Report Card, the District's teacher attendance rate of 91.2 percent is in line with the peer average rate of 93.3 percent.

Because the District's attendance rate is in line with the peers as demonstrated within the CI Report analysis and the Report Card, it appears that the District faces similar rates of absenteeism as its peers. However, a further analysis was conducted to identify leave use by position codes in order to see if leave use is an issue for certain positions within the District. A review of attendance rates by position code found that leave was evenly distributed.

The District has board-approved policies and procedures in place surrounding employee leave usage, leave monitoring, and maintaining leave data. These policies and procedures comply with federal and state requirements. It also has collective bargaining agreements (CBAs) that contain federal and state leave requirements. The policies and systems in place to monitor leave, approve leave requests appear to be sufficiently developed to ensure employees are using leave appropriately.

During the course of the audit, it was discovered that the District does not follow the USAS manual's required level of coding for object codes, as required by Ohio Administrative Code (OAC), because it did not record expenditures under Object Code 120 (Certificated Leave Benefits) and Object Code 150 (non-certificated leave benefits). In addition to this coding not meeting OAC requirements, it also prevents the calculation of what percentage of total salaries and benefit expenditures could be attributed to leave.

Conclusion

Excessive use of leave can increase the cost and effort associated with substitutes or overtime. Chronically absent teachers can also negatively impact students and their school more broadly. The District has policies and procedures in place to help manage the use of employee leave and prevent these negative impacts. We found that the District's overall employee leave usage was comparable to the primary peer average and found that leave usage within the District was evenly distributed across positions. While the leave policies, procedures, and usage were appropriate, the District did not properly code employee leave expenditures, which prevents the District from actively analyzing and managing employee leave.

Academic Improvement Plan Progress

The first year of the Academic Improvement Plan implementation period ended on June 30, 2023. For the first year of implementation, the District met 10 of the 20 benchmark targets set for FY 2023. The target for each benchmark, along with the actual results for each benchmark, are provided in the table below.

ECCSD FY 2023 Benchmark Targets and Actual

#	Benchmark	FY 2023 Target	FY 2023 Actual	Difference
1	District Performance Index	50.70%	41.60%	-9.10%
2	% of students in grades 9-12 with GPA of 3.0 or higher	27.09%	26.80%	-0.29%
3	% of students in grades 6-8 with GPA of 3.0 or higher	43.75%	34.20%	-9.55%
4	% of ACT Composite scores 18 or higher	9.50%	2.20%	-7.30%
5	% of 6-8 grade students meeting or exceeding expected growth in reading	53.33%	54.20%	0.87%
6	% of 3-5 grade students meeting or exceeding expected growth in reading	46.06%	46.60%	0.54%
7	% of 6-8 grade students meeting or exceeding expected growth in math	55.12%	54.10%	-1.02%
8	% of 3-5 grade students meeting or exceeding expected growth in math	38.08%	24.10%	-13.98%
9	% of students in 6-8 grade passing core classes	91.60%	72.00%	-19.60%
10	% of students in 3-5 grade passing core classes	90.29%	83.40%	-6.89%
11	Four Year Graduation Rate	82.00%	84.00%	2.00%
12	% of students passing Algebra 2	44.46%	64.50%	20.04%
13	% of K-2 students proficient in early numeracy	30.47%	47.60%	17.13%
14	% of prekindergarten students proficient in early numeracy	55.00%	89.20%	34.20%
15	% of K-2 students proficient or higher in phonological awareness	33.00%	46.30%	13.30%
16	% of prekindergarten students proficient or higher in phonological awareness	46.00%	73.40%	27.40%
17	District Chronic Absenteeism Rate	35.00%	58.00%	23.00%
18	% of 9-12 grade students in co-curricular activities	48.00%	49.50%	1.50%
19	% of 6-8 grade students in co-curricular activities	40.00%	100.00%	60.00%
20	% of students who have earned Industry Credential(s)	47.57%	46.60%	-0.97%

Source: ECCSD

The table would indicate that if the District continues at the same rate of improvement, it will not achieve the majority of the benchmarks in the Academic Improvement Plan (see **Academic Improvement Plan Overview**). To be removed from Academic Distress, the District must meet the majority of its stated Academic Improvement Plan benchmarks. In addition to maintaining progress for the ten goals that met the FY 2023 benchmark, the District will have to make up ground on the other benchmarks to meet the FY 2025 goals and be removed from Academic Distress.

While the District did not meet a majority of the FY 2023 benchmark targets, it did make improvement on 19 of the 20 benchmarks. Additionally, the District already surpassed 7 of 20 (35 percent) of its FY 2024 benchmark targets and 6 of 20 (30 percent) of its FY 2025 benchmark targets. It should be noted that regardless of FY 2023 results, the District will need to continue to work towards meeting the stated benchmark goals at the end of FY 2025. If, for example, it met a goal in FY 2023 or FY 2024 and then regresses, the benchmark would not be considered met in FY 2025.

Implementation Strategy Adjustments

After the publication of FY 2023 benchmark results, we contacted the District to inquire whether the District planned on adjusting any of its strategies to fulfill missed benchmarks. The District did not respond to our request. Additionally, the District's Academic Improvement Plan webpages do not include information about adjustments to the implementation of the Academic Improvement Plan.

Recommendation 6: Evaluate and Communicate Academic Improvement Plan Updates

The District must achieve a majority of its benchmarks at the end of FY 2025 to be released from Academic Distress. Because the District met only half of the FY 2023 benchmark targets, it will need to work to make up ground to meet the FY 2024 targets and ultimately the FY 2025 Academic Improvement Plan benchmarks. Since the FY 2023 results were released, the District has not communicated whether it plans to make adjustments to its Academic Improvement Plan implementation strategies in order to improve progress toward achieving a majority of benchmark targets in FY 2024 and FY 2025. Because the District did not make the necessary improvements to meet FY 2023 benchmark targets, it should determine how its Academic Improvement Plan implementation strategies need to be adjusted. Once these adjustments are identified, the District should communicate its decisions with appropriate stakeholders. Additionally, the District should use the results of this report to evaluate whether additional resources, such as its \$7 million in remaining ESSER funding, should be dedicated toward implementing strategies to meet the future benchmark targets in FY 2024 and FY 2025. Communicating any adjustments with stakeholders will allow for greater transparency and sustained outcomes, while continuing to evaluate the allocation of Districts funds will allow the District to best utilize its resources in implementing the Academic Improvement Plan.

Impact

ODE’s Local Stakeholder Engagement Toolkit establishes that meaningful and ongoing stakeholder engagement is critical to the success of all students and that transparency and collaboration have a critical role in sustaining a district’s mission and outcomes. By communicating and collaborating with stakeholders about the benchmark targets not met and the implementation strategies that may impact these benchmarks, the District can more effectively improve and sustain its outcomes. Additionally, continuing to evaluate the allocation of funds will allow the District to best utilize its resources in implementing the Academic Improvement Plan.

Methodology

We reviewed the District’s FY 2023 Scorecard for self-reported benchmark results and compared these values to the District’s Report Card and FY 2023 benchmark targets. Additionally, we contacted the District about the results to inquire whether the District planned any adjustments to its implementation strategies. Finally, we reviewed the District’s website for information about updates to the Academic Improvement Plan’s implementation strategies.

To evaluate the financial resources available for the Academic Improvement Plan, we reviewed the November 2023 Five-Year Forecast and ESSER funding remaining. Additionally, for each of the District’s 74 unique Academic Improvement Plan implementation initiatives, we attempted to identify one or more expenditure area(s), if any, that require an investment of resources if the initiative were to be carried out. For instance, if an initiative involved the training of teaching staff, it

would be marked with the expenditure category of “professional development”, since expenditures related to professional development would be necessary if the initiative were to be realized.

We then compiled the results, and for each identified expenditure category, determined if the expenditure category could be accurately captured in a USAS function code, USAS object code, or EMIS position code, and if the expenditure category was mentioned by enough initiatives to warrant it as a significant expenditure category for the achievement of Academic Improvement Plan benchmarks. Of the 15 expenditure categories that were identified as required by ECCSD’s Academic Improvement Plan implementation initiatives, only one category fell under both stated criteria: expenditures for professional development.

For this expenditure category, we observed expenditure patterns from FY 2019 to FY 2023 to determine whether spending levels had increased, been maintained, or dropped off within the four-year period. Then, we observed the funds that the expenditures in the category were expended from in FY 2022—if any fund balance of a relevant fund was likely to run out in the near future, we noted a potential long-term sustainability issue for carrying out the levels of spending necessary for Academic Improvement Plan implementation.

Analysis

Academic Improvement Plan Progress

As discussed in the Academic Improvement Plan Progress section, the District met 10 of 20 FY 2023 benchmark targets. After the publication of FY 2023 benchmark results, we contacted the District to inquire whether the District planned on adjusting any of its strategies to fulfill missed benchmark targets. The District did not respond to our request. Additionally, the District’s Academic Improvement Plan webpages do not include information about adjustments to the implementation of the Academic Improvement Plan.

Academic Improvement Plan Expenditures

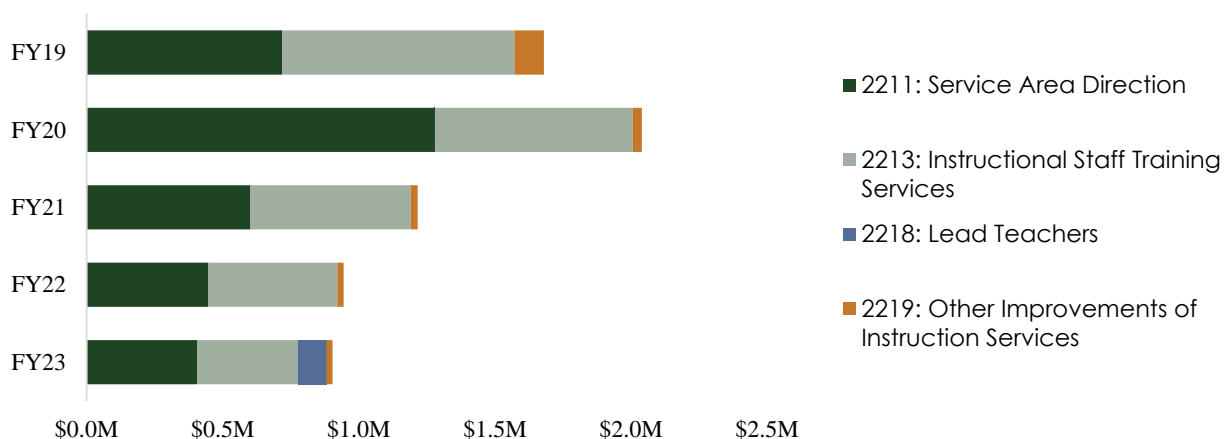
The District’s November 2023 Five-Year Forecast projects deficit spending from FY 2025 through FY 2028, leading to a declining General Fund balance (see **Financial Condition**). The District reported in interviews that all spending is aligned with the goals of their Academic Improvement Plan.

Many of ECCSD’s initiatives for implementing its Academic Improvement Plan involve providing professional development for staff. Put simply, training staff can lead to higher-quality educators who are better-equipped to provide quality education to students. High-quality and effective teachers can significantly improve student achievement. Miles and Frank cite the need to invest in teaching quality as a key resource allocation strategy. They further note the importance of strategically designed professional development, particularly in schools with greater numbers of teachers with lower levels of experience like ECCSD.

The USAS code best capturing professional development expenditures is Function 2210, Improvement of Instruction Services. This code is defined as “those activities which are designed primarily for assisting instructional staff in planning, developing, and evaluating the process of providing challenging learning experiences for pupils”—in other words, professional development activities.

ECCSD’s spending under this function code from FY 2019 to FY 2023 is displayed below. As seen, ECCSD has generally decreased its level of spending in this area over time, from \$1.7 million in FY 2019 to under \$1 million in FY 2023. Though it was an outlier, the District’s professional development spending rose to a high of \$2.0 million in FY 2020—District administrators state that professional development for remote learning and student social/emotional struggles was administered to staff in that fiscal year as a result of the COVID-19 pandemic. Afterward, expenditures under Function 2210 decreased and leveled off to roughly \$1 million per year. About half the expenditures under this function from FY 2019-FY 2023 were recorded under Function 2211, Service Area Direction, defined as “those activities associated with directing and managing the improvement of instruction services”. Most of the remaining expenditures were recorded under Function 2213, Instructional Staff Training Services. These are defined as “those activities designed to contribute to the professional or occupational growth and competence of members of the instructional staff during their service to the school district or school”. These activities include workshops, demonstrations, school visits, courses for college credit, sabbatical leaves, and travel leaves. Note that simply observing professional development expenditures does not account for professional development activities that are administered at minimal or zero cost; administrators state that they don’t always have to pay for professional development activities, since they’re sometimes conducted internally.

Professional Development Expenditures, FY 2019-FY 2023



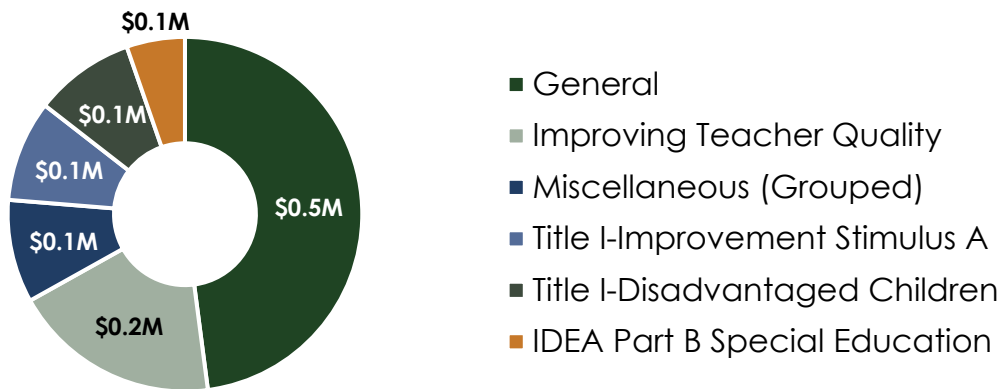
Source: ECCSD USAS Data, FY 2019-FY 2023

Note: In FY 2020, there was an expenditure of \$1,045 under Function 2212, Instruction and Curriculum Development Services.

Given that the provision of professional development to staff is an integral part of ECCSD’s initiatives for implementing its Academic Improvement Plan, the sustainability of these expenditures in the long-term matters. One method of assessing sustainability is by examining which funds certain expenditures were made from.

Below is a visual of ECCSD’s Function 2210 expenditures by the fund from which they were expended in FY 2022. As seen, 47.9 percent of these expenditures were made from the General Fund. While the District is expected to start running an annual deficit in FY 2025, the District has a significant enough General Fund balance to cushion this deficit in the short-term. However, if deficits are to continue in the long-term, the District may face difficulty maintaining its professional development expenditure levels in the future or may have to supplement this spending more heavily with other funds.

Professional Development Expenditures by Fund, FY 2022



Source: ECCSD USAS Data, FY 2022

Note: Due to rounding, values in visual may not sum to total listed.

Note: Miscellaneous (Grouped) includes the Title I-Improvement Stimulus G Fund, the Public School Preschool Fund, the Drug Free School Grant Fund, the IDEA Preschool Grant Handicap Fund, and other funds.

Conclusion

The District met 10 of 20 FY 2023 benchmark targets (50 percent), which is not a majority. Since these results were released, the District has not communicated whether the District plans to make adjustments to its Academic Improvement Plan implementation strategies. The District must achieve a majority of its benchmarks at the end of FY 2025 to be released from Academic Distress at that time since FY 2025 is the first evaluation period. The District should determine whether its Academic Improvement Plan implementation strategies need to be adjusted and should communicate any adjustments with stakeholders. Additionally, the District should use the results of this report to evaluate whether additional resources, such as its \$7 million in remaining ESSER funding, should be dedicated toward implementing strategies to meet future benchmark targets. Communicating any adjustments with stakeholders will allow for greater transparency and sustained outcomes, while continuing to evaluate the allocation of Districts funds will allow the District to best utilize its resources in implementing the Academic Improvement Plan.

Client Response Letter

Throughout the audit process, OPT staff met with District officials to ensure substantial agreement on the factual information presented in this audit report. Audit standards and AOS policy allow clients to provide a written response to an audit. District officials were provided the opportunity to formally respond to the final report with a written letter, but declined the offer to do so.

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

Performance Audit Purpose and Overview

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

Generally accepted government auditing standards (GAGAS) require that a performance audit be planned and performed so as to obtain sufficient, appropriate evidence to provide a reasonable basis for findings and conclusions based on audit objectives. Objectives are what the audit is intended to accomplish and can be thought of as questions about the program that the auditors seek to answer based on evidence obtained and assessed against criteria.

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

Audit Scope and Objectives

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

Summary of Objectives and Conclusions

Objective	Recommendation
Resource Allocation	
Where is the District allocating its financial resources and how does the distribution of expenditures compare to peer districts and/or best practices?	IFFS 1, R.3, R.6
Are the District’s decisions in regard to its resource deployment strategies in line with peer districts and/or best practices?	R.1, R.2
District Operations	

Are the District’s staffing levels appropriate to meet the demand for services and how do they compare to industry standards and/or peer districts?	R.3
Are the District’s salaries and wages appropriate in comparison to local peers to ensure the District is able to attract and retain employees?	R.4
Are the District’s insurance costs and plan design appropriate in comparison to other governmental entities within the local market?	R.4
Is the District’s employee use of leave comparable to peers?	R.5
How does the District’s student attendance compare to peers and/or best practices?	No Recommendation: The District’s student attendance policies and procedures meet best practices.
Academic Improvement Plan	
Is the District positioned to ensure successful implementation of the plan’s academic improvement benchmarks?	R.6

Although assessment of internal controls was not specifically an objective of this performance audit, internal controls were considered and evaluated when applicable to scope areas and objectives. The following internal control components and underlying principles were relevant to our audit objectives:⁴⁷

- Control environment
 - We considered the District’s 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 financial data.
 - We considered District’s use of academic data including testing data and report card data.
- Control Activities
 - We considered the District’s compliance with applicable laws and contracts.

⁴⁷ 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’s operations included in the audit scope, and reviewed and assessed available information. Assessments were performed using criteria from several sources, including:

- Peer Districts;
- Ohio Department of Education (ODE)
- State Employment Relations Board (SERB)
- Industry Standards;
- Leading Practices;
- Statutes; and,
- Policies and Procedures.

In consultation with the District, two 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 higher Ohio Report Card achievement and better academic performance. A “Local Peers” set was selected for a comparison of the General Fund subsidy of compensation, benefits, and collective bargaining agreements, where applicable. This peer set was selected specifically to provide context for local labor market conditions. The lists below show the Ohio school districts included in these peer groups.

Peer Group Districts

Primary Peers

- North College Hill CSD (Hamilton)
- Whitehall CSD (Franklin)
- Painesville CSD (Lake)
- Maple Heights CSD (Cuyahoga)
- Lima CSD (Allen)
- Euclid CSD (Cuyahoga)
- Campbell CSD (Mahoning)

Local Peers

- Cleveland MSD (Cuyahoga)
- Cleveland Heights-University-Heights CSD (Cuyahoga)
- Euclid CSD (Cuyahoga)

- Richmond Heights LSD (Cuyahoga)
- Shaker Heights CSD (Cuyahoga)
- South Euclid-Lyndhurst CSD (Cuyahoga)

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

Appendix B: Barriers to Learning

ECCSD experiences challenges that many Ohio school districts don't face—or face to a lesser degree. These challenges include having a much greater share of its students qualify as economically disadvantaged, differing household makeups, issues with student attendance and student mobility, and higher rates of violent crime in the district than statewide averages.

Impact of Economic Disadvantage on Educational Achievement

In FY 2022, 100 percent of ECCSD students qualified as economically disadvantaged, which is more than double the statewide average of 44.9 percent per the FY 2022 District Profile Report. According to the literature on poverty and education achievement, impoverished students may be at an academic disadvantage due to their family income status. A report from the Economic Policy Institute by [Garcia and Weiss \(2017\)](#), states “children’s socioeconomic status (SES), of which income is a key component, is considered one of the most significant predictors—if not the most significant predictor—of educational success.”

In particular, research shows that students from low-income families, on average, score lower on standardized testing than their higher-income peers, even at the very start of their educational career. This can be seen in the [Early Childhood Longitudinal Study, Kindergarten Class of 2010-11](#), a multi-year study conducted by National Center for Education Statistics (NCES) within the Institute of Education Sciences (IES) of the U.S. Department of Education. The study tracked a nationally representative sample of 18,170 children attending kindergarten in 2010-11 from their kindergarten year to the fifth grade. The students completed standardized testing on math and reading during the fall of their kindergarten year. The testing results revealed that students from families below 100 percent of the federal poverty level, or \$24,860 for a family of three in 2023, scored an average of 2.8 points lower on the reading test and 3.6 points lower on the math test than students from families between 100 percent and 199 percent of the federal poverty level—further, these students scored an average of 7.4 points lower on the reading test and 8.9 points lower on the math test than students from families at or above 200 percent of the federal poverty level.⁴⁸ Using metrics on kindergarten test scores, as opposed to those of a higher grade level, illustrates the impact of poverty on education prior to being influenced by the district’s education quality.

Given that many children from low-income families start school at a disadvantage, these children may need additional resources—in this sense, many studies point out that it may cost more to educate disadvantaged students than non-disadvantaged students. [Ivy and Amerikaner \(2018\)](#) stated, “it simply costs more to educate students from low-income backgrounds,” estimating based on the federal Title I formula for their study “that it costs a district 40 percent more to educate a student in poverty than not in poverty,” with the caveat that even 40 percent is an

⁴⁸ The reading test was out of a possible 167 points; the math test was out of a possible 159 points.

underestimate. [Baker et. al \(2018\)](#), authored by researchers at Rutgers University and released by the Education Law Center, presents a “National Education Cost Model” that uses school spending, student achievement, student and family income levels, and other factors to construct estimates of how much states and school districts would need to spend for their students to reach the national average in English and math. They calculated that in Ohio, the highest poverty quintile of school districts in the state (i.e., the top 20 percent most impoverished districts) had a cost index mean of 1.52—meaning that the average Ohio school district in that quintile would have to spend 152 percent of what the average American school district spends (i.e., spend 52 percent more) to meet national average outcomes.

ECCSD administrators emphasize that their students come from a very disadvantaged area, and that they require more attention, more support, and more services than other districts have to provide. For example, per ECCSD administrators, the District places a social worker in every school building to help students work through trauma and other personal struggles. Additionally, administrators state that they purchased Wi-Fi for some households in the city to assist with students’ remote learning.

Impact of Food Insecurity on Educational Achievement

A literature review by [Burrows et al. \(2017\)](#) showed that the majority of studies on the impacts of diet on academic achievement point to a small-to-moderate positive relationship between diet and academic achievement, including for eating breakfast, regular meal consumption, and meeting national recommendations for fruit intake. To combat food insecurity, the District provided additional meals beyond breakfast and lunch to hungry students during the early months of the COVID-19 pandemic.

Impact of Household on Educational Achievement

Per the 2021 5-Year American Community Survey (ASC), roughly 52.4 percent of households in the City of East Cleveland consist of single parent family households with no spouse present, more than double the statewide average of 22.7 percent of households falling into this category. This can be problematic for educational achievement, as [Pong, Dronkers, and Hampden-Thompson \(2003\)](#) found that single parenthood is associated with lower math and science achievement among young children. In particular, the study found that American children living with single parents score about 28 points lower in math and 32 points lower in science than do children who live with both parents. The study points to these households having fewer monetary and non-monetary (e.g., time) resources as a possible reason for this gap. Additionally, [Garrett-Peters et al. \(2016\)](#) found that income poverty was positively related to household disorganization (defined as high levels of noise, excessive crowding, clutter, and lack of structure in daily life), which was, in turn, associated with lower academic achievement.

Impact of Crime on Educational Achievement

The high rate of crime in the city has also presented additional challenges to the District. In 2021, the East Cleveland City Police Department reported 101 violent crime incidents to the Federal Bureau of Investigation, or roughly 7.4 incidents per 1,000 residents. Comparatively, Ohio altogether reports approximately 2.9 violent crime incidents per 1,000 residents. [Schwartz et al. \(2021\)](#) found that exposure to violent crimes reduces students' academic performance. Similarly, [Boxer, Drawve, and Caplan \(2020\)](#) found that more crime close to school buildings relates to worse academic performance when controlling for the effects of economic disadvantage. ECCSD leases an indoor garage for its school buses; administrators attest that they cannot keep them sitting outside due to criminal activity. Though ECCSD previously retained a safety consultant from the local police force, the District recently invested in an in-house security team to keep students safe. This increased focus on security services was identified as a key driver within our analysis; we found that ECCSD spent \$483 per pupil in FY 2022—\$357 more than the peer average—and increased their expenditure per pupil in this area by 46.4 percent in FY 2023.

Impact of Limited City Resources on Educational Achievement

The City of East Cleveland does not provide certain services, or quality of service, that more financially well-off municipal governments do. In turn, ECCSD has been left to either deal with any resulting issues or attempt to pick up the slack. ECCSD administrators report that there are no city playgrounds in East Cleveland—meaning children rely on ECCSD's playgrounds. ECCSD administrators state that the City's poor credit rating also counts as ECCSD's credit rating, making vendors hesitant to contract with the District.

More acutely, hazardous road conditions, exacerbated by lack of City upkeep, have been detrimental to student safety, as well as the District's day-to-day operations. According to ECCSD administrators, the City's snowplowing is infrequent, and potholes are numerous, making school bus transportation treacherous. The City of East Cleveland does not employ any crossing guards, and streetlights are minimal. As a result, even a brief walk to the school bus stop can be dangerous. ECCSD administrators state that they've had to cancel school on numerous occasions due to these safety concerns. To mitigate parent worries, ECCSD has begun using an app that allows parents to track the real-time location of the school bus; using the app, parents can note when the bus is coming and drop off their children at the stop at the right time.

Appendix C: History of Academic Accountability

Report Cards

Ohio's first School District report cards were issued following the 1998 passage of S.B. 55 of the 122nd General Assembly. These report cards were for each school district and for the state as a whole and included both educational and fiscal performance data.

Since Report Cards were first issued, there have been several changes in both grade designations and elements measured to determine the grades. The first Report Cards included the following designations based on State Indicators, Performance Index, and Adequate Yearly Progress (AYP) elements: Excellent, Effective, Continuous Improvement, Academic Watch, and Academic Emergency.

The passage of H.B. 555 of the 129th General Assembly in 2012 replaced the district designation system with a new A-F grading scale. FY 2020 district grades were not published due to COVID-19's disruption to learning across the state. Additionally, the 133rd General Assembly passed H.B. 409 to prohibit district grades from being published for FY 2021. Finally, in 2022, the 134th General Assembly then passed H.B. 82, which changed the A-F system to a 1-5 star system, among other changes.

The current components of the Report Card include:

- Achievement
- Progress
- Gap Closing
- Improving At-Risk K-3 Readers
- Graduation Rate
- Prepared for Success

Academic Distress

As discussed in the **Introduction**, school districts that chronically underperform on Report Cards are subject to state oversight under ORC 3302.10. There have been several versions of ORC 3302.10 since 2005. These versions included various changes to entry and exit requirements for ADCs and required academic plans. A summary of some of the key features of each version is below.

ORC 3302.10 Over Time

Version	Governance: ADC	Governance: CEO	Improvement Plan Required	Exit Based on State Superintendent
2005: H.B. 66	✓	✗	✗	✓
2014: H.B. 487	✓	✗	✓	✓
2015: H.B. 70	✓	✓	✓	✗
2021: H.B. 82	✓	✓	✓	✗
2023: H.B. 33	✓	✓	✓	✗

Source: ORC

ORC 3302.10 began requiring school districts to come up with an academic recovery plan with H.B.487. The specific requirements of this plan have changed over time, as shown below.

Academic Plan Requirements by ORC 3302.10 Version

Version	Academic Plan
2005: H.B. 66	Not required
2014: H.B. 487	<p>Within 120 days of the ADC’s first meeting, the ADC was required to adopt an academic recovery plan to address academic problems at the school and district level.</p> <p>This plan was required to include short and long-term actions needed and the timing and resources that would be applied.</p> <p>This plan was required to outline the district's monitoring and evaluation procedures and status reporting requirements.</p>
2015: H.B. 70	<p>Required CEO to create a plan that included clear, measurable performance goals for the district and for each school operated by the district within 90 days of appointment.</p> <p>The performance goals were required to include report card performance measures but could also include other measures.</p> <p>During the development process, the CEO was explicitly required to consider the availability of funding to ensure sustainability of the plan.</p>
2021: H.B. 82	<p>Requires CEO to create a plan that included clear, measurable performance goals for the district and for each school operated by the district within 90 days of appointment.</p> <p>The performance goals are required to include report card performance measures but could also include other measures.</p> <p>During the development process, the CEO is explicitly required to consider the availability of funding to ensure sustainability of the plan.</p>
2023: H.B. 33	Revisions solely reflect H.B. 33’s changes from ODE.

Additionally, the membership requirements of ADCs changed over time, as shown below.

ADC Membership by ORC 3302.10 Version

Version	ADC Membership
2005: H.B. 66	<p>3 members appointed by the superintendent of public instruction.</p> <p>2 members appointed by the president of the district board of education.</p>
2014: H.B. 487	<p>3 members appointed by the superintendent of public instruction.</p> <p>2 residents of the school district appointed by the president of the district board of education.</p> <p>The superintendent of public instruction also designates one of their appointed members of the ADC to be a chairperson.</p>
2015: H.B. 70	<p>3 members appointed by the superintendent of public instruction, one of whom is a resident of the district's county.</p> <p>1 teacher from the school district appointed by the president of the district board of education.</p> <p>1 member appointed by the mayor of the municipality in which a majority of the district's territory is located or, if no such municipality exists, by the mayor of a municipality selected by the state superintendent in which the district has territory.</p> <p>The superintendent of public instruction also designates one their appointed members of the ADC to be a chairperson.</p>
2021: H.B 82	<p>3 members appointed by the superintendent of public instruction, one of whom is a resident of the district's county.</p> <p>1 teacher from the school district appointed by the president of the district board of education.</p> <p>1 member appointed by the mayor of the municipality in which a majority of the district's territory is located or, if no such municipality exists, by the mayor of a municipality selected by the state superintendent in which the district has territory.</p> <p>The superintendent of public instruction also designates one their appointed members of the ADC to be a chairperson.</p>
2023: H.B. 33	<p>Revisions solely reflect H.B. 33's changes from ODE.</p>

Appendix D: Financial Background

Local Revenue

Local revenue can be raised through a combination of property and income taxes. Property taxes levied in Ohio are subject to restrictions in the Ohio Constitution⁴⁹ and the Ohio Revised Code (ORC).⁵⁰ These restrictions limit the amount of tax that can be levied without voter approval to 10 mills⁵¹ 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 unvoted 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 unvoted mills. School districts share these un-voted mills with other local governments. The actual breakdown of inside mills differs from county to county and, because of this, the inside mills for school districts varies. On average, school districts have approximately 4.7 inside mills, and the remainder of property tax revenue would come from voted, or outside millage.

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

Levies may be defined as either a fixed-rate or a fixed-sum. A fixed-rate levy identifies the number of mills that will be assessed in order to raise revenues. If new construction occurs within the district, the rate will apply, and the district would realize additional revenues. Current expense levies, used for general operations, and permanent improvement levies are typically fixed-rate. A fixed-sum levy identifies an amount that will be generated from the levy. While there may be an estimated millage rate, the actual rate will vary based on assessed property values. If new construction occurs within the district, there would be no new revenues for a fixed-sum levy. Emergency levies⁵² 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.⁵³ In subsequent years, with exceptions such as new construction, a district would not

⁴⁹ Ohio Const. Art. XII, Section 2.

⁵⁰ ORC § 5705.02.

⁵¹ A mill is defined as one-tenth of one percent or \$1 for every \$1,000 of taxable value.

⁵² Authorized by ORC §5705.194.

⁵³ Am.Sub.H.B. No. 920, 136 Ohio Laws, Part II, 3182, 3194.

receive additional revenue from a levy as property values increased.⁵⁴ Instead, the outside mills are subject to reduction factors⁵⁵ which lower the effective millage rate in order to maintain the preceding year’s level of revenue from the same properties.⁵⁶

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.⁵⁷ In order to prevent a district from failing to meet this minimum threshold, reduction factors stop being applied once a district reaches an effective rate of 20-mills, colloquially known as the 20-mill floor. Practically speaking, this means that if a district’s effective tax rate is reduced to 20 mills for current expenses, the amount of revenue generated from levies will increase with property values unless a new operating levy is approved by voters. It is important to note not all levies count toward the 20-mill floor.

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

In Tax Year 2022, ECCSD collected revenues on 54.71 mills of property tax for residential properties. This included 4.78 inside mills and 49.93 outside mills for current expenses. The current expense levies are subject to reduction factors; these reduction factors limit the impact of rising property values. The revenue generated from a current expense levy is limited to the total revenue from the first year of collections. Although property values may increase while the levy is in effect, the reduction factors work to prevent increases in property taxes. The following chart shows a comparison of millage rates between ECCSD and local peer districts.

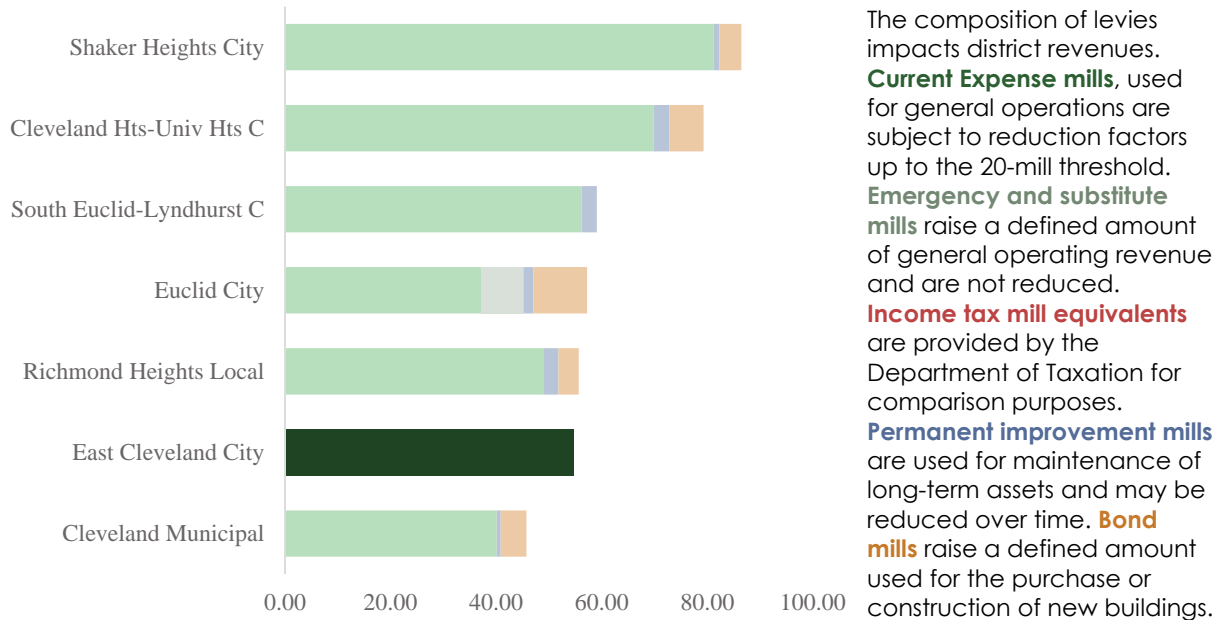
⁵⁴ If property value decreased due to reappraisal, it is possible that a district would receive less revenue than originally intended.

⁵⁵ ORC § 319.301.

⁵⁶ 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.

⁵⁷ 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.

2023 Millage and Millage Equivalents | Local Peers



Source: Ohio Department of Taxation

ECCSD’s millage rate is lower than all local peers but Cleveland Municipal. On top of this, the District’s property values are lower than the local peer average (ECCSD’s assessed property value per pupil is \$104,641, versus its local peer average of \$240,025). Both of these factors limit the amount of local revenue the District raises in comparison to its neighbors.

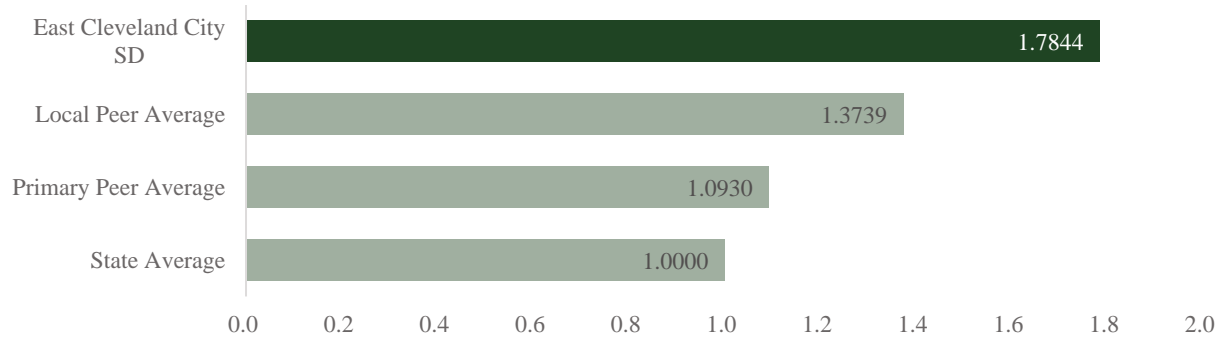
Local Tax Effort

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.

The District ranks high on the index. The statewide average local tax effort is 1.0000; any value above that indicates that the district’s residents contribute a higher-than-average proportion of their income to supporting public education; any value below indicates the opposite. ECCSD’s local tax effort index is displayed in the following visual.

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FY 2022 Local Tax Effort Comparison



Source: ODE

As seen, ECCSD’s local tax effort index in FY 2022 was 1.7844, surpassing its local peer average of 1.3739, its primary peer average of 1.0930, and the statewide average of 1.0000. ECCSD’s low median income means that ECCSD residents pay a larger-than-average proportion of their income to property taxes, when compared to the state average.

Foundation Funding Formula Update

On June 30, 2021, House Bill 110 of the 134th General Assembly (the biennial budget bill) was signed by the Governor. This bill included changes to the state foundation funding formula, commonly referred to as the Fair School Funding Plan, which replaced the previous state funding allocation model. This new model establishes and implements a cost methodology using student teacher ratios, minimum staffing levels, local property values, and district-level income data. Further, the legislation includes guarantees to ensure no school district receives less funding than it did in FY 2020.

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

Appendix E: ECCSD Academic Improvement Plan

The table below shows the area(s) of focus and ECCSD’s rationale for each of the Academic Improvement Plan benchmarks.

ECCSD Benchmark Rationale – College Readiness

Area of Focus	Benchmark(s)	Rationale
Performance Index	1	Using the performance index percentage from the local report card, this metric gives us a high-level view of summative student achievement.
GPA	2, 3	Career Ready Students with a 2.8 GPA graduating high school have a 71% likelihood of reaching the American middle class. Maintaining higher than a 3.0 high school GPA or passing high school exit exams or college entrance exams is correlated with enrolling in and successfully completing credit-bearing entry-level college courses.
Standardized Testing, ACT	4	ACT scores provide important insight into the academic preparedness of students, particularly, readiness for postsecondary education.
Standardized Testing, NWEA Reading and Math Growth	5, 6, 7, 8	The MAP Growth assessment is a comprehensive assessment that focuses on tracking the growth of students in grades K-12 through the school year. The computer adaptive assessment is aligned with the Common Core State Standards and Next Generation Science Standards.
Passing Classes	9, 10, 12	Passing core classes positively correlates with high school graduation. Successful high school completion of Algebra 2 correlates to college and career success.
Graduation	11	
Early Numeracy	13, 14	The ability to do simple arithmetic and place numbers on the number line for the first grade predicts math performance in the fifth grade.
Early Literacy	15, 16	Phonological awareness (i.e. rhyming) is one of the most important predictors of later reading ability and is a teachable skill that, when explicitly taught in combination with letters, promotes stronger reading skills.

ECCSD Benchmark Rationale – Career Readiness

Area of Focus	Benchmark(s)	Rationale
Chronic Absenteeism	17	Data shows school attendance is central to success. Absenteeism influences chances for graduating and completing college.

Co-Curricular Involvement	18, 19	Students involved in activities are more likely to aspire to higher education, and two-thirds are expected to complete a bachelor’s degree or higher. The more students participate in career and technical student organizations, the higher their academic motivation, academic engagement, grades, career self-efficacy, college aspirations and employability skills.
Industry Credential(s)	20	Participation in skills-training programs increases the likelihood of higher earnings and raises the probability and consistency of employment.

Additionally, we grouped these benchmarks using the primary source of data or assessment used for measurement. When developing any benchmark, it is important to ensure that the data or assessment used is reliable, valid, and fair. Reliable assessments are consistent and have replicable results. Valid assessments measure what was intended to be evaluated. Fair assessments are free from bias. All assessments used within ECCSD’s Academic Improvement

Division of Benchmarks by Assessment Used

Data Used	Benchmarks	Detail or Description
EMIS, Report Card	1, 11, 17	ODE uses data reported by districts and schools to analyze performance in several categories. Data are collected into six components: Achievement, Progress, Early Literacy, Gap Closing, Graduation, and College, Career, Workforce and Military Readiness.
ACT Composite	4	The ACT is a standardized assessment that contains four multiple-choice tests in English, mathematics, reading, and science with scores ranging from 1-36. The Composite score is the average of the four test scores rounded to the nearest whole number.
NWEA MAP	5, 6, 7, 8, 13	NWEA MAP Growth is an assessment for measuring achievement and growth in K–12 math, reading, language usage, and science. Reports identify common areas of need among students, identify students who could benefit from intervention, and determine which instructional strategies are generating the most academic growth.
Course Grades from SIS	2, 3, 9, 10, 12	Course grades are entered into the Student Information System (SIS), ProgressBook. This contains course results and credits earned from courses.
Acadience	15	Acadience Reading K-6 is a tool designed for universal screening and progress monitoring for literacy. It is used to identify students, classrooms, and grades that may need additional instructional support. Additionally, it monitors progress through repeated assessments of similar difficulty.

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Ohio Early Learning Assessment	14, 16	The Early Learning Assessment is a part of Ohio's Ready for Kindergarten Assessment System. The assessment is designed to aid teachers in determining where children are in their readiness for kindergarten. The Early Learning Assessment will provide information for teachers about children from early preschool to kindergarten.
EMIS, Student Program Codes (GQ) Record	18, 19	The Education Management Information System (EMIS) is a statewide data collection system that includes demographic information, attendance, course information, financial data, and test results.
GW Record	20	These records include industry credentials reported as part of the GW record for ECCSD, which is a free-standing Career Technical Planning District.

Appendix F: Expenditure Key Driver Analysis

Methodology

In FY 2022, ECCSD spent more per pupil than its peer districts, regardless of whether ESSER spending is included. Excluding ESSER spending, ECCSD spent \$28,532 per pupil in FY 2022. Its peers, on average, spent \$16,202 per pupil.

ODE divides school district expenditures into three overarching categories—classroom instruction operating expenditures, non-classroom operating expenditures, and non-operating expenditures. ECCSD’s operating expenditure figures, both in and out of the classroom, as well as its non-operating expenditure, surpass its peer average. ECCSD’s classroom instruction operating spending per pupil was 47.8 percent higher than its peer average (\$14,582 compared to \$9,865) in FY 2022, its non-classroom operating spending per pupil was 125.4 percent higher (\$11,208 compared to \$4,973), and its non-operating spending per pupil was 100.9 percent higher (\$2,742 compared to \$1,365).

We sought to identify the few functions and object codes responsible for most of the difference between ECCSD’s and its peer average’s per-pupil spending—i.e., identify the “key drivers” of the difference. To do so, we identified the functions at Function Level 1 that comprised at least 20 percent of the expenditure per pupil (EPP) difference. Then, we identified the functions at Function Level 2 that comprised at least 20 percent of the EPP difference found within the identified Level 1 functions. This process repeated with more granular function levels, and then with object levels, until a set of key drivers was identified.

Classroom Instruction Operating Expenditures

Classroom instruction operating expenditures include those expenditures dedicated to instruction, pupil support (e.g., guidance, health, psychological, speech, audiology, and social work services), and instructional staff support services (e.g., professional development). In FY 2022, ECCSD spent more per pupil on classroom instruction operating expenditures than its peers—ECCSD spent \$14,582 per pupil in this category, whereas its peers spent \$9,865 per pupil, on average. This resulted in a difference of \$4,717 per pupil spent on activities related to day-to-day classroom instruction.

Our methodology singled out the following combinations of functions and objects as the largest drivers of the difference between the expenditure per pupil of the client and its peer set.

Key Drivers of Classroom Instruction Operating EPP Difference, ECCSD vs. Peers, FY 2022

Function	Object	ECCSD EPP	Peer AVG EPP	EPP Diff.
1110: Elementary	100: Salaries/Wages	\$1,629	\$1,578	\$51
	200: Benefits	\$660	\$561	\$99
	500: Supplies/Materials	\$190	\$81	\$109
1130: High School	100: Salaries/Wages	\$1,468	\$1,019	\$449
	200: Benefits	\$641	\$455	\$187
	500: Supplies/Materials	\$252	\$36	\$216
1240: Handicapped Special Learning Experiences for Grades 7 through 12	100: Salaries/Wages	\$862	\$577	\$284
	200: Benefits	\$406	\$180	\$226
1270: Disadvantaged Youth	100: Salaries/Wages	\$701	\$254	\$447
	400: Purchased Services	\$302	\$37	\$265
	500: Supplies/Materials	\$230	\$12	\$218
1290: Other Special	100: Salaries/Wages	\$201	\$25	\$175
	400: Purchased Services	\$455	\$2	\$453

Source: ECCSD & Peer USAS Data, FY 2022

As seen, some of the EPP difference in classroom instruction operating expenditures can be explained by salaries and benefits for elementary and high school regular instruction. ECCSD spent \$786 more per pupil on these items than the peer average in FY 2022, comprising 16.7 percent of the EPP difference in this category. Salaries and benefits for some special education staff members also explains some of the difference—ECCSD spent \$1,133 more per pupil than the peer average on salaries and benefits for staff providing special learning experiences for handicapped students Grades 7-12 and salaries for staff providing special learning experiences for students classified as educationally disadvantaged and other special education students; salaries and benefits for these staff members explains another 24.0 percent of the EPP difference in this category.

An additional 6.9 percent of the EPP difference found in classroom instruction operating expenditures is explained by ECCSD’s higher spending per pupil on supplies/materials for elementary and high school regular instruction; ECCSD spent \$326 more per pupil than the peer average on these items in FY 2022. Of the \$662,000 ECCSD spent on these items in FY 2022, \$192,000 was spent on “iPad 64 GB 9th Generation Service: T-Mobile Empowered Unlimited Data Plan”. Additionally, ECCSD spent \$718 per pupil more than its peer average on purchased services for services for disadvantaged youth and other special education students, accounting for 15.2 percent of the classroom instruction operating expenditure EPP difference. Of the \$3.3 million spent on purchased services for these students, around \$1.4 million went toward payroll, \$573,000 went toward education service center personnel and administrative costs, and \$410,000 went toward Business Network Team hardware.

Non-Classroom Operating Expenditures

Non-classroom instruction operating expenditures include those expenditures dedicated to general and school administration, maintenance services, pupil transportation, food service, and other and non-specified support services (e.g., fiscal, business, and central services). In FY 2022, ECCSD spent more per pupil on non-classroom operating expenditures than its peers—ECCSD spent \$11,208 per pupil in this category, whereas peers spent \$4,973 per pupil, on average. This resulted in a difference of \$6,235 per pupil spent on operations beyond the classroom.

Our methodology singled out the following combinations of functions and objects as the largest drivers of the difference between the expenditure per pupil of the client and its peer set.

Key Drivers of Non-Classroom Operating EPP Difference, ECCSD vs. Peers, FY 2022

Function	Object	ECCSD EPP	Peer AVG EPP	EPP Diff.
2411: Office of Superintendent Services	400: Purchased Services	\$197	\$6	\$190
2415: District Administration Services	100: Salaries/Wages	\$419	\$13	\$406
	200: Benefits	\$154	\$6	\$149
2417: Spec Edu Services-Support Staff	100: Salaries/Wages	\$161	\$7	\$153
	200: Benefits	\$79	\$3	\$76
2421: Office of Principal Services	100: Salaries/Wages	\$654	\$528	\$126
	200: Benefits	\$330	\$222	\$108
2422: Secretarial Services	100: Salaries/Wages	\$249	\$36	\$213
	200: Benefits	\$105	\$8	\$97
2429: Other Support Services-School Admin	100: Salaries/Wages	\$80	\$12	\$68
	400: Purchased Services	\$96	\$1	\$95
2720: Care and Upkeep of Building Services	100: Salaries/Wages	\$904	\$225	\$679
	400: Purchased Services	\$1,043	\$457	\$586
2760: Security Services	100: Salaries/Wages	\$225	\$62	\$163
	200: Benefits	\$105	\$24	\$82
2960: Administrative Technology Services	400: Purchased Services	\$795	\$31	\$764
	500: Supplies/Materials	\$233	\$36	\$196

Source: ECCSD & Peer USAS Data, FY 2022

As seen, the EPP difference in non-classroom operating expenditures is explained by an assortment of key drivers. For one, ECCSD’s spending per pupil on salaries and benefits was higher than its peer average for staff serving administrative roles—its salary and benefit payments for staff providing district administration services, special education support services, office of principal services, and secretarial services, plus its salary payments for staff providing “other support services”, were a combined \$1,396 higher per pupil. These items were responsible for 22.4 percent of the EPP difference in non-classroom expenditures. Further, ECCSD spent \$924 more per pupil

than the peer average on salaries and benefits for security staff and salaries for building maintenance staff—this comprises another 14.8 percent of the EPP difference in this category.

Other key drivers of the EPP difference related to purchased services and supplies/materials. For one, 3.0 percent of the difference between ECCSD and its peers' non-operating expenditures per pupil can be attributed to purchased services for office of superintendent services; ECCSD spent \$190 more per pupil on these items in FY 2022 compared to the peer average. Of the \$294,000 in expenditures in this area, \$206,000 were payments for legal services. Another 1.5 percent of the non-classroom operating EPP difference is explained by purchased services for “other support services”, with ECCSD spending \$95 more per pupil. Of the \$144,000 spent by ECCSD, much of the transactions under this function/object combination were for materials for construction projects.

Furthermore, 9.4 percent of the EPP difference between ECCSD and its peer average for non-classroom operating expenditures can be attributed to purchased services for care and upkeep of building services—the EPP difference between ECCSD and its peer average for these services is \$586. Of the \$1.6 million ECCSD spent on these purchased services, more than half was for utilities for its buildings.

Finally, ECCSD spent \$961 more per pupil on purchased services and supplies/materials for administrative technology services, comprising 15.4 percent of the EPP difference. Of the \$348,000 spent on supplies/materials in this area, \$291,000 was on Chromebook purchases. Of the \$1.2 million spent on purchased services in this area, \$591,000 was for a payment to AT&T. District administrators stated that AT&T had ordered the District to pay for some inactive phone numbers from previous years—the District paid that money and then severed all Internet and communications with AT&T.

Non-Operating Expenditures

Non-operating expenditures include those expenditures dedicated to enterprise operations, community services, non-public school services, adult education, construction, land and existing structures, equipment, interest on debt, and other operation of non-instructional services (including sport oriented activities). Non-operating expenditures are not directly tied to student performance—as a result, they are less of a focus in this analysis. In FY 2022, ECCSD spent more per pupil on non-operating expenditures than its peers—ECCSD spent \$2,742 per pupil in this category, whereas peers spent \$1,365 per pupil, on average. This resulted in a difference of \$1,377 per pupil spent on operations beyond the classroom.

Our methodology singled out the following combinations of functions and objects as the largest drivers of the difference between the expenditure per pupil of the client and its peer set.

Key Drivers of Non-Operating EPP Difference, ECCSD vs. Peers, FY 2022

Function	Object	ECCSD EPP	Peer AVG EPP	EPP Diff.
1200: Special Instruction	600: Capital Outlay	\$687	\$0	\$687
5600: Building Improvement Services	600: Capital Outlay	\$1,271	\$34	\$1,237

Source: ECCSD & Peer USAS Data, FY 2022

As seen, the EPP difference between ECCSD’s and its peers’ non-operating expenditures can mainly be attributed to ECCSD’s higher per-pupil spending in capital outlay in FY 2022. ECCSD spent \$687 per pupil in capital outlay under special instruction—its peers spent \$0 under this function/object combination. All \$1.0 million spent in this area was for video conferencing equipment. Furthermore, ECCSD spent \$1,237 more per pupil than its peer average on capital outlay for building improvement services—nearly all of the \$1.9 million spent in this area was for the District’s high school stadium renovation project.

Appendix G: ESSER

Elementary and Secondary School Emergency Relief (ESSER) Fund

The ESSER Fund is a federal funding program that was created by the U.S. Congress to provide emergency relief formula grants to school districts in response to the COVID-19 pandemic. In total, over \$190.5 billion in grants was awarded to states by the federal government through this federal funding program.

The federal government distributed funds to states based on the same proportion of funding that the state received under the Elementary and Secondary Education Act (ESEA) Title-IA. States then were required to distribute at least 90 percent of funds to local education agencies (LEAs), or school districts, based on the districts' proportional share of ESEA Title I-A funds. Ohio school districts were required to apply to ODE to receive their share. States were given the option to reserve 10 percent of the allocation for emergency needs as determined by the state to address issues responding to the COVID-19 pandemic. ESSER funding was distributed in three separate stimulus bills throughout 2020 and 2021:

- The Coronavirus Aid, Relief and Economic Security (CARES) Act, passed on March 27, 2020, provided \$13.5 billion in ESSER I funding to the states; Ohio received \$489.2 million. The deadline to liquidate ESSER I funds was January 28th, 2023.
- The Coronavirus Response and Relief Supplemental Appropriations Act (CRRSA), passed on Dec. 27, 2020, provided \$54.3 billion in supplemental ESSER II funding to the states; Ohio received \$2.0 billion. The deadline to liquidate ESSER II funds is January 28th, 2024.
- The American Rescue Plan Act (ARPA), passed on March 11, 2021, provided \$122.7 billion in supplemental ESSER III funding to the states; Ohio received \$4.5 billion. The deadline to liquidate ESSER III funds is January 28th, 2025. For a school district to receive ESSER III funding, it was required to create or already have had a safe return-to-school plan. At least 20 percent of the ESSER III funding provided to any given school district is required to be used to address learning loss.



Of the federal grants made available to school districts, ESSER dollars have a high degree of flexibility. Among other uses, ESSER funds can support any allowable activity under several existing federal grants, including the Every Student Succeeds Act (ESEA), the Individuals with

Disabilities Education Act (IDEA), and other grants. They can also support efforts to prevent, prepare for, and respond to COVID-19, activities to address the needs of marginalized students, and more. The list of allowable expenditures ends with a catch-all: school districts can spend their ESSER dollars on “other activities necessary to maintain the operation and continuity of services”.

Note that revenue from and expenditures out of ESSER I, II, and III grants for Ohio school districts are filed under a single fund code in USAS, Fund 507 (the ESSER Fund). ECCSD was awarded \$29.6 million in ESSER dollars. As of October 2023, ECCSD liquidated (i.e., expended) all but \$14,000 of its ESSER I funding before it expired, and has liquidated most of its ESSER II and III funding. Barring a legislative extension, it will have until January 2024 to liquidate its ESSER II dollars and January 2025 to liquidate its ESSER III dollars. See the table below for awarded, liquidated, expired, and available ESSER amounts for ECCSD as of October 2023.

ECCSD ESSER Awards (as of October 2023)

Award	Liquidation Deadline	Awarded	Liquidated	Expired	Available
ESSER I	Jan. 2023	\$2,152,000	\$2,138,000	\$14,000	\$0
ESSER II	Jan. 2024	\$8,441,000	\$8,432,000	\$0	\$8,000
ESSER III	Jan. 2025	\$18,970,000	\$11,837,000	\$0	\$7,133,000
Total		\$29,562,000	\$22,407,000	\$14,000	\$7,141,000
% of Awarded		100.0%	75.8%	0.0%	24.2%

Source: CCIP

Note: Due to rounding, values in table may not sum to total listed.

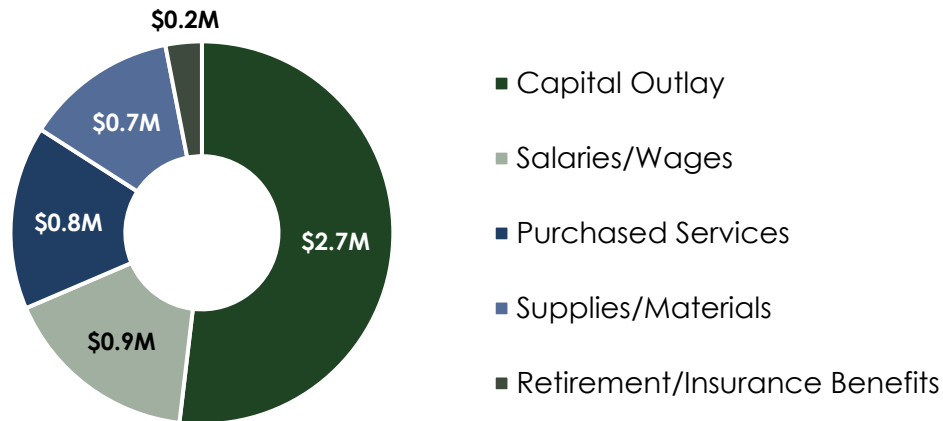
Because ESSER funds are temporary, school districts have been instructed to use the funds wisely. ODE advised that ESSER funds “... are one-time investments that should be managed carefully. These funds generally should not be used to provide ongoing services, as services may be terminated abruptly when federal funds expire.” In accordance with this guidance, ECCSD administrators state that they have been very careful with what their ESSER dollars have gone into. According to administrators, the district used its ESSER money to carry out a number of one-time site improvement projects that it otherwise would have not been able to afford—including the repair or replacement of its HVAC systems, furniture, carpets, roofs, doors, windows, and more. Furthermore, ECCSD administrators stated that they did not hire any new staff using ESSER dollars, nor did they make any contracts with ESSER dollars that extend beyond 2024.

FY 2022 ESSER Spending

In FY 2022, ECCSD spent \$5.1 million in ESSER dollars. The distribution of these dollars by object is displayed below.

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ECCSD ESSER Expenditures by Object, FY 2022



Source: ECCSD USAS Data, FY 2022

Note: Due to rounding, values in visual may not sum to total listed.

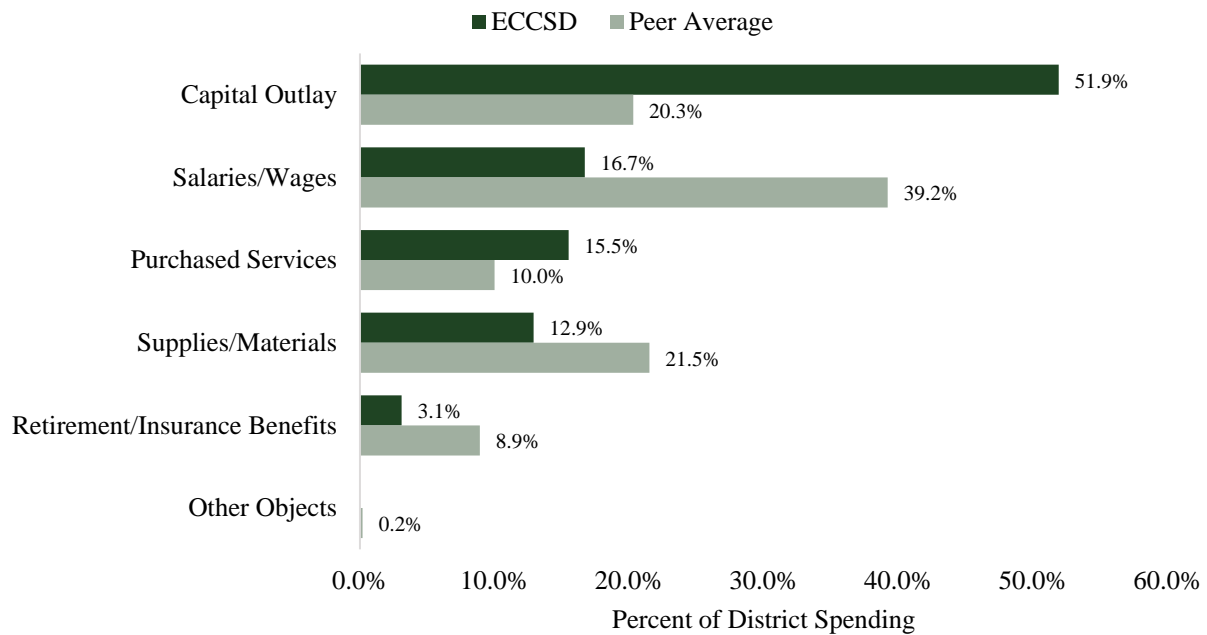
As seen, 51.9 percent, or \$2.7 million, of this spending was classified as capital outlay, these expenditures were mainly for the District’s high school stadium renovation project and the installation of HVAC equipment.

Another 20.0 percent of the district’s FY 22 ESSER spending, or a little over \$1 million, paid for staff salaries, wages, and benefits—note that any staff pay funded by ESSER dollars will have to be transferred to other funds upon the ESSER Fund’s expiration, or reductions in staff FTEs will be required.

An additional 15.5 percent, or \$800,000, went toward purchased services, including expenditures for the installation of air purification systems in all seven of the District’s schools. Finally, 12.9 percent, or \$660,000, of the district’s FY 2022 ESSER spending was for the purchase of supplies and materials, including COVID-19 rapid testing for the District.

The below visual displays the proportion of FY 2022 ESSER expenditures dedicated to each object by ECCSD and its peers. Compared its peer average, ECCSD dedicated a higher proportion of its ESSER spending in FY 2022 to capital outlay and purchased services. It dedicated a lower proportion toward salaries/wages, supplies/materials, benefits, and other objects.

ECCSD ESSER Allocations by Object, FY 2022



Source: ECCSD & Peer USAS Data, FY 2022

FY 2023 ESSER Spending

Prior to FY 2023, the District had only spent about \$5.7 million of its \$29.6 million in ESSER awards. In response to the approaching liquidation deadlines mentioned above, the District roughly tripled its ESSER spending from \$5.1 million in FY 2022 to \$15.6 million in FY 2023. 53.1 percent of this spending, or \$8.2 million, was on supplies and materials—in FY 2022, these objects only comprised \$661,000, or 12.9 percent of the year’s total ESSER spending. Much of the spending in this area was for the installation of windows and doors.

Another 41.8 percent, or \$6.5 million, of the District’s FY 2023 ESSER spending was on capital outlay—a larger quantity than in the previous year, but a smaller proportion of its year’s total ESSER spending.

The District’s use of ESSER funds on purchased services (3.4 percent, or \$532,000) and staff salaries, wages, and benefits (1.7 percent, or \$262,000) decreased in quantity and proportion in FY 2023 when compared to FY 2022. Most of the purchased services expenditures were for a maintenance agreement. As mentioned, any staff pay funded by ESSER dollars will have to be transferred to other funds upon the ESSER Fund’s expiration, or reductions in staff FTEs will be required.

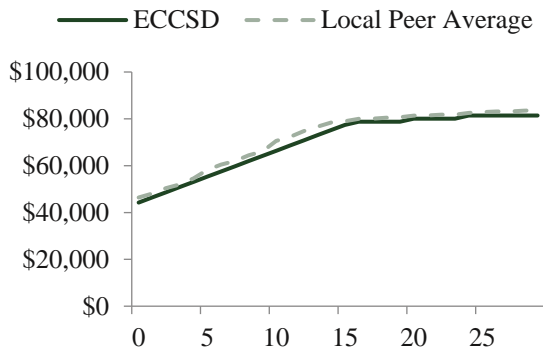
Conclusion

The District spent \$5.1 million in ESSER funds in FY 2022 and \$15.6 million in FY 2023; as of October 2023, \$7.1 million remains to liquidate before the funding expires. After reviewing ESSER-funded expenditures and interviewing ECCSD personnel regarding ESSER spending, it appears the District followed ODE’s ESSER spending guidance, and—for the most part—utilized funds for one-time and short-term purchases. The District should continue to carefully manage its ESSER dollars by tracking ESSER Fund spending, following available guidance, and assessing the financial and academic impact of expenditure decisions, especially those that will either need to be continued or discontinued in the future.

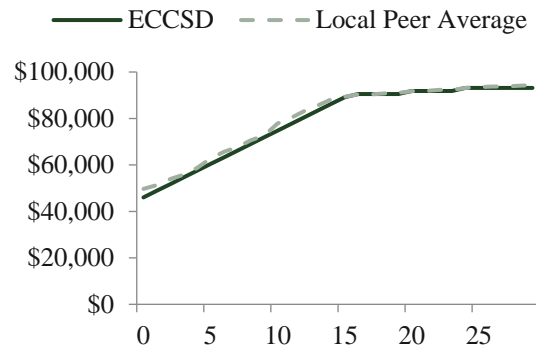
Appendix H: Human Resources

FY 2023 Certificated Career Compensation

BA

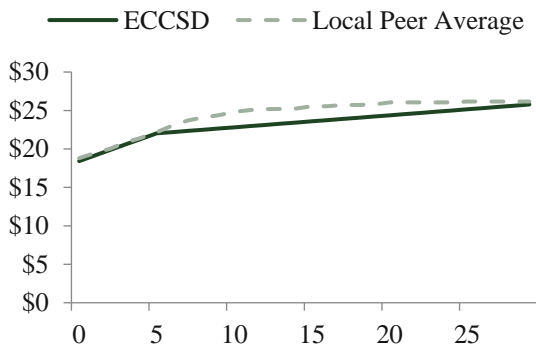


MA

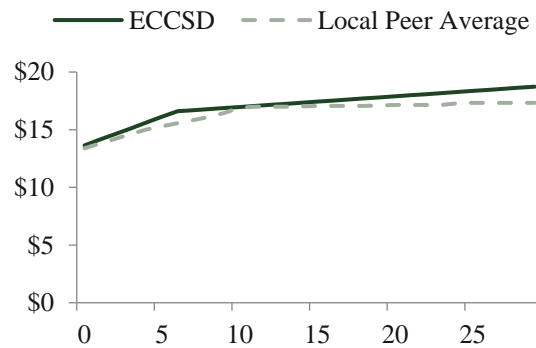


FY 2023 Classified Career Compensation

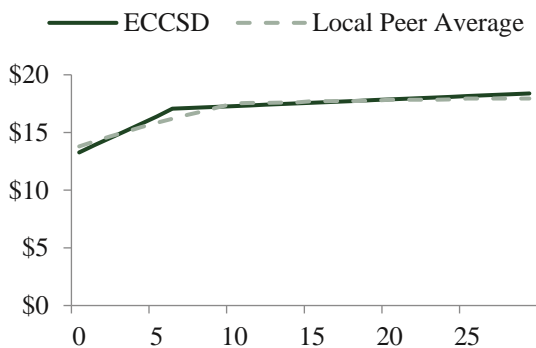
Bus Driver



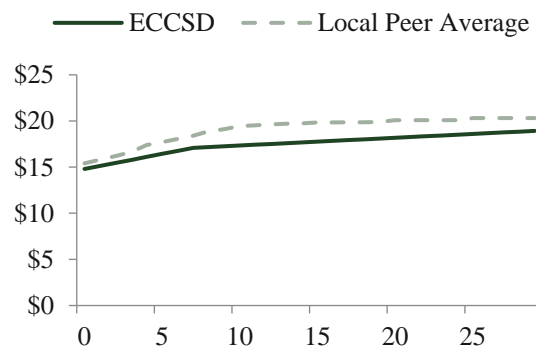
Cashier/Cook



Custodial (Cleaner)



Paraprofessional



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FY 2023 Insurance

2023 Monthly Medical Insurance Costs – PPO

		ECCSD		Regional Peer Averages		Local Peer Averages		
		Costs	% Share	Costs	% Share	Costs	% Share	
CERTIFICATED	Single Medical + Rx	District	\$868.97	92.5%	\$698.54	87.3%	\$784.26	88.8%
		Employee	\$70.46	7.5%	\$101.22	12.7%	\$98.68	11.2%
CERTIFICATED	Family Medical + Rx	District	\$2,676.72	92.5%	\$1,689.65	87.5%	\$1,965.24	88.8%
		Employee	\$217.02	7.5%	\$241.31	12.5%	\$247.68	11.2%
CLASSIFIED	Single Medical + Rx	District	\$875.43	93.2%	\$698.54	87.3%	\$784.26	88.8%
		Employee	\$64.00	6.8%	\$101.22	12.7%	\$98.68	11.2%
CLASSIFIED	Family Medical + Rx	District	\$2,737.74	94.6%	\$1,689.65	87.5%	\$1,965.24	88.8%
		Employee	\$155.00	5.4%	\$241.31	12.5%	\$247.68	11.2%

Source: ECCSD and SERB

2023 Monthly Medical Insurance Costs – Dental

		ECCSD		Regional Peer Averages		Local Peer Averages		
		Costs	% Share	Costs	% Share	Costs	% Share	
CERTIFICATED	Single Dental	District	\$34.50	87.3%	\$32.71	89.1%	\$32.95	87.5%
		Employee	\$5.00	12.7%	\$3.99	10.9%	\$4.71	12.5%
CERTIFICATED	Family Dental	District	\$101.56	91.0%	\$83.26	86.3%	\$92.08	86.7%
		Employee	\$10.00	9.0%	\$13.25	13.7%	\$14.10	13.3%
CLASSIFIED	Single Dental	District	\$37.00	93.7%	\$32.71	89.1%	\$32.95	87.5%
		Employee	\$2.50	6.3%	\$3.99	10.9%	\$4.71	12.5%
CLASSIFIED	Family Dental	District	\$106.56	95.5%	\$83.26	86.3%	\$92.08	86.7%
		Employee	\$5.00	4.5%	\$13.25	13.7%	\$14.10	13.3%

Source: ECCSD and SERB

2023 Monthly Medical Insurance Costs – Vision

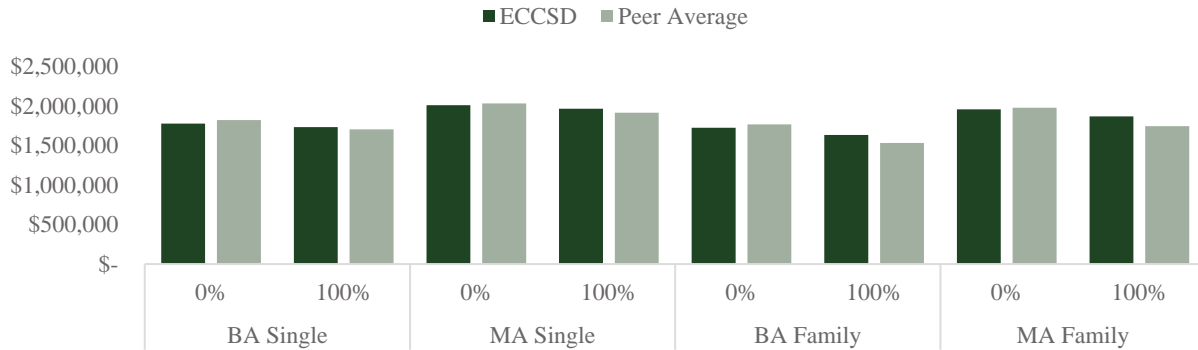
		ECCSD		Regional Peer Averages		Local Peer Averages	
		Costs	% Share	Costs	% Share	Costs	% Share
Single Vision	District	\$7.45	100.0%	\$6.55	82.2%	\$7.41	93.2%
	Employee	\$0.00	0.0%	\$1.42	17.8%	\$0.54	6.8%
Family Vision	District	\$20.59	100.0%	\$15.55	79.0%	\$16.92	94.5%
	Employee	\$0.00	0.0%	\$4.12	21.0%	\$0.98	5.5%

Source: ECCSD and SERB

Adjusted Salaries

When considering salaries and insurance together, the District had a lower or comparable adjusted salary at 0 percent insurance usage, but a higher adjusted salary at 100 percent insurance usage. The chart below compares ECCSD’s adjusted 30-year career earnings to the local peer average.

Adjusted Salary Analysis – 30-year Career Earnings Comparison



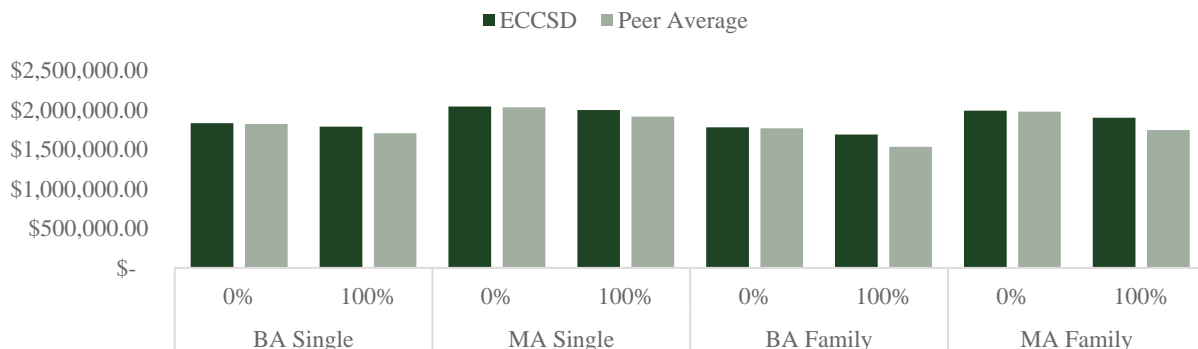
Source: ECCSD, SERB, & Local Peers, FY 2023

Overall, adjusted salaries for all categories in FY 2023 ranged from 2.4 percent lower to 7.1 percent higher depending on which salary schedule (BA or MA), which insurance plan (family or single), and how much an employee utilizes their insurance.

Controlled Salaries

After setting ECCSD salaries to be equal to the peer average, the following chart shows how adjusted career earnings for ECCSD employees would compare to the peer average. This shows how the District’s insurance plan design (i.e. contribution rates, out of pocket maximum, etc.) can impact an employee’s adjusted salary and how much insurance benefit they are receiving.

Controlled Salary Analysis – 30-year Career Earnings Comparison



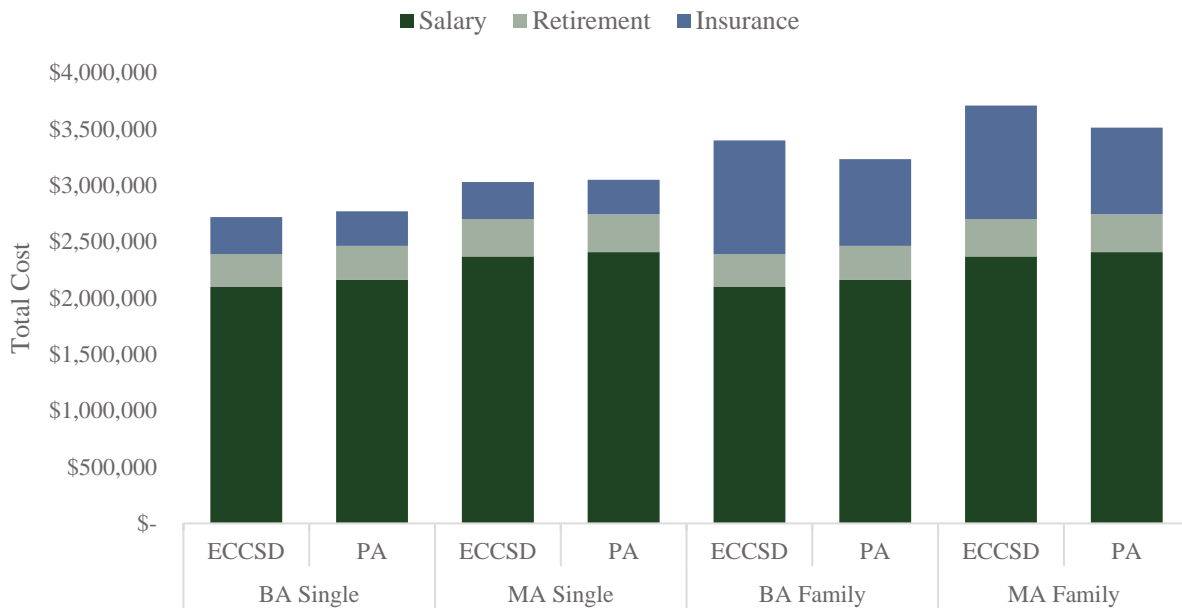
Source: ECCSD, SERB, & Local Peers, FY 2023

As shown, setting the District’s salary equal to the peer average shows ECCSD employees would have a relatively comparable adjusted salary at 0 percent insurance usage, but would have a higher adjusted salary at 100 percent insurance usage. Overall, adjusted salaries for all categories in FY 2023 would range from 0.5 percent to 10.2 percent higher depending on which salary schedules (BA or MA), which type of insurance plan (family or single), and how much an employee utilizes insurance.

District Cost of an Employee

The following chart compares the District’s cost of an employee to the local peers.

Districts' Employee Cost Comparison – 30-year Career



Source: ECCSD, SERB, & Local Peers, FY 2023

As seen above, ECCSD had comparable employee cost for BA single and MA single. ECCSD had 5.2 percent higher costs for BA Family and 5.6 percent higher costs for MA Family.

OHIO AUDITOR OF STATE KEITH FABER



EAST CLEVELAND CITY SCHOOL DISTRICT

CUYAHOGA 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 1/16/2024

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

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