

OHIO AUDITOR OF STATE  
KEITH FABER



Steel Academy

# Performance Audit

February 2025

OHIO AUDITOR OF STATE  
**KEITH FABER**



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**To the Steel Academy community,**

The Auditor of State's Office recently completed a performance audit of Steel Academy at the request of the Ohio Department of Education and Workforce. This review was conducted by the Ohio Performance Team and provides an independent assessment of operations within select functional areas.

This performance audit report contains recommendations, supported by detailed analysis, to enhance Steel Academy's overall economy, efficiency, and/or effectiveness. This report has been provided to the Steel Academy Board, and its contents have been discussed with the appropriate officials and management. Steel Academy 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 Steel Academy valuable information that can be used to make important financial and operational 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 at <http://www.ohioauditor.gov> and choosing the "Search" option.

Sincerely,

Keith Faber  
Auditor of State  
Columbus, Ohio

February 13, 2025

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# Introduction

Every year, more than 100,000 students graduate from Ohio’s public school system. These public-school systems are entrusted with providing Ohio’s children with the education and guidance they need to become successful, productive, and fulfilled young adults. Ensuring that every student, regardless of where they live, receives a quality education is in the best interest of all Ohioans. With this in mind, Ohio offers a variety of educational options for families to provide all students access to an education that suits their unique learning needs.

Ohio’s educational options for families include access to community<sup>1</sup> schools, which are tuition-free nontraditional public educational schools. These learning institutions receive state and federal funds but are independent of traditional school districts. As a result, families can attend any community school free of charge and regardless of the public district in which they reside. Community schools are governed by an organization under a contract with a sponsor, which can include the state, a school district, or other entity. Each contract, also called a charter, outlines accountability standards the school must meet to retain flexibility and autonomy.<sup>2</sup>

Academic achievement is one category of accountability standards and can be measured in a variety of ways. This includes grades, standardized test scores, and graduation rates. Though its method of measuring success has evolved over time, the Ohio Department of Education and Workforce (ODEW) publishes the Ohio School Report Cards to measure students’ academic achievement on an annual basis. In addition to this, ORC § 3314.35 and ORC § 3314.351 regulate the closure of community schools due to poor academic performance. ODEW uses criteria outlined in these ORC sections to identify schools at risk of closure.

Our performance audit of Steel Academy (the School) was conducted at the request of the School’s Sponsor, the Ohio Department of Education and Workforce’s Office of School Sponsorship (ODEW’s OSS or Sponsor), after Steel Academy was identified as at risk of closure due to poor academic performance in Fiscal Year (FY) 2023.<sup>3</sup> Due to this poor academic performance and additional financial difficulties, Steel Academy’s Sponsor required the School to develop a Corrective Action Plan and participate in this performance audit. In cooperation with the Sponsor, we identified three main areas for analysis that would provide the School and Sponsor with data-driven information to be used for strategic decision making. Specifically, we reviewed the School’s financial management, managerial effectiveness, and academic performance.

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<sup>1</sup> While most states and the federal government categorize these schools as charter schools, Ohio refers to these schools as community schools in accordance with Chapter 3314 of the Ohio Revised Code (ORC).

<sup>2</sup> Ohio publishes information about its community schools annually. See Ohio’s Annual Reports on Community Schools here. Community schools are only one type of school option offered within Ohio. See Ohio’s School Options here.

<sup>3</sup> Steel Academy operates on a fiscal year that runs from July 1 to June 30.

## Steel Academy Background

Steel Academy is a community school located within the Akron Public School District in Akron, Summit County. The School has served students within the community since June 30, 2014, when it was approved under contract.

In FY 2023, Steel Academy served 152 students in sixth through twelfth grade. ODEW reports 100 percent of these students as economically disadvantaged, compared to a statewide rate of 49.6 percent.<sup>4</sup> Steel Academy also has a high rate of students with disabilities. The School's FY 2023 rate of students with disabilities was 41.1 percent, compared to a state average of 16.7 percent. These and other factors can pose barriers to learning. Steel Academy can strategically implement supports to assist students that are facing these barriers to improve their learning and achievement. See the [Academic Performance](#) section for more information about Steel Academy's student barriers to learning and actions to address these barriers.



## Enrollment

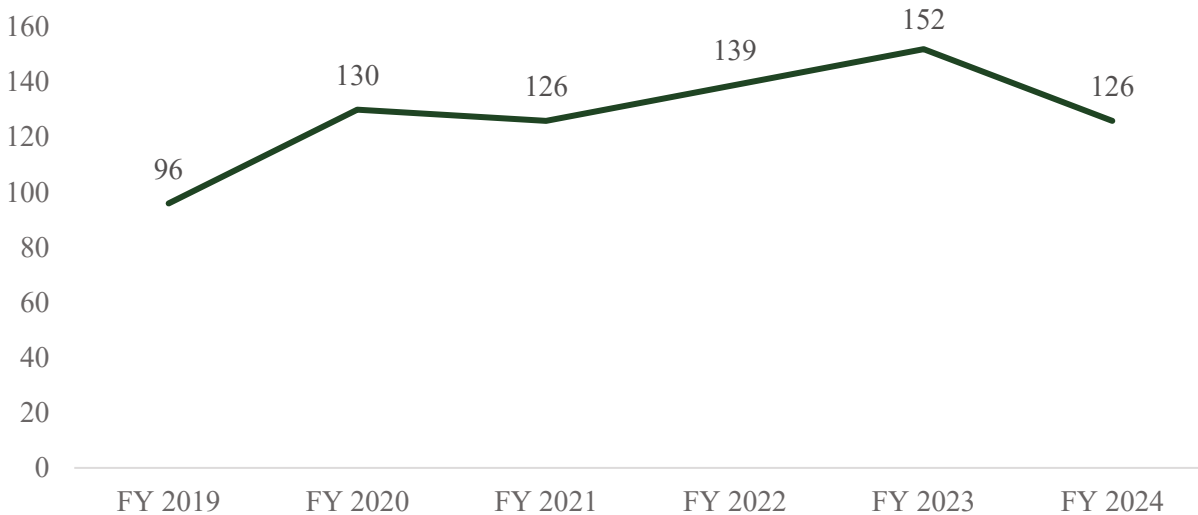
Enrollment in community schools is a decision made individually by Ohio families and does not require permission from a home school district. While the exact enrollment process depends on the community school, community schools are required to be non-selective. This means that they must admit students on a first-come, first-served basis unless they use a lottery system. Additionally, after the school is full, it must keep a waitlist. Community school enrollment is the most significant factor in funding levels, making sustained enrollment an important factor in fiscal sustainability.<sup>5</sup> Steel Academy's FY 2019 through FY 2024 enrollment, as reported in ODEW's Report Card Data Portal, are shown on the following page.

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<sup>4</sup> Students are identified as economically disadvantaged if they are eligible for free or reduced-price lunch, have a member of a household in which someone is eligible for free or reduced-price lunch, have a guardian or receive public assistance themselves, or students are guardians who have completed a Title I application.

<sup>5</sup> See [State Funding](#) for more information about enrollment's impact on revenues.

### FY 2019 through FY 2024 Enrollment



Source: Report Card Data Portal

After seeing enrollment generally rise from FY 2019 to FY 2023, in FY 2024, Steel Academy faced declining enrollment, in part due to the School’s decision to eliminate sixth grade and transportation difficulties.<sup>6</sup> These declining figures pose a risk to Steel Academy’s sustainability.<sup>7</sup> While the School’s FY 2024 Report Card reported enrollment of 126 for seventh through twelfth grade, other documentation for FY 2024 showed lower enrollment. These figures include 121 students as reported in the May 22, 2024 board meeting and 113 students as reported in the July 24, 2024 board meeting. The difference in reported figures is due to Steel Academy students disenrolling from the School during FY 2024. FY 2025 figures showed additional declines in enrollment, with Steel Academy reporting enrollment of 88 students during the September 17, 2024 board meeting. Due to enrollment’s impact on revenues and operations, it is important to ensure that enrollment figures used in forecasting and planning are realistic. See [Recommendation 5](#) for information about Steel Academy’s planning practices and [Recommendation 6](#) for more information about Steel Academy’s forecasting practices.

### Governance and Organization

Ohio’s community schools have several layers of governance, including the Ohio Department of Education and Workforce’s Office of Community Schools, the community school’s sponsor, and the governing board (school board) of the community school. This hierarchy is shown on the following page.

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<sup>6</sup> See [Recommendation 6](#) for more information about the School’s FY 2024 transportation difficulties.  
<sup>7</sup> See [Recommendation 7](#) for information about fiscal sustainability.

## Community School Hierarchy of Supervision



Source: ODEW Sponsor Contract

**The Ohio Department of Education and Workforce Office of Community Schools** has control over the existence of a community school. ODEW regulates the relationship between a community school’s governing authority and operator. Additionally, ODEW regulates the performance of a community school through annual inspection of financial statements, legal compliance, student enrollment, student health/safety, and student performance. If further regulation is needed, ODEW has the power to implement school probation and school suspension.

**Sponsors** are entities that support community schools and include the ODEW’s Office of School Sponsorship. Sponsors work with community schools to establish the goals of the community school, oversee performance metrics, provide technical assistance, and review financial and enrollment records. Additionally, the sponsor has several responsibilities related to compliance, including conducting annual school opening assurances, reviewing corrective action plans, and reporting any issues to ODEW’s Office of Community Schools. For schools that fail to meet expectations, sponsors are expected to take actions including placing schools on probation, suspending schools, or closing schools. Sponsors can include ODEW’s OSS, educational service centers, non-profit organizations, public-school districts, joint vocational school districts, and state universities. As discussed earlier, Steel Academy is currently sponsored by ODEW’s OSS.

**The School Board** is responsible for governing the school, including adopting procedures. Additionally, the board must hire independent legal counsel and an independent fiscal officer.<sup>8</sup> This governing authority must consist of at least five board members.

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<sup>8</sup> Under ORC § 3314.011(D), the governing authority of a community school may adopt a resolution waiving the requirement that the governing authority is the party responsible to employ or contract with the designated fiscal officer so long as the school's sponsor also approves the resolution.

**The Fiscal Officer** is responsible for fiscal operations of the School and is designated by the Board. This fiscal officer, who is licensed as a treasurer, is responsible for responsibilities such as assisting the Board in developing an annual budget and annually reporting financial data.

**Legal Counsel** is responsible for any services related to the negotiation of the community school's contract with the sponsor or the school's contract with the operator under ORC § 3314.036. This attorney is employed by the board and must be independent of the school's sponsor and the operator. Legal counsel can also provide additional services.

**Operators** are an option school boards have when deciding how to handle the day-to-day operations of a community school. The board may choose to employ or contract individuals, educational service providers, or a management company to operate the school. This role is called the school operator. Steel Academy's board has chosen the Educational Empowerment Group (EEG) as the School's Operator. According to ODEW's directory, EEG was the Operator for 21 community schools within Ohio in FY 2024.

There are additional parties involved within Steel Academy, including the Principal and Assistant Principal, Teachers, and other support staff. Steel Academy's Principal, sometimes referred to as the School Leader, directly oversees the Assistant Principal, Community Engagement Specialist, Intervention Specialist, and Teachers. The Assistant Principal oversees the Custodian, Office Manager, and Food Service Worker. Teachers oversee Instructional Aides. In FY 2024, Steel Academy reported 21 staff at the beginning of the year, and 18 staff as of January 31, 2024.

## Community School Funding

There are three overarching sources of funding for community schools: federal funding, state funding, and local funding. While community schools cannot levy for property taxes, they might generate other local sources of revenue such as transportation fees, earnings on investments, food services, and other related sources. However, the majority of Steel Academy’s revenues are from federal and state sources.

### Federal Funding

Under ORC § 3314.082, a community school shall be considered a school district, and its governing authority shall be considered a board of education for the purpose of applying to any federal agency for grants that a school district may receive under federal law, or any appropriations act of the general assembly. Examples of federal funding community schools can receive include Elementary and Secondary School Emergency Relief (ESSER) funds, Individuals with Disabilities Education Act (IDEA) funds, and Vocational Education funds under the Carl D. Perkins Vocational Education Act of 1984.

### State Funding

The state provides funding primarily through a foundation formula, which is intended to ensure a basic level of education funding for all students. On July 4, 2023, House Bill (H.B.) 33 of the 135<sup>th</sup> General Assembly (the biennial budget bill) was signed by the Governor. This bill included changes to the state foundation funding formula, which was enacted in 2021, and is commonly referred to as the Fair School Funding Plan. Before this law, payments to community schools involved deductions from the state foundation funding of the school districts where community school students resided. Under H.B. 33, community schools are funded directly with no deductions or transfers from a student’s school district of residence. Instead, state funding is provided directly to the community school in which the student is enrolled. Read more about state funding for community schools on ODEW’s [website](#).

## Steel Academy Financial Condition

Similar to traditional public-school districts, community schools are required to submit five-year forecasts (FYFs) twice annually to ODEW according to Ohio Administrative Code (OAC) § 3301-92-04. ODEW then publishes these FYFs to the public. The FYF serves as a tool to assess the financial health of each community school. These FYFs include three years of actual historical data and five years of future projections. FYFs are based on key assumptions, including those for operating receipts, operating disbursements, nonoperating receipts and disbursements, and cash balances.<sup>9</sup> Unlike FYFs for traditional school districts, the FYFs for community schools includes all funds rather than just the general fund.

From FY 2021 through FY 2023, Steel Academy had negative results of operations every year. In FY 2021 and FY 2022, the School received enough nonoperating receipts to offset these negative results of operations, which contributed to a growing ending cash balance. In FY 2023, the School did not receive enough nonoperating receipts to offset negative results of operations, which resulted in an ending cash balance of \$502.

### Actual Financial Condition Overview

	FY 2021	FY 2022	FY 2023
Total Operating Revenue	\$1,468,728	\$1,784,285	\$1,973,691
Total Operating Expenditures	\$1,965,300	\$2,550,256	\$2,582,610
<b>Results of Operations</b>	<b>(\$496,572)</b>	<b>(\$765,971)</b>	<b>(\$608,919)</b>
Total Nonoperating Receipts	\$510,488	\$802,331	\$513,687
<b>Results of Operating and Nonoperating</b>	<b>\$13,916</b>	<b>\$36,360</b>	<b>(\$95,232)</b>
Beginning Cash Balance	\$45,458	\$59,374	\$95,734
<b>Ending Cash Balance</b>	<b>\$59,374</b>	<b>\$95,734</b>	<b>\$502</b>

Source: ODEW

In November 2023, ODEW published the School’s semi-annual five-year forecast that showed negative results of operations in the forecast period beginning in FY 2024 to FY 2028. As seen in this table, the School has negative results of operations in each of the five years of the forecast period. This deficit spending is possible in the short-term because of nonoperating receipts, which include federal grants and state grants.

The information provided in these tables relies heavily on assumptions made by the School and do not represent forecasts created by the audit team. While Steel Academy’s repayment of debts

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<sup>9</sup> Community schools differ from traditional schools in their revenue composition. Without property tax revenue, a community school’s operating revenue mainly consists of the state foundation payments. These revenues are not restricted to a particular use. Conversely, nonoperating receipts include federal and state grants that provide funding for specific programs or purposes. Because of the nature and purpose of a community school, the student population served, and the lack of local revenue from property taxes, nonoperating revenue may make up a larger portion of total revenue than in a traditional school district.

owed to its Operator is captured within the November 2023 and May 2024 forecast Ending Cash Balance, we did not determine to what extent it was captured.<sup>10</sup> Forecasts are projections and in order for them to be useful tools, they need to be adjusted over time to reflect actual results. However, the assumptions made in Steel Academy’s FYFs do not accurately reflect the operating realities of the school. For example, this FYF assumes increasing enrollment attributing to additional revenue over time despite the recent trend in declining enrollment in part due to operational changes as discussed in [Enrollment](#) section. One cannot get a complete picture from FYFs alone, see [Recommendation 8](#) for more about the School’s financial condition, and see [Recommendation 6](#) for more information about Steel Academy’s FYF process.

### Financial Condition Overview (November 2023 Forecast)

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Total Operating Revenue	\$2,095,647	\$2,185,278	\$2,262,621	\$2,341,291	\$2,421,309
Total Operating Expenditures	\$2,433,188	\$2,499,002	\$2,465,438	\$2,533,790	\$2,604,113
<b>Results of Operations</b>	<b>(\$337,541)</b>	<b>(\$313,723)</b>	<b>(\$202,818)</b>	<b>(\$192,499)</b>	<b>(\$182,804)</b>
Total Nonoperating Receipts	\$375,000	\$375,000	\$375,000	\$375,000	\$375,000
<b>Results of Operating and Nonoperating</b>	<b>\$37,459</b>	<b>\$61,277</b>	<b>\$172,182</b>	<b>\$182,501</b>	<b>\$192,196</b>
Beginning Cash Balance	\$502	\$37,961	\$99,238	\$271,420	\$453,921
<b>Ending Cash Balance</b>	<b>\$37,961</b>	<b>\$99,238</b>	<b>\$271,420</b>	<b>\$453,921</b>	<b>\$646,117</b>

Source: ODEW

In May 2024, ODEW published the School’s semi-annual five-year forecast that showed similar results. This included negative results of operations in the forecast period beginning in FY 2024 to FY 2027. Similarly to the November 2023 forecast, Steel Academy is projected to end each year with a positive ending cash balance due to nonoperating receipts. However, Steel Academy is forecasting a lower cash balance FY 2025 through FY 2027 than the previous forecast, while the cash balance for FY 2028 is now higher.

### Financial Condition Overview (May 2024 Forecast)

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Total Operating Revenue	\$2,038,400	\$2,261,350	\$2,444,554	\$2,605,501	\$2,793,751
Total Operating Expenditures	\$2,404,363	\$2,572,104	\$2,640,371	\$2,710,606	\$2,764,867
<b>Results of Operations</b>	<b>(\$365,963)</b>	<b>(\$310,754)</b>	<b>(\$195,817)</b>	<b>(\$105,106)</b>	<b>\$28,884</b>
Total Nonoperating Receipts	\$390,000	\$360,000	\$370,800	\$381,924	\$393,382
<b>Results of Operating and Nonoperating</b>	<b>\$24,037</b>	<b>\$49,246</b>	<b>\$174,983</b>	<b>\$276,818</b>	<b>\$422,266</b>
Beginning Cash Balance	\$502	\$24,539	\$73,785	\$248,768	\$525,586
<b>Ending Cash Balance</b>	<b>\$24,539</b>	<b>\$73,785</b>	<b>\$248,768</b>	<b>\$525,586</b>	<b>\$947,852</b>

Source: ODEW

<sup>10</sup> In recent years, Steel Academy has not had sufficient funds to fully pay its Operator for fees, which has resulted in debt owed.



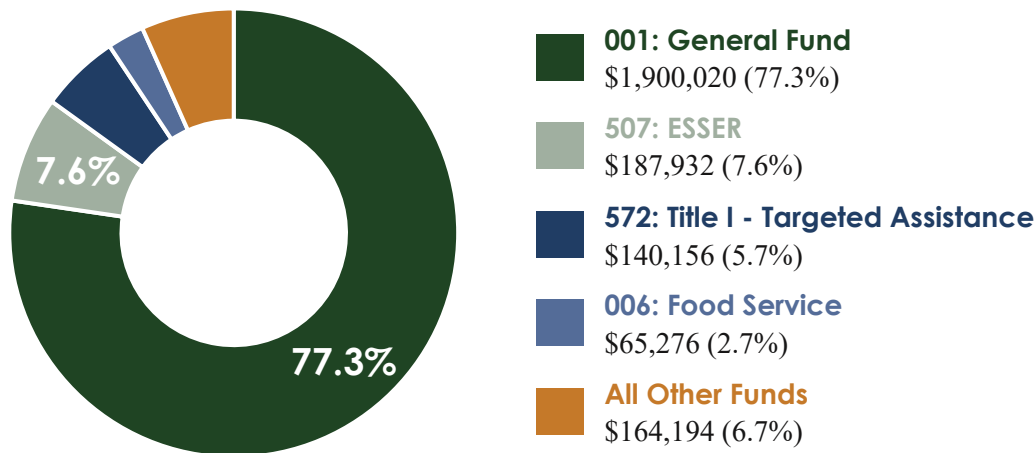
As previously shown, Steel Academy had deficit spending in FY 2023 that led to the School ending the fiscal year with a cash balance of \$502. In addition, Steel Academy has unpaid debts of more than \$450,000 according to its August 2024 budget. Steel Academy's actual End of Year Fund Cash Balance was lower than most of the biannual projections. If Steel Academy is anticipating having more cash available than it projects in its FYF, it could cause difficulties with maintaining services. See [Recommendation 8](#) for more information about Steel Academy's cash balances.

## Steel Academy Revenues

In FY 2023, Steel Academy received approximately \$2,458,000 from federal, state, and local sources. The majority of the school’s revenue is deposited to the General Fund, which is used for general operations. This resulted in approximately \$1,900,000, or 77.3 percent, of FY 2023 total revenues within the General Fund. In addition to the General Fund, the School received revenues through state and federal grants which include ESSER, Title I, Food Service, IDEA, Student Wellness and Success, Improving Teacher Quality, and Drug Free School Grants Funds.

### FY 2023 Total Revenue All Funds

Total: \$2,457,578



Source: ODEW

Note: All Other Funds includes IDEA, Student Wellness and Success, Other Title I Funds, Improving Teacher Quality, and Drug Free School Grants.

ESSER federal funding received by the School was intended to address learning loss related to the COVID-19 pandemic and could be broadly used.<sup>11</sup> Steel Academy’s FY 2023 ESSER Revenue was approximately \$188,000, or 7.6 percent of total revenue. Title I Funds are provided from the federal government to provide all children significant opportunity to receive fair, equitable, and high-quality education. The Title I Targeted Assistance Fund must be used specifically to help educationally disadvantaged students meet state standards. The School received \$140,000 in Title I Targeted Assistance funds in FY 2023. The Food Service Fund is an enterprise fund, which is used to separate food service operations from other funds. In FY 2023, the School had \$65,000 in Food Service Fund revenues.

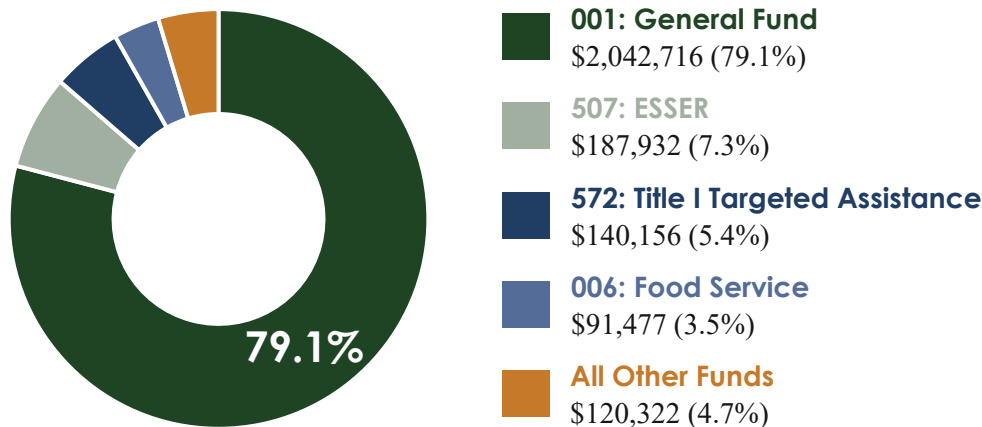
<sup>11</sup> Since ESSER funds are temporary stimulus funds, school districts have been instructed to use the funds wisely. ODEW advised that ESSER funds “...are one-time investments that should be managed carefully. These funds generally should not be used to provide ongoing services that may be terminated abruptly when federal funds expire.” ESSER funds were required to be obligated by September 30, 2024, and are required to be spent by January 28, 2025, which highlights the importance of timing when utilizing these funds.

## Steel Academy Expenditures

Similar to revenue allocation, expenditures are paid from specific funds. The chart below shows the School’s total expenditures by fund. Within funds, expenditures may exceed revenue due to the ability to use available fund balances from previous years.

### FY 2023 Total Expenditure Distribution by Fund

Total: \$2,582,605

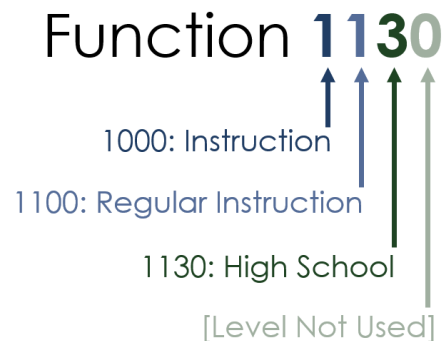


Source: ODEW

The School’s total FY 2023 expenditures were approximately \$2,583,000, with \$2,043,000 or 79.1 percent from the General Fund. Additionally, the School had expenditures of \$188,000 from ESSER funds, \$140,000 from Title I Targeted Assistance, and \$91,000 from Food Service.

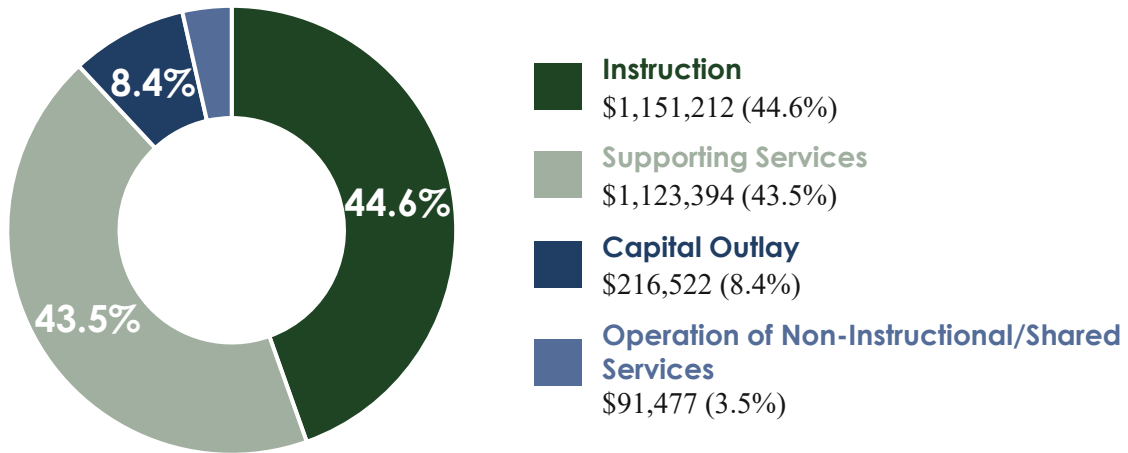
Expenditures can also be observed according to the functions and objects school districts are required to assign their financial transactions to, per the Uniform School Accounting System (USAS) Manual. A function is a broad area of programs, sub-programs and activities into which expenditures are classified.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

### USAS Function Code Example



### FY 2023 Total Expenditure Distribution by Function

Total: \$2,582,605



Source: ODEW

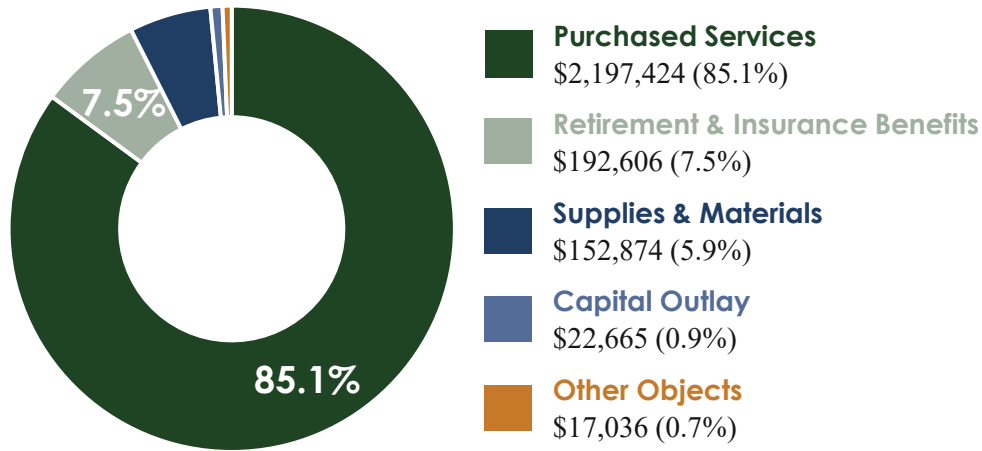
As shown above, Steel Academy coded approximately \$1,151,000, or 44.6 percent, of expenditures to instruction and \$1,123,000, or 43.5 percent, of expenditures to supporting services in FY 2023.

Steel Academy’s expenditures can also be delineated by object, another code within USAS. An object further identifies expenditures by defining goods and services the School pays for. The object code associated with a transaction is three digits, permitting three levels of detailing—see the graphic to the right. Steel Academy’s FY 2023 expenditures by the broadest level of object code are below.

#### USAS Object Code Example



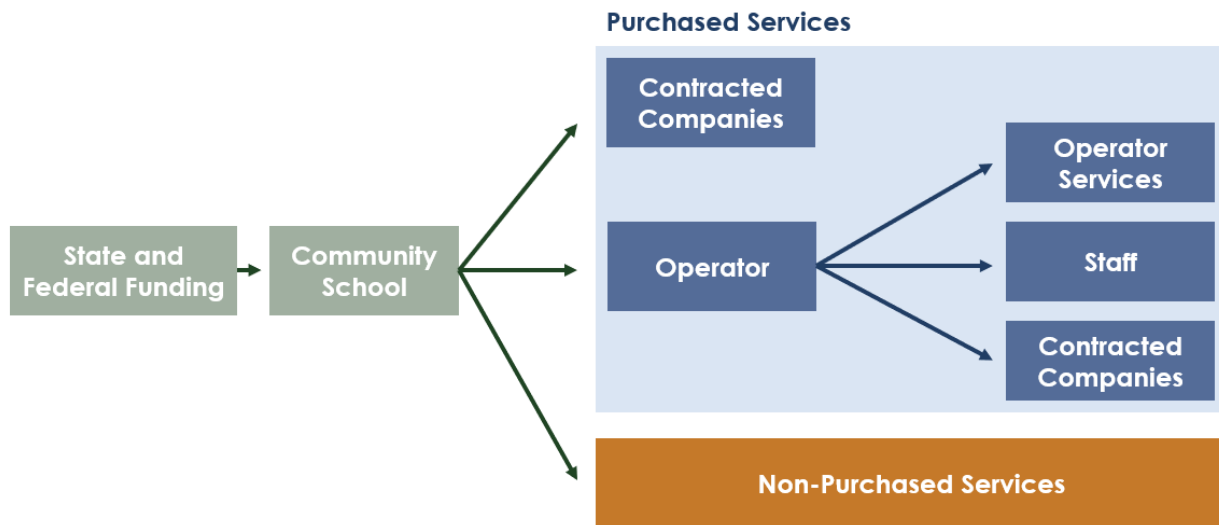
FY 2023 Total Expenditure Distribution by Object  
Total: \$2,582,605



Source: ODEW

As shown above, \$2,197,000 or 85.1 percent of Steel Academy’s FY 2023 expenditures were for purchased services. This is primarily due to Steel Academy’s use of an operator, and the funds that flow from Steel Academy through the Operator to contracted companies and staff who are assigned to work at the School. The general flow of money for purchased services is shown below.

Cash Flow of Purchased Services

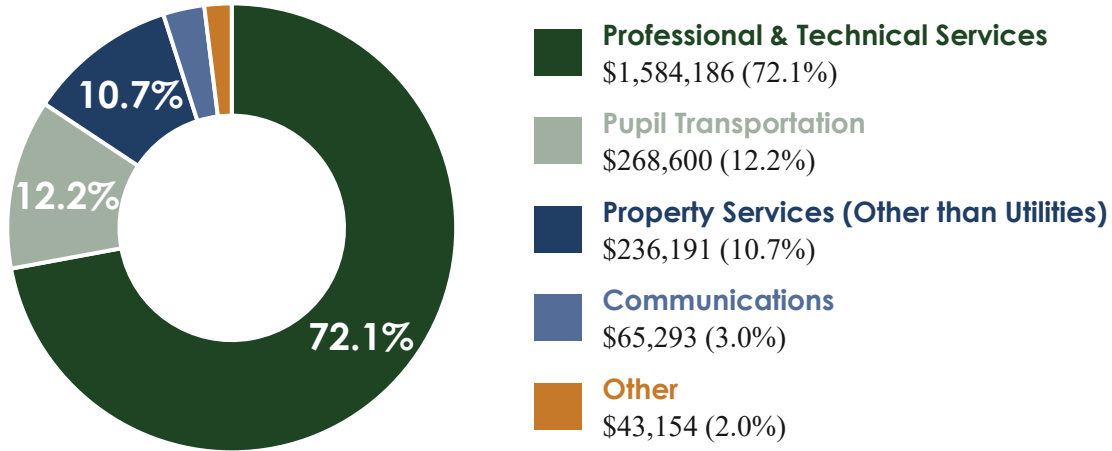


In this process illustrated above, Steel Academy’s contracted Fiscal Officer utilizes invoices received from the Operator to code Steel Academy’s expenditures to various categories.

Utilizing this coding, we can see the distribution of Purchased Services by more detailed object codes below.

### FY 2023 Purchase Services Distribution by Object

**Total: \$2,197,424**



Source: ODEW

Note: Other includes Utilities Services and Tuition & Other Similar Payments

In FY 2023, approximately \$1,584,000 or 72.1 percent of Steel Academy’s Purchased Services expenditures were for Professional & Technical Services<sup>12</sup>, \$269,000 or 12.2 percent were for Pupil Transportation, and \$236,000 or 10.7 percent was for Property Services (Other than Utilities). Additionally, 45.7 percent was coded for Instruction, 41.1 percent for Supporting Services, 9.9 percent for Facilities Acquisition and Construction Services, and 3.4 percent for Operation of Non-Instructional/Shared Services.

Due to the accounting structure and the large percent of expenses being coded within the purchased services, detail surrounding the way in which the Operator spends money received from Steel is limited. However, since the Operator received more than 20 percent of Steel Academy’s revenues, it is required by ORC § 3314.024 to provide detailed accounting. This is summarized in [Appendix B](#).

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<sup>12</sup> Professional & Technical Services can include Instruction Services, Instructional Improvement Services, Health Services, Staff Services, Management Services, Data Processing Services, Statistical Service, Professional/Legal Services, or Other Professional & Technical Services.

The Operator reported approximately \$1,790,000 in total expenses on behalf of Steel Academy. From these expenses, Salaries and Wages for Regular Instruction, Special Instruction, Support Services, and Noninstructional Activities made up \$1,224,000, or 68.4 percent.

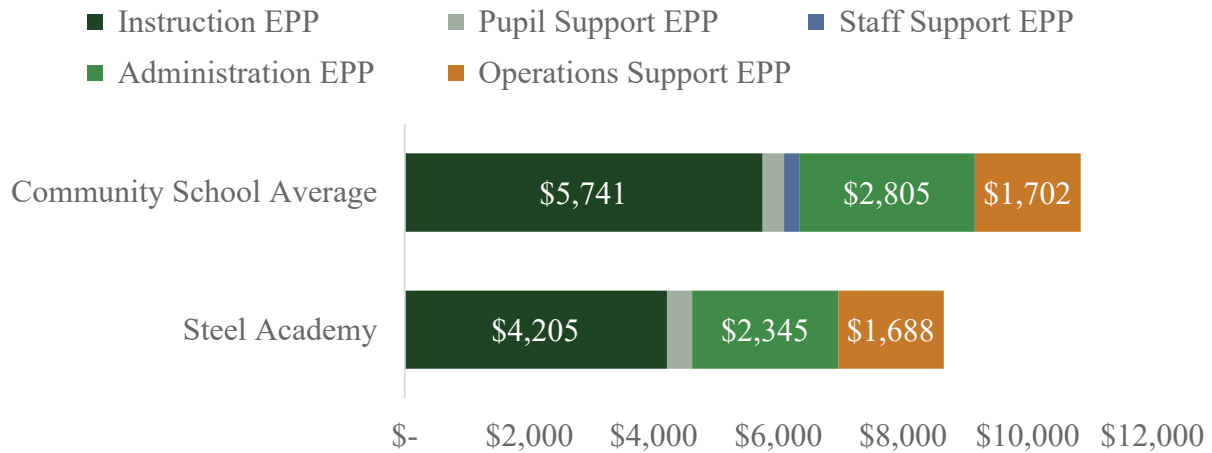
## Operating Expenditures per Pupil

Public entities, including community schools, are expected to be good stewards of taxpayer dollars. School officials have a responsibility to maximize program outcomes and success while minimizing costs. The Ohio Department of Education and Workforce’s school report cards sort a school’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 and compare expenditures. 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"> <li>• Instruction</li> <li>• Pupil Support <i>(Guidance, Health, Psychological, Speech, Audiology, Social Work Services, etc.)</i></li> <li>• Instructional Staff Support Services</li> </ul>	<ul style="list-style-type: none"> <li>• General &amp; School Administration</li> <li>• Maintenance Services</li> <li>• Pupil Transportation</li> <li>• Food Service</li> <li>• Other and Non-Specified Support Services <i>(Fiscal, Business, Central Services, etc.)</i></li> </ul>	<ul style="list-style-type: none"> <li>• Enterprise Operations</li> <li>• Community Services</li> <li>• Non-Public School Services</li> <li>• Adult Education</li> <li>• Construction</li> <li>• Land and Existing Structures</li> <li>• Equipment</li> <li>• Interest on Debt</li> <li>• Other Operation of Non-Instructional Services <i>(including Sport Oriented Activities)</i></li> </ul>

Operating expenditure per pupil, broken down by use, is one way to compare operations spending between Ohio’s community schools.

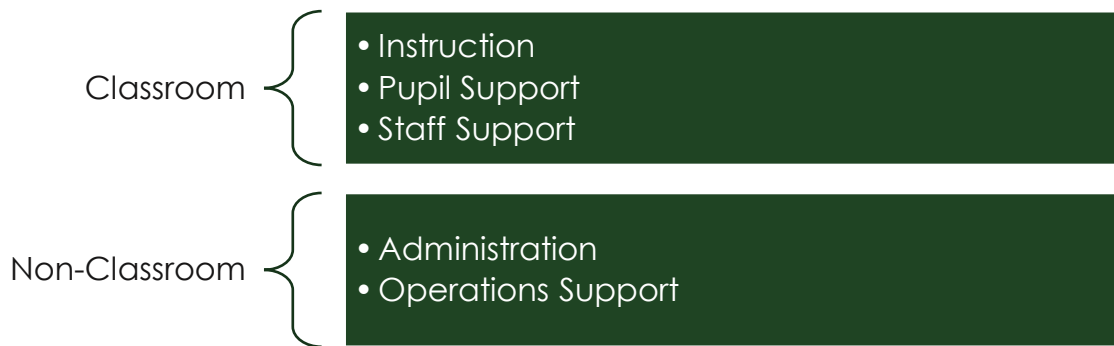
### FY 2023 Operating Expenditures Per Pupil Comparison



Source: ODEW Report Card Data Portal

Overall, Steel Academy spent \$8,646 per pupil compared to the community school average of \$10,846 in FY 2023, a difference of \$2,200 or 22.6 percent. While Instruction is the largest category of expenditures for both Steel Academy and the average, only 48.6 percent of Steel’s total expenditures are for Instruction compared to 52.9 percent for the average. Not only is Steel Academy spending less per pupil, the School is also spending comparatively less for Instructional purposes. Proportionally, Steel dedicates more of its total expenditures to Administration and Operations Support and less to Instruction, Pupil Support, and Staff Support. Another way to compare operating expenditures is looking at those expenditures categorized as classroom and non-classroom.

### Operating Expenditure Category Definitions



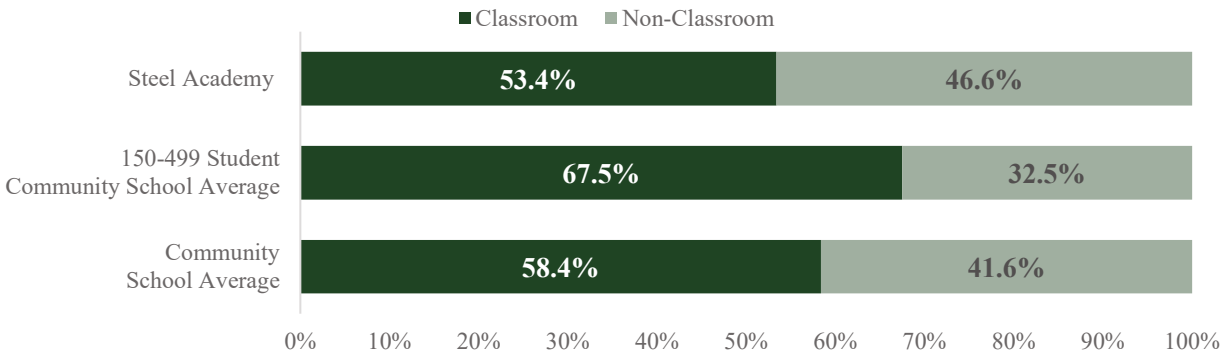
Source: ODEW Expenditure Standards

Classroom operating expenditures include instruction, pupil support, and staff support. Non-classroom operating expenditures include administration and operations support. These figures are also used by ODEW to provide context in Report Cards. In Steel Academy’s FY 2023 Report Card, the School was compared to the average allocation for community schools with enrollment



between 150 and 499 students due to having enrollment of 152 students during the year of analysis. Steel Academy, the 150 to 499 enrollment community school average, and the Ohio community school average classroom and non-classroom expenditures for FY 2023 are below.

### FY 2023 Comparison of Operating Expenditures Allocation



Source: ODEW Report Card Data Portal

In FY 2023, Steel Academy not only spent less on operating costs than the Ohio community school average, but the School also spent a lower portion of its operating costs on classroom expenditures. According to ODEW, the average percent of operating expenditures spent on classroom instruction for community schools with enrollment between 150 and 499 students is even higher, at 67.5 percent compared to Steel Academy’s 53.4 percent. Given Steel Academy’s historical financial and academic performance, making appropriate decisions about the allocation of resources is essential to the success of Steel Academy’s students and the School’s overall success. See more about Steel Academy’s use of resources to support students in [Recommendation 1](#).

## Audit Methodology

As discussed previously, our performance audit was conducted at the request of the ODEW’s Office of School Sponsorship. We identified three main areas for analysis that would provide the School and Office of School Sponsorship with data-driven information to be used for strategic decision making. Specifically, we reviewed the School’s financial management, managerial effectiveness, and academic performance. Our office used best practices and Steel Academy’s historical data in our analyses.

# Academic Performance

## Traditional Report Cards

There are certain standards for academic achievement that are set by ODEW and published in Ohio School Report Cards. In Ohio, there are three types of Report Cards that local education agencies can receive: Traditional, Career Technical Planning District, and Dropout Prevention and Recovery. Traditional Report Cards are for traditional school districts and community schools. Career Technical Planning Districts are local education agencies that can offer state-sanctioned career-technical programming and receive Report Cards regarding the agency's performance. Dropout Prevention and Recovery Report Cards are for community schools that serve the majority of their students through dropout prevention and recovery programs. Community schools can receive a Traditional Report Card or Dropout Prevention and Recovery Report Card depending on their designation from ODEW.<sup>13</sup> The components of the Traditional Report Card include:

### *Achievement Component*

The Achievement component on the Traditional Report Card measures how well student performance on state tests met established thresholds and how well students performed on tests overall. This component uses two measures: the Performance Index and the Performance Indicators, with the former being used to assign the Achievement Component Rating.

### *Progress Component*

The Progress component on the Traditional State Report Card measures how groups of students made progress on state tests as compared to the statewide expectation of growth. The assessment employs a "value-added" model, which measures academic progress by comparing the change in a group of students' achievements against an anticipated level of progress, derived from their past achievement records.

### *Gap Closing Component*

The Gap Closing component on the Traditional State Report Card measures student performance on state tests against expectations. Goals are established for English language arts academic achievement and growth, math academic achievement and growth, graduation, English learner language proficiency, chronic absenteeism, and gifted performance.

### *Graduation Component*

The Graduation component on the Traditional State Report Card is a measure of the four-year adjusted cohort graduation rate and the five-year adjusted cohort graduation rate. A weighted

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<sup>13</sup> For more information, see ODEW's Report Card Resources [here](#).

graduation rate is calculated using the weights established in ORC § 3302.03 so that the four-year graduation rate contributes 60.0 percent toward the component rating, and the five-year graduation rate contributes 40.0 percent toward the component rating.

### *FY 2023 School Academic Performance Results*

Steel Academy has historically received a Traditional Report Card. In FY 2023, Steel Academy was a Traditional community school and did not meet any of the academic standards used in the Traditional Report Card. This included receiving less than 2 stars on the Overall Rating and 1 Star on Closure Value-Added Rating, which resulted in Steel Academy receiving one strike toward closure and joining the FY 2024 At Risk for Closure List. To prevent additional strikes which would require the School to close, ODEW’s OSS required Steel Academy to develop a Corrective Action Plan. See the full Corrective Action Plan in [Appendix G](#).

### FY 2023 Steel Academy Traditional Report Card Results

Component and Description	Result
<b>Achievement:</b> Measures how well student performance on state tests met established thresholds and how well students performed on tests overall.	★ ☆ ☆ ☆ ☆
<b>Progress:</b> Measures how groups of students made progress on state tests as compared to the statewide expectation of growth. The assessment employs a "value-added" model, which measures academic progress by comparing the change in a group of students' achievements against an anticipated level of progress, derived from their past achievement records.	★ ★ ☆ ☆ ☆
<b>Gap Closing:</b> Measures student performance on state tests against expectations. Goals are established for English language arts academic achievement and growth, math academic achievement and growth, graduation, English learner language proficiency, chronic absenteeism, and gifted performance.	★ ☆ ☆ ☆ ☆
<b>Graduation:</b> Measures the four-year adjusted cohort graduation rate and the five-year adjusted cohort graduation rate.	★ ☆ ☆ ☆ ☆

Source: Report Card

The Achievement, Progress, Gap Closing, and Graduation components contributed to Steel Academy’s Overall Rating, which was 1.5 of 5 stars. This score indicates that the school needs significant support to meet state standards.

### **FY 2024 Transition to Dropout Prevention and Recovery**

Steel Academy became a Dropout Prevention and Recovery (DPR) school in FY 2024 after a having preliminary approval that lasted more than five months. The School first applied in July 2023 and were approved in January 2024.<sup>14</sup> DPR programs set different standards for students on

<sup>14</sup> Steel Academy transitioned to only serving ninth through twelfth grades beginning with FY 2025.

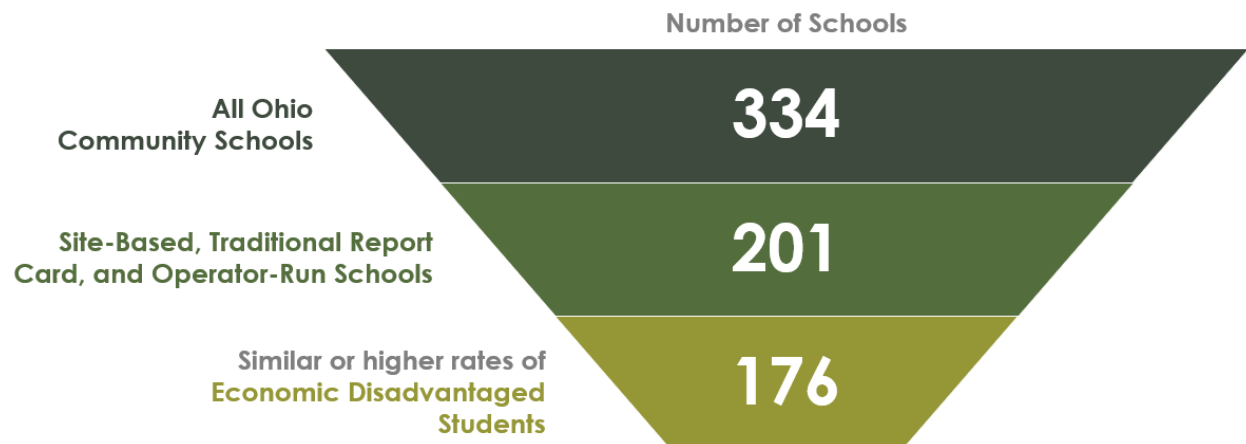
state tests, develop individual career plans, provide counseling and support, and provide instructional programs which demonstrate how content standards are taught and assessed. Students enrolled in this program must be between 16 and 21 years of age. Students must also be academically 1 year behind or impacted by a crisis that interferes with learning. Academic standards for the DPR program are less rigorous than those of a traditional report card due to the populations served. In FY 2024, Steel Academy exceeded standards set for the DPR report card. See more about DPR programs and Steel Academy’s FY 2024 performance in in [Appendix D](#).

## Comparing Steel Academy to Similar Community Schools

Steel Academy faces challenges that many Ohio schools 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, and higher rates of violent crime in the community than statewide averages. For a more in-depth review of these barriers, see [Appendix C](#). Knowing that economically disadvantaged students and students with disabilities are experiencing barriers to learning that can impact academic performance, we developed comparison groups of similar community schools with similar rates of economically disadvantaged students and students with disabilities to provide greater context to Steel Academy’s academic performance. These groups, and the result of these comparisons, are below.

As discussed earlier in the report, there were 334 Ohio community schools in FY 2023. Filtering to only site-based community schools that receive a traditional report card and are operator-run, there are 201 community schools. Filtering further by rates of economically disadvantaged students of at least 80.0 percent narrows the number of schools to 176, as shown below.

### Adjusting for Economically Disadvantaged Students



Source: ODEW Report Card Data Portal

The average academic performance of these 176 schools is compared to Steel Academy below.

### FY 2023 Academic Performance with Similar Rates of Economic Disadvantaged Students

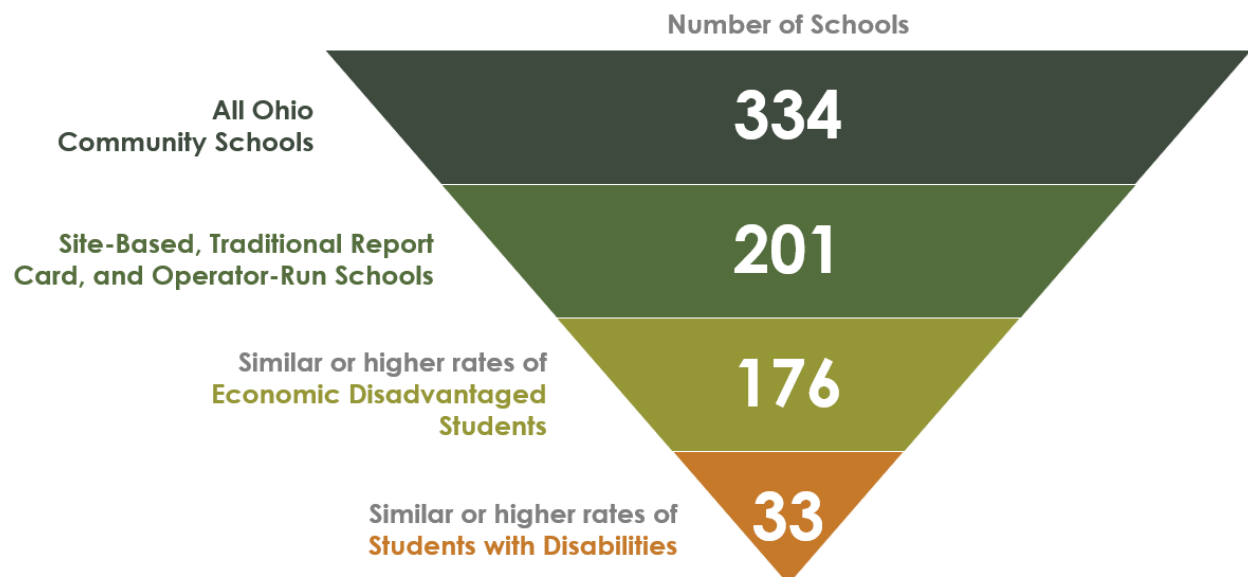
Report Card Element	Steel Academy	Average	Difference	% Difference
Achievement Component	1.0	1.5	(0.5)	(41.1%)
Progress Component	2.0	3.1	(1.1)	(43.4%)
Gap Closing Component	1.0	2.9	(1.9)	(96.6%)
Graduation Rate Component	1.0	2.1	(1.1)	(43.4%)
<b>Overall Rating</b>	<b>1.5</b>	<b>2.7</b>	<b>(1.2)</b>	<b>(57.1%)</b>

Source: ODEW Report Card Data Portal

Steel Academy’s performance was lower than the average community school with similar characteristics, including similar rates of economically disadvantaged students. This included worse scores in Achievement, Progress, Gap Closing, and Graduation Rate Components, as well as the Overall Rating.

In addition to economically disadvantaged students, Steel Academy has a relatively high rate of students with disabilities, at 41.1 percent in FY 2023. Due to Steel Academy’s high rate of students with disabilities, we added an additional level of filtering to this analysis. When filtering all Ohio community schools by the factors discussed above, and by student disability rates similar to Steel Academy’s, we can see that there are only 33 similar community schools in the state.

### Adjusting for Students with Disabilities



Source: ODEW Report Card Data Portal

When adjusting to examine community schools with similar characteristics, including similar rates of students with disabilities, we can see a more comparable picture as to non-school factors that impact academic performance. The average academic performance of these 33 schools is compared to Steel Academy below.

### FY 2023 Academic Performance with Similar Rates of Students with Disabilities

<b>Report Card Element</b>	<b>Steel Academy</b>	<b>Average</b>	<b>Difference</b>	<b>% Difference</b>
Achievement Component	1.0	1.5	(0.5)	(42.9%)
Progress Component	2.0	3.1	(1.1)	(42.9%)
Gap Closing Component	1.0	2.8	(1.8)	(95.2%)
Graduation Rate Component	1.0	1.0	0.0	0.0%
<b>Overall Rating</b>	<b>1.5</b>	<b>2.7</b>	<b>(1.2)</b>	<b>(58.1%)</b>

Source: ODEW Report Card Data Portal

When adjusting for similar rates of students with disabilities, Steel Academy had lower performance in Achievement, Progress, and Gap Closing Components. Additionally, Steel Academy’s Overall Rating was 58.1 percent lower than comparable schools. However, Steel Academy had a similar Graduation Rate Component score when compared to this group. See more about the ways in which Steel Academy is providing supports to students and how Steel Academy’s academic performance compares to state standards in [Recommendation 1](#).

# Summary of Audit Results

The Ohio Auditor of State’s Ohio Performance Team (OPT) conducts performance audits of government entities and provides data-driven analyses and recommendations which can assist officials in improving the economy, efficiency, and effectiveness of organizations. Our performance audit was conducted at the request of the ODEW’s Office of School Sponsorship after Steel Academy was identified as at risk of closure due to poor academic performance in FY 2023. Due to this poor academic performance and additional financial difficulties, Steel Academy’s Sponsor required the School to develop a Corrective Action Plan and participate in this performance audit. In cooperation with the Sponsor, we identified three main areas for analysis that would provide the School and Sponsor with data-driven information to be used for strategic decision making. Specifically, we reviewed the School’s academic performance, financial management, and managerial effectiveness. Our office used best practices and Steel Academy’s historical data in our analyses.

Generally, Steel Academy’s Board has struggled with effectively governing the School. Rather than managing the day-to-day operations of the School, the Board has contracted with an Operator. While this is an option that many community schools utilize, it can result in a disconnect between the board and operations if the board does not proactively engage stakeholders and utilize its authority in decision making and long-term planning. At Steel Academy, this disconnect has contributed to operational deficiencies, including poor academic and financial performance.

We found that Steel Academy has a high rate of students who face barriers to academic performance, and that the School historically struggled to meet academic standards set by the state. Given these barriers, the School has to be strategic in its allocation of resources to maximize conditions for student success. In FY 2024, the School transitioned to Dropout Prevention and Recovery status and met the lower academic performance standards associated with this status.

When reviewing Steel Academy’s financial position, we found that the School had cash balances below best practices and faced additional debts owed to its Operator. Additionally, Steel Academy faced significant declines in enrollment in FY 2024, related to removing middle grades from their served population in order to be eligible to operate as a dropout prevention and recovery school, which puts the School’s long-term financial stability at risk, given that community school revenues are driven primarily by student enrollment. Given Steel Academy’s deficiencies in its budgeting and forecasting processes, the School may not be appropriately suited for making decisions regarding the allocation of resources.

**Recommendation 1: Strategically Allocate Resources to Maximize Conditions for Student Success.** Steel Academy’s students experience challenges that can negatively impact academic performance at a higher degree than the state on average. This means that Steel Academy needs to make strategic decisions and provide supports to ensure students are meeting academic

standards. The Board should use the information in this report to make strategic decisions about the allocation of resources to support the School's operations in the best interest of Steel Academy's students.

**Recommendation 2: Build Governance Capacity.** Steel Academy's Board does not appear to fully utilize its authority to guide decision making and has demonstrated limited strategies to ensure long-term sustainability. Boards missing key capacities in areas relevant to charter governance, or boards that make decisions without deliberation, limit school progress. Additionally, without strategies to ensure long-term sustainability, the Board is relying on reacting to issues as they arise rather than being proactive. By improving its capacity to govern, Steel Academy's Board can improve long-term sustainability of the Board and the School.

**Recommendation 3: Enhance Communication with Internal Stakeholders.** In a community school setting, it is important that those who are managing the school, such as the governing body and staff, are aware of what each group is doing. The various parties involved in the operations of Steel Academy were not observed to proactively engage key internal stakeholders in decision making on a consistent basis. The Board should ensure Steel Academy's parties enhance their stakeholder engagement processes to proactively involve all relevant internal stakeholders in decision making.

**Recommendation 4: Continually Engage with Steel Academy's Students, Families, and Staff.** During the performance audit, Steel Academy's Board Members typically reported little to no direct interaction with Steel Academy's students, families, and staff during interviews. Additionally, Steel Academy's Board Meetings have not had public attendance from July 2021 through July 2024. Without engagement with Steel Academy's students, families, and staff, board members are limited in the options they have available to understand the needs of the School and the community.

**Recommendation 5: Develop and Follow Formal Plans.** Schools should have multiple formal plans that identify future needs and guide operational areas. This includes a strategic plan and a staffing plan. Steel Academy does not have a formal strategic plan nor a staffing plan in place. The Board should ensure the School develops formal written strategic and staffing plans in order to establish and meet financial, programmatic, and operational needs.

**Recommendation 6: Follow Forecasting and Budgeting Best Practices.** While Steel Academy is required to develop two five-year forecasts and one budget for submission to ODEW annually, the processes that are used to develop these key resources needed to strategically operate the school do not meet all of the best practices established by GFOA's Financial Forecasting in the Budgeting Preparation Process and GFOA's Smarter School Spending Framework. In order to ensure the School is presenting an accurate depiction of its current and future financial condition, and is aligning resources with strategic needs, the Board should develop and ensure the School follows forecasting and budgeting policies and procedures that address each of the steps and sub-steps outlined in the GFOA best practices.



**Recommendation 7: Enhance Procurement and Contract Monitoring Processes.** Steel Academy does not have a formal process for determining whether contracting out services would be advantageous in terms of quality and cost. Additionally, the School does not have a formal contract management process in place. Public entities should carefully analyze all aspects of a service delivery option, including levels of service, service quality and expected performance, service revenues and costs, required transition activities and other relevant factors. Additionally, contract monitoring should ensure that contractors comply with contract terms, performance expectations are achieved, and any problems are identified and resolved. The contracting agency does not have adequate assurance it receives what it contracts for without a sound monitoring process. The Board should establish a process for determining when to enter into contracts and how they should be structured and monitored.

**Recommendation 8: Prioritize Fiscal Sustainability and Cash Balances.** Steel Academy has had deficit spending, which has resulted in a diminishing cash balance. The School has fallen far below standards for cash balances. In addition to low days cash on hand, Steel Academy has over \$450,000 in past due bills as of its August 2024 budget. The Board should prioritize fiscal sustainability to meet best practices for cash balances. Focusing on fiscal sustainability to improve days cash balances will reduce the risk of Steel Academy becoming insolvent.

**Recommendation 9: Comply with Ohio’s Open Meetings Act.** During the course of the audit, Steel Academy’s website listed two conflicting times for Board meetings, and doors to the Board meeting facility were locked and unattended during Board Meetings, with potential attendees having difficulty obtaining access to the meetings. The Board should comply with the Ohio Open Meetings Act. By complying with this act, Steel Academy can provide better opportunities for stakeholders to engage with the Board and may avoid potential liabilities associated with violations.

## Recommendation 1: Strategically Allocate Resources to Maximize Conditions for Student Success

Steel Academy’s students experience challenges that can negatively impact academic performance at a higher degree than the state on average. This means that Steel Academy needs to make strategic decisions and provide supports to ensure students are meeting academic standards. The Board should use the information in this report to make strategic decisions about the allocation of resources to support the School’s operations in the best interest of Steel Academy’s students.

### Impact

School supports provide the conditions essential for students to learn, thrive and achieve their greatest potential. Given the importance of fiscal sustainability, Steel Academy’s Board must make strategic decisions to allocate resource that most enhance the opportunities available to support students’ outcomes. The School’s decisions to promote and create prudent school supports can improve student academic achievement.

### Methodology

We interviewed School officials regarding their supports for students and compared these to ODEW’s Whole Child Framework. We compared these answers to documentary evidence available. When documentary evidence could not be found to support testimonial evidence, School officials provided additional documentation.

### Analysis

#### *School Supports*

The School experiences challenges that many Ohio schools don’t face—or face to a lesser degree. These challenges include having a significantly higher share of its students qualify as economically disadvantaged, Akron’s household composition, and higher rates of violent crime in the region than statewide averages. For a more in-depth review of these barriers, see **Appendix C**.

While Steel Academy cannot directly control the barriers to learning that impact its students, Steel Academy can still strategically implement supports to assist students that are facing these barriers to improve their learning and achievement.

Ohio’s strategic plan for education — Each Child, Our Future — includes a strategy that reads, “Work together with parents, caregivers and community partners to help schools meet the needs of the whole child.” Ohio educators, counselors and content experts developed Ohio’s Whole Child Framework in response to this strategy.

According to ODEW, the five tenets of Ohio’s Whole Child Framework are five commonly held beliefs reflecting optimally desired student conditions leading to success in life and learning. Ohio’s Whole Child Framework states, “when students are healthy, feel safe, have strong supportive relationships, are challenged and experience success, and are engaged in learning that is relevant and meaningful, they are more likely to enjoy learning, develop positive social skills and achieve greater academic success.” Each of these five tenets includes ten key school indicators. Examples of these key school indicators are shown below.

## Examples of Whole Child Framework Key School Indicators

### Healthy

- Our school supports, promotes and reinforces healthy eating patterns and food safety in routine food services and special programming and events for students and staff.

### Safe

- Our school teaches, models and provides opportunities to practice social emotional learning.

### Supported

- Our school staff understands and makes curricular, instructional and school improvement decisions based on child and adolescent development and student performance information.

### Challenged

- Our school collects and uses qualitative and quantitative data to support student academic and personal growth.

### Engaged

- Our school reinforces citizenship and civic behaviors by students, family members and staff, through meaningful participation in decision-making.

Source: ODEW’s Whole Child Framework

See [ODEW’s Whole Child Framework](#) for more information.

With interviews of school officials and documentary evidence, we identified where Steel Academy is meeting or partially meeting indicators as shown below. In every instance where there was evidence Steel Academy met any component of an indicator, a Partially Meets was granted.

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Efficient • Effective • Transparent

## Whole Child Framework Evaluation by Tenet

<b>Dimension</b>	<b>Healthy</b>	<b>Safe</b>	<b>Supported</b>	<b>Challenged</b>	<b>Engaged</b>	<b>Total</b>
Meets	10	9	6	2	7	34
Partially Meets	0	1	4	8	3	16
Does Not Meet	0	0	0	0	0	0

Source: ODEW’s Whole Child Framework, Steel Academy

The School meets 34 of 50 Whole Child Framework Key School Indicators. Steel Academy has room for improvement in the Safe, Supported, Challenged, and Engaged Tenets. See **Appendix E** for a full list of indicators and Steel Academy’s results.

By working to implement policies that meet the Whole Child Framework, the School can help to provide the supports needed to create conditions that allow students to thrive.

### Conclusion

Steel Academy’s students experience challenges that can negatively impact academic performance at a higher degree than the state on average. This means that Steel Academy needs to make strategic decisions and provide supports to ensure students are positioned to succeed.

Ohio’s Whole Child Framework has five tenets that reflect conditions found to be important in leading to success in life and learning. While we found evidence that Steel Academy is meeting some indicators within these tenets, there is opportunity for Steel Academy to implement additional practices to fully meet the Whole Child Framework. The Board should use the information in this report to make strategic decisions about the allocation of resources to support the School’s operations in the best interest of the Steel Academy’s Students.

## Recommendation 2: Build Governance Capacity

Steel Academy's Board does not appear to fully utilize its authority to guide decision making and has demonstrated limited strategies to ensure long-term sustainability. Boards missing key capacities in areas relevant to charter governance, or boards that make decisions without deliberation, limit school progress. Additionally, without strategies to ensure long-term sustainability, the Board is relying on reacting to issues as they arise rather than being proactive. By improving its capacity to govern, Steel Academy's Board can improve long-term sustainability of the Board and the School.

### Impact

The Board's governance practices impact every aspect of the School's performance. An example of effective governance practice includes long term sustainability strategies to help the Board retain board members. Governance may improve by being accountable to standards such as board policies and best practices. The Board can use benchmarks for finances, human resources, and other areas to ensure accountability and continuous improvement. Additionally, the Board can improve capacities to understand specialized subjects such as finances, charter governance, real estate, pedagogy (method and practice of teaching), and community relations by engaging in training. By increasing its governance capacity and following sustainable strategies, the Board can positively improve the School's performance.

### Internal Controls in Performance Audits

During the course of the audit, it was determined that the School had deficiencies in the design and implementation of board governance policies and practices. Additionally, the Board lacked the competence required to perform controls effectively. As such, this constitutes an internal control deficiency related to the Board's governance capacity.

### Methodology

We reviewed Steel Academy's Board Policies, interviewed Board Members, interviewed select stakeholders, and attended regular Board meetings during the course of the performance audit. We then compared the policies, responses, and our observations to practices within the National Charter School Resource Center's Identifying Indicators of Distress in Charter Schools.

### Analysis

According to the National Charter School Resource Center's Identifying Indicators of Distress in Charter Schools, research shows that school boards have a critical role in charter school makeup. Evidence shows that a board's stance on school reform is an important constraint or enabler of action. This report highlights three governing authority issues that signal a school may be facing distress: lack of capacity to execute governance role; no long-term sustainability strategy; and out of touch with school population needs. The first two governing authority issues will be discussed below. see more about stakeholder engagement in [Recommendation 4](#).

## *Lack Of Capacity to Execute Governance Role*

The first indicator of distress is the Lack of Capacity to Execute Governance Role. Boards missing key capacities in areas such as charter governance, finance, real estate, pedagogy, human resources, community relations, and stakeholder engagement can stunt their function, resulting in school decline. School boards need to be familiar with these key capacities and implications of not meeting performance criteria. Schools in distress often had boards who did not have knowledge in these areas. Infrequent and short board meetings with limited discussion can be evidence of boards making decisions without deliberation or using peer pressure to advance a decision.

Steel Academy's Board Members typically reported a lack of comfort with at least one capacity—finance. This was further demonstrated by a lack of detailed questions and limited discussion of financial reports at board meetings, despite the School experiencing significant financial difficulties during the audit period. See [Recommendation 6](#) for more information about the forecasting and budgeting process.

An example of a lack of governance and accountability includes Steel Academy's failure to secure appropriate transportation funding in FY 2024. This duty is delegated to the Operator per the contract between the Board and the Operator. The Operator submitted an inaccurate number of bus riders on the T-1 Report due November 1<sup>st</sup> because of a calamity day. This figure is used by ODEW to calculate transportation reimbursements. Since Steel Academy undercounted students, the calculated transportation reimbursements were therefore less than what the School could have received if the counts were accurate. While schools have until January 31<sup>st</sup> to submit amendments to secure an accurate level of funding, Steel Academy failed to submit an amendment. Continuing to utilize training resources offered by ODEW to build knowledge of key capacities, and then governing based on those improved capacities, will allow the Board to govern more effectively. While the Board should continue working with stakeholders to address the operations of the School, the Board often deferred to contracted entities. Nonetheless, the Board is ultimately responsible for the leadership actions at the School.

Other factors that can negatively impact a board's ability to execute their governance role is a lack of stakeholder engagement and a lack of well-defined and utilized monitoring processes. See [Recommendation 3](#) and [Recommendation 4](#) for more about stakeholder engagement, and [Recommendation 9](#) for more information about stakeholder engagement in the context of Ohio's Open Meetings Act. See [Recommendation 7](#) for more about contract monitoring processes.

## *No Long-Term Sustainability Strategy*

The second indicator of distress is no long-term sustainability strategy. This indicator is relevant when the Board struggles to plan long-term, or is acting reactively to issues, rather than proactively addressing barriers. This can result in boards being blindsided when issues come to the surface.

Before a school can become sustainable in the long-term, a board needs to be sustainable themselves. In FY 2024, two board members successfully resigned their positions. The first board member’s resignation was accepted on December 31, 2023, by the Board. The second resignation was accepted, and they were immediately replaced in March 2024. An additional board member attempted to resign, but could not due to the Board only having five members at that time. The Board attempted to recruit a replacement, and successfully approved another member in September 2024. Steel Academy’s Board does not have a formal recruitment or retention policy, which may have contributed to the difficulties in this area seen in FY 2024.

Another indication of a lack of long-term sustainability strategies is the School’s repeated mission and grade level offering changes. The School began its charter on June 30, 2014 as a sixth through twelfth grade school that specialized in educating special education students. In FY 2024, Steel Academy cut sixth grade and was approved to become a DPR school partly through the year. In FY 2025, the School cut seventh and eighth grade. While Steel Academy is now a DPR school, it still serves a large population of students with disabilities.

Other factors that can negatively impact long-term sustainability is poor academic performance, poor financial performance, and a lack of strategic planning. See [Academic Performance, Recommendation 1](#), and [Appendix D](#) for more information about historic academic performance. See [Recommendation 8](#) for more information about financial sustainability. See [Recommendation 5](#) for information about planning efforts.

## Conclusion

Steel Academy's Board does not appear to fully utilize its authority to guide decision making at Steel Academy. Rather, decisions appear to be delegated to those contracted by the Board to provide services. Given this, there appears to be little oversight of activities and plans of these contracted entities. Boards missing key capacities in areas relevant to charter governance, or boards that make decisions without deliberation can result in school decline.

The long-term sustainability of the School is also in question. The Board does not have formal policies or plans for the recruitment and retention of board members. While the student population Steel Academy has served has changed over time, this has not been guided by strategic planning efforts. Without strategies to ensure long-term sustainability, the board is relying on reactively addressing issues as they arise.

Steel Academy's Board should utilize training resources to further build governance capacity and engage in planning to establish strategies to ensure long-term sustainability of the Board.

## Recommendation 3: Enhance Communication with Internal Stakeholders

In a community school setting, it is important that those who are managing the school, such as the governing body and staff, are aware of what each group is doing. The various parties involved in the operations of Steel Academy were not observed to proactively engage key internal stakeholders in decision making on a consistent basis. The Board should ensure Steel Academy's parties enhance their stakeholder engagement processes to proactively involve all relevant internal stakeholders in decision making.

### Impact

Meaningful and ongoing stakeholder engagement is critical to the success of all students. Additionally, transparency and collaboration have a critical role in sustaining a school's mission and outcomes. By communicating and collaborating with stakeholders about decisions that impact operations, Steel Academy can ensure the School's mission is in alignment with community needs and can better sustain this mission and the School's outcomes.

### Methodology

We reviewed Steel Academy's Board Policies, interviewed Board Members, interviewed select stakeholders, and attended regular Board meetings. We then compared the policies, responses, and our observations to policies and practices within Steel Academy's Charter, the Operator Contract, and the Fiscal Officer Contract.

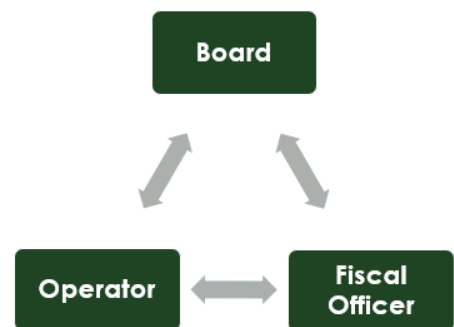
### Analysis

As discussed in [Governance and Organization](#), the Steel Academy's Board is responsible for governing the school, including adopting procedures. Additionally, a Fiscal Officer and Operator report to the Board. Due to this relationship and the importance of the work done by each party, these *internal stakeholders* need to be in regular communication and collaboration with one another.

Stakeholder involvement in financial and operational decision making are two of the areas in which Steel Academy was observed to have the most opportunity for improvement. Discussions of these areas are included below.

### Steel Academy's Finances

According to Steel Academy's charter with ODEW's OSS, the Board is required to create a finance committee. This finance committee is required to review all financial related documents,





contracts, and expenditures prior to presentation to the Board for approval. The School’s Board has seen turnover in its members who were on the finance committee and had periods without any committee members or meetings. Due to this, the Fiscal Officer reported that there was a need to have Board Members who were more involved with finances.

The operator contract between Steel Academy and the Operator establishes that the Operator will assist in preparation of the budget and financial reports as reasonably requested by the School's designated Fiscal Officer for submission to the Board for approval. Additionally, the Operator will work in conjunction with the School Leader (Principal) and school Fiscal Officer to complete the budget and budget revisions as needed. The Fiscal Officer receives enrollment figures from the Operator for the budget process. However, the Fiscal Officer expressed difficulty understanding what invoices belong to which budget item, due to the limited amount of information shared.

The Fiscal Officer’s contract states that they will work with the Board and administration on the creation of the annual school budget. While the Board approves the annual school budget, they are not directly involved in its creation.

See [Recommendation 6](#) for more information about stakeholder involvement in Steel Academy’s forecasting and budgeting practices.

### *Steel Academy's Operations*

A major component of Steel Academy’s operations is the grades it serves. Steel Academy’s charter with its Sponsor establishes Steel Academy’s grade levels as sixth through twelfth grade. Steel Academy cut sixth grade in FY 2024 without amending its contract with the Sponsor as required. To align with DPR requirements of having at least 50 percent of students over the age of 16, Steel Academy then cut seventh and eighth grade in FY 2025.<sup>15</sup>

Another significant component of operations is the Principal, also known as a School Leader. The operator contract between Steel Academy and the Operator establishes that the Operator will select the superintendent or educational leaders and establish employment terms in consultation with the Board. The contract also states that the Board reserves the right to have final approval of the School Leader. During the July 24, 2024 regular board meeting, the Board was informed that there was a new Principal, rather than approving the selection from the Operator.

## **Conclusion**

The various parties involved in the operations of Steel Academy were not observed to proactively engage key internal stakeholders in decision making on a consistent basis. Examples

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<sup>15</sup> See more about DPR requirements in [Appendix D](#).

of this include Steel Academy's financial management practices being relatively siloed and operational decisions made without input from all stakeholders.

The Board should ensure Steel Academy's parties enhance their stakeholder engagement processes to proactively involve all relevant internal stakeholders in decision making. 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 school's mission and outcomes. By communicating and collaborating with stakeholders about decisions that impact operations, Steel Academy can ensure the School's mission is in alignment with community needs and can better sustain this mission and the School's outcomes.

Involving external stakeholders in decision making is also important for defining, meeting, and sustaining School outcomes. See [Recommendation 4](#) for more information about the external stakeholder engagement process.

*During the course of the audit, the audit team shared the results of this analysis with Steel Academy's Board, Operator, and Principal. When parties disagreed with the information presented to them, they were provided an opportunity to provide additional documentation to support claims. They did not provide additional supporting documentation.*

## Recommendation 4: Continually Engage with Steel Academy’s Students, Families, and Staff

During the performance audit, Steel Academy's Board Members typically reported little to no direct interaction with Steel Academy’s students, families, and staff during interviews. Additionally, Steel Academy’s Board Meetings have not had public attendance from July 2021 through July 2024. Without engagement with Steel Academy’s students, families, and staff, board members are limited in the options they have available to understand the needs of the School and the community.

### Impact

Engaging with school students, families, and staff will allow the Board to better understand the needs of the community and Steel Academy, as well as the competencies required to address those needs. This improved understanding will assist the Board in aligning long-term strategic planning, resource allocation, and budgeting with the needs of the School.

### Methodology

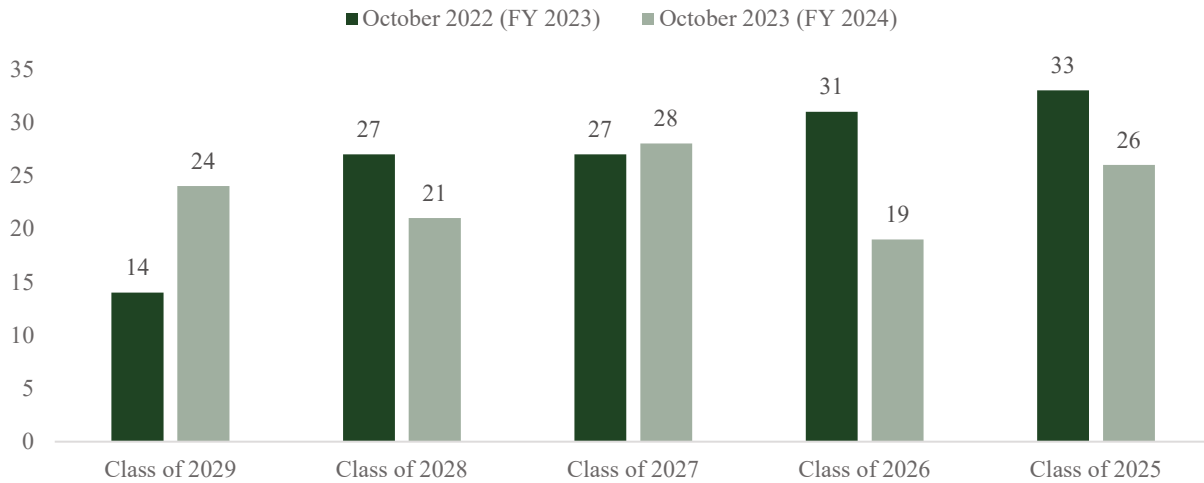
We reviewed Steel Academy’s Board Policies, interviewed Board Members, interviewed internal stakeholders, and attended regular Board meetings. We then compared the policies, responses, and our observations to practices within the National Charter School Resource Center's Identifying Indicators of Distress in Charter Schools.

### Analysis

As discussed in the Introduction, Steel Academy has faced significant declines in enrollment since FY 2023. While 152 students were reported as of the FY 2023 Report Card, 88 students were reported as of the September 2024 Board meeting. While some of this 42.1 percent decline is due to the School deciding to cut multiple grade levels, such a drastic decline suggests the School may not be completely aligned with the needs of Steel Academy’s students and families.

When comparing October headcounts of the same cohorts from FY 2023 to FY 2024, most cohort headcounts declined. The most extreme example is the Class of 2026, which was grade 9 in FY 2023 and grade 10 in FY 2024. Over this period. The class had a decline of 12 students, or 38.7 percent.

## FY 2023 and FY 2024 October Headcount by Cohort



Source: ODEW Enrollment Data

Note: Cohorts were created by aligning grades with anticipated graduation year. The grades corresponding with the Class of 2024 had fewer than 10 students, and therefore data was anonymized and excluded from this graphic.

According to the National Charter School Resource Center's Identifying Indicators of Distress in Charter Schools, distressed boards did not position themselves to engage with stakeholders, including little to no interaction with the school's students, staff, or families. Without engagement with these key groups, board members were unaware of the needs of the school. Steel Academy's Board Members typically reported little to no interaction with Steel Academy's current students, staff, or families in interviews. Additionally, evaluations of the School conducted by an educational expert contracted by ODEW's OSS indicated that it lacked an intentional family engagement process which communicated academic, graduation, behavior, and attendance goals outlined in the One Plan.

Identifying Indicators of Distress in Charter Schools states that a continual analysis of school needs should anchor the overall functions of the board. These functions include strategic planning, budgeting with intention toward needs, targeted development for school leaders, and monitoring progress toward addressing identified needs. Steel Academy's Board and Operator reported not having a strategic plan through most of the audit period, see [Recommendation 2](#). Additionally, there are deficiencies in Steel Academy's budgeting practices related to stakeholder engagement, as detailed in [Recommendation 6](#).

ODEW'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 school's mission and outcomes. Every district and school have a responsibility to ensure stakeholders have an opportunity to engage in a well-developed process that ensures educational equity in the community. This can mean that engagement efforts need to be extended beyond standard processes and practices. Stakeholder groups to consider include:

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Efficient • Effective • Transparent

- Parents and Families;
- District and School-Level Educators;
- Government Agencies and Representatives;
- Community-Based Organizations;
- Research and Evaluation Experts;
- Business Communities;
- Elected Officials;
- Physical and Behavioral Health Professionals;
- Students and Youth;
- Faith-Based Organizations;
- Community Members; and,
- Philanthropy Groups.

The stakeholders that should be involved in decision making processes does vary for each school, depending on that school’s strategic goals. What does not vary is the importance of having stakeholder input in decision making.

While engaging stakeholders is essential to the long-term success of schools, some Boards may have limited knowledge on how to engage with stakeholders. The Ohio Local Engagement Toolkit also frames key items for districts and schools to consider when engaging stakeholders. Examples of ways to engage with students and families include the following:

- Engage students through in-school opportunities, such as homeroom, civic courses and extracurricular activities;
- Engage families through home visits, workshops and training activities relevant to their needs; and,
- Consider hosting meetings in common meeting places where families may naturally congregate, such as libraries.

By implementing these, or other practices recommended by ODEW’s Stakeholder Engagement Toolkit, Steel Academy’s Board can align long-term strategic planning, resource allocation, and budgeting with the needs of the school community.

## **Conclusion**

Steel Academy’s drastic declines in enrollment suggest the School may not be completely aligned with the needs of Steel Academy’s students and families. During the performance audit, Steel Academy’s Board Members typically reported little to no direct interaction with Steel Academy’s current students, families, and staff during interviews. Without engagement with Steel Academy’s current students, families, and staff, Board Members are limited in the options they have available to understand the needs of the School and the community.

Steel Academy's Board should use resources provided by ODEW's Stakeholder Engagement Toolkit to continually engage with students, families, and staff. This continual engagement will allow the Board to better understand the evolving needs of these key stakeholders.

*During the course of the audit, the audit team shared the results of this analysis with Steel Academy's Board, Operator, and Principal. When parties disagreed with the information presented to them, they were provided an opportunity to provide additional documentation to support claims. They did not provide additional supporting documentation.*

## Recommendation 5: Develop and Follow Formal Plans

Schools should have multiple formal plans that identify future needs and guide operational areas. This includes a strategic plan and a staffing plan. Steel Academy’s Board does not use formal strategic plans nor formal strategic staffing plans for decision making. The Board should ensure the School develops formal written strategic and staffing plans in order to establish and meet financial, programmatic, and operational needs.

### Impact

A strategic plan will provide a vision for the future that can be used to align budgeting with organizational priorities while a staffing plan will allow the School to ensure that it has an appropriate number and distribution of teaching, administrative, and support staff to meet operational and financial goals.

### Methodology

We identified key responsibilities and requirements in the School’s contract with its Sponsor and Operator. We then interviewed School officials regarding their strategic and staffing planning practices and shared information through status updates during the course of the performance audit to confirm understanding. We also observed the School’s staffing and operational environment through review of data and by attending board meetings. We then compared Steel Academy’s practices to best practices.

Additionally, to provide context as to the type of data that needs to be considered in a staffing plan, we collected information about the School’s staff that met ODEW’s inexperienced threshold (zero to two years), teaching staff tenure, teaching staff evaluations, and students per educator.

- We compiled data from the Report Card Portal to look at five previous years of teacher experience. ODEW classifies a teacher as inexperienced if they have two or less years of experience.
- We received data from Steel Academy indicating teacher tenure as of January 31, 2024. Teacher tenure was rounded up to the year to show the distribution of teacher tenure at Steel Academy.
- We compiled teaching staff evaluations from the Report Card Portal to understand the distribution of teacher evaluations for five previous years of data.
- We used enrollment numbers and FTE numbers from the Report Card Portal to calculate the number of students per educator for five previous years of data.

## Analysis

Steel Academy received its first strike towards closure in FY 2024 due to having less than 2 Stars on its Overall Rating and 1 Star on its Closure Value-Added Rating. Additionally, Steel Academy was required to develop a Corrective Action Plan due to poor academic and financial performance. Steel Academy's academic issues involve inadequate performance on the Fall 2023 State Report Card, including Steel Academy's performance not matching or exceeding Akron Public School District. See [Academic Performance](#) for more information. The factors indicating poor financial performance included low days cash on hand, a high debt ratio, high aged payables, and deficit spending. See [Recommendation 8](#) for more information.

Steel Academy's poor academic and financial performance indicate room for improvement in strategic planning, and the implementation of plans. Additionally, Steel Academy's expenditures are largely for purchased services, meaning that staffing could represent a high-impact area for the School.

### *Strategic Planning*

The Government Finance Officer Association (GFOA) recommends that governments engage in strategic planning to provide a vision for the future that can be used to align budgeting with organizational priorities. GFOA defines strategic planning as "the act of articulating where or what an organization wants to be in the future and includes the design of a vision and identification of goals and objectives."

Key steps in the strategic planning process include:

- Initiating the strategic planning process;
- Analyzing and assessing the environment;
- Defining the problem(s);
- Developing a vision to address each problem;
- Develop strategies to realize visions and implement strategies using tactics;
- Obtaining approval of the plan;
- Execute and monitor tactics; and,
- Evaluate and reassess.

Steel Academy's contract with the Operator includes the Operator providing strategic planning. Steel Academy officials stated that the School does not have a current formal strategic plan to guide decision making, and this was confirmed in updates during the performance audit period. Instead, the School's primary plan is the One Plan, as completed through the Education Department's System of Tiered E-Plans and Supports (ED STEPS).<sup>16</sup> The One Plan is a planning

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<sup>16</sup> ED STEPS is a system that enables educational entities assess needs, plan, and leverage funds. The One Plan is a consolidated planning tool to align funding and resources to improve student outcomes.



tool strategically aligned to funding and resources and focused on improving outcomes for all students. The One Plan primarily aligns academic goals with resources whereas a strategic plan also sets operational goals. *ODEW requires that community schools complete the One Plan and One Needs Assessment through ED STEPS; however, these plans do not include many of the elements included in a strategic plan.* Without a strategic plan that is actively used by leadership, including Steel Academy’s Board, the School may struggle to define a vision, align goals, execute plans, and monitor results.

Without a sound strategic planning process, Steel Academy has struggled to develop and maintain a consistent vision to inform action. For example, Steel Academy’s vision statement is the following:



“The Steel Academy is a free public, nonprofit, community school for students in grades 6 through 12 who learn differently. Many of our students have learning disabilities caused by ADHD, Asperger’s or other disorders on the Autism spectrum. All struggle to learn in mainstream educational systems. We inspire students through unique teaching methods that encourage lifelong learning and open doors to the future.”

While the School’s vision includes a special education focus, the rate of diagnosed special education students at Steel Academy has declined over time. Additionally, Steel Academy’s grade level offerings have also changed significantly recently, not in accordance with the School’s recorded vision. Steel Academy cut sixth grade in FY 2024 and was approved to transition to a Dropout Prevention and Recovery school partway through FY 2024. Additionally, the School cut seventh and eighth grade. While Steel Academy is now a DPR school, it still serves a large population of students with disabilities. Students with disabilities can qualify for DPR, but the program is not specifically intended to benefit this group. Given these factors, Steel Academy’s vision is not completely aligned with the School’s actions. Additionally, as discussed in [Recommendation 6](#), there are deficiencies in Steel Academy’s forecasting and budgeting practices. A strategic plan would allow Steel Academy to align budgeting with organizational priorities and proactively lead the School.

### *Strategic Staffing Planning*

The Society for Human Resource Management (SHRM) recommends that entities use staffing plans when making major adjustments to its workforce and during budget cycles to allocate costs. According to SHRM, “the steps used in developing a staffing plan help HR professionals ask the right questions to come to a clear understanding of the current state, the desired future state of the function and how to get there.”

Key steps in the staffing plan process include:

- Evaluate goals;
- Identify influencers;
- Analyze the current state of the function;
- Envision needs;
- Conduct a gap analysis; and,
- Develop a solution plan.

Additionally, the American Association of School Personnel Administrators (AASPA) in What is the “The Plan” to Fully Staff Schools 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, “The Strategic School: Making the Most of People, Time, and Money” by Miles and Frank reports 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.

Steel Academy’s Board does not utilize a formal strategic staffing plan for decision making despite having 18 staff members as of January 31, 2024 according to a staff roster provided by Steel Academy. Instead of having a formal strategic staffing plan, duties such as hiring, recruiting, managing, and training staff is the responsibility of the School Principal and Operator. The Operator has a staffing plan; however, this plan does not meet all components of best practices.

A staffing plan can grant the School greater control over the current and future staffing environment. For example, the School may be better prepared to make staffing shifts in the case of drastic changes in enrollment or grade levels. A staffing plan may also assist in identifying current and desired staffing experience levels. An effective staff can assist the School in providing excellent instruction and reaching academic performance standards.

## Conclusion

Schools should have multiple formal plans that identify future needs and guide operational areas. This includes a strategic plan and staffing plan. Steel Academy does not have a formal strategic plan nor a staffing plan in place.

Developing a strategic plan will provide a vision for the future that can be used to align budgeting with organizational priorities. Developing a staffing plan will allow the Board to ensure that it has an appropriate number and distribution of teaching, administrative, and support staff to meet operational and financial goals. The Board should ensure the School develops formal written strategic and staffing plans in order to establish and meet financial, programmatic, and operational needs.

## Recommendation 6: Follow Forecasting and Budgeting Best Practices

While Steel Academy is required to develop two five-year forecasts and one budget for submission to ODEW annually, the processes that are used to develop these key resources needed to strategically operate the school do not meet all of the best practices established by GFOA’s Financial Forecasting in the Budgeting Preparation Process and GFOA’s Smarter School Spending Framework. In order to ensure the School is presenting an accurate depiction of its current and future financial condition, and is aligning resources with strategic needs, the Board should develop and ensure the School follows forecasting and budgeting policies and procedures that address each of the steps and sub-steps outlined in the GFOA best practices.

### Background

In Ohio, community schools are required by OAC § 3301-92-04 to submit a five-year financial forecast every November, with an updated forecast submitted in May. Community schools are intended to use financial forecasts to evaluate current and future fiscal conditions which can be used to guide budgets, policies, and programmatic decisions. Additionally, these forecasts are essential tools in monitoring and communicating the overall fiscal health of a school to stakeholders.

Community schools are also required by ORC § 3314.032 (C) to adopt an annual budget by October 31 each year. The governing authority of a community school shall be the sole entity responsible for the adoption of the school's annual budget, but the governing authority shall adopt such budget with the assistance of the school's designated fiscal officer.

### Internal Controls in Performance Audits

During the course of the audit, it was determined that the School has not established properly designed formal policies and procedures governing internal controls over its forecasting and budgeting. As such, this constitutes an internal control deficiency related to the School’s forecasting and budgeting processes.

### Methodology

We requested information from the School, including relevant policies and plans, regarding its annual forecasting and budgeting process. Additionally, we interviewed School officials to understand this process in more detail. Once we gained an understanding of Steel Academy’s forecasting and budgeting processes, we compared them to GFOA’s Financial Forecasting in the Budgeting Preparation Process and GFOA’s Smarter School Spending Framework.

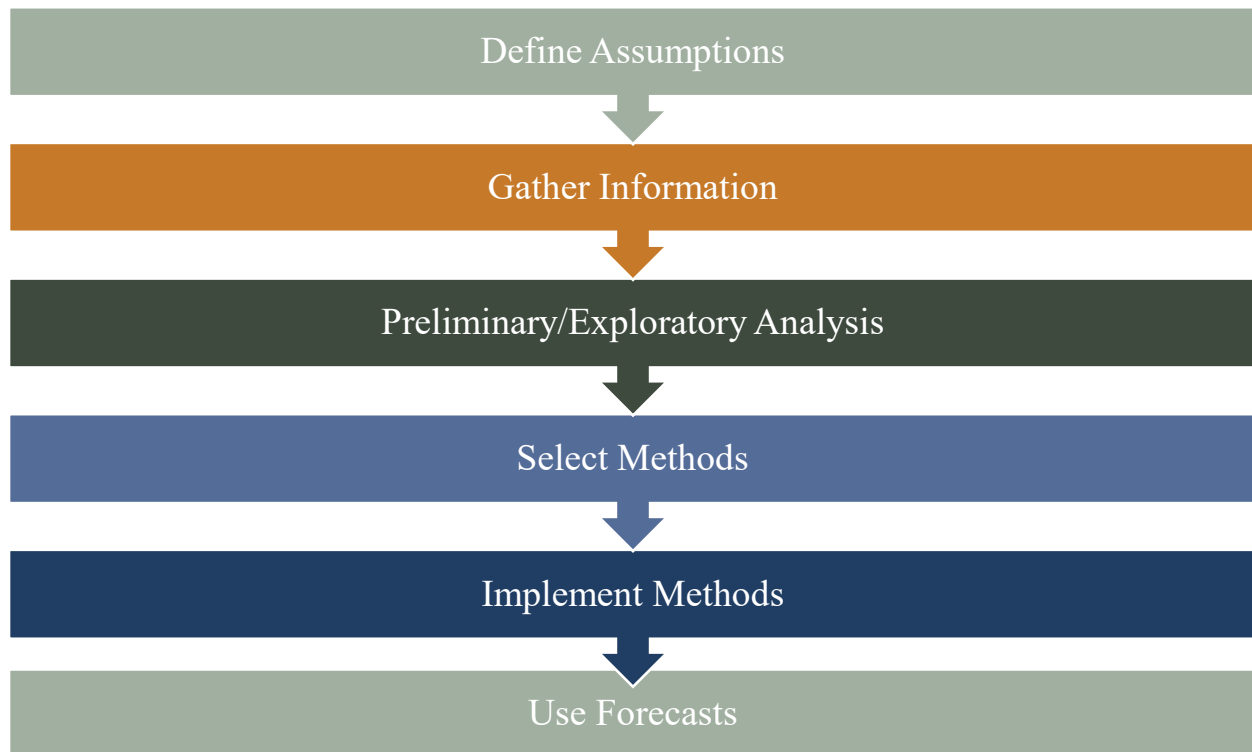
### Analysis

#### *Forecasting*

FYFs utilize an Excel template developed by ODEW, which includes operating receipts, operating disbursements, nonoperating receipts and disbursements, cash balances, and

assumptions. The purpose of the financial forecast is to evaluate current and future fiscal conditions to guide policy, programmatic decisions, and implementation of strategic goals. According to GFOA, forecasts are an integral part of the annual budget process. An effective forecast allows for improved decision-making in maintaining fiscal discipline and delivering essential services. The key steps in a sound forecasting process are shown below.

### GFOA's Forecasting in the Budget Preparation Process<sup>17</sup>



Source: Government Finance Officers Association

The FYF template itself meets some elements of this best practice. For example, the time horizon is defined at five years, the major revenue and expenditure categories are defined, and historical data is included for these categories.

While GFOA asserts that forecasts are an integral part of the annual budget process, FYFs are not utilized as a useful planning tool at Steel Academy. Due to this, the goal of developing FYFs is not to be used as a tool within the budgeting and strategic planning process, but instead to meet requirements. The result of this is Steel Academy not meeting several components of GFOA's Financial Forecasting in the Budgeting Preparation Process. An example of these deficiencies includes Steel Academy's contracted fiscal officer is the primary party involved in

<sup>17</sup> See more details about this process on GFOA's website [here](#).

the development of FYFs, with input only from the Operator for enrollment projections. Before meetings, the Board receives a copy of the materials that are referenced in the agenda. Board members received a copy of the FYF two business days before the Board’s May 2024 meeting. During this meeting, a Board Member asked whether they had to approve the FYF that day, or if they could have a more detailed conversation to help understand what was going on. They were informed they had to approve it that day. While not approving the FYF that day may have resulted in a late submission due to the infrequency of the Board’s meeting schedule, the Board would have been within its right to not approve the FYF without further conversation. See [Recommendation 2](#) for more information about Board governance.

Additionally, GFOA recommends linking forecasting to decision-making, including utilizing the following policies:

- A reserve policy, which establishes the desired level of reserves to maintain. A policy on reserves implies the need for forecasting tools to see if reserve levels will remain within desired parameters given future spending and revenues.
- A policy on maintaining structural balance, which requires recurring expenditures to be covered by recurring revenues. A forecast is required to tell if this will occur into the future, facilitating the considerations of long-term implications of decisions.
- A long-financial planning policy, which commits officials to considering the long-term implications of decisions made today.
- Capital improvement plans should employ a long-term planning horizon.

Steel Academy does not have any of these policies or plans. See [Recommendation 5](#) for more information about Steel Academy’s planning.

There are other factors related to forecast assumptions that may result in the reduced accuracy of Steel Academy’s FYFs. For example, all purchased services in the FYF—such as salaries and wages, insurance, and rent—are increased at the same rate of three percent annually. Additionally, the staff FTE as reported in the FYF approved May 2024 remained the same throughout the forecast, despite planned grade reductions as discussed in the [Steel Academy Background](#). Without reasonable assumptions, FYFs cannot be relied on for decision making. Steel Academy’s actual End of Year Fund Cash Balance was lower than most of the biannual projections. If Steel Academy is anticipating having more cash available than actuality, it could cause difficulties with maintaining services while ensuring fiscal sustainability. See [Recommendation 8](#) for more information about Steel Academy’s cash balances.

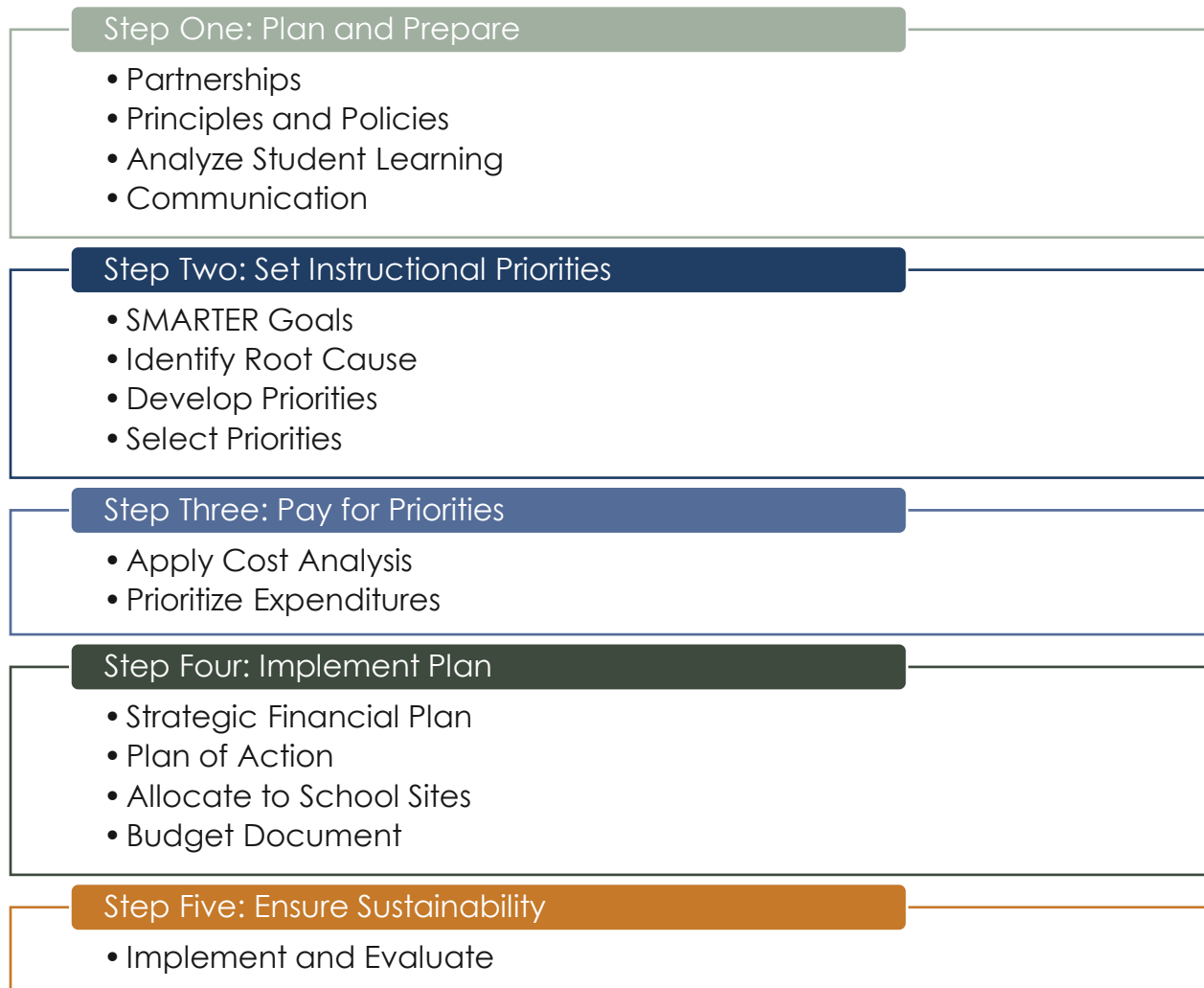
Budgets and forecasts are projections based on historical data and reasonable expectations about the future. Having reasonable assumptions and even developing multiple projections based on different scenarios can reduce the risk of having unreliable reports. Steel Academy’s Board needs reliable data and to ask appropriate questions to make decisions in the best interest of Steel Academy’s stakeholders. See [Recommendation 2](#) for more information about board governance.

The forecast, along with its underlying assumptions and methodology, should be clearly stated and made available to stakeholders in the budget process. It also should be concisely presented in the final budget document.

### Budgeting

The annual budget is another important tool to help each school’s governing authority monitor the financial stability of the school. GFOA’s Best Practices in School Budgeting also outlines steps to developing a budget that aligns school resources with student achievement goals. GFOA recommends that all schools go through the following steps as part of its planning and budgeting process.

### GFOA’s Smarter School Spending Framework Steps and Sub-Steps



Source: Government Finance Officers Association

We requested information from the School, including relevant policies and plans, regarding its annual forecasting and budgeting process. Additionally, we interviewed School officials to understand this process in more detail. From this process, we identified several areas within Step One: Plan and Prepare where Steel Academy could improve its processes. Examples of these areas for improvement are below.

### Step One: Plan and Prepare Analysis

<b>Step</b>	<b>Step Description</b>	<b>Steel Academy Condition Deficiencies</b>
<b>1a, Partnerships</b>	A collaborative process increases the likelihood that the decisions made will be supported after the budget process is over.	Steel Academy's budgeting process does not involve instructional leaders, such as the principal and teachers.
<b>1b, Principles and Policies</b>	Budget principles and policies formalize standards and fundamental values that should govern the budgeting process.	Steel Academy does not have budget policies to formalize standards and establish fundamental values to govern the budgeting process.
<b>1c, Analyze Student Learning</b>	The current state of academic performance must be assessed to determine what course of action to take.	Academic performance was not reported to be assessed during the budgeting process. Additionally, there is evidence that data did not appear to be used to support a comprehensive and evidence-based root cause analysis process. Without identifying the root cause of issues, it can be difficult to determine what budget priorities should be.
<b>1d, Communications</b>	The budget process should include a plan to inform participants, stakeholders, and the general public about how the budget process works, why each decision was made and how to provide input in the process.	Steel Academy does not inform key stakeholders about how the budget process works, why decisions were made, and how to provide input.

Source: Interviews, Questionnaires, Auditor Observations, Board Policies

Due to the number of deficiencies identified in step one of the criteria, the remaining steps were not explicitly analyzed.

Community schools are required by ORC § 3314.032 (C) to adopt an annual budget by October 31 each year. Community schools are required to use a template developed by ODEW for this budget. This template includes a table with corresponding functions and objects. For example, the School could budget a Salaries object with an Instruction function. This would mean the budget for instructional staff salaries. In addition to these components, there is also an assumptions sheet that includes expected enrollment, instructors, administrative staff, and



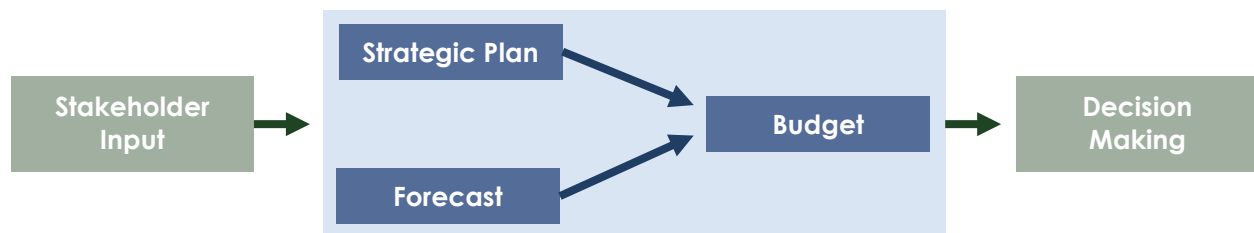
expected staff by grade, as well as purchased services and projected debt. This budget is also required to align with the school’s FYF.

While community schools are required to adopt an annual budget in the format of the template above, Steel Academy utilizes a different budget format for Board meetings. This budget does not include USAS object or function codes, nor does it include assumptions. However, it does include revenues, unlike the template required by ODEW.

### *Forecasting and Budgeting in Decision Making*

As established by GFOA’s Financial Forecasting in the Budgeting Preparation Process and GFOA’s Smarter School Spending Framework, relevant stakeholders need to be included in the development of FYFs and budgets to improve the relevance and accuracy of these tools. Additionally, these tools need to be developed with strategic priorities of the school in mind.

### Decision Making Process



Having FYFs and budgets intentionally created to aid decision making rather than meeting the minimum legal requirements will allow Steel Academy’s Board to make more informed decisions regarding the governance of Steel Academy. See [Recommendation 2](#) for more information about board governance.

### Conclusion

While Steel Academy is required to develop two five-year forecasts and one budget for submission to ODEW annually, the processes that are used to develop these key resources needed to strategically operate the school do not meet all of the best practices established by GFOA’s Financial Forecasting in the Budgeting Preparation Process and GFOA’s Smarter School Spending Framework. In order to ensure the School is presenting an accurate depiction of its current and future financial condition, and is aligning resources with strategic needs, the Board should develop and ensure the School follows forecasting and budgeting policies and procedures that address each of the steps and sub-steps outlined in the GFOA best practices. Steel Academy spent nearly \$2.6 million in FY 2023, and the budget process led to the decisions on where to allocate each one of these dollars. By understanding its expected revenues and the resource needs of students and staff—and creating a plan for where received dollars will be strategically allocated to meet those needs—Steel Academy can ensure that each dollar the School receives is spent thoughtfully to achieve maximum impact. Fully adhering to best

practices in school forecasting and budgeting may help prevent the School from overlooking gaps between its resource acquisition and resource needs.

## Recommendation 7: Enhance Procurement and Contract Monitoring Processes

Steel Academy does not have a formal process for determining whether contracting out services would be advantageous in terms of quality and cost. Additionally, the School does not have a formal contract management process in place. Public entities should carefully analyze all aspects of a service delivery option, including levels of service, service quality and expected performance, service revenues and costs, required transition activities and other relevant factors. Additionally, contract monitoring should ensure that contractors comply with contract terms, performance expectations are achieved, and any problems are identified and resolved. The contracting agency does not have adequate assurance it receives what it contracts for without a sound monitoring process. The Board should establish a process for determining when to enter into contracts and how they should be structured and monitored.

### Background

Contracting for goods and services can provide schools with higher levels of quality at a lower price than could otherwise be achieved or, even if it is more costly than self-provision, provide for services that may not be needed for a duration such that hiring staff makes sense. However, it is imperative for schools to have a detailed understanding of the level of services needed, the cost implications of contracting for services relative to internal costs, and a mechanism to objectively measure the results and performance of service providers.

Examples of Steel Academy’s contracted services include student transportation, food service, trash, and pest control. The use of an Operator is also a contracted service. In addition to typical operator duties, the School has also elected to have the Operator provide additional contracted services, such as information technology support.

### Methodology

We requested information from the School in regard to its procurement and subsequent contract management process. We also attended board meetings to observe the contract approval and monitoring processes. The processes were then compared to industry best practices from the GFOA and National State Auditors Association.

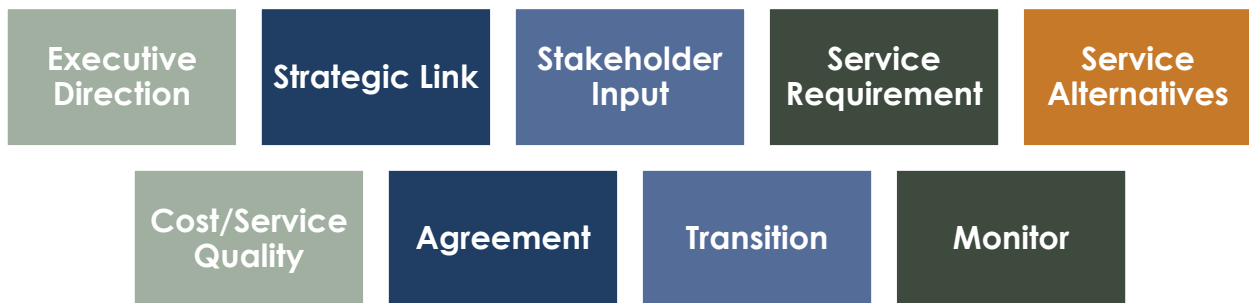
## Analysis

A formal contract management process seeks to ensure that vendors are providing the agreed upon services as expected, and that students and family get what they need. It also provides a mechanism to assess the cost-effectiveness of contracting for goods and services.

### *Evaluating Service Delivery Alternatives*

The GFOA recommends, in *Evaluating Service Delivery Alternatives* (GFOA, 2018), that “governments should carefully analyze all aspects of a service delivery option, including levels of service, service quality and expected performance, service revenues and costs, required transition activities and other relevant factors before changing service delivery methods.” The GFOA states that public entities should define the criteria by which service delivery method decisions are made, and in instances where transitions to alternative service delivery models are made, to evaluate whether performance expectations were met. When contracts and service level agreements are entered into, the GFOA further recommends that they be monitored regularly. Effective monitoring includes defining and adhering to the frequency of assessment intervals, determining how contract compliance and success will be measured, and how to communicate the results of the assessments. The components of evaluating service delivery alternatives are below.

### Components of GFOA's Evaluating Service Delivery Alternatives



Source: GFOA's *Evaluating Service Delivery Alternatives*

As discussed in the Introduction, Steel Academy uses an operator. As part of this agreement, the Operator subcontracts with other entities to provide services or goods to the School. With this process, the Board still votes to approve contracts before they are adopted.

During board meetings attended by audit staff, contract approvals did not always involve detailed conversations about the levels of service, service quality and expected performance, service revenues and costs, required transition activities and other relevant factors.

Steel Academy’s service delivery decisions did not always include discussions of stakeholder input. A contributing factor is a lack of public attendance at board meetings, as discussed in [Recommendation 9](#). Even if stakeholders are not attending board meetings, their opinions can still be considered using other means, such as surveys. One example of a contract discussion that did include discussions of stakeholder preferences was the approval of the food service contract for FY 2025. This discussion noted that students and families were unhappy with the service provided in FY 2024, and that some students did not eat lunch due to the meal provided by the school being the only option. After this, the Board approved a contract with a new provider.

### *Contract Monitoring*

The National State Auditors Association states that, contract monitoring is an essential part of the contracting process. Monitoring should ensure that contractors comply with contract terms, performance expectations are achieved, and any problems are identified and resolved. Without a sound monitoring process, the contracting agency does not have adequate assurance it receives what it contracts for.

Steel Academy’s Board contracts with an operator to operate the School. The Operator is tasked with providing staff to oversee all functions of state reporting. One of these reports is the T-1 report, which is used to calculate transportation reimbursements. The Operator submitted an inaccurate number of bus riders on the T-1 Report due November 1, 2023, and did not submit an amendment by January 31, 2024. This resulted in Steel Academy receiving less transportation funding than the School could have received if data was accurately reported.

### **Conclusion**

The Board should develop a formal process to evaluate the implications of contracting for a given operational service prior to entering a contract. Specifically, the School should fully evaluate the need for a given contract, the levels of service, service quality and expected performance, service revenues and costs, required transition activities and other relevant factors. This process should also include feedback from relevant stakeholders who are impacted by the contracted services.

Additionally, the School should develop a formal, on-going contract monitoring and management system to ensure that costs and service level expectations are met. Ultimately, the Board should be using its governing authority to ensure the operator is doing what is within their contract, which includes contract monitoring. Doing so will help ensure that the School is providing services to its students in the most effective and advantageous manner.

## Recommendation 8: Prioritize Fiscal Sustainability and Cash Reserves

Steel Academy has had deficit spending, which has resulted in a diminishing cash balance. The School has fallen far below standards for cash balances. In addition to low days cash on hand, Steel Academy has over \$450,000 in past due bills as of its August 2024 budget. The Board should prioritize fiscal sustainability to meet best practices for cash balances. Focusing on fiscal sustainability to improve cash balances will reduce the risk of Steel Academy becoming insolvent.

### Impact

Steel Academy currently has past-due debts that exceed its cash balances. Reducing Steel Academy's risk of insolvency will reduce Steel Academy's overall risk of closure.

### Methodology

Steel Academy's cash on hand as reported in FYFs was compared to The Ohio Department of Education and Workforce's Office of School Sponsorship standards.

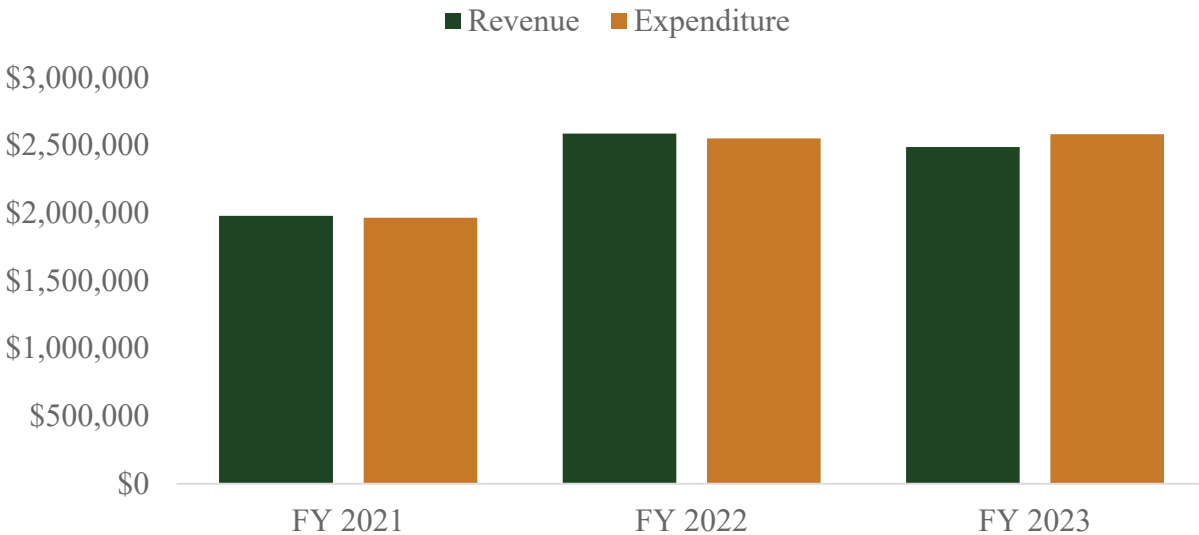
### Analysis

As discussed in [Recommendation 5](#), Steel Academy's Board does not utilize a formal strategic plan or strategic staffing plan to guide decision making. Additionally, as discussed in [Recommendation 6](#), Steel Academy's forecasting and budgeting procedures do not meet best practices. Finally, Steel Academy faced declining enrollment in FY 2024 as discussed in the Introduction. This is significant due to enrollment being a primary driver of revenue. A lack of planning, incomplete forecasting and budgeting procedures, and declining enrollment can all negatively impact Steel Academy's fiscal sustainability.

Steel Academy was required to submit a Corrective Action Plan to ODEW's OSS for FY 2024 due to academic and fiscal issues. Fiscal issues included, but were not limited to, low days cash on hand, a high debt ratio, and deficit spending. See the Corrective Action Plan in [Appendix G](#).

One component to consider when evaluating fiscal sustainability is the ending cash balance. An organization's ending cash balance is the result of its starting cash balance, revenues, and expenditures. Steel Academy's historic revenues and expenditures from FY 2021 to FY 2023 are on the following page.

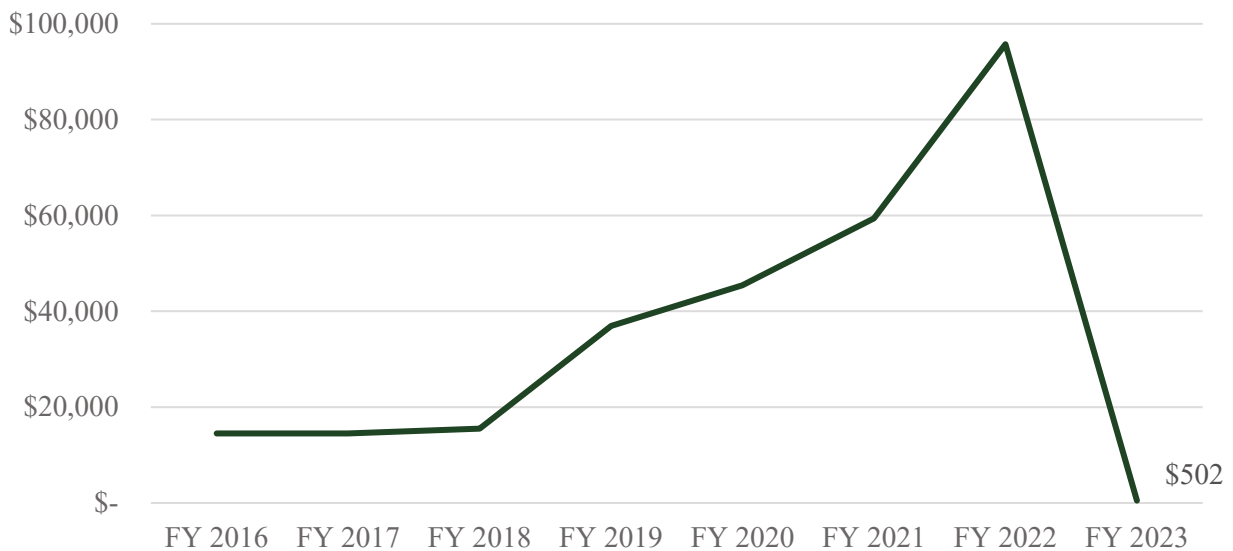
## Steel Academy Historic Revenues and Expenditures



Source: USAS

Steel Academy's expenditures have increased annually from FY 2021 to FY 2023. Meanwhile, revenues decreased from FY 2022 to FY 2023. This resulted in Steel Academy having deficit spending in FY 2023. Additionally, these expenditures do not include unpaid debts to Steel Academy's Operator. Steel Academy's end of year fund cash balance from FY 2016 through FY 2023 is shown below.

## FY 2016 through FY 2023 Actual End of Year Fund Cash Balance



Source: Steel Academy's Five-Year Forecasts

While Steel Academy’s End of Year Fund Cash Balance increased from \$14,508 in FY 2016 to \$95,734 in FY 2022, the School ended FY 2023 with a cash balance of \$502. The Ohio Department of Education and Workforce’s Office of School Sponsorship has several measures schools can use to evaluate their fiscal health, including days cash on hand. Days cash on hand is how many days a school can continue to operate with no additional collection of revenue. These standards are included in the graphic below.

### Cash on Hand Standards

Exceeds Standard	Meets Standard	Does Not Meet Standard	Falls Far Below Standard
<ul style="list-style-type: none"> <li>Cash on Hand is 61 Days or More.</li> </ul>	<ul style="list-style-type: none"> <li>Cash on Hand is 31 to 60.</li> </ul>	<ul style="list-style-type: none"> <li>Cash on Hand is 16 to 30.</li> </ul>	<ul style="list-style-type: none"> <li>Cash on Hand is Less Than 15 Days.</li> </ul>

Source: ODEW’s OSS

In FY 2023, Steel Academy needed a cash balance of \$7,075 for one day of operations, based on \$2,582,610 in expenditures divided over 365 days.

### Days Cash on Hand Calculation

$$\text{Days Cash on Hand} = \frac{\text{Beginning Cash Balance}}{\text{Cash Needed for One Day of Operations}}^{18}$$

Using a beginning fund balance of \$95,734 for FY 2023, Steel Academy’s calculated days cash on hand was 13.5, compared to the standard of 30 days cash on hand. Additionally, Steel Academy is forecasting 0.08 days cash on hand for FY 2024 in the May 2024 FYF based on a beginning cash balance of \$502. It is important to note that days cash on hand is only a measure of cash and does not include debts owed. Steel Academy has unpaid debts of more than \$450,000 according to its August 2024 budget.

### Conclusion

Steel Academy did not meet cash on hand standards in FY 2023. Additionally, the School’s cash on hand forecasted for FY 2024 falls below the “Falls Far Below Standard” measure. This cash on hand measure also does not include past-due funds to the Operator. At the end of FY 2024,

<sup>18</sup> Cash needed for one day of operations is calculated by taking the sum of Operating Disbursements, Debt Principal Retirement, and Interest and Fiscal Charges, then dividing by 365 days.



Steel Academy did not have enough cash on hand to pay its debts. This leaves the School extremely vulnerable to closure due to insolvency if these debts are forced to be repaid without a larger cash balance.

Steel Academy should prioritize fiscal sustainability to meet best practices for cash on hand. Focusing on fiscal sustainability to improve days cash on hand will reduce the risk of Steel Academy becoming insolvent.

## Recommendation 9: Comply with the Ohio Open Meetings Act

Steel Academy’s website listed two conflicting times for Board meetings, and doors to the Board meeting facility were locked and unattended during Board Meetings held during the performance audit period. The Board should comply with the Ohio Open Meetings Act. By complying with this act, Steel Academy can provide better opportunities for stakeholders to engage with the Board and may avoid potential liabilities associated with violations.

### Impact

Following the Ohio Open Meetings Act may assist Steel Academy in avoiding costs associated with violations, which could include court costs and fine(s). Additionally, it will provide external stakeholders with improved opportunities to engage with the School, which will better inform decision making processes.

### Background

ORC § 121.22, also known as the Ohio Open Meetings Act, requires public bodies in Ohio to conduct all public business in open meetings that the public may attend and observe. Public bodies must notify the public when and where each meeting will take place and must establish a reasonable method for notifying the public in advance of meetings. A public body must keep full and accurate minutes of its meetings, and these minutes must be promptly prepared, filed, and made available for public inspection.

If any citizen believes that a public body has violated the Open Meetings Act, that citizen may file an injunctive action in common pleas court to compel the public body to obey the Act. If an injunction is issued, the public body must correct its actions, may have to pay court costs, and must pay a fine of \$500. Whichever party loses the lawsuit pays the reasonable attorney fees of the other party as ordered by the court. Additionally, any action taken by a public body while that body is in violation of the Open Meetings Act is invalid. Finally, a member of the public body who violates an injunction imposed for a violation of the Open Meetings Act may be subject to a court action removing that official from office.

### Methodology

We reviewed Steel Academy’s website for information, and we attended every general board meeting during the performance audit fieldwork period. We then compared those observations to ORC § 121.22 and the Ohio Attorney General’s 2024 Ohio Sunshine Laws resource manual, which includes guidance for Ohio’s Public Records Act and Open Meetings Act.

### Internal Controls in Performance Audits

During the course of the audit, it was determined that the School has not established properly designed formal policies and procedures governing internal controls over its compliance with Ohio Sunshine Laws. As such, this constitutes an internal control deficiency related to the School’s compliance with Ohio Sunshine Laws.

## Analysis

The Ohio Attorney General’s 2024 Ohio Sunshine Laws resource manual states the public body’s notice rule must provide for notice that is consistent and reaches the public. This includes allowing the public to determine both the time and place of regular meetings.

Steel Academy’s Board Meeting Notification Policy states that “notice of the time and place of the regular meetings shall be provided at least seven days in advance or as soon as practicable.” Additionally, "Notice of the time and place of meetings shall be communicated by electronic mail to each board member and officer, to the School’s Sponsor, to the School’s Operator, if any, and to any other person who requests to be so notified. Notice of time and place of meetings shall be physically posted in conspicuous places at the School, including at the main office, plus any other location at the school’s discretion. Notice of time and place of meetings shall be posted on the School’s website and, to the extent, possible, included in hard copy newsletters to parents of the school’s students.”

Steel Academy’s website included two conflicting times for these meetings. When they were informed about the conflicting times, they made changes to the website. However, these updates also had conflicting days.

A public body must conduct its meetings in a venue that is open to the public. The 2024 Ohio Sunshine Laws resource manual states that clearly, a meeting is not “open” when the public body has locked the doors to the meeting facility. During the performance audit, we attended general board meetings and found the doors to the building locked and unattended. In some instances, it took multiple minutes for attendees to be let inside. In other instances, attendees were let in immediately. Regardless of the timing, this poses a barrier to public attendance.

Not following the Ohio Open Meetings Act leaves Steel Academy vulnerable to potential costs associated with violations and reduces Steel Academy’s ability to effectively engage with stakeholders. Board Meeting Attendees from July 2021 through July 2024, as noted by meeting minutes, is shown on the following page.

## Board Meeting Attendees July 2021 through July 2024

Board Members

Operator Representative(s)

School Leader

Board Legal Counsel

Fiscal Officer (or Representative)

Sponsor Representative

Performance Audit Staff

Source: Board Meeting Minutes

Due to lack of attendance or lack of documentation, members of the public were not documented in any of the board meeting minutes.

As discussed in [Recommendation 4](#), engaging stakeholders, which includes families and the community, is essential to the long-term success of schools. Having board meetings that are open to the public and actively inviting these important groups can serve as one way of engaging stakeholders.

*Steel Academy's Board was informed of these potential violations and implemented changes during the course of the audit.*

### Conclusion

ORC § 121.22, also known as the Ohio Open Meetings Act, requires public bodies in Ohio to conduct all public business in open meetings that the public may attend and observe. Steel Academy's website listed conflicting times for Board meetings, and doors to the Board meeting facility were locked and unattended for three meetings during the performance audit. Steel Academy should comply with Ohio Sunshine Laws. By complying with Ohio Sunshine Laws, Steel Academy can provide better opportunities for stakeholders to engage with the Board and may avoid potential liabilities associated with violations.

## Client Response Letter

Audit standards and AOS policy allow clients to provide a written response to an audit. The letter on the following page is the official response letter from the Ohio Department of Education and Workforce Office of School Sponsorship. As the sponsor for Steel Academy, the Office of School Sponsorship requested this audit. Throughout the audit process, staff met with representatives from both the Office of School Sponsorship and Steel Academy. When either party disagreed with information presented and provided acceptable supporting documentation, revisions were made to the audit report.



January 21, 2025

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

Dear Auditor of State Faber,

The Office of School Sponsorship appreciates the work of the Auditor's office in performing the Performance Audit of Steel Academy. The performance audit team spent quite a bit of time and effort to learn about Ohio community schools and the relationships between community school governing authorities, sponsors, and operators or management companies. These efforts are evident in the thorough evaluation of the academic, operational, and financial review of Steel Academy and the recommendations to Steel Academy's governing authority. As the sponsor of the school, the recommendations related to effective governance of Steel Academy will help the Office of School Sponsorship develop additional professional development opportunities for Steel Academy's governing authority and the governing authorities of our sponsored schools.

The Office of School Sponsorship is committed to improving the performance of the schools it sponsors and in developing the governing authorities that oversee the schools.

Sincerely,

Sheila P. Vitale  
Office of School Sponsorship

# 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 School with appropriate, data driven, recommendations, the following questions were assessed within each of the agreed upon scope areas:

### Summary of Objectives and Conclusions

Objective	Recommendation
<b>Financial Management</b>	
Are Steel Academy’s financial management practices appropriate compared to best practices?	<b>R.5, R.6, R.7</b>
<b>Managerial Effectiveness</b>	
Are Steel Academy’s operator policies and practices effective when compared to best practices?	<b>R.3, R.4</b>
Are Steel Academy’s board policies and practices effective when compared to best practices?	<b>R.2, R.3, R.4, R.8, R.9</b>

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Efficient • Effective • Transparent

Academic Performance	
How does Steel Academy’s student academic achievement compare to state standards and/or best practices?	<b>R.1</b>

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

- Control environment;
- Risk Assessment;
- Information and Communication; and,
- Control Activities.<sup>19</sup>

Internal control deficiencies that were identified during the course of the audit are discussed in the corresponding recommendations, including [Recommendation 2](#), [Recommendation 6](#), [Recommendation 7](#), and [Recommendation 9](#).

## Audit Methodology

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

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

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<sup>19</sup> We relied upon standards for internal controls obtained from *Standards for Internal Control in the Federal Government* (2014), the U.S. Government Accountability Office, report GAO-14-704G



# Appendix B: Financials

## Budgeting

As discussed in [Recommendation 6](#), Community schools are required by ORC § 3314.032 (C) to adopt an annual budget by October 31 each year. Community schools are required to use a template developed by ODEW for this budget, shown below.

### ODEW Template for Community School Budget

IRN No.	Community School Budget										County:
	School Name										
	Budget for Fiscal Year XXXX										
Function	Instruction 1000	Support Services 2100-2200	Administrative Services 2300-2400	Fiscal/Business Services 2500-2600	Operations & Maintenance 2700	Pupil Transportation 2800	Support/Food Services 2900-3100	Extracurricular Activities 4000	Facilities/ Construction Services 5000	All Other Expense 6000-7000	Total
Object	A	B	C	D	E	F	G	H	I	J	K
Salaries 100											\$ -
Retirement Fringe Benefits 200											\$ -
Purchased Services 400											\$ -
Supplies 500											\$ -
Capital Outlay 600											\$ -
Other 800											\$ -
<b>Total</b>	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
<b>Budget Per Pupil</b>											
Estimated Student Enrollment	50	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00	\$0.00

Source: ODEW

This template includes a table with corresponding functions and objects. For example, the School could budget a Salaries object with an Instruction function. This would mean the budget for instructional staff salaries. In addition to these components, there is also an assumptions sheet that includes expected enrollment, instructors, administrative staff, and expected staff by grade, as well as purchased services and projected debt. This budget is also required to align with the school’s FYF.

While community schools are required to adopt an annual budget in the format of the template above, Steel Academy utilizes a different budget format for Board meetings as shown on the following page.

# Steel Academy School Budget

## Steel Academy Budget Vs. Actual - June 2024

	FY 24 Budget	July Actual	August Actual	September Actual	October Actual	November Actual	December Actual	January Actual	February Actual	March Actual	April Actual	May Actual	June Actual	FYTD Actual	Percentage of Budget
<b>Revenues</b>															
State Foundation	\$ 2,071,447	\$ 162,919	\$ 181,017	\$ 165,321	\$ 189,339	\$ 157,858	\$ 177,768	\$ 154,712	\$ 155,644	\$ 155,274	\$ 152,727	\$ 156,073	\$ 151,949	\$ 1,960,601	95%
Federal Programs	\$ 278,492	\$ 91,843	\$ 15,690		\$ 71,979	\$ 14,242	\$ 29,183	\$ 19,685	\$ 23,717	\$ 23,906	\$ 23,712	\$ 34,852	\$ 49,482	\$ 398,272	143%
Lunch	\$ 98,508	\$ 781			\$ 2,250	\$ 8,265	\$ 15,171	\$ 5,542	\$ 5,970	\$ 17,894	\$ 9,695	\$ 9,090	\$ 10,857	\$ 85,515	89%
Casino	\$ 9,200		\$ 5,087					\$ 4,302						\$ 9,389	102%
Other	\$ 15,000		\$ 3,055	\$ 2,105	\$ 3,156	\$ 6,044	\$ 490	\$ 113	\$ 388	\$ 1,579	\$ 2,771	\$ 946	\$ 1,093	\$ 21,740	145%
<b>Total Revenues</b>	<b>\$ 2,470,647</b>	<b>\$ 255,543</b>	<b>\$ 204,850</b>	<b>\$ 167,426</b>	<b>\$ 266,724</b>	<b>\$ 186,408</b>	<b>\$ 222,592</b>	<b>\$ 184,355</b>	<b>\$ 185,719</b>	<b>\$ 198,653</b>	<b>\$ 188,905</b>	<b>\$ 200,961</b>	<b>\$ 213,381</b>	<b>\$ 2,475,517</b>	<b>100%</b>
<b>Expenses</b>															
Reimbursed Wages	\$ 950,000	\$ 83,636	\$ 83,961	\$ 66,352	\$ 107,512	\$ 83,167	\$ 81,041	\$ 68,767	\$ 66,380	\$ 67,467	\$ 69,971	\$ 69,671	\$ 70,151	\$ 917,976	97%
Reimbursed Benefits	\$ 421,188	\$ 27,164	\$ 44,171	\$ 38,771	\$ 33,767	\$ 32,574	\$ 33,118	\$ 32,766	\$ 33,868	\$ 28,170	\$ 24,263	\$ 24,263	\$ 24,172	\$ 377,067	90%
Facilities	\$ 307,456	\$ 21,242	\$ 22,261	\$ 18,727	\$ 19,659	\$ 20,328	\$ 21,465	\$ 23,806	\$ 21,998	\$ 19,834	\$ 20,897	\$ 21,213	\$ 22,530	\$ 254,129	83%
Curriculum	\$ 150,000	\$ 17,936	\$ 2,236	\$ 5,709	\$ 2,992	\$ 5,378	\$ 8,957	\$ 6,969	\$ 2,903	\$ 819	\$ 1,916	\$ 23,854	\$ 9,843	\$ 89,539	60%
Information Technology	\$ 50,000	\$ 7,663	\$ 11,381	\$ 9,567	\$ 9,414	\$ 12,229	\$ 3,094	\$ 692	\$ 2,536	\$ 2,504	\$ 9,037	\$ 3,127	\$ 4,796	\$ 72,430	145%
Advertising	\$ 20,000													\$ -	0%
Purchased Services	\$ 289,544	\$ 92,606	\$ 31,670	\$ 27,031	\$ 36,965	\$ 17,067	\$ 23,425	\$ 45,235	\$ 44,815	\$ 80,572	\$ 39,457	\$ 42,904	\$ 58,280	\$ 540,057	187%
Food Program	\$ 65,000		\$ 9,938	\$ 15,208	\$ 3,098	\$ 19,070	\$ 11,684	\$ 3,854		\$ 8,816	\$ 8,816	\$ 9,744	\$ 90,228	\$ 90,228	139%
Other	\$ 15,000	\$ 3,583	\$ 2,678	\$ 51	\$ 5,426	\$ 76	\$ 45	\$ 46	\$ 51	\$ 51	\$ 92	\$ 56	\$ 3,716	\$ 15,871	106%
Management Company Fee	\$ 165,000				\$ 22,916	\$ 25,673	\$ 11,750							\$ 60,339	37%
<b>Total Expenses</b>	<b>\$ 2,433,188</b>	<b>\$ 253,830</b>	<b>\$ 198,258</b>	<b>\$ 172,536</b>	<b>\$ 254,088</b>	<b>\$ 199,588</b>	<b>\$ 201,965</b>	<b>\$ 189,996</b>	<b>\$ 176,405</b>	<b>\$ 199,416</b>	<b>\$ 174,419</b>	<b>\$ 193,904</b>	<b>\$ 203,232</b>	<b>\$ 2,417,637</b>	<b>99%</b>
<b>Net Profit (Loss)</b>	<b>\$ 37,459</b>	<b>\$ 1,712</b>	<b>\$ 6,592</b>	<b>\$ (5,110)</b>	<b>\$ 12,636</b>	<b>\$ (13,179)</b>	<b>\$ 20,627</b>	<b>\$ (5,641)</b>	<b>\$ 9,314</b>	<b>\$ (763)</b>	<b>\$ 14,486</b>	<b>\$ 7,057</b>	<b>\$ 10,149</b>	<b>\$ 57,880</b>	
<b>FTE</b>	<b>153</b>	<b>152.3</b>	<b>152.3</b>	<b>152.3</b>	<b>137.52</b>	<b>131.81</b>	<b>132.18</b>	<b>129.67</b>	<b>129.79</b>	<b>126.58</b>	<b>125.9</b>	<b>126.94</b>	<b>126.67</b>		
<b>Payables</b>															
	<b>31 - 60 days</b>	<b>61 to 90 days</b>	<b>&gt; 90 days</b>												
EEG	\$ 32,303	\$ 24,821	\$ 378,063	\$ 435,188											
<b>Total</b>	<b>\$ 32,303</b>	<b>\$ 24,821</b>	<b>\$ 378,063</b>	<b>\$ 435,188</b>											

Source: Steel Academy July 2024 Board Packet

The budgeted versus actual amount for each expense category is included in the table below.

## Steel Academy FY 2024 Budget Versus Actual

Expense	FY 2024 Budget	FY 2024 Actual	\$ Difference	% Difference
Reimbursed Wages	\$950,000	\$917,976	(\$32,024)	(3.4%)
Reimbursed Benefits	\$421,188	\$377,067	(\$44,121)	(10.5%)
Facilities	\$307,456	\$254,129	(\$53,327)	(17.3%)
Curriculum	\$150,000	\$89,539	(\$60,461)	(40.3%)
Information Technology	\$50,000	\$72,430	\$22,430	44.9%
Advertising	\$20,000	\$0	(\$20,000)	(100.0%)
Purchased Services	\$289,544	\$540,057	\$250,513	86.5%
Food Program	\$65,000	\$90,228	\$25,228	38.8%
Other	\$15,000	\$15,871	\$871	5.8%
Management Company Fee	\$165,000	\$60,339	(\$104,661)	(63.4%)
<b>Total</b>	<b>\$2,433,188</b>	<b>\$2,417,637</b>	<b>(\$15,551)</b>	<b>(0.6%)</b>

Source: Steel Academy July 2024 Board Packet

As shown above, Steel Academy spent less than budgeted across Reimbursed Wages, Reimbursed Benefits, Facilities, Curriculum, Advertising, and Management Company Fees. The School overspent in Information Technology, Purchased Services, Food Program, and Other. Ultimately, total actual expenditures were reported to be just 0.6 percent under the budgeted amount.

## Appendix C: Barriers to Learning

Steel Academy faces challenges that many Ohio schools 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, and higher rates of violent crime in the community than statewide averages. Steel Academy has to be strategic in the decisions it makes regarding the resources it offers in response to these challenges. More details about these challenges and the impact on students are included below.

### Impact of Economic Disadvantage on Educational Achievement

In FY 2023, 100.0 percent of Steel Academy students qualified as economically disadvantaged, which is more than double the statewide average of 43.8 percent per the FY 2023 School 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.”

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.<sup>20</sup> 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 School’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

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<sup>20</sup> The reading test was out of a possible 167 points; the math test was out of a possible 159 points.

through 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 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 schools 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.

The School provides extra resources to combat obstacles stemming from child poverty. For example, according to School administrators, Steel Academy staffs Jada Dancy as their Social and Emotional Learning Coordinator. Jada Dancy is trained in areas such as, “Bridges out of Poverty” and “Trauma and Resilience.” Dancy also leads the implementation of programs such as, “7 Habits of Highly Effective Teens” and “RiseUp.” Both programs aim to make students more responsible and better decision makers.

## **Impact of Disabilities on Educational Achievement**

Steel Academy serves a higher proportion of students with disabilities at 36.6 percent compared to the State’s rate at 17.1 percent. Steel Academy set benchmarks for educating students with disabilities in the FY 2024 Report Card. Steel Academy struggled the most in two categories: proficiency scores in standardized testing where eight indicators were not met and graduation and retention where two indicators were not met. [Hehir, 2016](#) shows that students with disabilities in Ohio, and further those living in urban areas with high poverty, were more likely to have lower standardized test scores when compared to their peers both with and without disabilities. Additionally, [Barrat et al., 2014](#) and [The National Longitudinal Transition Study, 2005](#) discuss how students with disabilities are less likely to graduate, especially if they are from lower-income households. In a report commissioned by the U.S. Department of Education, [Blackorby et al., 2007](#) discusses the benefits of including students with disabilities in general education classes. In the School’s Report Card, Steel Academy met all calculated indicators for including students with disabilities in general education.

## **Impact of Food Insecurity on Educational Achievement**

Steel Academy is located in Summit County which had a 13.6 percent food insecurity rate in 2022; meanwhile, the state rate was 14.1 percent. Steel Academy receives no cost lunch and breakfast from the School Food Authority. 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.

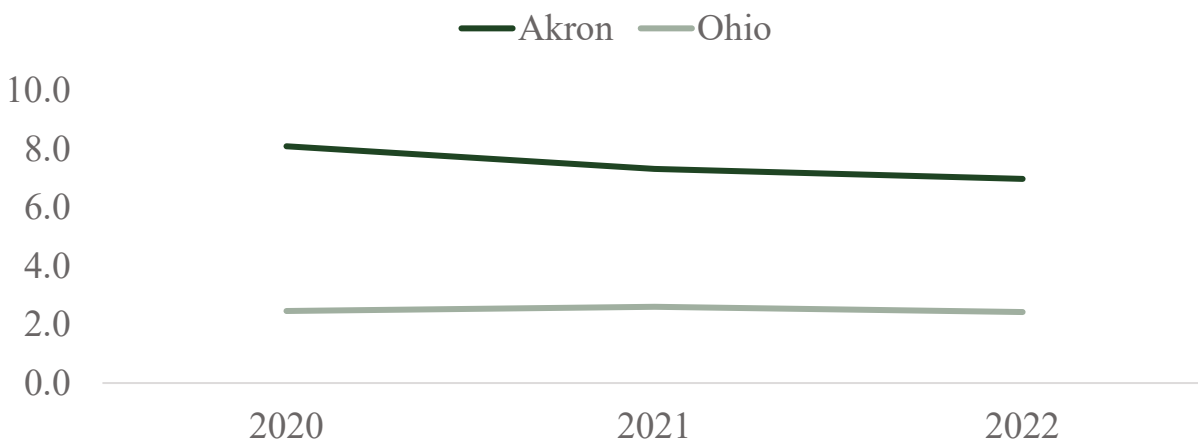
## Impact of Household on Educational Achievement

Per the 2022, 5-Year American Community Survey (ASC), roughly 34.9 percent of households in the City of Akron consist of single parent family households with no spouse present, more than the average of 22.2 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 number of violent crimes reported in Akron and Ohio per 1,000 people from 2020 to 2022 are shown below.

### Violent Crimes Reported Per 1,000 People



Source: FBI Crime Data Explorer

Akron had a higher rate of violent crime than Ohio overall from 2020 to 2022. [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.

# Appendix D: Academics

## Differences in Traditional and Dropout Prevention and Recovery Report Cards

As discussed previously, Steel Academy historically received a Traditional Report Card before switching to a Dropout Prevention and Recovery Report Card in FY 2024. There are significant differences between Traditional and Dropout Prevention and Recovery Report Cards. The descriptions for each component for both report cards are included in the table below.

### Report Cards Component Descriptions

Report Card Component	Traditional Report Card	Dropout Prevention and Recovery Report Card
Achievement	Represents whether student performance on state tests met established thresholds and how well students performed on tests overall.	Represents the number of students who meet applicable criteria on assessments that are required for graduation.
Progress	Looks closely at the growth all students are making based on their past performances.	Looks closely at the growth all students are making during the school year.
Gap Closing	A measure of the reduction in educational gaps for student groups.	Shows how well schools are improving or meeting the performance expectations for all students in English language arts, math, graduation, and English language proficiency.
Graduation	A measure of the four-year adjusted cohort graduation rate and the five-year adjusted cohort graduation rate.	Looks at the percent of students who are successfully finishing high school with a diploma in four, five, six, seven or eight years.
Early Literacy	A measure of reading improvement and proficiency for students in kindergarten through third grade.	Not included.
College, Career, Workforce, and Military Readiness	Looks at how well-prepared Ohio's students are for future opportunities, whether training in a technical field or preparing for work or college.	Not included.

Source: ODEW Report Card Descriptions

Differences also include Traditional Report Cards having Components and the Overall Rating evaluated on a scale of one to five stars, while Dropout Prevention and Recovery Report Card Components and Overall Rating are evaluated by Exceeds Standards, Meets Standards, or Does Not Meet Standards.<sup>21</sup> Generally, Dropout Prevention and Recovery Report Card standards are less rigorous than Traditional Report Cards due to the student population served. Visit ODEW's

<sup>21</sup> Some Components are not rated. See technical documentation on ODEW's website for more information.

website [here](#) for more information about Traditional Report Cards and [here](#) for more information about Dropout Prevention and Recovery Report Cards.

## FY 2024 School Academic Performance Results

Steel Academy became a Dropout Prevention and Recovery (DPR) school in FY 2024.<sup>22</sup> DPR programs set different standards for students on state tests, develop individual career plans, provide counseling and support, and provide instructional programs which demonstrate how content standards are taught and assessed. Students enrolled in this program must be between 16 and 21 years of age. Students must also be academically 1 year behind or impacted by a crisis that interferes with learning. See more about DPR programs and schools [here](#).

DPR report cards provide an alternative rating system for community schools that serve the majority of their students through DPR programs. Schools receive ratings for four components: Achievement, Progress, Gap Closing, and Graduation. While these components share a name with Traditional Report Card components, they often utilize different data and measures. These measures equate to points, which are then used to grade each component, as shown below.

### DPR Report Card Component Points and Ratings

Component	Exceeds Standards	Meet Standards	Does Not Meet Standards
	Points Awarded	Points Awarded	Points Awarded
Achievement	20	10	0
Progress	30	20	0
Gap Closing	20	10	0
Graduation Rate	30	20	0

Source: Guide to 2023-2024 Dropout Prevention and Recovery Report Cards

These component ratings are then used to calculate an Overall Rating with one of the following designations: Exceeds Standards, Meets Standards, Does Not Meet Standards, or Not Reported. This relationship is shown below.

<sup>22</sup> Steel Academy transitioned to only serving ninth through twelfth grades beginning with FY 2025.

## DPR Report Card Overall Rating

DPR OVERALL RATING SCALE AND DESCRIPTIONS	
Percentage of Maximum Points Earned	Rating Description
Greater than or equal to 80%	<b>Exceeds Standards</b>
Greater than or equal to 40% but less than 80%	<b>Meets Standards</b>
Less than 40%	<b>Does Not Meet Standards</b>

Source: Guide to 2023-2024 Dropout Prevention and Recovery Report Cards

A description of each component and Steel Academy’s FY 2024 results are shown in the table below.

## FY 2024 Steel Academy DPR Report Card Results

Component and Description	Result
<b>Achievement:</b> Measures the number of students meeting testing requirements.	<b>Not Rated<sup>23</sup></b>
<b>Progress:</b> Measures the progress for all students in math and English language arts using Renaissance Learning's Star assessments in reading and mathematics.	<b>Exceeds Standards</b>
<b>Gap Closing:</b> Measures how well schools are meeting the performance expectations for vulnerable populations of students in English language arts, math, and graduation. Additionally, it also measures how schools are doing in helping English learners to become proficient in English.	<b>Exceeds Standards</b>
<b>Graduation:</b> Measures the percent of students who are successfully finishing high school with a diploma in four to eight years.	<b>Exceeds Standards</b>

Source: Report Card

Steel Academy was Not Rated in Achievement due to not having enough student participation in state tests, but received an Exceeds Standards in Progress, Gap Closing, and Graduation components. The Progress, Gap Closing, and Graduation components contributed to Steel Academy’s Overall Rating of Exceeds Standards for FY 2024. See more about DPR Report Cards [here](#).

<sup>23</sup> Not Rated for Achievement because Steel Academy did not have enough student participation on state tests for a score to be calculated.



In addition to the Report Card, Steel Academy also receives an evaluation through the Office of School Sponsorship School Performance Framework. This framework provides a comprehensive system for evaluation and monitoring of a community school's academic, operational, legal and fiscal performance. Relevant components of the academic performance rubric are evaluated with the following ratings:

- Needs improvement to the standard;
- Progress toward the standard;
- Meets the standard; and,
- Exceeds the standard.

These ratings correspond to points, which are used to grade the School.

### FY 2024 Sponsorship Academic Rubric Results for Steel Academy

<b>Sponsorship Academic Indicators</b>	<b>Result</b>
Performance Index Grade	Needs Improvement to the Standard
Progress Grade	Progress Toward the Standard
Mission Specific Sponsorship Contract SMART Goals	Progress Toward the Standard
Performance Index vs. District where school is located	Progress Toward the Standard
Performance Index vs. Statewide Similarly Situated Community Schools (Similar schools are based on the community school's characteristics: 1) Brick and mortar; 2) E-school; 3) Special Education; and 4) Dropout Prevention and Recovery	Progress Toward the Standard
Achievement – Indicators met	Needs Improvement to the Standard
Progress – Multi-Year Index Overall	Needs Improvement to the Standard
4 Year Graduation Rate	Exceeds Standard
5 Year Graduation Rate	Exceeds Standard
Combined Graduation Rate	Exceeds Standard
Value Added	Exceeds Standard
Gap Closing	Exceeds Standard
Number of 12 <sup>th</sup> Grade Students Earning Credentials	Needs Improvement to the Standard
Local Assessments	Exceeds Standard
Overall Report Card Grade Compared to All Other Dropout Prevention and Recovery Schools Sponsored by OSS	Exceeds Standard
Combined Overall Academic Indicator Rating (3 Year Average)	Needs Improvement to the Standard

Source: ODEW OSS Steel Academy Performance Report

With these results, Steel Academy received 29 of 69 potential points, or 42.0 percent. This result, along with other results within the School Performance Framework, will be used to inform decisions on renewal and revocation, corrective action and/or probation considerations for the School. The result for academic performance falls far below the goal of 75.0 percent.

## Historic Academic Performance

As discussed in the [Academic Performance](#) section, there are certain standards for academic achievement established within Ohio School Report Cards. In addition to the Overall Ratings and Components in these Report Cards, there are measures that can provide useful insight into changes over time. Some of these measures are highlighted below.

### Test Results<sup>24</sup>

One way to view historic academic performance is by reviewing results from Ohio State Tests. The tests required by the state depend on a student’s grade level. The following table shows the percent of sixth grade students scoring “Proficient” or higher for each test.

#### Proficiency Percentage for Sixth Grade

Test	FY 2021	FY 2022	FY 2023	FY 2024
English Language Arts	*	17.6%	10.0%	*
Mathematics	*	0.0%	*	*
<b>Total</b>	<b>*</b>	<b>8.8%</b>	<b>10.5%</b>	<b>0.0%</b>

Source: ODEW Advanced Reports

Steel Academy only had enough students to show total results for FY 2022 and FY 2023. Over these years, total proficiency increased from 8.8 percent to 10.5 percent. As discussed in the introduction, Steel Academy eliminated sixth grade in FY 2024. The following table shows the percent of seventh grade students scoring “Proficient” or higher for each test.

#### Proficiency Percentage for Seventh Grade

Test	FY 2021	FY 2022	FY 2023	FY 2024
English Language Arts	0.0%	5.6%	15.8%	35.3%
Mathematics	0.0%	0.0%	0.0%	17.6%
<b>Total</b>	<b>0.0%</b>	<b>2.8%</b>	<b>7.9%</b>	<b>26.5%</b>

Source: ODEW Advanced Reports

Steel Academy’s seventh grade students have seen an increase in overall proficiency rates, from 0.0 percent in FY 2021 to 26.5 percent in FY 2024. The following table shows the percent of eighth grade students scoring “Proficient” or higher for each test.

#### Proficiency Percentage for Eighth Grade

Test	FY 2021	FY 2022	FY 2023	FY 2024
English Language Arts	5.9%	0.0%	0.0%	11.1%

<sup>24</sup> Cohorts with fewer than 10 results are indicated by the use of an asterisk.

Mathematics	5.6%	0.0%	0.0%	0.0%
Science	11.1%	10.0%	0.0%	5.9%
<b>Total</b>	<b>7.5%</b>	<b>3.2%</b>	<b>0.0%</b>	<b>5.8%</b>

Source: ODEW Advanced Reports

Steel Academy’s eighth grade students have relatively stable figures in overall proficiency rates, ranging from 0.0 percent to 7.5 percent from FY 2021 to FY 2024. The following table shows the percent of high school students scoring “Proficient” or higher for each test.

### Proficiency Percentage for High School

Test	FY 2021	FY 2022	FY 2023	FY 2024
Algebra I	5.3%	0.0%	5.9%	6.3%
American US Government	26.7%	45.4%	36.4%	*
American US History	40.0%	*	40.9%	66.7%
Biology	17.4%	11.5%	8.3%	*
English Language Arts I	0.0%	No Data	No Data	No Data
English Language Arts II	18.2%	*	20.5%	*
Geometry	3.2%	0.0%	0.0%	7.1%
<b>Total</b>	<b>16.7%</b>	<b>9.9%</b>	<b>17.4%</b>	<b>19.6%</b>

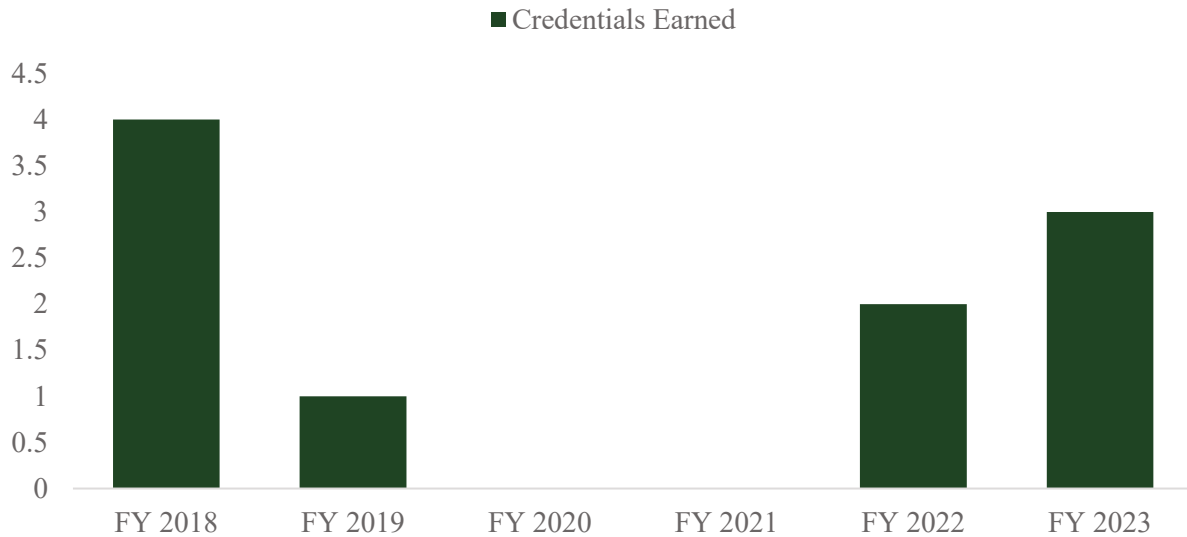
Source: ODEW Advanced Reports

Steel Academy’s high school students have relatively consistent figures in overall proficiency rates, with the exception of FY 2022 when total proficiency dipped to 9.9 percent.

### Industry-Recognized Credentials

One measure of post-graduation readiness is industry-recognized credentials. An industry-recognized credential is a verification of an individual’s qualification or competence, based on criteria established by ODEW, the Governor’s Office of Workforce Transformation, and Ohio employers. For more information on industry recognized credentials, click [here](#).

## Industry Recognized Credentials Earned by Year



Source: ODEW Advanced Reports

From FY 2018 to FY 2023, Steel Academy’s students earned a total of 10 industry recognized credentials. Using FY 2023’s enrollment of 152 students and three credentials earned, that equates to approximately one credential earned per 51 students.

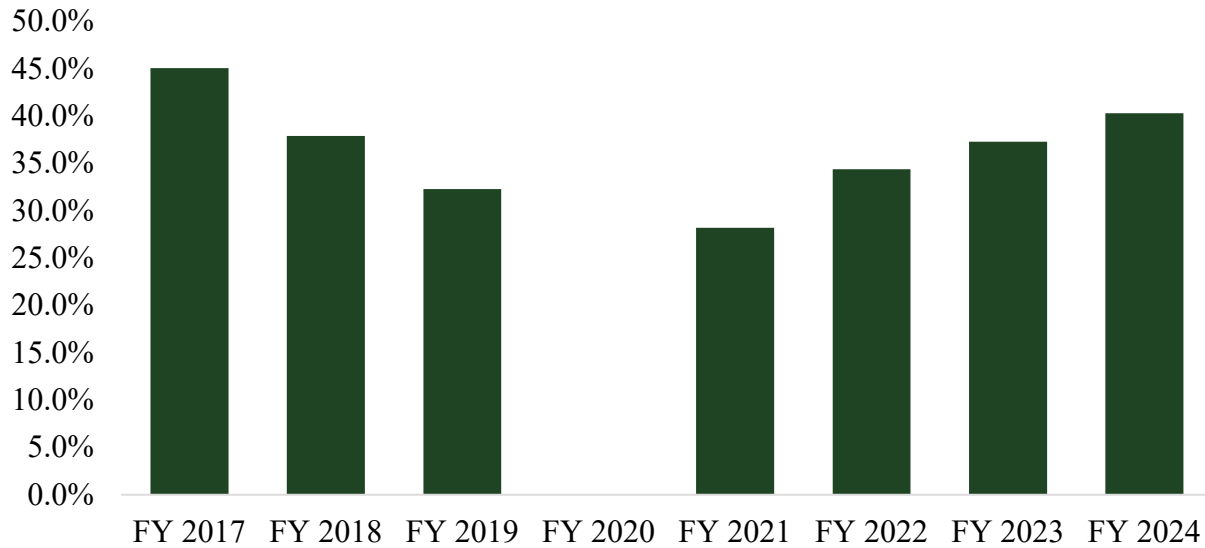
### College Credit Plus

Another element to indicate post-graduation readiness is the attainment of college credits. In Ohio, students can earn college credit while in high school in Ohio through a variety of options. None of Steel Academy’s students have obtained college credit through College Credit Plus from FY 2018 through FY 2023, according to ODEW’s College Credit Attainment Dashboard.

### Other Measures

The Performance Index uses all performance levels for all students Ohio State Tests. Higher test scores result in higher performance levels and larger weights in the calculation. Steel Academy’s Performance Index over time is below.

### Performance Index Percent

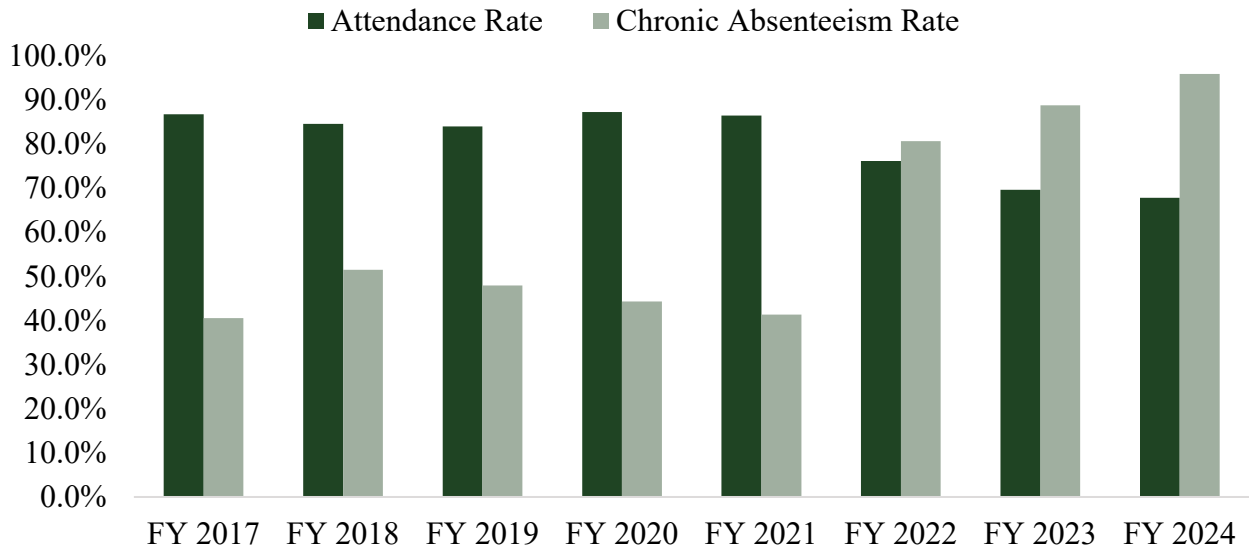


Source: ODEW Report Card Data Portal

Steel Academy’s Performance Index Percent decreased from 45.1 percent in FY 2017 to 32.3 percent in FY 2019. Then, it increased from 28.2 in FY 2021 to 40.3 in FY 2024.

In Ohio, chronic absenteeism is defined as missing 10.0 percent or more of the school year, whether absences are excused or unexcused. Chronic student absenteeism directly impacts student achievement and graduation, as students need to be present to engage in their education. Steel Academy’s chronic absenteeism and attendance rates from FY 2017 through FY 2024 are shown on the following page.

## Chronic Absenteeism and Attendance

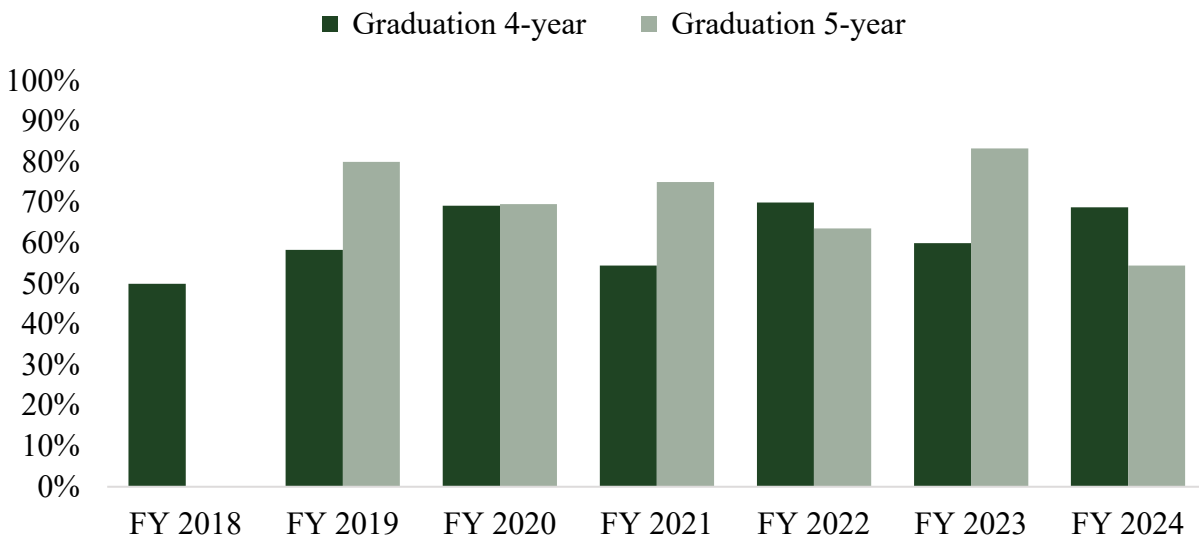


Source: ODEW Report Card Data Portal

Steel Academy’s attendance rate has decreased from 86.9 percent in FY 2017 to 67.9 in FY 2024. More significantly, chronic absenteeism increased from 40.6 percent in FY 2017 to 96.0 percent in FY 2024.

The four-year graduation rate calculates how many students are graduating within four years for a given cohort of students. Similarly, the five-year graduation rate measures how many students are graduating within five years for the cohort which entered school a year prior to the four-year graduation cohort.

## Graduation Rates



Source: ODEW Report Card Data Portal

Steel Academy’s four-year graduation rate has increased from 50.0 in FY 2019 to 68.8 percent in FY 2024. The five-year graduation rate has decreased from 80 percent in FY 2019 to 54.5 percent in FY 2024.

# Appendix E: Whole Child Framework Indicators

The five tenets of Ohio’s Whole Child Framework are five commonly held beliefs reflecting optimally desired student conditions leading to success in life and learning. Each of these tenets, their associated indicators, and Steel Academy’s status are shown in the sections below.

## Healthy Tenet

The Healthy Tenet states that “Each student enters school healthy and learns about and practices a healthy lifestyle.” Steel Academy’s status for each of the indicators within this tenet are shown below.

### Steel Academy’s Healthy Tenet Indicators

Indicator	Status
Equitable Access to Health Services. Our school collaborates with community partners to facilitate equitable access to physical health, mental health, and vision and dental services, with respect to culturally responsive care for students, staff and families Equitable Access to Health Services.	Meets
School Culture. Our school culture is inclusive. It supports and reinforces the physical, mental and social-emotional health and well-being of each student and staff member.	Meets
Health Education. Our school’s health education curriculum and instruction support and reinforce the health and well-being of each student by addressing the physical, mental and social-emotional dimensions of health.	Meets
Physical Education. Our school’s physical education schedule, curriculum and instruction support and reinforce the health and well-being of each student by addressing lifetime fitness knowledge, attitudes, behaviors and skills.	Meets
Physical Environment. Our school’s facility and environment support and reinforce the safety, health and well-being of each student and staff member.	Meets
Families and Caregivers. Our school collaborates with families and caregivers to promote the health and well-being of each student.	Meets
Community Partners. Our school collaborates with local community partners to promote the health and well-being of each student.	Meets
Health Integration. Our school integrates health and well-being into the school’s ongoing activities, professional development, curriculum and assessment practices.	Meets
Goal Setting for Health. Our school sets realistic goals for student and staff health that are built on accurate data and sound science.	Meets
Child Nutrition. Our school supports, promotes and reinforces healthy eating patterns and food safety in routine food services and special programming and events for students and staff.	Meets

Source: ODEW’s Whole Child Framework



Within this tenet, Steel Academy is meeting all ten indicators.

## Safe Tenet

The Safe Tenet states that “Each student learns in an environment that is physically and emotionally safe for students and adults.” Steel Academy’s status for each of the indicators within this tenet are shown below.

### Steel Academy’s Safe Tenet Indicators

Indicator	Status
Social Justice and Equity. Our school upholds and models social justice and equity concepts and practices mutual respect for individual differences at all levels of school interactions: adult to adult, adult to student, student to adult and student to student.	Meets
Trauma-informed. Our school is trauma-informed, where the impact of trauma on the student is addressed at the center of the educational mission. To create nurturing environments, our school creates school policies, practices and cultures that are sensitive to the needs of students who have experienced trauma.	Meets
Secure Our school building, grounds, playground equipment and vehicles are secure and meet all established safety and environmental standards. School buildings are attractive, free of defects and structurally sound, with good internal (hallways) and external (pedestrian, bicycle and motor vehicle) traffic flow, including for those with special needs.	Meets
School Climate. Our physical, emotional, academic and social school climate is student-centered and safe and friendly for all.	Meets
Student Centered and Connected. Our students feel valued, respected and cared for and are motivated to learn.	Meets
Positive Behavioral Interventions and Supports. Our school staff, students and family members use the Positive Behavioral Interventions and Supports (PBIS) framework to establish and maintain school and classroom behavioral expectations, create rules and routines that teach students appropriate behavior and help students improve challenging behavior. Staff and family members are given regular opportunities and support for learning about PBIS.	Meets
Social-emotional Learning. Our school teaches, models and provides opportunities to practice social emotional learning.	Meets
Supporting High Expectations. Our school climate, curriculum and instruction reflect both high expectations and an understanding of child and adolescent growth and development. Teachers scaffold new and challenging academic and social-emotional content and skills and create an environment where students feel supported during the learning process.	Partially Meets
Developmentally Appropriate Interventions. Our teachers and staff develop and implement behavioral interventions based on an understanding of child and adolescent development and learning theories.	Meets
Empowering Students. Our school empowers its students to ensure a physically and emotionally safe environment, and students are encouraged to share concerns with a trusted adult.	Meets

Source: ODEW’s Whole Child Framework

Within this tenet, Steel Academy is meeting nine indicators and is partially meeting one indicator.

## Supported Tenet

The Supported Tenet states that “Each student is supported by qualified, caring adults in ways that address each student’s individual needs and circumstances.” Steel Academy’s status for each of the indicators within this tenet are shown below.

### Steel Academy’s Supported Tenet Indicators

Indicator	Status
Personalized Learning. Our school personalizes learning using multiple means of representation, action and expression, engagement, including the flexible use of time and scheduling to meet developmental, academic, future career and social goals for each student.	Meets
Student Progress. Our teachers use a range of diagnostic, formative and summative assessment tasks to assess strengths, monitor student progress, provide timely feedback and adjust teaching and learning activities to maximize student progress.	Partially Meets
Relationships. Our school ensures appropriate adult-student and peer-peer relationships support and encourage each student's academic and personal growth.	Meets
Multi-Tiered System of Support. Each student has access to a multi-tiered academic, social, emotional, physical and behavioral support system through aligned school-based and community-based services. Students are supported during transitions into and out of school and community-based programs.	Meets
Developmentally Appropriate Decisions. Our school staff understands and makes curricular, instructional and school improvement decisions based on child and adolescent development and student performance information.	Partially Meets
Families as Partners. Our school personnel welcome and include all families, caregivers, and significant members of the school community as partners in education.	Meets
Family Supports. Our school uses a strengths-based approach to support families’ needs. Our school helps families be aware of, understand and connect to both school-based and community-based services and to advocate for their children's needs.	Partially Meets
Equitable Communication. Our school uses a variety of methods across languages and cultures to engage and communicate with all families and community members about the school's vision, mission, goals, activities and opportunities for students.	Partially Meets
Qualified Staff and Partners. Every member of our school staff, as well as each community partner serving students or families in the school setting is well qualified and appropriately licensed where applicable.	Meets
Adult Modeling. All adults who interact with students, both within the school and through extracurricular, cocurricular and community-based experiences, teach and model empathy, care, and respect for others.	Meets

Source: ODEW’s Whole Child Framework

Within this tenet, Steel Academy is meeting six indicators and is partially meeting four indicators.

## Challenged Tenet

The Challenged Tenet states that “Each student is challenged academically and prepared for success.” Steel Academy’s status for each of the indicators within this tenet are shown below.

### Steel Academy’s Challenged Tenet Indicators

Indicator	Status
Challenging Learning Opportunities. Each student in our school has access to a challenging, standards aligned curriculum and differentiated opportunities.	Partially Meets
Learning Competencies. Our school’s curriculum and instruction provide opportunities for students to develop critical thinking and reasoning skills, problem-solving competencies and technology proficiency for all age groups served.	Partially Meets
Use of Data. Our school collects and uses qualitative and quantitative data to support student academic and personal growth.	Meets
High Academic Expectations. Our curriculum, instruction and assessment demonstrate our school’s high expectations for each student’s individual development aligned to Ohio’s Learning Standards.	Partially Meets
Lifelong Success. Our school helps all students understand the connection between education and lifelong success.	Partially Meets
Evidence-based. Our evidence-based curriculum and instruction prepare students for further education, careers and contributions to society.	Partially Meets
Real-world Experiences. Our extracurricular, cocurricular and community-based programs provide students with experiences relevant to career-technical education, higher education, careers and citizenship.	Partially Meets
Global Awareness. Our curriculum and instruction challenges students to think about language and culture beyond their own individual experiences.	Partially Meets
Continuous Improvement. Our school monitors and assesses extracurricular, cocurricular and community-based experiences to ensure students’ academic and personal growth.	Partially Meets
Technology. Our school provides opportunities for learning with and through technology.	Meets

Source: ODEW’s Whole Child Framework

Within this tenet, Steel Academy is meeting two indicators and is partially meeting eight indicators.

## Engaged Tenet

The Engaged Tenet states that “Each student is actively engaged in learning and connected to the school and broader community.” Steel Academy’s status for each of the indicators within this tenet are shown on the following page.

## Steel Academy's Engaged Tenet Indicators

<b>Indicator</b>	<b>Status</b>
Active Learning. Our teachers use active learning strategies, such as cooperative learning, personalized learning, peer connection and project-based learning, using multiple means of representation, action and expression, and engagement.	Meets
Students in the Community. Our school offers a range of opportunities for students to contribute to and learn within the community at large, including service learning, internships, apprenticeships and volunteer projects.	Meets
Citizenship. Our school reinforces citizenship and civic behaviors by students, family members and staff, through meaningful participation in decision-making.	Meets
Experiential Learning. Our school uses curriculum-related experiences, such as field trips and outreach projects, to complement and extend our curriculum and instruction.	Meets
Access to Areas of Interest. Each student in our school has access to a range of options for extracurricular and cocurricular activities that reflect students' interests, goals and learning profiles.	Partially Meets
Global Awareness. Our curriculum and instruction engage students in meaningful examination of world cultures and their interdependence.	Meets
Relevance. Our teachers use a range of inquiry-based, experiential learning tasks and activities to help all students deepen their understanding of what they are learning and why they are learning it.	Meets
Student Self-direction and Monitoring. Our staff works proactively with students in a respectful, unbiased manner to help them monitor and direct their own progress and activities and works with families to share updates about their children's progress.	Partially Meets
Student Responsibility. Our school expects and prepares students to assume developmentally and age-appropriate responsibility for learning through effective decision-making, goal setting and time management.	Partially Meets
Environmental Awareness. Our school supports, promotes and reinforces responsible environmental habits through recycling, trash management, sustainable energy and other efforts.	Meets

Source: ODEW's Whole Child Framework

Within this tenet, Steel Academy is meeting seven indicators and is partially meeting three indicators.

# Appendix F: Operations

## Staffing

As discussed in [Recommendation 5](#), Steel Academy does not have a formal staffing plan. To provide context as to the type of data that needs to be considered in a staffing plan, we collected information about the School's inexperienced staff, teaching staff tenure, teaching staff evaluations, and students per educator.

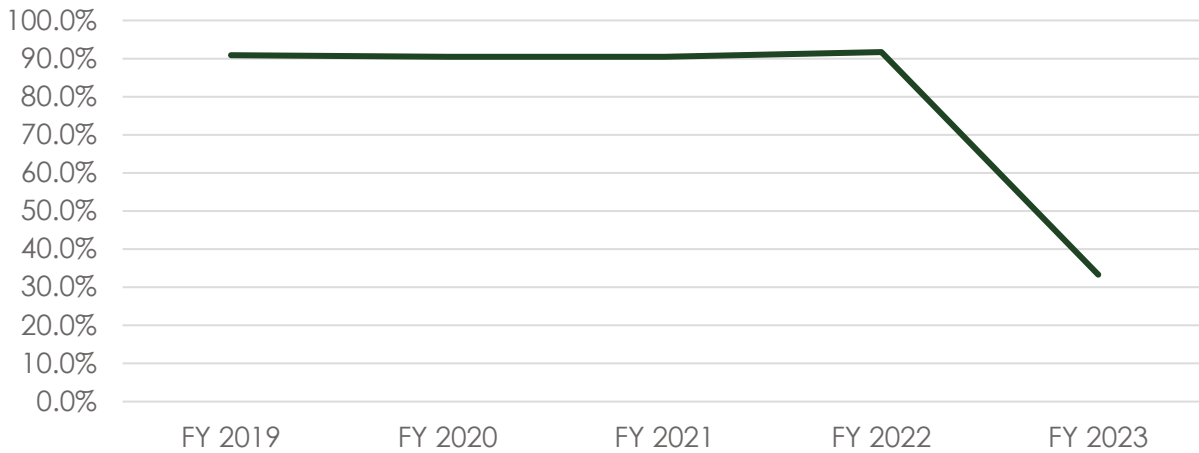
- We compiled data from the Report Card Portal to look at five previous years of teacher experience. ODEW classifies a teacher as inexperienced if they have two or less years of experience.
- We received data from Steel Academy indicating teacher tenure as of January 31, 2024. Teacher tenure was rounded up to the year to show the distribution of teacher tenure at Steel Academy.
- We compiled teaching staff evaluations from the Report Card Portal to understand the distribution of teacher evaluations for five previous years of data. We used enrollment numbers and FTE numbers from the Report Card Portal to calculate the number of students per educator for five previous years of data.

### *Considerations for Strategic Staffing Planning*

As discussed above, Steel Academy does not have a strategic staffing plan. Examples of considerations to make when developing and utilizing a staffing plan include experience, tenure, performance, and staffing ratios.

Inexperienced teaching staff are staff which have two or less years of teaching experience. Steel Academy can address skill sets and expertise gaps by identifying the current percent of inexperienced staff. Including this factor in a staffing plan can help Steel Academy address current and future staffing needs.

## Percent of Teachers Considered Inexperienced



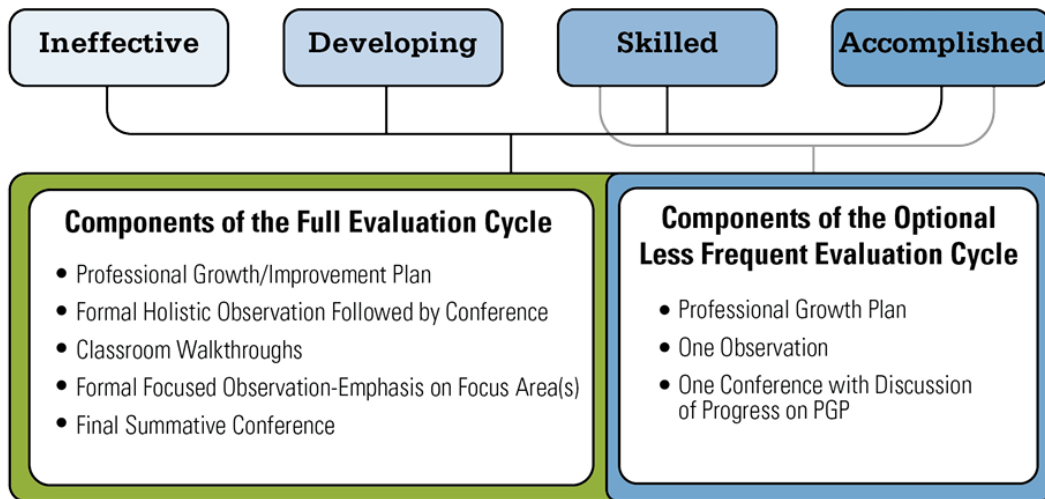
Source: ODEW Report Card Data Portal

As shown above 91.7 percent of Steel Academy’s FTEs were considered inexperienced, defined as having less than two years of experience by ODEW, in FY 2022. This decreased to 33.3 percent in FY 2023, likely driven by retention. Teacher experience can assist the School in analyzing retention issues, staffing patterns such as forecasting future staffing needs, and conducting skill gap analysis.

Another consideration in the development of a strategic staffing plan is the performance of teaching staff. ORC §3319.111 requires teacher expertise and performance to be evaluated and monitored. The state has created a framework for evaluating teachers and identifying opportunity for professional development that districts must adhere to.<sup>25</sup> As illustrated in the visual on the following page, the evaluation process includes three to five essential components:

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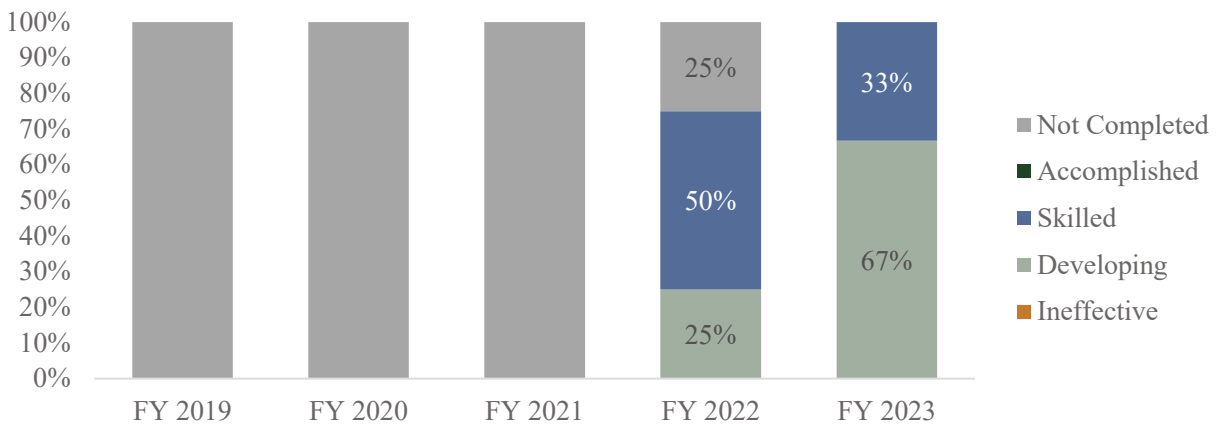
<sup>25</sup> More information on the evaluation framework can be found on the State Board of Education’s website [here](#).



Source: Ohio Teacher Evaluation System 2.0

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.”<sup>26</sup> One important attribute of the evaluation process is that it uses at least two school-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. Steel Academy’s Teaching Staff Evaluations from FY 2019 through FY 2023 are below.

### FY 2019 through FY 2023 Teaching Staff Evaluations



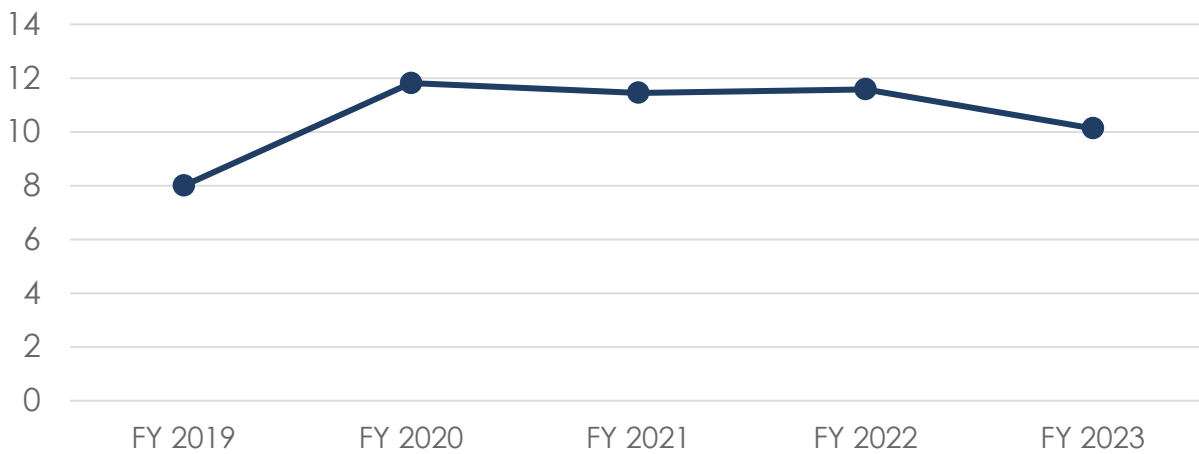
Source: ODEW Report Card Data Portal

<sup>26</sup> 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.

Steel Academy reported that they had not completed 25.0 percent of its teacher evaluations for FY 2022; 50.0 percent were marked as skilled, and 25.0 percent were marked as developing. In FY 2023, 67.0 percent were marked as developing, and 33.0 percent were reported as skilled.

Finally, evaluating staffing levels, such as how many students the school has per educator, can help schools understand the impact of staffing levels on the school’s academic and financial performance. Steel Academy’s FY 2019 through FY 2023 students per educator, as reported by Report Cards, is below.

### FY 2019 through FY 2023 Students Per Educator



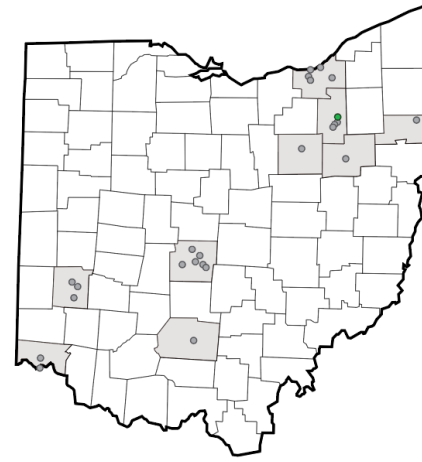
Source: ODEW Report Card Data Portal

As shown above, Steel Academy’s students per educator has varied slightly over the past five years. This rate has ranged from approximately eight to twelve students per educator. In contrast, the Operator provided a staffing plan where they state, “students will learn and grow with at least a 28:1 student to teacher ratio.”



## Operator

As discussed in the Introduction, Operators are an option school boards have when deciding how to handle the day-to-day operations of a community school. The board may choose to employ or contract individuals, educational service providers, or a management company to operate the school. This role is called the school operator. Steel Academy’s board has chosen the Educational Empowerment Group (EEG) as the School’s Operator. According to EEG's website and ODEW's directory, EEG was the Operator for 21 community schools within Ohio in FY 2024, however only 20 current contracts were available on ODEW’s Community School Documents website. The schools EEG operates are located throughout the state.



ODEW issues an annual performance report for each community school operator based on its school’s performance the previous year. A selection of school performance metrics for all operators, non-EEG operators, EEG, and Steel Academy are below.

### FY 2023 Community School Operator Performance Comparison

Metric	All Operator Average	Non-EEG Operator School Average	EEG-Operated School Average	Steel Academy
Academic Performance	1.90	1.97	1.68	1.00
Star Rating	2.90	2.97	2.68	2.00
Attendance Rate	76.2%	76.5%	74.9%	69.7%
Expenditure per Pupil	\$11,022.66	\$10,842.33	\$11,601.63	\$8,646.00

Source: 2022 - 2023 Community School Operator Performance Report

In FY 2023, schools operated by EEG had lower Academic Performance, lower Star Ratings, and lower Attendance Rates compared to schools operated by other operators. Additionally, the Expenditure Per Pupil was higher at EEG-operated schools compared to schools operated by other operators. Steel Academy’s Academic Performance, Star Rating, Attendance Rates and Expenditure Per Pupil were lower than all comparison groups in the table.

In addition to the annual performance reports issued by ODEW, Steel Academy’s Board also reviews the Operator annually. In FY 2023, the Board evaluated the Operator in 16 areas, using a scale of 1 through 5. These scores indicate the following:

1. Very poor;
2. Needs significant improvement;
3. Satisfactory;
4. Good; and
5. Excellent.

The results of the FY 2023 evaluation are below.

### FY 2023 Operations Evaluation Results

<b>Metric</b>	<b>Average Score</b>
Student Enrollment	3.8
Attendance	4.0
Curriculum	4.2
Reporting	3.8
Communication	3.8
Relationship & Transparency with the Board	3.8
External Relationship	4.2
Student Discipline	4.2
Technology	3.8
Financials	3.8
Financial Viability	3.0
Teacher and Staff <sup>27</sup>	4.3
Administrator	4.4
Staff Support and Professional Development	4.4
Sponsor Contract Compliance	3.0
Responsiveness to Corrective Action	3.2

Source: Operations Evaluation Steel Academy 2022-2023

Overall, average scores ranged from 3.0 to 4.4. The lowest-rated areas were Financial Viability and Sponsor Contract Compliance, both with scores of 3.0 which correspond to Satisfactory. The

<sup>27</sup> Only four of the five Board Members responded to the Teacher and Staff category.

highest-rated areas were Administrator and Staff Support and Professional Development, both with scores of 4.4. The total of these averages is 61.7, out of a possible average total score of 80.0 points.

## Operator Expenses

Since the Operator received more than 20 percent of Steel Academy’s revenues, it is required by ORC § 3314.024 to provide detailed accounting. The summarization, as reported in Steel Academy’s FY 2023 financial audit, is shown below.

### Operating Company Expenses Reported in FY 2023 Financial Audit

NOTES TO BASIC FINANCIAL STATEMENTS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2023

#### NOTE 10 - OPERATING COMPANY EXPENSES

For the year ended June 30, 2023, EEG incurred the following expenses on behalf of the Academy:

Direct Expenses:

Salaries & Wages	
Regular Instruction	\$ 635,641
Special Instruction	111,781
Support Services	472,214
Noninstructional Activities	4,184
Employees' Benefits	
Noninstructional Activities	10,165
Professional & Technical Services	
Noninstructional Activities	322,370
Property Services	
Noninstructional Activities	16,014
Contracted Services	23,851
Supplies	
Noninstructional Activities	13,935
Other Direct Costs	452
Overhead	179,671
<b>Total Expenses</b>	<b>\$ 1,790,278</b>

Source: Steel Academy Financial Audit

Note: Included in the direct costs are overhead charges of \$179,671. These charges represent the indirect cost of services in the operation of the Academy. Such services include but are not limited to, facilities management, equipment, operational support services, management and management consulting, board relations, human resources, management, training and orientation financial reporting and compliance, purchasing and procurement, education services, technology support and marketing communications.

The Operator reported approximately \$1,790,000 in total expenses on behalf of Steel Academy. From these expenses, Salaries and Wages for Regular Instruction, Special Instruction, Support Services, and Noninstructional Activities made up \$1,224,000, or 68.4 percent.

## Appendix G: Corrective Action Plan

ODEW identified the School as receiving its first strike towards closure in FY 2024 due to having less than 2 Stars on its Overall Rating and 1 Star on its Closure Value-Added Rating. Steel Academy developed a Corrective Action Plan (CAP) for FY 2024 at the request of the Sponsor due to the School's academic and financial performance. The CAP was developed to prevent the School from closing for failing to meet its legal obligation to meet state academic standards. The full depiction of the CAP submitted to ODEW's OSS is included in the following pages. The Board approved the plan during its November 2023 Board Meeting, which served as the Board's signature. ODEW's OSS did not accept the plan as presented and required additional corrective actions that needed to be taken due to the proposed plan being insufficient. These actions included participating in this performance audit, working with a ReadOhio adolescent literacy coach, improving fiscal practices, and meeting DPR age requirements.



	<ul style="list-style-type: none"> <li>• Expansion of CTE programming and marketing of the program will yield additional student participation and increased funding.</li> <li>• Creating an intensive marketing plan for prospective families, the school will place a large emphasis on their reputation for serving students with special needs. This practice will continue in their marketing initiatives.</li> </ul>
<p><b>Please include a timeline that will be followed in addressing all items stated above</b></p>	<p>Monthly review of CAP, action items and progress monitor to ensure a positive outcome. Review progress of plan with the team to ensure adequate progress. Revisit action items and strategies on a monthly basis. November 1, 2023 - June 30, 2023.</p>
<p><b>Please identify all compliance requirements that will be met as completing all of the activities stated herein.</b></p>	<p><b>Fiscal</b> October 2023 Annual Budget November 2023 Five Year Forecast OSS Monthly Financial Review Spreadsheet Monthly finance meetings with the Treasurer</p>
<p><b>Please list all relevant documentation and attachments being used to support the schools ACTION PLAN / CORRECTIVE ACTION PLAN.</b></p>	<p><b>Academics</b> Professional Development Log Progress Monitoring</p> <p><b>DOP</b> Application Submission, July,2023 Designation Letter, January 2024 (when received) STAR Testing Reports Winter 2023, Spring 2024 FTE/Enrollment documentation</p> <p><b>Fiscal</b> October 2023 Annual Budget November 2023 Five Year Forecast OSS Monthly Financial Review Spreadsheet: October, November, December, January, February, March April, May, June. Community Funding Report: October, November, December, January, February, March April, May, June.</p>

**Steel Academy**

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School Name

\_\_\_\_\_  
Board Member Signature

Matthew Shaffer, Board President

\_\_\_\_\_  
Printed Board Member Name

November 11, 2023

\_\_\_\_\_  
Date of Submission

\_\_\_\_\_  
Efficient • Effective • Transparent



**CORRECTIVE ACTION PLAN**

**RESOLUTION**

WHEREAS, the Governing Authority of the school has a community school contract with to the Ohio Department of Education; and

WHEREAS, the school must address the requested Action Plan/Corrective Action Plan addressing the items identified in our Sponsor’s letter specifically:

- A. Improvement of overall financial status
- B. Improvement of overall academic achievement

WHEREAS, the Governing Authority has provided the CORRECTIVE ACTION PLAN and included the required documentation and support to evidence the requested changes in the contract; and

IT IS THEREFORE RESOLVED, that the Governing Authority hereby approves this CORRECTIVE ACTION PLAN; and

IT IS FURTHER RESOLVED, that the Governing Authority authorizes the CORRECTIVE ACTION PLAN and related documentation be submitted to ODE OSS for consideration of approval.

\_\_\_\_\_  
School Name

\_\_\_\_\_  
Board Member Signature

\_\_\_\_\_  
Printed Board Member Name

\_\_\_\_\_  
Date Resolution Approved

\_\_\_\_\_



# OHIO AUDITOR OF STATE KEITH FABER



**STEEL ACADEMY**

**FRANKLIN 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 2/13/2025**

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

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