

OHIO AUDITOR OF STATE  
KEITH FABER



Lorain  
City School District

# Performance Audit

January 2024

OHIO AUDITOR OF STATE  
**KEITH FABER**



88 E. Broad St.  
Columbus, Ohio 43215  
Phone: (614) 466-4514  
Toll Free: (800) 282-0370  
[www.ohioauditor.gov](http://www.ohioauditor.gov)



**To the Lorain City School District community,**

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

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

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

This performance audit report can be accessed online through the Auditor of State's website at <http://www.ohioauditor.gov> and choosing the "Search" option.

Sincerely,

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

Keith Faber  
Auditor of State  
Columbus, Ohio

January 16, 2024

**This page intentionally left blank.**

# Lorain City School District

## Performance Audit Summary

### WHAT WE LOOKED AT

Lorain City School District is an urban school district located in northeast Ohio. As of FY 2022, the District had approximately 5,920 students. The District has historically underperformed compared to statewide academic performance measures. Academic progress can be measured in a variety of ways, including grades, standardized test scores, and graduation rates. Though its method of measuring success has shifted several times, the Ohio Department of Education (ODE) publishes the Ohio School Report Cards. These reports "grade" school districts on the academic success of their students. Under ORC 3302.10, districts that chronically underperform on the Ohio School Report Card are subject to state oversight. This process, the creation of an Academic Distress Commission (ADC), removes authority from the school district's local board of education and authorizes the ADC to appoint a CEO to replace the superintendent. This CEO is granted complete operational, managerial, and instructional control of the district. This control includes authority to enact interventions intended to improve academic performance. Examples of these interventions include conducting employee evaluations; making adjustments to staffing; modifying policies and procedures established by the district board; and selecting instructional materials and assessments. In 2013, ODE placed the District in Academic Distress due to continued failure to meet minimum statewide academic performance measures.

Our office conducted a performance audit of the District in accordance with ORC 3302.103, effective June 30, 2021, which provided districts under the authority of an ADC an alternative means of resolution. Under this law, the District is required to develop and submit an Academic Improvement Plan detailing academic improvement benchmarks and strategies for achieving those benchmarks within the designated implementation period. Our performance audit identified the District's progress towards meeting its Academic Improvement Plan goals, the financial feasibility of reaching those goals, and how district operations may impact academic progress. Based on the timing of our audit, we were able to review both baseline data as well as the impact of the first year of Academic Improvement Plan implementation. LCSD's ADC and Academic Improvement Plan were dissolved on October 3, 2023 as a result of ORC § 3302.111 as contained in the state's biennial budget bill, H.B. 33 of the 135<sup>th</sup> General Assembly.

## WHAT WE FOUND

LCSD, not unlike other urban districts, faces challenging circumstances with the students it serves. These challenges include having a much greater share of its students qualify as economically disadvantaged, differing household makeups, issues with student attendance and student mobility, and higher rates of violent crime in the District than statewide averages. To combat some of these challenges, LCSD both receives and spends more on educating its students than its peers. Excluding ESSER, in FY 2022, LCSD received \$17,433 per pupil, compared to the peer average of \$17,139 per pupil; it spent \$17,691 per pupil, compared to the peer average of \$16,131 per pupil.

As previously mentioned, the District was released from Academic Distress on October 3, 2023 resulting from changes made in the state's biennial budget bill. While the Academic Distress Commission and Academic Improvement Plan were both dissolved as a result of this change, the District has indicated that it will continue to work towards achieving the goals outlined in the plan, which has been branded as the District's We Believe strategic plan.

## KEY OBSERVATIONS

**Key Observation 1:** The experience and quality of teachers directly impact student achievement. In FY 2022, the Ohio School Report Card showed the District's teachers held an average of 17 years of experience, exceeding both the peer and state averages. Further, 70.5 percent of LCSD's teachers held a master's degree, which also surpasses the peer and state averages of 61.1 percent and 64.0 percent, respectively. Because the District's teaching staff are more tenured and possess higher levels of education, spending on certificated salaries for teaching staff was \$5,774 per pupil in FY 2022, exceeding the peer average of \$4,980 per pupil.

**Key Observation 2:** High chronic absenteeism negatively impacts student outcomes, which is why the District has a goal of reducing the rate of students who are chronically absent. The District's adopted policies and reported actions regarding student attendance meet the best practices established by ODE and Attendance Works. Additionally, the District's student attendance rate and chronic absenteeism rate have both improved from FY 2022 to FY 2023. While the District improved, both rates are still worse than the primary peer averages.

**Key Observation 3:** The District spent \$5.1 million in ESSER funds in FY 2022 and \$11.3 million in FY 2023. After reviewing ESSER-funded expenditures and interviewing ECCSD personnel regarding ESSER spending, it appears the District followed ODE's ESSER spending guidance, and—for the most part—utilized funds for one-time and short-term purchases. However, LCSD did invest in wellness coaches and placed guidance

counselors in every school building using these funds. Based on the District's current financial condition in the General Fund, the District's choice to use ESSER dollars for staff salaries and benefits will require difficult decisions in the future, as the ESSER funds are no longer available. As of October 2023, LCSD still has 64.1% of its ESSER funding remaining, and as such the District should continue to carefully manage its ESSER dollars by tracking ESSER Fund spending, following available guidance, and assessing the financial and academic impact of expenditure decisions, especially those that will either need to be continued or discontinued in the future.

## SUMMARY OF RECOMMENDATIONS

**Recommendation 1:** While the District creates an annual budget, it does not have a formal, written budgeting process. LCSD spent nearly \$110 million in FY 2022, and the budget process led to the decisions on where to allocate each one of these dollars. GFOA School Budgeting Best Practices outline the ideal contents of such a process, and while LCSD generally follows these best practices, it does not meet all of the GFOA criteria. A formal, written budgeting process that identifies roles and responsibilities for employees would allow for a more transparent and effective budget. In order to ensure the District is making the most informed decisions with their resources, and is as prepared as possible for future needs, they should consider developing a written budget plan and addressing each of the GFOA elements into their annual budget process through the addition of steps or design and implementation of relevant policies/plans.

**Recommendation 2:** Capital expenditures occur each year and require adequate planning and preparation. In FY 2022, LCSD spent more than \$3.8 million on these types of expenditures, fueled largely by ESSER funds. A capital plan aids an organization in outlining current and future capital expenditures and how they are to be funded, as well as tracking capital assets to prepare for replacement or repair. While the District is in the process of designing a capital plan, the District does not currently have a formal capital improvement plan approved and implemented to strategically utilize in their budgeting process. The District should design, approve, and implement a formal capital improvement plan, including taking steps to align their plan with GFOA best practices for a Capital Improvement Plan and its contents, as well as incorporating an asset maintenance and replacement plan.

**Issue for Further Study 1:** Our audit did not include a detailed building utilization or facilities staffing analysis. However, during the course of the audit, we identified potential opportunities for increased efficiency in this area along with overall staffing based on other areas of analysis. As previously stated, LCSD has experienced declining enrollment over the past decade. According to ODE District Enrollment report data, between FY 2018 and FY 2022, LCSD enrollment dropped by approximately 10 percent.

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

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

**Recommendation 5:** The District is forecasting a negative General Fund balance beginning in FY 2027 due to several years of forecasted deficit spending. The District should utilize the information presented in this Performance Audit in conjunction with their forecasted revenues and expenditures to identify whether cost-saving measures need to be implemented, and whether doing so would impact the We Believe Strategic Plan. By identifying methods to reduce deficit spending, the District can prevent having a negative General Fund balance.



**This page intentionally left blank.**

**This page intentionally left blank.**

# Table of Contents

Introduction.....	1
Lorain City School District.....	3
Audit Methodology.....	3
Academic Distress .....	5
District Finances .....	8
District Revenue.....	8
District Expenditures .....	12
Financial Condition.....	13
Results of the Audit .....	15
Summary of Observations and Recommendations .....	15
Financial Operations .....	18
Revenue Comparison Overview .....	18
Expenditure Comparison Overview.....	20
Resource Allocation and Planning.....	25
Recommendation 1: Enhance the Budgeting Process.....	26
Recommendation 2: Develop and Implement a Formal Capital Plan.....	29
Issue for Further Study: Review Building Utilization .....	31
Personnel and Personnel Expenditures .....	33
Staffing.....	35
Recommendation 3: Develop a Strategic Staffing Plan.....	60
Salaries.....	63
Insurance.....	66
Recommendation 4: Evaluate salary and insurance packages to ensure offerings are competitive within the local market.....	71
Student and Employee Attendance .....	75
LCSD Student Attendance.....	75
Employee Attendance .....	79
Academic Improvement Plan.....	81
Recommendation 5: Evaluate We Believe Strategic Plan Fiscal Sustainability .....	83
Expenditures Under the Former Academic Improvement Plan.....	83

Client Response Letter ..... 87

Appendix A: Purpose, Methodology, Scope, and Objectives of the Audit ..... 91

    Performance Audit Purpose and Overview..... 91

    Audit Scope and Objectives..... 91

    Audit Methodology ..... 92

Appendix B: Barriers to Learning..... 95

Appendix C: History of Academic Accountability..... 98

Appendix D: Financial Background ..... 101

Appendix E: LCSD Academic Improvement Plan ..... 105

Appendix F: Expenditure Key Driver Analysis..... 114

Appendix G: ESSER..... 118

Appendix H: Human Resources..... 123

**This page intentionally left blank.**

**This page intentionally left blank.**

# Introduction

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

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

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

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

---

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

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

---

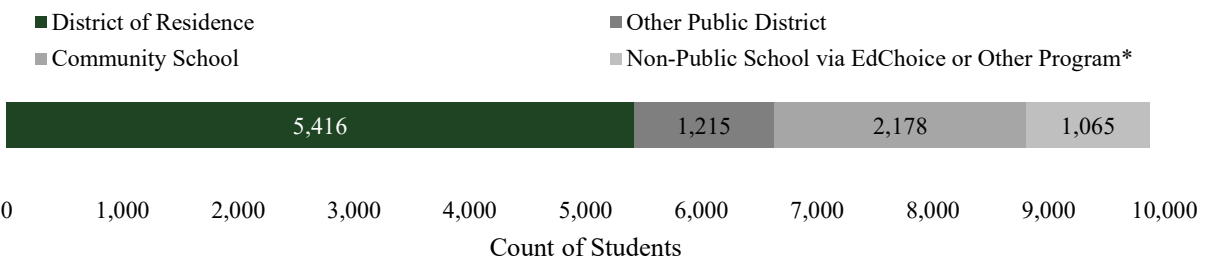
<sup>2</sup> Performance Audits are conducted according to Generally Accepted Government Accounting Standards, see **Appendix A** for additional details.



# Lorain City School District

Lorain City School District (LCSD or the District) is an urban school district located in northeast Ohio. The District encompasses 16 square miles located in the City of Lorain (Lorain or the City). The District maintains 14 school buildings and has 1,055 total employees. In fiscal year (FY) 2022, there were approximately 5,920 students enrolled at the District, compared to the statewide average of approximately 2,400 students. Between FY 2012 and FY 2022, the District saw enrollment decline by 1,754 students, or approximately 23.7 percent. In FY 2022, close to half of students living in the District in FY 2022 chose to attend non-District schools. The visual below shows where students living in LCSD are attending schools.

## Place of Enrollment, Students Living in LCSD, FY 2022



Source: ODE School Report Card

\*Includes students participating in the EdChoice or EdChoice Expansion Scholarship Programs, the Cleveland Scholarship

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

The District has high student poverty levels, with 100 percent of students being considered economically disadvantaged.

## Audit Methodology

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

In consultation with the District, two sets of Ohio school districts were selected for comparisons contained in this report. A set of *primary peers* was selected to provide useful comparisons in the areas of district operations and the allocation of financial resources.<sup>3</sup> The selection of primary peers took into consideration key attributes of the community as well as enrollment characteristics and performance metrics of the districts.<sup>4</sup> The goal was to identify districts with higher academic performance ratings but similar regarding the populations they serve. A second set of *local peers* was selected to provide comparisons in the areas of compensation (salaries/wages and insurance benefits).<sup>5</sup> These districts are in the same geographical area as LCSD and were selected specifically to provide context for local labor market conditions.

---

<sup>3</sup> Primary peers include Whitehall CSD (Franklin), Painesville CSD (Lake), Maple Heights CSD (Cuyahoga), Lima CSD (Allen), Euclid CSD (Cuyahoga), Warren CSD (Trumbull), Cleveland Heights-University Heights CSD (Cuyahoga).

<sup>4</sup> The components considered in the section of primary peers included: total enrollment, the percentage of disadvantaged students, percentage of racial minority, percentage of students with disabilities, pupil density, district square miles, the Ohio Facilities Construction Commission 3-year valuation, median income, and the performance index score.

<sup>5</sup> Local peers include Avon Lake CSD (Lorain), Avon LSD (Lorain), Clearview LSD (Lorain), Elyria LSD (Lorain), Firelands LSD (Lorain, Erie), North Ridgeville CSD (Lorain), Sheffield-Sheffield Lake CSD (Lorain), Vermilion LSD (Lorain, Erie), Amherst (Lorain).

# Academic Distress

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

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

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

The District has moved between academic watch, continuous improvement, and academic emergency from FY 2004 to FY 2012. The District was not rated from 2013 to 2017, nor were any other school districts, due to the statewide implementation of a new A-F rating system.

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

In calendar year 2013, the ODE placed LCSD under its first ADC. The District was declared to be in a state of Academic Emergency and failed to make AYP for four or more consecutive school years. Adequate Yearly Progress (AYP)<sup>6</sup> is measured in six categories, with the graphic

## Barriers to Learning

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

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

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

<sup>6</sup> Adequate Yearly Progress (AYP) was a requirement set by the No Child Left Behind Act of 2001 that was intended to measure whether schools, districts, and the state were making measurable improvements toward the FY 2014 goal set by the state, using federal guidelines. AYP targets increased each year. If a school or district failed to meet one AYP goal, it failed to meet AYP for the year.

below showing the District’s performance in those categories for the years prior to being placed under an ADC.

LCSD AYP Status

FY	Reading Participation	Reading Proficiency	Math Participation	Math Proficiency	Attendance Rate	Graduation Rate
2004	✗	✗	✗	✗	✓	✓
2005	✓	✗	✓	✗	✓	✓
2006	✓	✗	✓	✗	✓	✓
2007	✓	✗	✓	✗	✓	✓
2008	✓	✗	✓	✗	✗	✓
2009	✓	✗	✓	✗	✓	✓
2010	✓	✗	✓	✗	✗	✓
2011	✓	✗	✓	✗	✓	✓
2012	✓	✗	✓	✗	✓	✗

Source: ODE

As seen in the graphic, the District failed to meet adequate progress metrics in each of the nine years for math proficiency and for each of the nine years for reading proficiency.

Since the District was originally placed under an ADC, changes and updates have been made to the law governing ADCs generally. H.B. 70 from the 131<sup>st</sup> General Assembly became effective October 15, 2015, replacing the previous versions of ORC § 3302.10. The District qualified for an ADC under this version of ORC § 3302.10 in calendar year 2017 after failing to make improvements to its Performance Index score after the creation of its former ADC. The Report Card Designation, Report Card Grade, and Performance Index from FY 2004 to FY 2018 are below.

## LCSD Report Card Designation, Grade, and Performance Index 2004 to 2018

<b>Fiscal Year</b>	<b>Designation or Grade</b>	<b>Performance Index</b>
<b>FY 2004</b>	Academic Watch	77.8
<b>FY 2005</b>	Academic Watch	78.1
<b>FY 2006</b>	Continuous Improvement	82.3
<b>FY 2007</b>	Continuous Improvement	80.6
<b>FY 2008</b>	Academic Watch	77.8
<b>FY 2009</b>	Academic Watch	78.6
<b>FY 2010</b>	Academic Watch	78.1
<b>FY 2011</b>	Continuous Improvement	80
<b>FY 2012</b>	Academic Emergency	78.7
<b>FY 2013</b>	Not Rated	80.5
<b>FY 2014</b>	Not Rated	79.8
<b>FY 2015</b>	Not Rated	75.2
<b>FY 2016</b>	Not Rated	61.2
<b>FY 2017</b>	Not Rated	61.6
<b>FY 2018</b>	F	62.9

Source: ODE

ORC § 3302.103 as enacted by H.B. 110 of the 134<sup>th</sup> General Assembly allowed districts under an ADC a new opportunity to dissolve their ADC. This section allowed districts to develop and submit an Academic Improvement Plan detailing academic improvement benchmarks and strategies for achieving those benchmarks within the designated implementation period. The District submitted its Academic Improvement Plan to ODE, but did not receive approval for all of its proposed benchmarks (see **Appendix E** for more information about the submitted Academic Improvement Plan).

Most recently, LCSD’s ADC and Academic Improvement Plan were dissolved on October 3, 2023 as a result of ORC § 3302.111 as contained in the state’s biennial budget bill, H.B. 33 of the 135<sup>th</sup> General Assembly. While the District is no longer required to implement the Academic Improvement Plan, District representatives stated that they still intend to follow the plan, which the District refers to its We Believe Strategic Plan.

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

## District Finances

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

## District Revenue

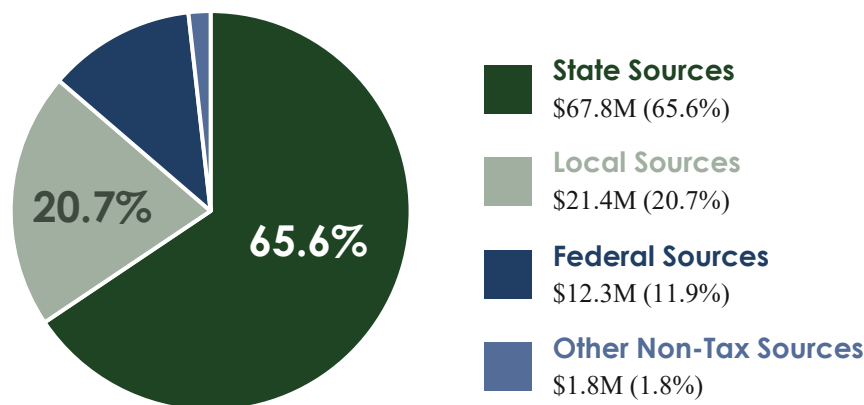
In FY 2022, the District received approximately \$108.1 million in revenue that was derived primarily from local, state, and federal sources.<sup>7</sup> This represents all revenue for the District, including General Fund dollars and other revenue that was designated for specific purposes. Included in this amount is \$4.8 million, which the District liquidated from its Elementary and Secondary School Emergency Relief (ESSER) grants; these dollars were awarded to schools throughout the country to combat the impact of the COVID-19 pandemic on learning. In FY 2022, LCSD spent more than \$5 million of its ESSER funding—see **Appendix G** for details on how this spending was allocated. Because of the impact this amount of funding has on calculations, it has been largely excluded from our analysis. The pie chart below shows the District’s revenues for FY 2022 excluding ESSER funding that was received. In total, without ESSER, \$103.3 million was received.

---

<sup>7</sup> Note that this analysis excludes certain funds, functions, and objects as specified in ODE’s 2021-2022 school year technical documentation for the calculations in its school report cards.

## FY 2022 LCSD Revenue Composition

Total: \$103.3M



Source: LCSD USAS Data

As seen in the pie chart, the District received 65.6 percent of its funding, or approximately \$67.8 million, from state sources. An additional 20.7 percent, or approximately \$21.4 million, was received from local sources. Finally, the District received 11.9 percent, or approximately \$12.3 million, from non-ESSER federal sources.

### Local Revenue

A district can raise local revenue through both property taxes and income taxes. In Tax Year 2022, the District collected revenues on 33.70 mills of property tax for residential properties and 51.29 mills of property tax on commercial and industrial properties, generating a total of \$3,611 in local revenue per pupil. While property taxes are assessed on both residential and business properties within a district, income tax is assessed only on residents. Although LCSD does not have a school district income tax, approximately one-third of Ohio school districts do have one. Additional information on property taxes and school district income taxes in Ohio can be found in **Appendix D**.

### State Revenue

LCSD's ability to procure local funding is limited by its lower than average property values; its assessed property value per pupil in FY 2022 was \$125,734, falling far short of the statewide average of \$219,076 per pupil. As follows, the District's local revenue received per pupil fell below the peer average—in FY 2022, LCSD received \$3,611 per pupil, compared to the peer average of \$4,573 per pupil. To compensate, the District receives higher levels of state funding, in FY 2022, it received \$11,435 per pupil, compared to the peer average of \$9,766 per pupil. The State of Ohio has a complex formula for distributing its public education appropriation, or its foundation funding, amongst its more than 600 school districts in its biennial operating budget. Ohio's public education appropriation uses a system of funding where lower capacity school

districts receive relatively higher rates of state funding than higher capacity districts. This system of funding helps lower income school districts make up for smaller sources of local revenue and address some of the challenges facing impoverished communities raised in the **Barriers to Learning** section above.

The primary component of the foundation funding formula is the calculation of a district's base cost, wherein student/teacher ratios, minimum staffing levels, and actual costs are used to calculate a unique base cost per pupil that's needed to run each school district in the state. Once a base cost is identified, ODE determines the portion of the base cost that is funded by the State. Importantly, the state share is determined by a district's local capacity per-pupil—this is defined as a district's ability to raise revenue locally and is calculated using property wealth and resident income values. The lower the local capacity, the higher the state share must be, with the state having to provide a minimum of 5 percent of the base cost.<sup>8</sup> LCSD has both a low property wealth and low median income, meaning its local capacity is very low. This results in a proportionally larger state share of base cost, contributing to LCSD's high foundation funding allotment. LCSD's base cost in FY 2022 was \$42.1 million; the state share of this base cost was \$31.5 million.

Once the state share of the base cost is determined, a number of other formula components are added to it, namely provisions for targeted assistance, special education, Disadvantaged Pupil Impact Aid (DPIA), English learners, gifted students, and career technical education. Targeted assistance is additional funding to districts with low property wealth and low resident income. Special education funding is funding provided for students with disabilities. DPIA is funding for economically disadvantaged students in acknowledgement that low-income students require additional resources and supports. Once these components are added, the resulting value is the preliminary core foundation funding value; for LCSD in FY 2022, this was \$58.3 million.

After funding for specific student groups is added, additional funding adjustments are made relating to transportation, supplemental targeted assistance, and a formula transition supplement. The current foundation formula was instituted in FY 2022. To minimize the impact of the formula on the state budget, changes to funding levels are expected to be phased in over a six-year period. In addition, the current formula includes temporary transitional aid, which guarantees that districts do not receive less in state funding than they received in FY 2020. Once all adjustments were made, LCSD was allotted \$63.4 million in state foundation funding in FY 2022.

---

<sup>8</sup> H.B. 33 of the 135<sup>th</sup> G.A. increased the minimum state share percent of base cost from 5 to 10 percent for FY 2024-FY 2025.



## Federal Revenue

In FY 2022, LCSD received revenue from a variety of federal sources. One such source was the Elementary and Secondary School Emergency Relief Fund (ESSER), a grouping of grant programs provided to school districts to address issues relating to and stemming from the COVID-19 pandemic. ESSER was authorized via three different pieces of legislation, each providing a new round of funding with slight differences. All three rounds of ESSER are allowed to be used for expenses related to preventing, preparing for, and responding to COVID-19. However, ESSER II and III expanded upon that to specifically include addressing learning loss stemming from the pandemic, reopening preparation, and projects to improve the air quality in school buildings, but with ESSER III specified that a school district had to reserve at least 20 percent of its allocation to address learning loss, and that the district needed to create or already have had a safe return-to-school plan to receive funding. In total, LCSD received more than \$58 million in ESSER funding in three rounds, named “ESSER I”, “ESSER II”, and “ESSER III”. The deadline to liquidate ESSER I dollars passed in January 2023; the deadline to liquidate ESSER II dollars is in January 2024, and the deadline for ESSER III is January 2025. More information on ESSER is available in **Appendix G**.

Another source of federal revenue was Title I, Part A of the Elementary and Secondary Education Act (ESEA). The U.S. Department of Education’s largest K-12 grant program, Title I-A provides financial assistance to local educational agencies (LEAs) and schools with high numbers or high percentages of children from low-income families. The goal of Title I-A is to ensure economically disadvantaged children receive a fair, equitable, and high-quality education, and to shrink educational achievement gaps. More details on Title I-A are available in the Revenue Received for Disadvantaged Students section. LCSD received \$4.8 million in Title I-A funding in FY 2022.<sup>9</sup>

Beyond ESSER and Title I-A, in FY 2022, LCSD received a combined \$8.4 million in federal revenue via the following funds: the Food Services Fund, the IDEA Part B Special Education Fund, the Title I-Improvement Stimulus A Fund, the Improving Teacher Quality Fund, the General Fund, the Vocational Education Fund, the Drug Free School Grant Fund, the Coronavirus Relief Fund, the 21<sup>st</sup> Century Learning Centers Fund, the Title III-Limited English Fund, the IDEA Preschool Grant Handicap Fund, and the Miscellaneous Federal Grants Fund.

---

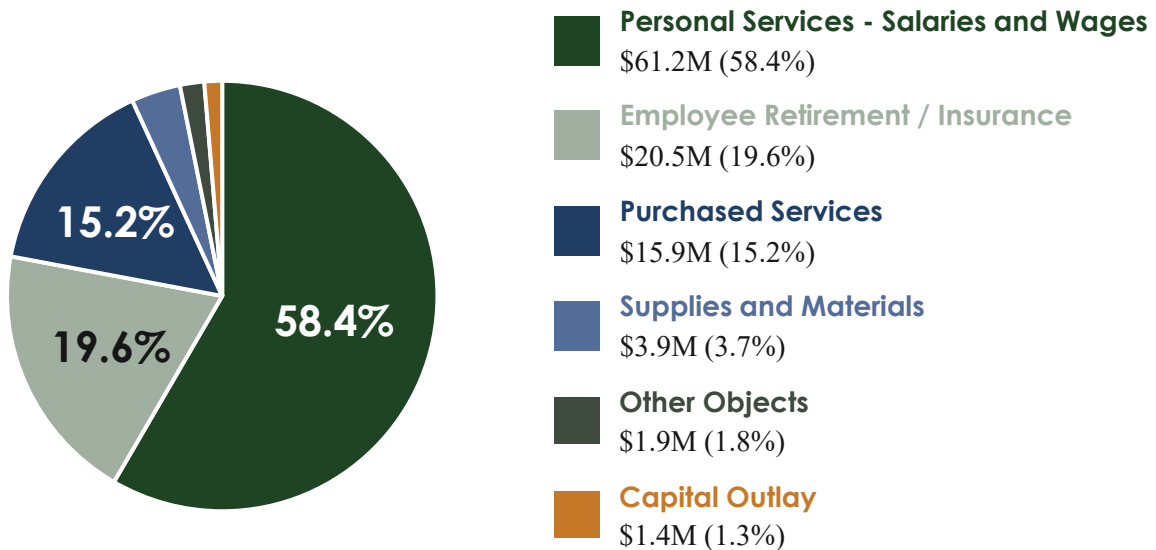
<sup>9</sup> 6.6 percent of the Title I-A funds received by LCSD in FY 2022 was passed to non-public schools.

## District Expenditures

In FY 2022, the District's total expenditures were approximately \$110.0 million; excluding ESSER, expenditures reduced to \$104.8 million. The largest source of expenditures was human resources, which includes salaries, wages, and benefits, followed by purchased services. The chart that follows provides additional detail regarding District expenditures.

### FY 2022 LCSD Expenditure Composition

Total: \$104.8M



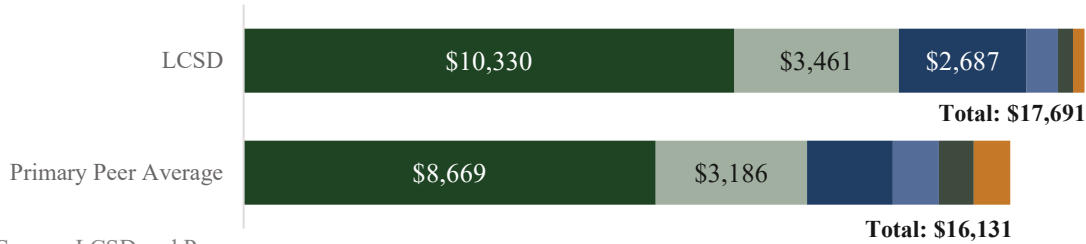
Source: LCSD USAS Data

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

### Expenditures per Pupil

In FY 2022, excluding ESSER, the District spent \$17,691 per pupil; its primary peers, on average, spent \$16,131 per pupil. The District spent more per pupil than the primary peer average on salaries/wages, benefits, and purchased services. It spent less than the primary peer average on supplies/materials, capital outlay, and other objects. The chart that follows provides a graphic comparison of expenditures per pupil for LCSD and the primary peer average.

## FY 2022 Total Expenditures Per Pupil



Source: LCSD and Peers  
Note: Excludes Advances

## Financial Condition

The District must balance academic initiatives with actual revenues. Districts are required to submit a five-year financial forecast to ODE in November of each year with an update in May. These forecasts show actual results of district operations associated with the General Fund and Emergency Levy Fund for the three preceding years and project revenues and expenditures associated with these funds for the upcoming five years. The forecast also notes the balance that remains between the General Fund and the Emergency Levy Fund after each year, based on the deficit or surplus in yearly spending. Because the forecast only shows figures associated with the General Fund and Emergency Levy Fund, not all revenues received, or expenditures made by the District are reflected in the visual—in FY 2022, excluding ESSER, the General and Emergency Levy Funds collectively represented 86.3 percent of LCSD’s total revenue. LCSD’s Five-Year Forecast from November 2023 is as follows:

### Financial Condition Overview (November 2023 Forecast)

	FY 2024	FY 2025	FY 2026	FY 2027	FY 2028
Total Revenue	\$122,606,933	\$99,369,810	\$100,694,894	\$97,084,916	\$96,681,344
Total Expenditures	\$102,491,710	\$108,485,775	\$112,654,364	\$116,649,558	\$120,539,049
<b>Results of Operations</b>	<b>\$20,115,223</b>	<b>(\$9,115,965)</b>	<b>(\$11,959,470)</b>	<b>(\$19,564,642)</b>	<b>(\$23,857,705)</b>
Beginning Cash Balance	\$9,615,170	\$29,730,393	\$20,614,428	\$8,654,958	(\$10,909,684)
<b>Ending Cash Balance</b>	<b>\$29,730,393</b>	<b>\$20,614,428</b>	<b>\$8,654,958</b>	<b>(\$10,909,684)</b>	<b>(\$34,767,389)</b>
Encumbrances	\$0	\$0	\$0	\$0	\$0
Cumulative Balance of Replacement/Renewal Levies	\$0	\$0	\$0	\$3,266,255	\$9,702,373
Cumulative Balance of New Levies	\$0	\$0	\$0	\$0	\$0
<b>Ending Fund Balance</b>	<b>\$29,730,393</b>	<b>\$20,614,428</b>	<b>\$8,654,958</b>	<b>(\$7,643,429)</b>	<b>(\$25,065,016)</b>

Source: ODE

As seen, LCSD was expected to begin experiencing an annual operating deficit in FY 2025, starting at \$9.1 million and increasing to \$23.9 million by FY 2027. Though LCSD was predicted to have a cash balance of \$29.7 million in FY 2024, it was predicted that LCSD’s continual deficit spending would cause the District to exhaust its cash balance completely by FY 2027, with the District showing an expected \$25.1 million deficit by FY 2028. This deficit was expected even with the renewal of an emergency levy, which the District’s residents would vote on in 2026. The District will need to be mindful of operations and expenditures so that it can make strategic decisions that support the implementation and success of the Academic Improvement Plan.

# Results of the Audit

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

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

## Summary of Observations and Recommendations

**Key Observation 1:** The experience and quality of teachers directly impact student achievement. In FY 2022, the Ohio School Report Card showed the District’s teachers held an average of 17 years of experience, exceeding both the peer and state averages. Further, 70.5 percent of LCSD’s teachers held a master’s degree, which also surpasses the peer and state averages of 61.1 percent and 64.0 percent, respectively. Because the District’s teaching staff are more tenured and possess higher levels of education, spending on certificated salaries for teaching staff was \$5,774 per pupil in FY 2022, exceeding the peer average of \$4,980 per pupil.

**Key Observation 2:** High chronic absenteeism negatively impacts student outcomes, which is why the District has a goal of reducing the rate of students who are chronically absent. The District's adopted policies and reported actions regarding student attendance meet the best practices established by ODE and Attendance Works. Additionally, the District’s student attendance rate and chronic absenteeism rate have both improved from FY 2022 to FY 2023. While the District improved, both rates are still worse than the primary peer averages.

**Key Observation 3:** The District spent \$5.1 million in ESSER funds in FY 2022 and \$11.3 million in FY 2023. After reviewing ESSER-funded expenditures and interviewing LCSD personnel regarding ESSER spending, it appears the District followed ODE’s ESSER spending guidance, and—for the most part—utilized funds for one-time and short-term purchases. However, LCSD did invest in wellness coaches and placed guidance counselors in every school building using these funds. Based on the District’s current financial condition in the General Fund, the District’s choice to use ESSER dollars for staff salaries and benefits will require

difficult decisions in the future, as the ESSER run out or expire. As of October 2023, LCSD still has 64.1 percent of its ESSER funding remaining, and as such the District should continue to carefully manage its ESSER dollars by tracking ESSER Fund spending, following available guidance, and assessing the financial and academic impact of expenditure decisions, especially those that will either need to be continued or discontinued in the future.

**Recommendation 1:** While the District creates an annual budget, it does not have a formal, written budgeting process. LCSD spent nearly \$110 million in FY 2022, and the budget process led to the decisions on where to allocate each one of these dollars. GFOA School Budgeting Best Practices outline the ideal contents of such a process, and while LCSD generally follows these best practices, it does not meet all of the GFOA criteria. A formal, written budgeting process that identifies roles and responsibilities for employees would allow for a more transparent and effective budget. In order to ensure the District is making the most informed decisions with their resources, and is as prepared as possible for future needs, they should consider developing a written budget plan and addressing each of the GFOA elements into their annual budget process through the addition of steps or design and implementation of relevant polices/plans.

**Recommendation 2:** Capital expenditures occur each year and require adequate planning and preparation. In FY 2022, LCSD spent more than \$3.8 million on these types of expenditures, fueled largely by ESSER funds. A capital plan aids an organization in outlining current and future capital expenditures and how they are to be funded, as well as tracking capital assets to prepare for replacement or repair. While the District is in the process of designing a capital plan, the District does not currently have a formal capital improvement plan approved and implemented to strategically utilize in their budgeting process. The District should design, approve, and implement a formal capital improvement plan, including taking steps to align their plan with GFOA best practices for a Capital Improvement Plan and its contents, as well as incorporating an asset maintenance and replacement plan.

**Issue for Further Study 1:** Our audit did not include a detailed building utilization or facilities staffing analysis. However, during the course of the audit, we identified potential opportunities for increased efficiency in this area along with overall staffing based on other areas of analysis. As previously stated, LCSD has experienced declining enrollment over the past decade. According to ODE District Enrollment report data, between FY 2018 and FY 2022, LCSD enrollment dropped by approximately 10 percent.

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

and objectives of the District, such those in the strategic plan, in a way that aligns with available financial resources.

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

**Recommendation 5:** The District is forecasting a negative General Fund balance beginning in FY 2027 due to several years of forecasted deficit spending. The District should utilize the information presented in this Performance Audit in conjunction with their forecasted revenues and expenditures to identify whether cost-saving measures need to be implemented, and whether doing so would impact the We Believe Strategic Plan. By identifying methods to reduce deficit spending, the District can prevent having a negative General Fund balance.

# Financial Operations

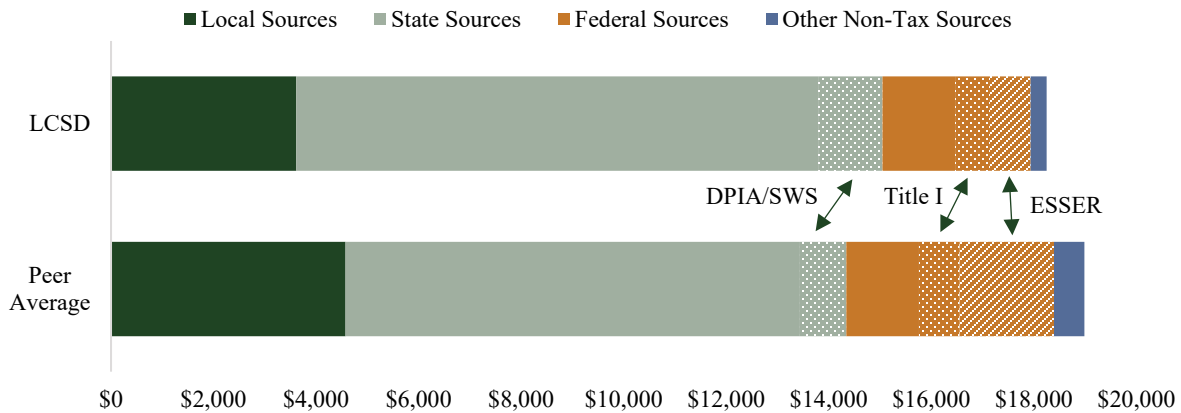
Government entities, including school districts, are expected to be good stewards of taxpayer dollars. School officials have a responsibility to maximize program outcomes and success while minimizing costs. The District has one of the highest revenues and expenditures per pupil across the state. Our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

## Revenue Comparison Overview

### Revenue per Pupil

In FY 2022, LCSD received \$18,243 in revenue per pupil, while its peers received an average of \$18,979 per pupil. Note that this includes ESSER funds—details on LCSD’s FY 2022 spending of its ESSER funds can be found in **Appendix G**. Without the presence of ESSER Fund revenues, LCSD received \$17,433 in revenue per pupil, while its peers, on average, received \$17,139 per pupil. See the below visual for a breakdown of revenue per pupil by source in FY 2022.

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



Source: LCSD & Peer USAS Data, FY 2022

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

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

As seen above, LCSD received more state revenue per pupil than the peer average in FY 2022—\$11,435 per pupil, compared to the peer average of \$9,766 per pupil. The state’s foundation



funding formula provides additional funding to districts like LCSD that have low capacity for local funding (see the State Funding section for more information). LCSD’s low local funding capacity is reflected in local revenue received per pupil, which was \$3,611 per pupil compared to the peer average of \$4,573 per pupil.

## Revenue Received for Disadvantaged Students

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

One such example is Title I, Part A of the Elementary and Secondary Education Act (ESEA). The U.S. Department of Education’s largest K-12 grant program, Title I-A provides financial assistance to local educational agencies (LEAs) and schools with high numbers or high percentages of children from low-income families. The goal of Title I-A is to ensure economically disadvantaged children receive a fair, equitable, and high-quality education, and to shrink educational achievement gaps. Districts like LCSD wherein the proportion of students in poverty is 40 percent or greater are considered “schoolwide program schools”—under this model, all students attending the district’s public schools are considered “Title I students”, and the school may use Title I-A to support any reasonable activity designed to improve the school’s educational program, so long as it is consistent with the school’s needs and plan. LCSD received \$4,826,000, or \$815 per pupil, in Title I-A funding in FY 2022; its peers received an average of \$467 per pupil.<sup>10</sup>

Furthermore, high-poverty districts receive more in two important state foundation funding components—Disadvantaged Pupil Impact Aid (DPIA) and the Base Cost Student Wellness and Success (SWS) Component. DPIA is “supplemental funding ... provided for economically disadvantaged students in acknowledgement that low-income students require additional resources and supports to ensure an opportunity to learn”. The Base Cost Student Wellness and Success Component is similar in nature and purpose to DPIA. DPIA and Base Cost Student Wellness and Success Component monies are permitted to be spent only on a select set of initiatives intended to improve the mental, physical, and emotional well-being and academic outcomes of disadvantaged students. In FY 2022, LCSD received \$6,025,000, or \$1,017 per pupil, in DPIA and \$1,431,000, or \$241 per pupil, in SWS; its peers received \$712 per pupil in DPIA and \$170 per pupil in SWS, on average.

---

<sup>10</sup> 6.6 percent of the Title I-A funds received by LCSD in FY 2022 was passed to non-public schools; for its peers, an average of 8.5 percent was passed to non-public schools.

## Expenditure Comparison Overview

### Expenditure per Pupil

In FY 2022, LCSD spent \$18,556 per pupil<sup>11</sup>—however, 4.7 percent of the expenditure amount was made from the Elementary and Secondary School Emergency Relief Fund. LCSD’s FY 2022 ESSER spending patterns are covered in **Appendix G**. Because the presence of this fund skews how much LCSD spends in a typical year, expenditures from the ESSER fund are removed from the visuals below. With ESSER funded expenditures removed, LCSD spent \$17,691 per pupil in FY 2022.

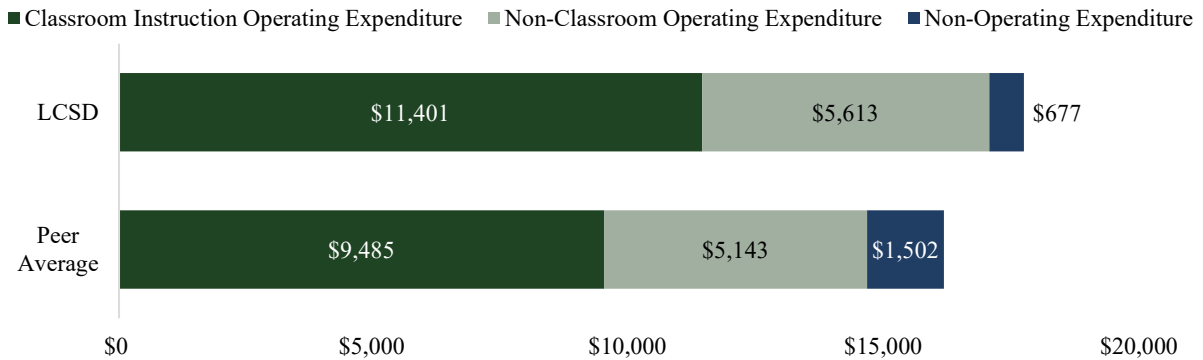
The Ohio Department of Education’s school report cards sort a school district’s expenditures into three categories: classroom instruction operating expenditures, non-classroom operating expenditures, and non-operating expenditures. These categories are a useful way to distinguish expenditures and are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

Classroom Instruction Operating Expenditures	Non-Classroom Operating Expenditures	Non-Operating Expenditures
<ul style="list-style-type: none"> <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>

Excluding ESSER, LCSD spent \$17,691 per pupil in FY 2022; its peers, on average, spent \$16,131 per pupil. These per-pupil expenditures are broken out into the three aforementioned ODE school report card categories in the visual below. As seen, more than half of LCSD’s expenditures were classroom instruction operating expenditures—most of the remaining expenditures are non-classroom operating expenditures. While LCSD’s non-operating expenditures are lower than the peer average, its operating expenditures, both in and out of the classroom, surpass the peer average.

<sup>11</sup> In FY 2022 LCSD's Pre-K through Grade 12 enrollment of 5,925 as reported by ODE in the District Report Card was used in these per pupil calculations.

## Expenditure per Pupil, LCSD vs. Peers, FY 2022

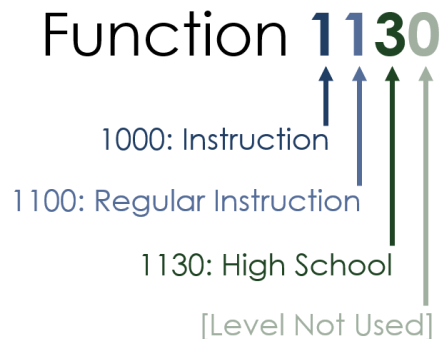


Source: LCSD & Peer USAS Data, FY 2022

LCSD’s classroom instruction operating spending per pupil was 20.2 percent higher per pupil than its peer average in FY 2022, and its non-classroom operating spending per pupil was 9.1 percent higher.

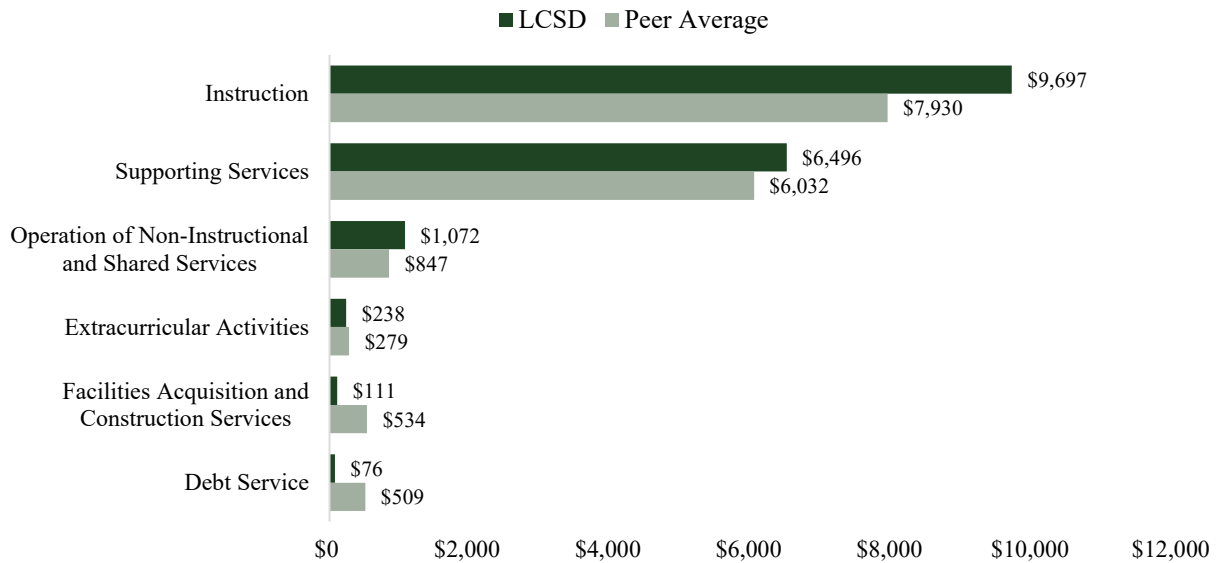
Expenditures can also be observed according to the functions and objects school districts are required to assign their financial transactions to, per the USAS Manual. A function is a broad area of programs, sub-programs and activities into which expenditures are classified. The function code associated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

### USAS Function Code Example



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

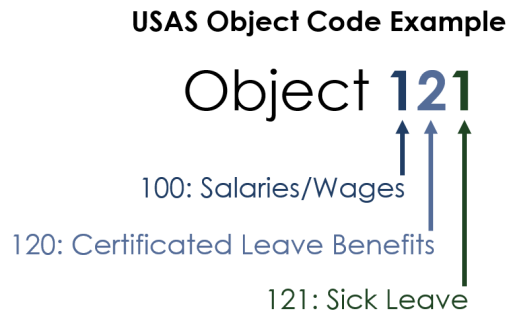
## Expenditure per Pupil by Function, LCSD vs. Peers, FY 2022



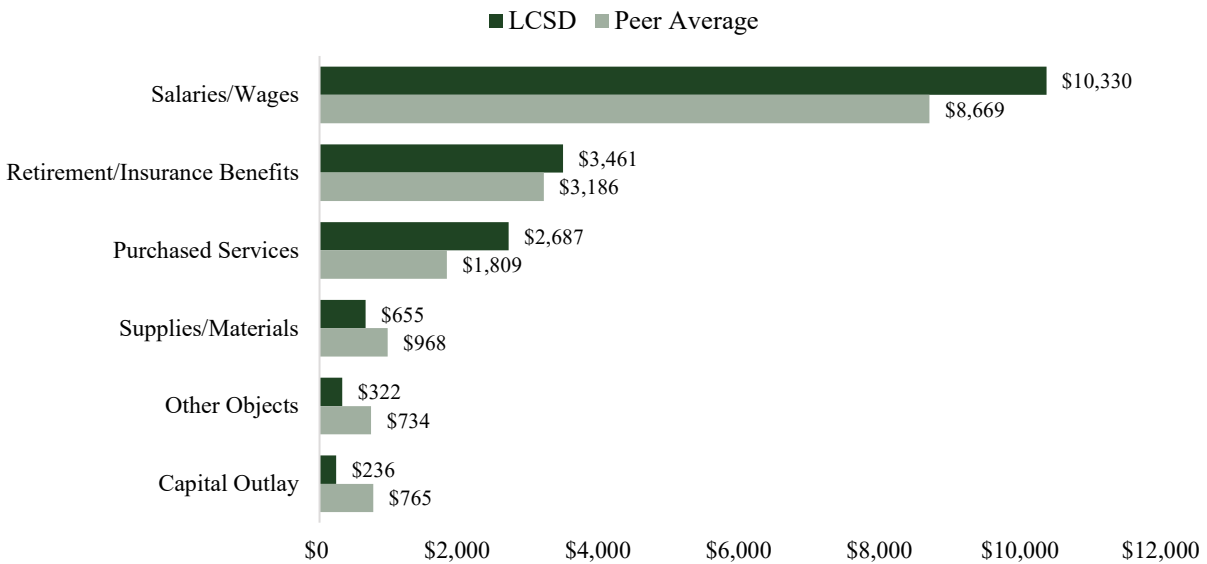
Source: LCSD & Peer USAS Data, FY 2022

In FY 2022, the majority of LCSD’s and its peers’ expenditures were for the purposes of supporting services and instruction. LCSD’s per-pupil expenditures exceeded the peer average under both of these functions.

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



## Expenditure per Pupil by Object, LCSD vs. Peers, FY 2022



Source: LCSD & Peer USAS Data, FY 2022

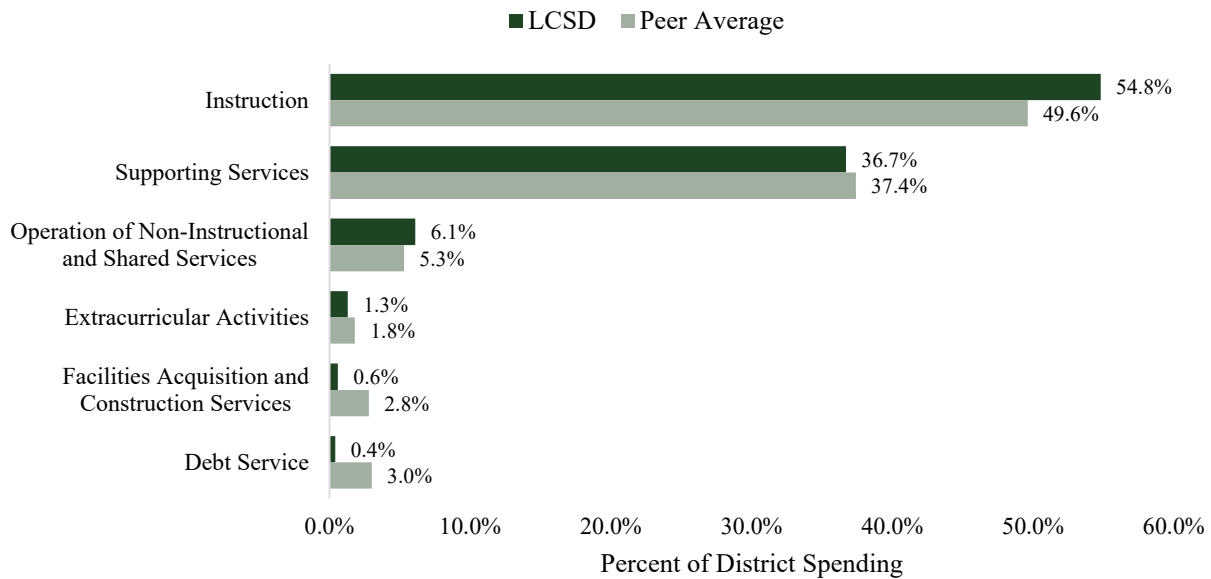
Most of LCSD’s FY 2022 spending was on employee salaries and benefits—the District’s per-pupil expenditures exceeded the peer average under both of these objects. The District’s spending per pupil was also higher for purchased services.

### Expenditure as a Proportion of Total

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

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

### Expenditure Distribution by Function, LCSD vs. Peers, FY 2022

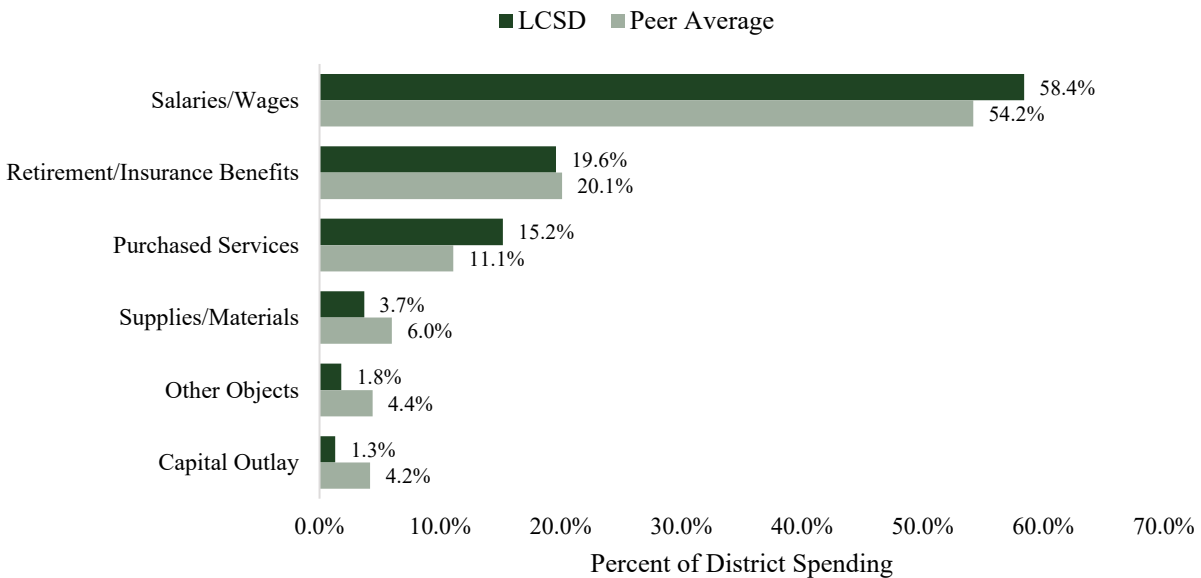


Source: LCSD & Peer USAS Data, FY 2022

As seen, LCSD’s FY 2022 spending was distributed in a similar proportional pattern to its peers, with some small differences. LCSD dedicated 54.8 percent of its FY 2022 spending toward instruction, while its peers dedicated 49.6 percent of their spending toward this function, on average. On the other hand, LCSD dedicated 36.7 percent of its FY 2022 spending toward supporting services, compared to the peer average of 37.4 percent. The District dedicated a slightly higher proportion of its spending toward operation of non-instructional/shared services, and a lower proportion toward extracurricular activities, facility acquisition and construction services, and debt service.

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

## Expenditure Distribution by Object, LCSD vs. Peers, FY 2022



Source: LCSD & Peer USAS Data, FY 2022

As seen, LCSD’s FY 2022 spending was distributed in a similar proportional pattern to its peers, with some small differences. LCSD dedicated a very similar amount of its expenditures to salaries and wages when compared to its peers—58.4 percent of its FY 2022 spending went toward this object, while its peers dedicated 54.2 percent of their spending toward the object, on average. LCSD dedicated 19.6 percent of its FY 2022 spending toward employee benefits, compared to the peer average of 20.1 percent. The District dedicated a higher proportion of its spending toward purchased services, and a lower proportion toward supplies/materials, other objects, and capital outlay.

## Resource Allocation and Planning

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

## Recommendation 1: Enhance the Budgeting Process

While the District creates an annual budget, it does not have a formal, written budgeting process. LCSD spent nearly \$110 million in FY 2022, and the budget process led to the decisions on where to allocate each one of these dollars. GFOA School Budgeting Best Practices outline the ideal contents of such a process, and while LCSD generally follows these best practices, it does not meet all of the GFOA criteria. A formal, written budgeting process that identifies roles and responsibilities for employees would allow for a more transparent and effective budget. In order to ensure the District is making the most informed decisions with their resources, and is as prepared as possible for future needs, they should consider developing a written budget plan and addressing each of the GFOA elements into their annual budget process through the addition of steps or design and implementation of relevant policies/plans.

### Background

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

### Impact

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

### Methodology

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

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

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



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

## Analysis

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

After comparing LCSD’s budgeting process (as understood by analysts) to the GFOA’s best practices, we determined that LCSD adheres to 12 of the 15 budgeting sub-steps recommended by the GFOA. LCSD nearly meets best practices for the remaining three sub-steps.

### GFOA School Budgeting Best Practices

■ Fully Meets Best Practices

■ Nearly Meets Best Practices

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

Source: LCSD and GFOA

Efficient • Effective • Transparent

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

- **Develop Principles and Policies to Guide the Budget Process:** While LCSD has many principles and policies that guide its budgeting process, the District currently does not have a district wide capital plan in place to outline and support capital expenditure decisions. Further information regarding capital plans can be found in **Recommendation 2**.
- **Develop a Strategic Financial Plan & Develop a Plan of Action:** The District has many elements within these two sub-steps, such as a strategic plan with district-wide goals, forecasting processes using strategic discussions and past financial data, and sources to compare student learning outcomes to. However, they would need a strategic financial plan<sup>12</sup> with all elements combined in order to be marked as “Fully Meets Best Practices” for these sub-steps.

Though not explicitly called out in one of the aforementioned 15 sub-steps, an important component of a school district’s budgeting process is management of its grant funding. When comparing their grants management process to GFOA *10 Steps to Managing Grants Effectively* (2023) best practices the District appears to be in line. Additionally, the District appears to have historical approved grant information tracked in an accessible format to review for future grant decisions.

Lastly, the District reported to us that per student allotments were in place for each building for instructional materials, although this could change based on specific needs, and generally budget allocations are determined on a per student basis. Additionally, funds are aligned with strategic plan goals, and as part of working towards determined goals LCSD has been focusing on teaching and learning staff improvements in recent years. However, the District did not provide a formal written budget process, and as a result, it remains unclear to what degree and at what stage the budgeting process considers the student or staff needs crucial to effective classroom instruction.

## Conclusion

The budgeting process is an extremely important and annual process which culminates in the allocation of District resources to reach their goals and positively impact their students. LCSD spent nearly \$110 million in FY 2022, and the budget process led to the decisions on where to allocate each one of these dollars. GFOA School Budgeting Best Practices outline the ideal contents of such a process, and generally LCSD falls in line in comparison. However, with the District receiving a “Nearly Meets” value for three of the fifteen sub-steps during our comparison, LCSD may have an opportunity to enhance their budget process by addressing these areas. Further, we could not verify the process is consistent with the strategic school guidance typically employed by high-performing schools. In order to ensure the District is making the most informed decisions with their resources, and is as prepared as possible for future needs, they should consider incorporating these GFOA elements as well as the *Strategic School* guidance into their annual budget process through the addition of steps or design and implementation of relevant polices/plans.

## Recommendation 2: Develop and Implement a Formal Capital Plan

Capital expenditures occur each year and require adequate planning and preparation. In FY 2022, LCSD spent more than \$3.8 million on these types of expenditures, fueled largely by ESSER funds. A capital plan aids an organization in outlining current and future capital expenditures and how they are to be funded, as well as tracking capital assets to prepare for replacement or repair. While the District is in the process of designing a capital plan, the District does not currently have a formal capital improvement plan approved and implemented to strategically utilize in their budgeting process. The District should design, approve, and implement a formal capital improvement plan, including taking steps to align their plan with GFOA best practices for a Capital Improvement Plan and its contents, as well as incorporating an asset maintenance and replacement plan.

### Impact

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

### Methodology

We interviewed District officials to determine whether they had a formal capital plan in place. While LCSD personnel did indicate they are in the process of working with various departments to design a five-year plan, there is currently no formal approved capital plan.

### Analysis

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

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

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

The District spent \$3.8 million, or \$641 per pupil, on capital outlay in FY 2022, and this represented 3.5 percent of total expenditures. Much of the capital outlay expenditures were funded with ESSER dollars. The District spent \$2.4 million from ESSER funds in FY 2022 on capital outlay, or 46.8 percent of ESSER funded expenditures in that year.

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

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

## Conclusion

Identifying capital needs in the short and long term, how to fund them, and how that fits in with a district’s strategic plan are very important impacts that a formal capital improvement plan can realize. The capital expenditures that these plans inform can range in proportion of a district’s overall expenditures, and the benefits of a plan would have aided in District planning and budgeting in FY 2022 when LCSD spent \$3.8 million on capital outlay. With ESSER funds remaining to spend, which the District tends to use for capital outlay expenditure, an approved and implemented plan should be a priority.

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

## Issue for Further Study: Review Building Utilization

Our audit did not include a detailed building utilization or facilities staffing analysis. However, during the course of the audit, we identified potential opportunities for increased efficiency in this area along with overall staffing based on other areas of analysis. As previously stated, LCSD has experienced declining enrollment over the past decade. According to ODE District Enrollment report data, between FY 2018 and FY 2022, LCSD enrollment dropped by approximately 10 percent.

LCSD operated fourteen K-12 school buildings (with New Beginnings being housed within the high school) in FY 2022. Each building comes with an unavoidable fixed cost that the District must pay to keep it maintained and cover its utilities; additionally, certain staff members must be assigned to every building.

During the course of our analysis, we determined that in FY 2022 the District spent more per pupil than the peer average within Function 2720, Care and Upkeep of Building Services.<sup>12</sup> This difference fell primarily within personnel related expenditures where LCSD spent \$428 more per pupil on salaries and insurance. In FY 2023, the expenditure per pupil within Non-Classroom Operating Expenditures labeled as Function 2720 increased slightly.

Additionally, LCSD spent more per pupil than the peer average within Function 2760, Security Services. This difference was driven by salaries and insurance where they spent \$169 more per pupil. In FY 2023, spending within Non-Classroom Operating Expenditures in Function 2760 increased by 18.7%.

Other key driver areas relevant to overall facilities included Function 2710 Service Area Direction, where LCSD spent \$63 more per pupil on personnel, as well as Function 2790 Other Operation and Maintenance of Plant Services where LCSD spent \$167 more per pupil than the peer average on purchased services, supplies/materials, and other objects.

Interviews with District personnel made it clear that facility structure was an area LCSD was currently and would continue to look into. They indicated that some buildings were not operating at full capacity, and that a future rebalancing of buildings could reduce staff and realize savings. The District projected these types of changes may occur within the next few years, starting with a needs assessment focused on school buildings.

---

<sup>12</sup> These expenditures per pupil comparison were conducted as a part of our key driver analysis and include expenditures contained within the “Non-Classroom Operating Expenditures” category.

The District has taken steps forward in this process by preparing a 5-year financial plan around building evaluations and property assessments<sup>13</sup>, and pending future bond passage will create an “actual” plan for each consecutive year.

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

---

<sup>13</sup> Examples of assessments conducted, per District personnel, included assessments on all HVAC, roofs, parking lots, lighting, and Technology and Security needs.

# Personnel and Personnel Expenditures

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

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

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

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

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

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

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

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



## Staffing

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

The Education Management Information System (EMIS) is the statewide data collection system for Ohio’s primary and secondary education. Staff data, including demographic and employment information, is one of the many elements collected through this system. Uniform staffing data for all Ohio schools provides a means for comparative analysis. Using the position code<sup>14</sup> descriptions as reported in the EMIS Manual, Section 3.9 Position Codes (ODE, 2022),<sup>15</sup> we created categories to summarize and evaluate the distribution of the District’s staff and compared various staffing levels within categories to the peer average.

In FY 2022, LCSD reported approximately 970 FTEs across the District.<sup>16</sup> The District’s staffing levels by category are explained and illustrated below:

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

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

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

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

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

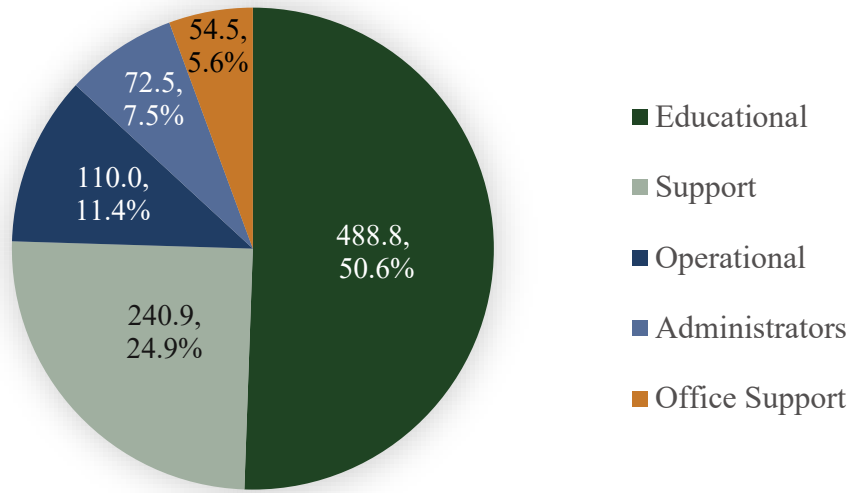
---

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

<sup>15</sup> [EMIS Manual, Section 3.9 Position Codes](#)

<sup>16</sup> In FY 2023, LCSD’s districtwide staffing decreased by 38.8 FTEs, which is a decrease of 4.0 percent.

### FY 2022 FTEs by Category



Source: ODE

As shown in the chart above, approximately 51 percent of LCSD’s FTEs in FY 2022 were within the educational category, providing direct educational services to students in and outside of the classroom. When examining the peer district average distribution of FTEs, 54 percent of FTEs fell into this category.<sup>17</sup>

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

Comparative analysis was conducted in the following groups:

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

To draw meaningful conclusions, District FY 2022 staffing levels were first analyzed and compared to the primary peer average on a per 1,000-student basis.<sup>18</sup> We also calculated and

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

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

compared ratios for select groupings by grade-band. Finally, we analyzed the experience, evaluations, and attendance of the District's principals and teachers, as these metrics are shown to have a direct impact on academic performance.

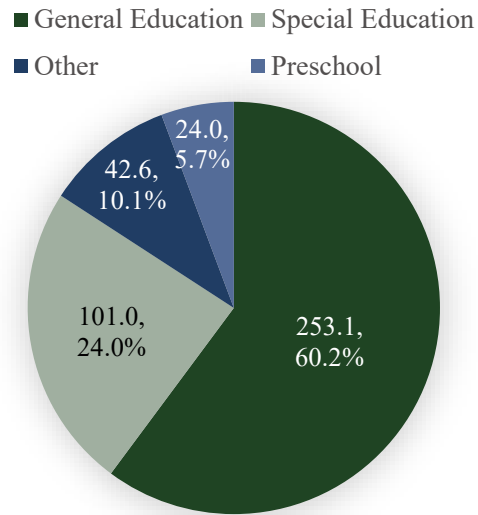
## Teachers

Teachers make up most of the educational category, 420.6 of the 488.8 FTEs illustrated in the Background Section.<sup>19</sup> LCSD employs multiple types of teachers to serve its student population. The largest portion, 60.2 percent, are general education teachers with another 24.0 percent making up the special education portion (which includes special education teachers and supplemental service teachers<sup>20</sup>). The 10.1 percent in the other category includes 30.0 K-8 art, music, and physical education teachers, 10.0 career technical teachers, and 2.6 English Language Instructional Program teachers.

LCSD reported 24.0 preschool teachers, making up 5.7 percent of its total teaching staff. In the proceeding analyses that focuses on teaching staff, preschool teachers and preschool enrollment are excluded from the staffing comparisons. ORC §3301.011 requires Ohio districts to report special education preschool enrollment, but not regular enrollment. Districts have various options for carrying out a preschool program to ensure students eligible for preschool special education receive the appropriate services. Because districts are only required to report special education preschool enrollment, comparative analysis to peer averages was impractical. Preschool services, however, are an important aspect of the District’s educational services.

Preschool programs support early learning for students prior to enrolling into kindergarten. The U.S. Department of Health and Human Services (HHS, 2017) says that studies indicate participation in these programs have been linked to reductions in special education placement, improvements in student retention, and increased high school graduation rates. LCSD offers preschool programming at each of its ten elementary school buildings. Preschool programming at the District focuses on promoting learning through exploration and investigation. Further, the District’s Academic Improvement Plan includes four benchmarks relating to the performance of its preschool students.

LCSD FY 2022 Teaching Staff



<sup>19</sup> The remaining 68.2 FTEs within the educational category include: 8.8 curriculum specialists, 15.0 counselors (see mental health staffing comparison), 1.0 librarian, 6.5 library aides, 35.9 FTE tutors (see educational support comparison), and 1.0 FTEs coded to “other professional-educational”.

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

In FY 2023, LCSD reported an additional 5.0 FTEs, an increase of 1.3 percent for K-12 teaching staff. The area of the most notable increase was special education.

### Staffing Comparison

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

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

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

### LCSD and Peer District FY 2022 Teaching Staff

<b>Students</b>	<b>LCSD</b>	<b>Peer Average</b>	<b>Difference</b>
Students Educated	5,616	3,681	1,935
Students Educated (thousands)	5.616	3.68	1.935

<b>Position</b>	<b>FTEs</b>	<b>FTEs per 1,000 Students</b>	<b>FTEs per 1,000 Students</b>	<b>Adjusted Difference in FTEs</b>
General Education	253.1	45.1	50.1	(28.1)
Special Education	101.0	18.0	15.5	13.8
Other Teachers	42.6	7.6	8.7	(6.1)
<b>Total</b>	<b>396.6</b>	<b>70.6</b>	<b>74.2</b>	<b>(20.3)</b>

Source: ODE

LCSD falls below the peer average in the areas of general education and other teachers, while exceeding the peer average in the special education<sup>21</sup> category. The District’s special education population as a percent of the total K-12 student population slightly exceeds the peer average and could be a contributing factor to the higher FTE per 1,000 students. Further, although the extent is unknown, the intensity of the individualized education plans (IEPs) could possibly be a

<sup>21</sup> LCSD K-12 special education population makes 17.7 percent up of the total student enrollment, which slightly exceeds the peer average of 17.2 percent by .5 percent and could be one of the key drivers behind the FTEs per 1,000 students in this category.

contributor to the overage in the special education category. In total, LCSD reports 20.3 less teacher FTEs than the peer average when analyzing staff on a per 1,000 student basis.<sup>22</sup>

Although in FY 2022 LCSD falls below the peer average FTEs per 1,000 students, in FY 2023, the District is only slightly below the peer average by 4.4 FTEs.

### Student-to-Teacher Ratio

In FY 2022, the District employed 396.6 K-12 FTE teaching positions. This total includes K-12 general education, special education, supplemental service teachers, EL teachers, career-technical teachers, and K-8 art, music, and physical education teachers.<sup>23</sup> With an enrollment of 5,616 in K-12, this equates to a student-teacher ratio of approximately 14 students per teacher. This ratio is not intended to reflect an average class size, as many teachers provide supplemental services to students both inside and outside the traditional classroom setting. Instead, this student-teacher ratio is meant to measure and compare the District's total teaching resources relative to its student population.<sup>24</sup>



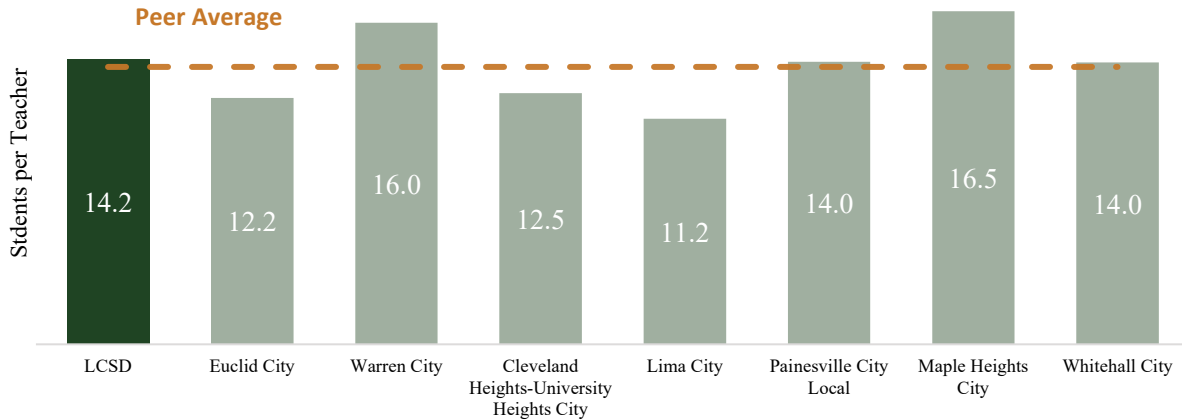
The chart below compares the district-wide FY 2022 student-teacher ratios for LCSD to the peer districts. The orange line indicates the peer average of a 13.8:1 student to teacher ratio.

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

<sup>23</sup> This total does not include the 1.0 FTE coded to the “other professional-educational” category in EMIS.

<sup>24</sup> State minimum standards require districts maintain a 25:1 student-to-teacher ratio across the district.

## LCSD and Peer District FY 2022 Student-Teacher Ratios

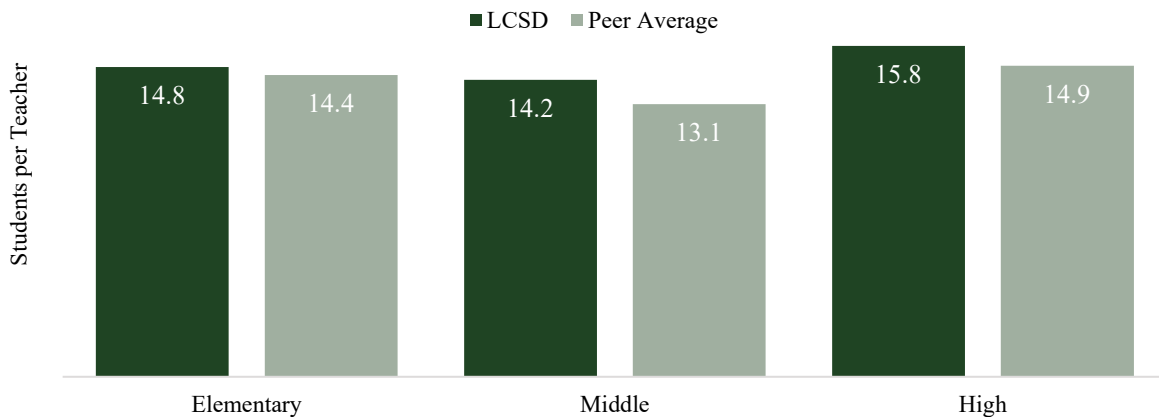


Source: ODE

The student-teacher peer ratios range from 12.2 to 16.5, averaging 13.8 students per teacher. Again, this ratio is not intended to reflect an average class size, but instead provides a measure of the total teaching resources relative to the student population. LCSD’s ratio slightly exceeds the peer average and indicates the District has more students across the District dedicated to every one teacher, which is demonstrated within the staffing comparison of teaching FTEs for every 1,000 students. With 396.6 teachers reported in FY 2022, LCSD falls below the peer average by 11.0 teachers, or 2.7 percent.

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

## FY 2022 Student-Teacher Ratio by Grade Band



Source: ODE

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

LCSD offers a comprehensive in-house Career-Technical Education (CTE) program at its high school and reported 10.0 FTE career technical teachers in FY 2022. The program is an option for all high school students in the District. The purpose of the program is to prepare students for transition for their collegiate and/or professional careers. LCSD offers 14 career-tech pathways.<sup>25</sup> While all school districts are required<sup>26</sup> to provide students in grades 7-12 with CTE, many do so by joining a compact or being a member of a joint vocational school district.

Knowing that LCSD's student-to-teacher ratio exceeds the peer average, we examined the expenditure per pupil for certificated salaries and wages. When examining the financial resources<sup>27</sup> dedicated to the certificated salaries and wages within the instruction category in FY 2022, LCSD spent \$5,774 per student, 15.9 percent more than the peer average of \$4,980 per student. The bulk of the difference in classroom instruction operating expenditures can be explained by salaries and benefits for elementary and other regular instruction (see **Appendix F**). LCSD spent \$1,203 more per pupil on these items than the peer average in FY 2022. This difference is not caused by higher salaries, as shown in our **Salaries** analysis. Rather, the difference is likely the result of having seasoned staff with an average of 17.0 years of experience and many of which having a master's degree. More tenure and higher levels of education result in higher wages.

Technically, LCSD exceeds the peer student-to-teacher ratios within all three grade bands, but most notably within the middle and high school grade bands. With 1,279 middle school students and 90.0 teachers coded to the middle school buildings, LCSD has a student-teacher ratio of 14.2 compared to the peer average of 13.1. This equates to approximately 8.0 less teachers than the peer average. Further, there are 1,846 high school students and 116.6 FTE high school teachers, and results with a student-to-teacher ratio of 15.8 compared to the peer average 14.9. The difference equates to a LCSD having approximately 7.0 less teachers than the peer average.

---

<sup>25</sup> Pathways include the following: architectural design, welding, video production, automotive technology maintenance and light repair, climate control and energy systems, sports, health and fitness, robotics, culinary arts, game and web design, pre-engineering, medical STNA, graphic communications, hospitality, and medical/medical assistant.

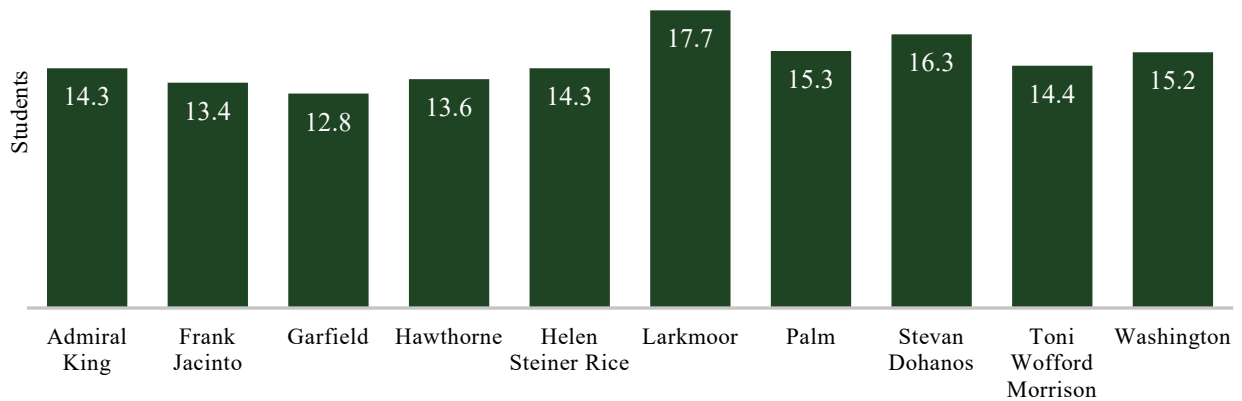
<sup>26</sup> ORC §3313.90

<sup>27</sup> Reflects the spending coded in USAS object 111 (regular salaries and wages of certificated staff) within the function level 1000, Instruction: Activities directly dealing with the teaching of pupils or the interaction between teacher and pupil.



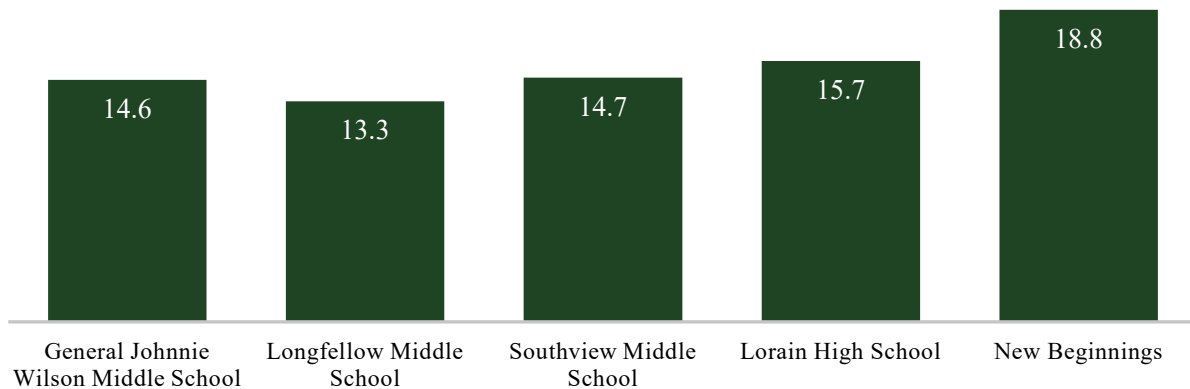
Further examination of the student-to-teacher ratios by individual school buildings throughout the District shows buildings in all grade bands that contribute to the higher student-to-teacher ratios by grade band and districtwide. Two charts illustrating the results of the analysis are shown below.

### Student-Teacher Ratio K-5 Elementary Building Summary



Source: ODE

### Student-Teacher Ratio MS/HS Building Summary



Source: ODE

Note: New Beginnings is located at Lorain High School but has a different IRN and its' own principal and staff.

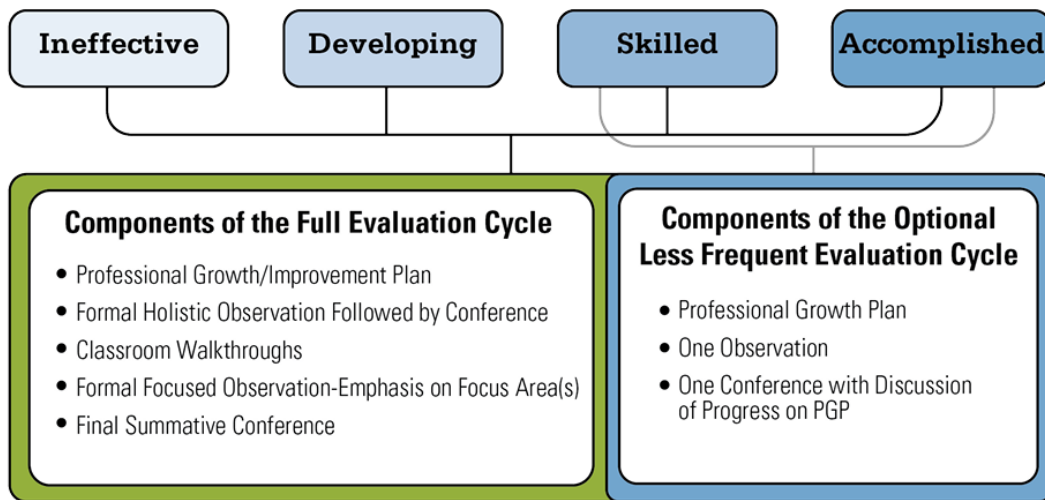
The District indicated that they worked closely with the union to address areas of concern within their teacher contract. There is an unassigned pool of teachers that allows teachers to move around within the District. According to LCSD, following negotiations, teachers are now required to submit requests to rotate earlier in the year so LCSD can effectively plan staffing across the district. Although it is not definitively known how the voluntary annual movements

affects the distribution of teachers across the district, it can potentially affect the student-to-teacher ratios across grade bands and buildings alike.

### Teacher Experience and Evaluations

The experience and quality of teachers has been shown to have a direct impact on student achievement. We determined that the District’s teaching staff has more years of experience than both the peer and state averages. In FY 2022, LCSD had an average of 17.0 years of experience. This exceeds the peer average of 13.9 years and the state average of 15.3 years. We also found that LCSD had a higher percentage of teaching staff with a master’s degree compared to both the peer and state averages. In FY 2022, 70.5 percent of LCSD’s teachers held a master’s degree, which exceeds the peer average of 61.1 percent and the state average of 64.0 percent.

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



Source: ODE

Local boards of education may choose to evaluate teachers with “Accomplished” and “Skilled” ratings less frequently than those who have a rating of “Developing”, or “Ineffective.”<sup>29</sup> One important attribute of the evaluation process is that it uses at least two district-determined high

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

<sup>29</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.

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.

In FY 2022, the percentage of teachers rated as accomplished, 27.4 percent, aligns with the peer average but falls short of the state average, which is 49.5 percent. Below is a breakdown of the teaching staff evaluations:

### FY 2022 Teacher Evaluations

	<b>Ineffective</b>	<b>Developing</b>	<b>Skilled</b>	<b>Accomplished</b>	<b>Not Completed</b>
<b>LCSD</b>	0.0%	1.1%	67.1%	27.4%	2.4%
<b>Peer Average</b>	0.6%	4.7%	61.8%	27.5%	3.2%
<b>State Average</b>	0.1%	1.5%	43.6%	49.5%	3.9%

Source: ODE Report Card

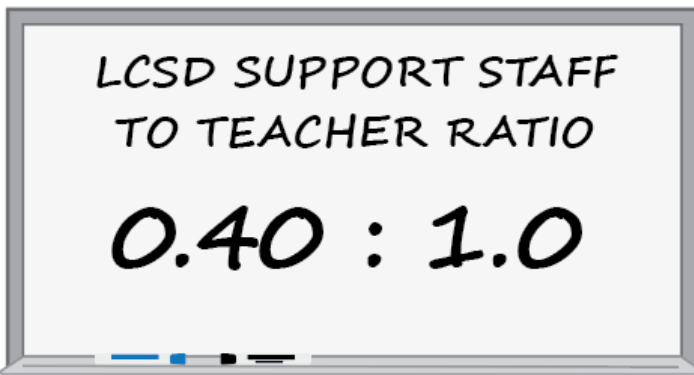
In FY 2023, the District’s percent of accomplished staff increased substantially to 36.9 percent and exceeds the peer average. Further, the percent of teaching staff rated as developing falls below the peer average and is in line with the state average of 1.7 percent.

Since FY 2021, the District’s expenditures directed to professional development have been increasing. In FY 2022, LCSD’s expenditure per pupil for professional development was \$226, whereas the peer average was \$494 per student and is a difference of \$268. However, in FY 2023, there was a significant increase in funds directed to professional development, which narrows the gap between LCSD and the peer average. The level of financial resources dedicated to professional development and the source of these expenditures can be found in the **Academic Improvement Plan Progress** section.

## Educational Support Staff

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

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



In FY 2022, LCSD reported 132.6 FTE<sup>30</sup> classroom support personnel and 36.9 certificated non-teaching educational FTE<sup>31</sup> personnel. In total, this equates to 169.5 FTEs, or 29.7 FTEs per 1,000 students. When compared to the peer average, LCSD has 10.5 FTEs, or 37.8 percent, more FTEs per 1,000 students in this category.

While LCSD reports more educational support staff than the peer average, LCSD’s ratio of support staff to teachers of 0.40 to 1.0 exceeds the peers. Specifically, the peer average support staff to teacher ratio in FY 2022 was 0.37 to 1.0.

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

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

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

---

<sup>30</sup> Consists of 122.6 teaching aides and 10.0 instructional paraprofessionals.

<sup>31</sup> Includes 35.9 FTE tutors and 1.0 FTE other educational.

- Supervision of students;
- Assist with identification of each student’s skills and interests;
- Personalized in-classroom guidance;
- Installation of equipment; and,
- Preparation of materials.

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

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

## Administrators

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

Central office administrators are responsible for overseeing and managing staff members programs, and services. In FY 2022, LCSD reported 34.0 FTE central office administrators. Building administrators are those who provide leadership at the school building level and include principals, assistant principals, and deans of students. LCSD reported 34.5 FTE building administrators within fifteen school buildings in FY 2022.<sup>33</sup>

In FY 2023, LCSD's central office administrator and building administrator staff remained consistent with FY 2022.

### *Staffing Comparison*

When examining the financial resources<sup>34</sup> dedicated to district administration in FY 2022, LCSD spent \$1,636 per student, 27.5 percent more than the peer average of \$1,283 per student. Further analysis showed that the majority, 96.9 percent, of spending in this area was dedicated to salaries and benefits of District employees. Again, as with teaching staff, this variation is caused by the number of administrators the District employs.

### *Central Office Administrators*

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

In FY 2022, LCSD reported 34.0 central office administrators, equating to 6.0 FTEs per 1,000 students. When compared to the peer average of 5.2 FTEs per 1,000 students, LCSD employs approximately 4.5 more FTEs in the central office administrator category.

---

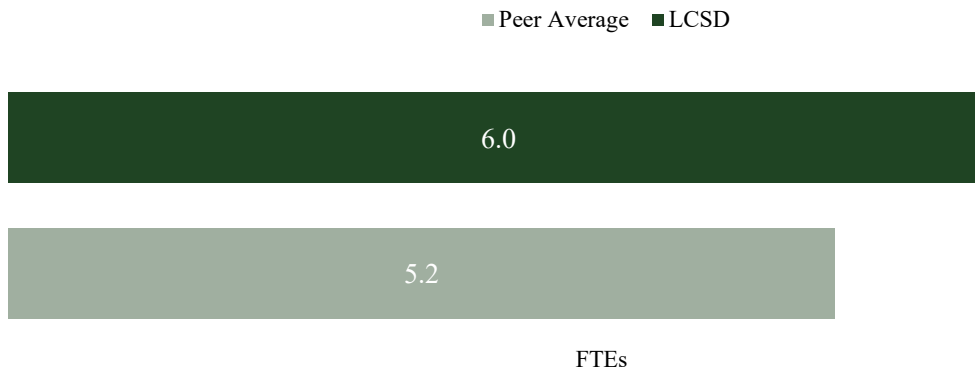
<sup>32</sup> Funded by the Department of U.S. Education and provides information and technical assistance on improving school climate and conditions for learning.

<sup>33</sup> Includes the following buildings: Palm Elementary, Frank Jacinto Elementary, Toni Wofford Morrison Elementary, Helen Steiner Rice Elementary, Garfield Elementary, Hawthorne Elementary, Admiral King Elementary, Larkmoor Elementary, Stevan Dohanos Elementary, Washington Elementary, General Johnnie Wilson Middle School, Longfellow Middle School, Southview Middle School, Lorain High School, and New Beginnings.

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

The below visual compares LCSD FTEs per 1,000 students to the peer average.

### FY 2022 Central Office FTEs per 1,000 Students



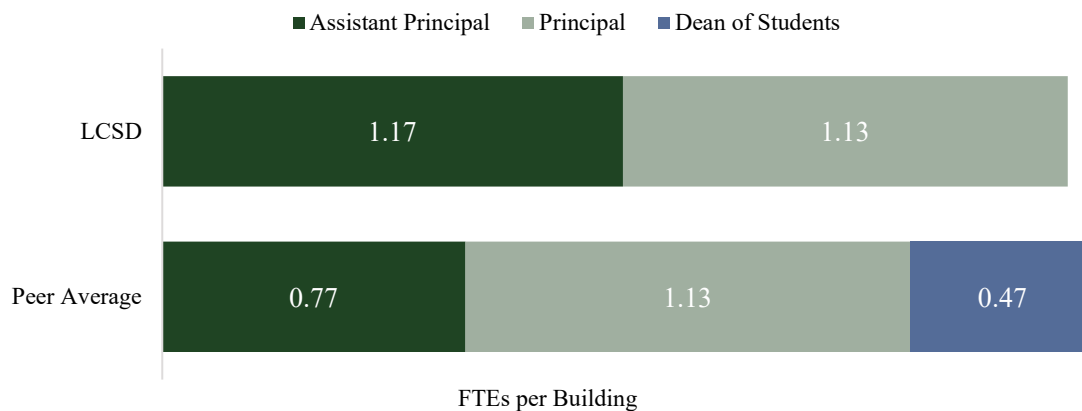
Source: ODE

This variance is primarily driven by the 16.0 FTE directors and 15.0 FTE coordinators.

### Building Office Administrators

OAC 3301-35-05 requires that every school shall be provided the services of a principal. Assistant principals are not required by law but if deemed necessary by the Board of Education, they are hired to assist the principal with administrative duties. Therefore, the number of buildings in a district influences the number of administrators. In FY 2022, LCSD operated 15 school buildings compared to the peer average of 6.9 buildings. The below visual compares LCSD’s building administrators per building to the peer average.

### FY 22 Building Administrator Breakdown per Building



Source: ODE

LCSD's 2.3 administrator FTEs per building slightly falls below the peer average of 2.4 FTEs. However, because the District's number of buildings is higher than the peer average, it is expected for LCSD to have more administrators than the peers.

The average principal and assistant principal FTEs for every building across the District exceeds the expected 1.0 FTE. This is because LCSD, in conjunction with some of the peer districts, have buildings with more than one principal and/or assistant principal, which pushes the average above 1.0 FTE. For example, LCSD reported 2.0 FTE principals for Palm Elementary and 4.0 FTE assistant principals for Lorain High School.

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

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

### *Principal Evaluations*

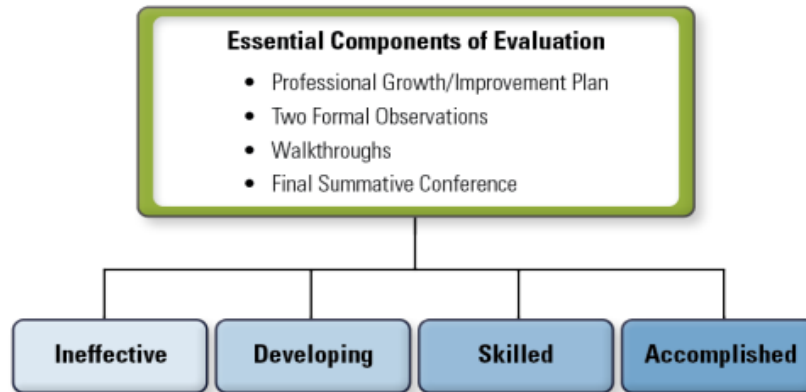
Like teachers, the leadership and guidance provided by a principal can have a direct impact on student performance. ORC §3319.02 requires principals to be evaluated annually through a written evaluation process. A structured rubric is used for the evaluations and the final rating is based on a set of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

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

---

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





Source: ODE

In FY 2022, 24.2 percent of the District’s principals were rated accomplished, which exceeds the peer average of 17.4 percent, but falls below the state average of 37.2 percent. Further, the percentage of principals, 15.2 percent, exceeds both the peer and state averages. Below is a complete breakdown of the District’s principal evaluations:

### FY 2022 Principal Evaluations

	<b>Ineffective</b>	<b>Developing</b>	<b>Skilled</b>	<b>Accomplished</b>	<b>Not Completed</b>
<b>LCSD</b>	0.0%	15.2%	51.5%	24.2%	6.1%
<b>Peer Average</b>	0.0%	8.4%	69.0%	17.4%	4.1%
<b>State Average</b>	0.1%	3.1%	48.6%	37.2%	9.5%

Source: ODE Report Card

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

As part of the District’s Academic Improvement Plan, LCSD is working to expand upon the professional development of certificated employees and leadership teams. The focus is centered on the development of training based on the needs of staff. The plan also outlines action steps relating to coaching.

## Health and Wellness Staff

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

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

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

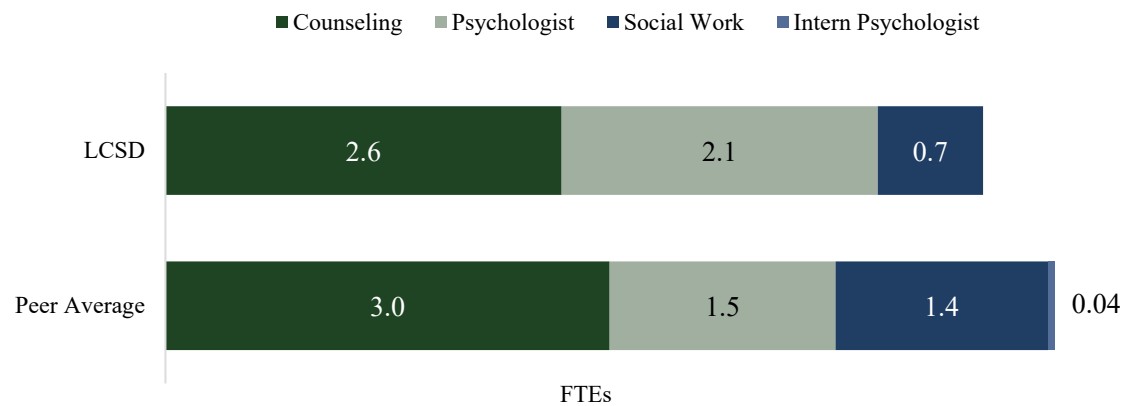
We analyzed the health and wellness staff in two separate categories: mental health staff (counselors, social workers, and psychologists) and physical health staff (registered and practical nurses). In FY 2022, LCSD reported 31.0 FTE mental health staff which included 15.0 counselor FTEs, 12.0 psychologist FTEs, and 4.0 social worker FTEs.

District administration stated in interviews that some of these mental health staff members (namely, counselors and wellness coaches) were paid for using ESSER funds; the District expressed that they may have difficulty maintaining this staff after ESSER funds run out. See the **Academic Improvement Plan** section and **Appendix G** for more details.

## Staffing Comparison

When comparing the mental health staff, LCSD has less FTEs per 1,000 students in two of the three positions within this category. The District falls below the peer average by 2.7 FTEs, based on the total FTEs per 1,000 students, with the main drivers of the variance being less school counselors and social workers relative to the student population.<sup>36</sup>

### FY 2022 Mental Health FTEs per 1,000 Students



Source: ODE

In comparing FY 2022 to FY 2023, LCSD reported an increase of 2.0 FTE mental health staff, specifically psychologists and counselors, and is an increase of 6.5 percent. In FY 2023, the District is in line with the peer average.

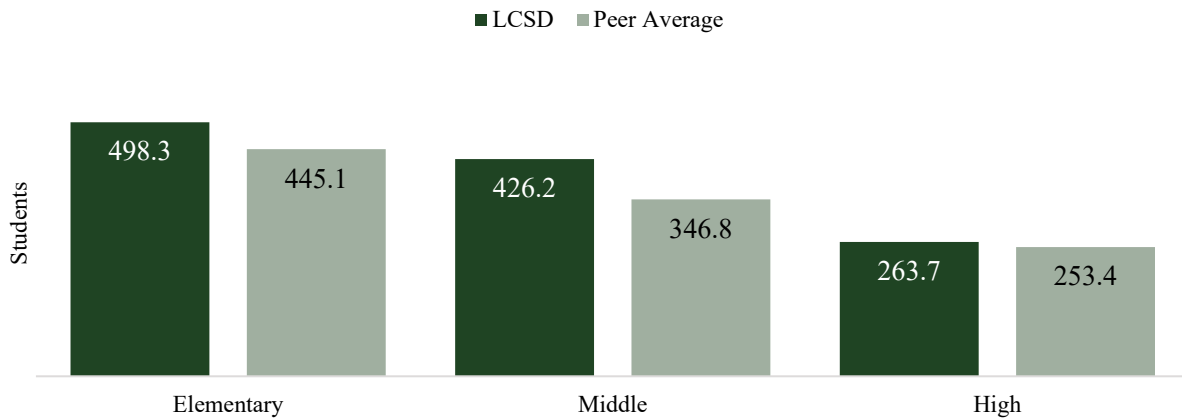
## Counseling Staff

LCSD reports 15.0 FTE counselors, which makes up 48.0 percent of the total mental health staff category. ODE (2023) explains “the duties of a counselor may vary across districts, but generally, they work to provide direct and indirect services in support of students’ academic, career, and social/emotional development.” We analyzed the student-counselor ratio by grade band to better understand distribution across the District and understand how the level of support compares to the peer average relative to the student population served.

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

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

### Student-Counselor Ratio by Grade Band



Source: ODE

LCSD has a higher student-to-counselor ratio within all three grade bands. However, the high school grade band is only slightly higher than the peer average. though We also analyzed the districtwide ratio.

The American School Counselor Association (ASCA) recommends one counselor for every 250 students. In FY 2022, LCSD had a districtwide ratio of 381 students for every one counselor, which exceeds the ASCA recommended ratio by 131 students, or 52.3 percent. LCSD exceeds the districtwide peer average of 353 students for every one counselor by 7.7 percent.

In FY 2023, counselor staff increased by 4.0 FTEs, or 26.7 percent.

### *Nursing Staff*

As the second part of health and wellness analysis, we examined staffing in the registered and practical nursing category.<sup>37</sup> The Centers for Disease Control and Prevention (CDC) says that nurses are often the only health care provider in schools and critical to ensuring students are healthy, so they perform better academically. Some students may require more attention from nurses than others, especially those with chronic health conditions such as asthma and serious

---

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

physical conditions. The unique needs of the student population at a school building or district can influence the need for these positions.

When comparing the nursing staff category relative to student population, LCSD exceeds the peer average. The District reports 17.0 FTE nursing staff, which consists of 16.0 FTE practical nurses and 1.0 FTE registered nurse. There are four peer districts that do not report practical nurses, which may affect the staffing comparison.<sup>38</sup>

In FY 2023, LCSD reported an additional 4.0 FTE practical nurses, which is an increase of 23.5 percent. Further, in FY 2023, the District did not report any registered nurses.

---

<sup>38</sup> Districts that do not report practical nurses include the following: Warren CSD, Lima CSD, Maple Heights CSD, and Whitehall CSD.

## Library Staff

School libraries throughout Ohio are considered key components of a student’s success academically and professionally later in life. *Ohio’s Library Guidelines for Librarians* (ODE, 2021) says that since 1992, collective research known as school library impact studies have consistently demonstrated positive correlations between high-quality library programs and student achievement. Data from more than 34 statewide studies suggests learners tend to earn better standardized test scores in schools that have exceptional library programs. According to *Why School Librarians Matter: What Years of Research Tell Us* (Kappan, 2018), Kappan<sup>39</sup> advised studies to have found test scores tend to be higher where libraries spent more time:

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

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

In FY 2022, LCSD reported 7.5 FTE library staff, consisting of 1.0 FTE librarians and 6.5 FTE library aide. There are library staff in ten of the fifteen buildings.<sup>40</sup> In FY 2023, the District’s library staff decreased by 1.0 FTE or 13.3 percent.

---

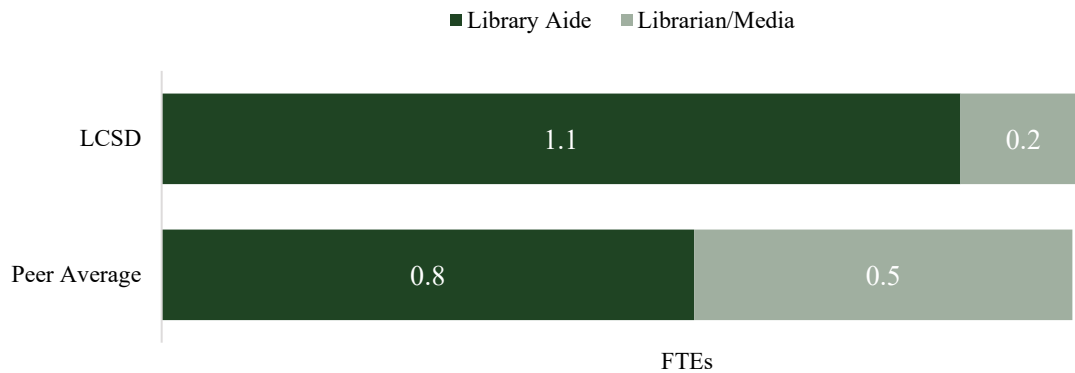
<sup>39</sup> Kappan is the nation’s premier forum for serious discussions centered around research, policy, and practice in K-12 education.

<sup>40</sup>Buildings reported with library staff include the following: Admiral King Elementary, Frank Jacinto Elementary, Garfield Elementary, Helen Steiner Elementary, Larkmoor Elementary, Palm Elementary, Stevan Dohanos Elementary, Toni Wofford Morrison Elementary, Washington Elementary, and Lorain High School.

### Staffing Comparison

When evaluating the library staff on a per 1,000 student basis, LCSD is in line with the average of 1.3 FTEs per 1,000 students.

#### FY 2022 Library Staff per 1,000 Students



Source: ODE

In evaluating the expenditures for library services, LCSD spent \$62 per pupil which is lower than the peer average of \$87 per pupil. The lower expenditure per pupil means the District spends less on library services per student than the peer districts.

## Community Outreach and Engagement

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

In FY 2022, LCSD reported a total of 2.0 FTEs dedicated to public relations. In FY 2023, the District's community outreach and engagement staff increased by 1.0 FTEs or 50 percent.

On a per 1,000 student basis, the District employs 0.4 FTE outreach staff compared to the peer average of 0.3 FTE outreach staff.

LCSD operates a communications department that serves the purpose of establishing and maintaining the link between the district and the community through streamlining communication. The following is a breakdown of the tools and methods the department uses to accomplish its mission:

- Website;
- Mobile App;
- Social media;
- Instant notifications;
- Publications;
- Media relations;
- Crisis communications;
- Community engagement;
- Special events;
- Community-business schools partnership; and,
- TV20 (LCSD TV station)



## Staffing Conclusion

In conclusion, the District's staffing levels vary in how they compare to the peer average on a per 1,000 student and per-building basis and when looking at ratios. The professional development of the principal and teaching staff varies in terms of being above and below the peer and state averages for the percentage of staff rated as developing and accomplished. LCSD has a tenured body of teaching staff, with an average of 17.0 years of experience and which is reflected in the **Resource Allocation** analysis with a higher expenditure per pupil for salaries and wages. Considering the variation in how the District's staffing compares to the peers and not having a formal strategic staffing plan, there is opportunity to enhance staff management practices.

## **Recommendation 3: Develop a Strategic Staffing Plan**

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

### **Impact**

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

### **Background**

LCSD, like other districts throughout Ohio, have positions that directly and indirectly impact student learning and consequentially, student outcomes. Analysis of these impactful positions in the District revealed that staffing levels vary in comparison to the peers, and fall below, exceed, and in some cases, are in-line with the peer average.

The District’s Academic Improvement Plan and strategic plan include action steps relative to planning for staffing such as designing a sustainable plan to recruit and retain employees and understanding how to align staff by grade level. The strategic steps support the District’s awareness of the importance of effectively planning for staffing. Based on peer comparisons and using the District’s staffing plans that have already been developed and integrated into the Academic Improvement Plan, LCSD could formalize and develop a strategic staffing plan.

### **Methodology**

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

## Analysis

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

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

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

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

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

## Conclusion

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

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

## Salaries

LCSD has seven collective bargaining agreements (CBAs) with its certificated and classified staff. Our analysis includes data from four of these CBAs. The certificated CBA for the Lorain Education Association expired July 31, 2023. The three classified CBAs representing paraprofessionals, cleaners, and custodians are in effect through June 30, 2025.

## Methodology

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

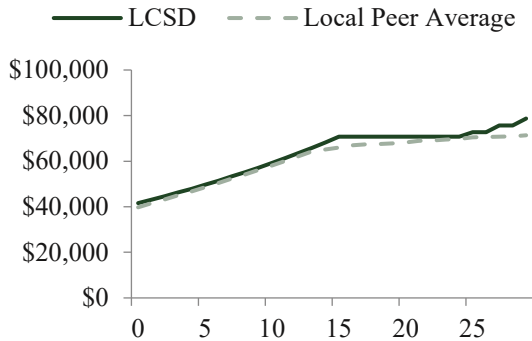
## Analysis

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

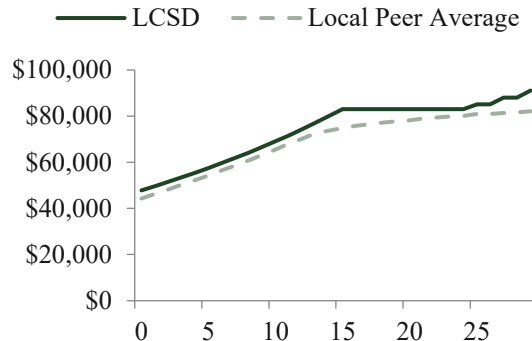
- BA; and,
- MA.

LCSD had a higher starting salary in FY 2022 for both certificated categories analyzed. Further, the 30-year career compensation was higher than the local peers in both categories examined due to higher starting salaries. The BA schedule was 3.7 percent higher while the MA schedule was 6.6 percent higher.

BA



MA



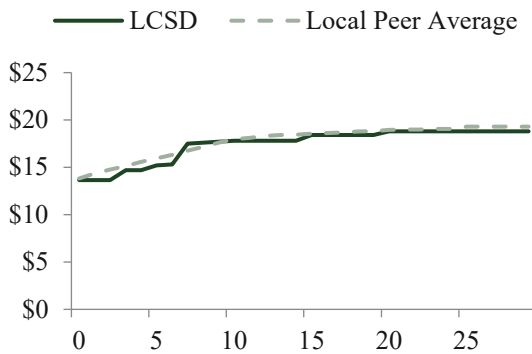
We updated this analysis with FY 2023 salary schedules and observed similar results. Refer to **Appendix H** for FY 2023 salary comparison charts.

The following classified categories were analyzed for salary comparison:

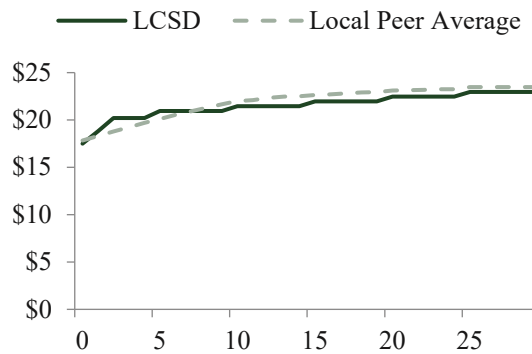
- Cleaner;<sup>41</sup>
- Custodian; and
- Paraprofessional.

In FY 2022, starting salaries for cleaners, custodians, and paraprofessionals were lower than local peer average. Additionally, the 30-year career compensation for all positions was lower due to lower starting salaries. 30-year career compensation ranged from 1.7 percent to 16.6 percent lower.

Cleaner

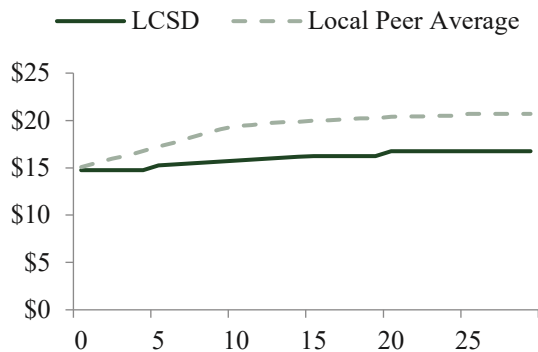


Custodian



<sup>41</sup> Excluded Vermillion LSD from the analysis due to lack of comparable position and salary schedule.

## Paraprofessional



We updated this analysis with FY 2023 salary schedules and observed similar results for paraprofessionals. While starting salaries and yearly step increases were comparable to peers for all positions, career compensation for paraprofessionals was significantly below the peers. Refer to **Appendix H** for FY 2023 salary comparison charts.

## Conclusion

The salary schedules for the District’s certificated employees, for all categories analyzed had a higher 30-year career compensation than the local peer average in FY 2022. This held true in FY 2023 for both categories. The salary schedules for the District’s classified employees, for all categories analyzed had a lower 30-year career compensation than the local peer average in FY 2022. This held true in FY 2023 for one of three positions. To find well-qualified workers for their open teaching and non-teaching positions, Districts need to evaluate how their salaries and wages compare to the local job market and adjust accordingly. Additionally, while having a competitive compensation package is important for attracting and retaining talent, the compensation package’s impact on a district’s solvency should continue to be a consideration.

## Insurance

The District is part of the Lake Erie Regional Council, an organization which provides insurance to participating members. LCSD offers three insurance plans for medical and prescription coverage, two Preferred Provider Organization (PPO) plans and a High Deductible Health Plan (HDHP), all with an option for single or family coverage. In addition, the District offers two plans for dental and one plan for vision coverage.

In FY 2022, LCSD had 77 enrollees in the single medical plan 1, 63 enrollees in the family medical plan 1, 208 enrollees in the single medical plan 2, 310 enrollees in the family medical plan 2, 40 enrolled in the single medical plan 3, and 19 enrolled in the family medical plan 3. Prescription coverage is included in the medical plan. The District also had 276 enrollees in the single dental plan, 378 in the family dental plan, 332 in the single vision plan, and 409 in the family vision plan.

## Methodology

We compared the District's medical, dental, and vision insurance premiums and costs to the State Employment Relations Board (SERB) regional peer average for school districts as well as the averages of the local peer districts. Peer information was obtained through the FY 2022 and FY 2023 SERB surveys. The District's medical PPO plans were compared to 101 regional peer plans, its medical HDHP compared to 38 regional peer plans, its dental plans compared to 73 regional peer plans, and its vision plan to 64 regional peer plans. This peer average excluded outlier districts whose plan costs were more than two standard deviations outside the mean.

## Analysis

The District offers combined medical and prescription, dental, and vision coverage to full-time employees, defined as employees working a minimum of 30 hours per week. Employees working less than 30 hours per week are eligible for only single coverage. These insurance benefits are specified in the District's certificated and classified CBAs. The insurance premium, or cost of obtaining insurance, is split between the District and the employee on a percentage basis.

For full-time employees, the District pays 80 percent, 85 percent, or 90 percent of the medical premium, depending on the plan. LCSD pays 82.5 percent of the dental premium and 100 percent of the vision premium. Like the coverage provision, the District's CBAs identify the percentage of the medical premium split for employer and employee.



## Medical Insurance

Our review of the District’s medical and prescription insurance plans compared to the SERB regional average found:

- **PPO Plans:** The District’s FY 2022 total premium costs for both PPO plans were generally comparable to the SERB regional peer average however the District’s share of the premium was lower. This resulted in LCSD employees contributing more to the premium compared to the SERB regional average, both in terms of dollar value and percentage of the premium, despite having a less generous plan design (i.e. higher copays, deductibles, and out of pocket maximums).
- **HDHP:** The District’s FY 2022 total premium costs as well as the District’s share of the premiums were higher than the SERB regional peer average. While LCSD employees contribute a higher percentage of the premium, the dollar value was comparable to the SERB regional average. Plan design comparisons had variable results with LCSD employees having lower deductibles, but higher out of pocket maximums.

Our review of the District’s medical and prescription insurance plans compared to the local peer average found:

- **PPO Plans:** The District’s FY 2022 total premiums as well as the District’s cost of the premiums were generally comparable to the local peer average for both PPO plans. However, an analysis of PPO Plan 1 found that LCSD employees contribute more to the premium compared to the local peer average, both in terms of dollar value and percentage of the premium, despite generally having a comparable plan design (i.e. copays, deductibles, etc.). An analysis of PPO Plan 2 found that employee contributions for LCSD are comparable to the local peer average, both in terms of dollar amount and percentage of the premiums, despite having a less generous plan design (i.e. higher copays and deductibles). The out-of-pocket maximum for both PPO plans were significantly higher than the local peer average.
- **HDHP:** The District’s FY 2022 total premium costs as well as the District’s cost of the premiums were higher than the local peer average. Both LCSD’s employee contribution percentage to the premium and dollar value were comparable to the local peer average. Plan design comparisons found LCSD employees have a more generous plan design (i.e. lower deductibles and out-of-pocket maximums).

The following table shows a detailed comparison of the District’s medical and prescription insurance costs compared to the SERB regional average and local peer average.

## 2022 Monthly Medical Insurance Costs

		LCSD		Regional Peer Averages		Local Peer Averages		
		Costs	% Share	Costs	% Share	Costs	% Share	
PPO #1	Single Medical + Rx	District	\$605.34	80.0%	\$670.31	87.3%	\$615.45	85.1%
		Employee	\$151.34	20.0%	\$97.35	12.7%	\$108.02	14.9%
	Family Medical + Rx	District	\$1,513.37	80.0%	\$1,620.14	87.5%	\$1,520.15	85.1%
		Employee	\$378.34	20.0%	\$231.91	12.5%	\$266.99	14.9%
PPO #2	Single Medical + Rx	District	\$603.58	85.0%	\$670.31	87.3%	\$615.45	85.1%
		Employee	\$106.51	15.0%	\$97.35	12.7%	\$108.02	14.9%
	Family Medical + Rx	District	\$1,508.97	85.0%	\$1,620.14	87.5%	\$1,520.15	85.1%
		Employee	\$266.29	15.0%	\$231.91	12.5%	\$266.99	14.9%
HDHP	Single Medical + Rx	District	\$559.61	90.0%	\$496.56	89.1%	\$483.77	89.9%
		Employee	\$62.18	10.0%	\$60.95	10.9%	\$54.22	10.1%
	Family Medical + Rx	District	\$1,399.02	90.0%	\$1,217.42	89.2%	\$1,165.06	89.9%
		Employee	\$155.45	10.0%	\$147.55	10.8%	\$131.73	10.1%

Source: LCSD and SERB

## Dental Insurance

As seen in the following table, the District pays less for dental insurance on a monthly basis than the regional and local peer averages. For Dental Option 1, employees contribute both a higher dollar value and percentage of the total premium compared to both averages. For Dental Option 2, employees contribute a comparable dollar value, but share a higher percentage of the total premium compared to both averages.

## 2022 Monthly Medical Insurance Costs – Dental

		LCSD		Regional Peer Averages		Local Peer Averages		
		Costs	% Share	Costs	% Share	Costs	% Share	
OPTION #1	Single Dental	District	\$25.32	82.5%	\$33.34	89.6%	\$26.16	85.8%
		Employee	\$5.37	17.5%	\$3.86	10.4%	\$4.34	14.2%
	Family Dental	District	\$63.29	82.5%	\$83.95	88.3%	\$70.59	85.7%
		Employee	\$13.43	17.5%	\$11.16	11.7%	\$11.74	14.3%
OPTION #2	Single Dental	District	\$20.65	82.5%	\$33.34	89.6%	\$26.16	85.8%
		Employee	\$4.38	17.5%	\$3.86	10.4%	\$4.34	14.2%
	Family Dental	District	\$51.62	82.5%	\$83.95	88.3%	\$70.59	85.7%
		Employee	\$10.95	17.5%	\$11.16	11.7%	\$11.74	14.3%

Source: LCSD and SERB

## Vision Insurance

As seen in the following table, both the District and employees pay less for vision insurance on a monthly basis than the regional and local peer averages.

### 2022 Monthly Medical Insurance Costs – Vision

		LCSD		Regional Peer Averages		Local Peer Averages	
		Costs	% Share	Costs	% Share	Costs	% Share
<b>Single Vision</b>	District	\$3.07	100.0%	\$7.39	77.9%	\$3.78	53.9%
	Employee	\$0.00	0.0%	\$2.09	22.1%	\$3.24	46.1%
<b>Family Vision</b>	District	\$8.44	100.0%	\$17.15	73.3%	\$9.43	52.3%
	Employee	\$0.00	0.0%	\$6.23	26.7%	\$8.60	47.7%

Source: LCSD and SERB

## Conclusion

Overall, the District’s FY 2022 share of medical and prescription insurance premiums for its two PPO plans, which cover 91.7 percent of employees enrolled in a medical plan, were comparable to and/or lower than both comparison groups. However, plan designs appear to be less generous to employees, compared to peers, relative to the employees’ percentage share and/or dollar value of the premium.

The District’s FY 2022 HDHP plan is more costly to the District compared to both the SERB regional average and local peer average. Overall, employee contributions to the premium are generally comparable to peers. Compared to the SERB regional average, plan design comparisons had variable results with LCSD employees having lower deductibles, but higher out of pocket maximums. When compared to local peers, the plan design appears to be more generous (e.g. lower deductibles and out-of-pocket maximums).

The District’s FY 2022 total dental premiums as well as the District’s cost of the premiums were generally lower for both dental plans when compared to the SERB regional average and local peer average. An analysis of Dental Option 1, which covers 91 percent of employees enrolled in a dental plan, showed that employees contribute both a higher dollar value and percentage of the total premium compared to both the SERB regional average and local peer average. An analysis of Dental Option 2 found that employees contribute a comparable dollar value, but share a higher percentage of the total premium compared to both the SERB regional average and local average.

The District FY 2022 total vision premiums were lower than both the SERB regional average and local peer average. Both the District and employee pay less for vision premiums compared to peer averages.

We updated this analysis with District and SERB FY 2023 data and observed similar results for PPO Plan 1, most dental plans, and vision. PPO Plan 2's 2023 insurance premiums are higher than the SERB regional average and the HDHP's 2023 insurance premiums were lower than the SERB regional average. Refer to **Appendix H** for FY 2023 insurance premium comparison charts.

## Recommendation 4: Evaluate salary and insurance packages to ensure offerings are competitive within the local market

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

### Impact

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

### Methodology

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

### *Adjusted Salaries*

We identified two ranges to understand the different levels of take-home income by employee position (Bachelor’s and Master’s) and plan type (PPO 1 or PPO 2 single or family). On one end, employees who use none of their health insurance (0 percent insurance usage) had their retirement contribution and annual premium (calculated at 12 months) subtracted from their salary. Employees who utilized their insurance until the out-of-pocket maximum (100 percent insurance usage) had retirement contribution, annual health insurance premium, and out-of-pocket maximum subtracted from their salary. These two values provide a range for an employee’s adjusted salary – from 0 percent usage of their health insurance to 100 percent usage.

### *Controlled Salaries*

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

### *District Employee Cost*

This analysis seeks to understand how the major components of a certificated employee's salary and benefits impact the school district's cost of an employee over a 30-year career. The cost of an employee is calculated using three inputs: salary (including any longevity), retirement, and health insurance premiums.<sup>42</sup> The District’s cost of an employee is compared against the peer average and against other client categories.

### **Analysis**

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

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

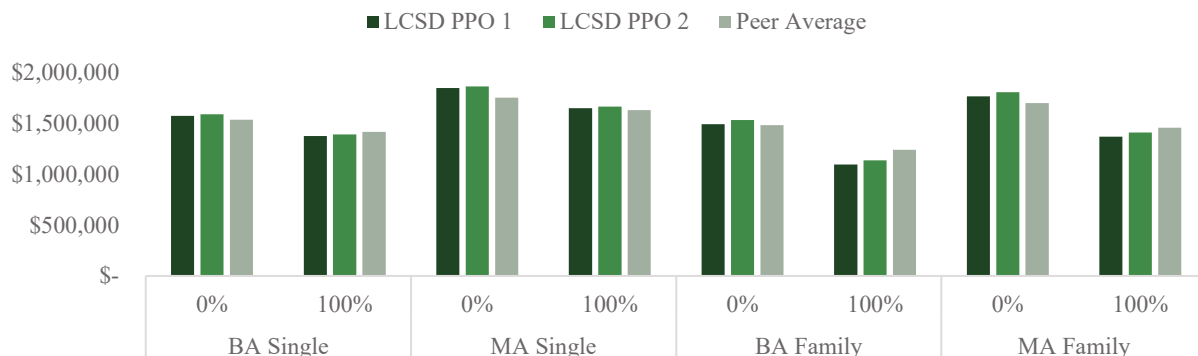
### *Adjusted Salaries*

As reported in the **Salaries** section above, the District had higher certificated salaries compared to local peers. When considering salaries and insurance together, the District had a higher adjusted salary at 0 percent insurance usage, but a lower adjusted salary in three out of four categories at 100 percent insurance usage. The chart below compares LCSD’s adjusted 30-year career earnings to the local peer average.

---

<sup>42</sup> This analysis does not consider all costs of an employee such as actual claims payouts, taxes, and other financial obligations as these costs tend to vary district to district.

## Adjusted Salary Analysis – 30-year Career Earnings Comparison



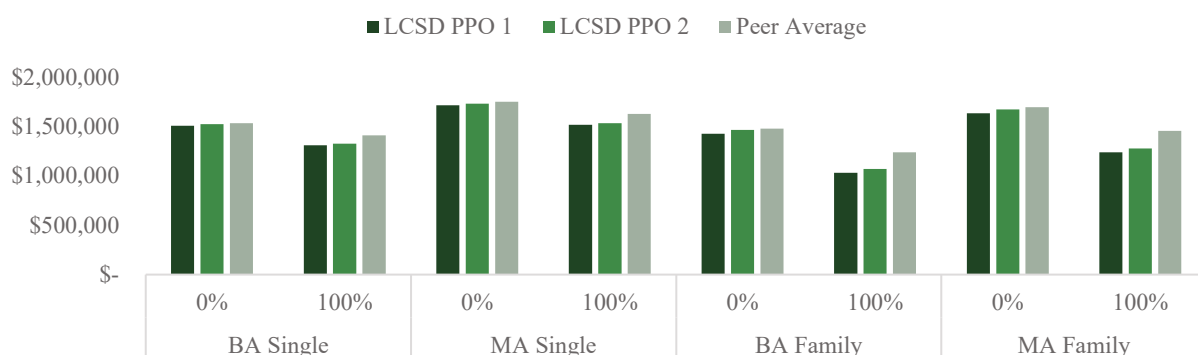
Source: LCSD, SERB, & Local Peers, FY 2022

Overall, adjusted salaries for all categories in FY 2022 ranged from 11.6 percent lower to 6.4 percent higher depending on which salary schedule (BA or MA), which insurance plan (PPO plan 1 or PPO plan 2, family or single), and how much an employee utilizes their insurance.

### Controlled Salaries

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

## Controlled Salary Analysis – 30-year Career Earnings Comparison



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

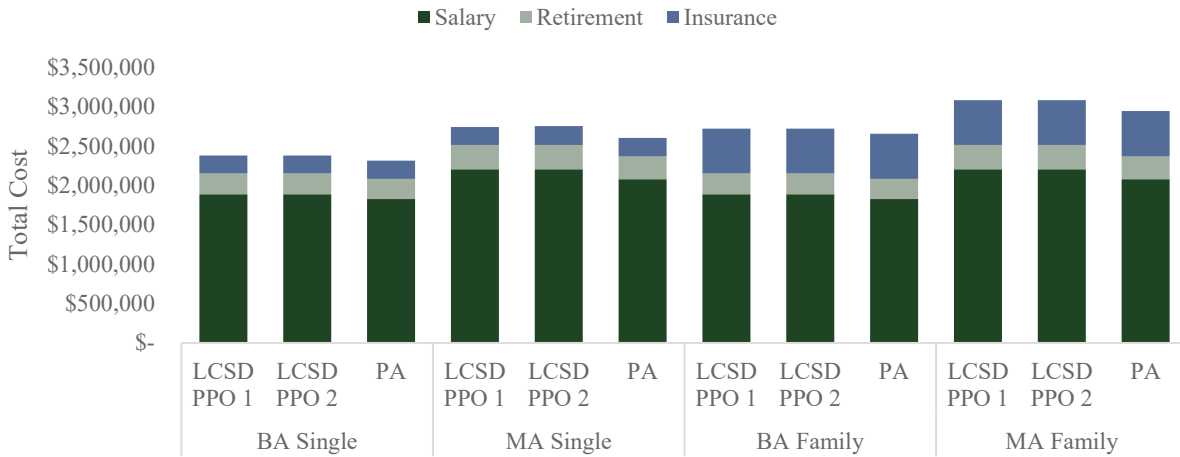
As shown, setting the District’s salary equal to the peer average shows LSCD employees would have a slightly lower to a relatively comparable adjusted salary at 0 percent insurance usage, but would have a lower adjusted salary at 100 percent insurance usage. Overall, adjusted salaries for all categories in FY 2022 would range from 16.8 percent lower to 0.6 percent lower depending

on which salary schedules (BA or MA), which type of insurance plan (family or single), and how much an employee utilizes insurance.

### District Employee Cost

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

### Districts' Employee Cost Comparison – 30-year Career



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

As seen, LCSD had a higher employee cost in all 8 categories. The employee cost for a 30-year career ranged from 2.3 percent to 5.8 percent higher than the local peer average.

### Conclusion

Overall, FY 2022 certificated salaries were higher than the peer average, while classified salaries were lower than the peer average. Additionally, FY 2022 insurance total insurance premiums were higher than SERB regional peers for five of six options and were lower than local peers for four of six options. From the employee perspective, adjusted certificated salaries ranged from 11.6 percent lower to 6.4 percent higher depending on which salary schedule and insurance plan employees are enrolled in, as well as how much they utilize their insurance. Altering salaries to be equal to local peers would result in employees having a similar adjusted salary at 0 percent insurance usage to a lower adjusted salary at 100 percent insurance usage. From the District’s perspective the cost of employee was higher than local peer average.

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



# Student and Employee Attendance

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

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

## LCSD Student Attendance

### Methodology

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

### Analysis

In Ohio, chronic absenteeism is defined as missing 10 percent or more of the school year, whether absences are excused or unexcused. Higher chronic absenteeism is associated with lower levels of academic achievement. Simply put, students cannot learn all they need to know when they miss significant amounts of the school year. In FY 2023, the District's student attendance rate was 81.3 percent and the chronic absenteeism rate was 59.0 percent. Due to its impact on academic achievement, the District targeted chronic absenteeism as a benchmark in its Academic Improvement Plan.

### Ohio's Student Attendance Definitions

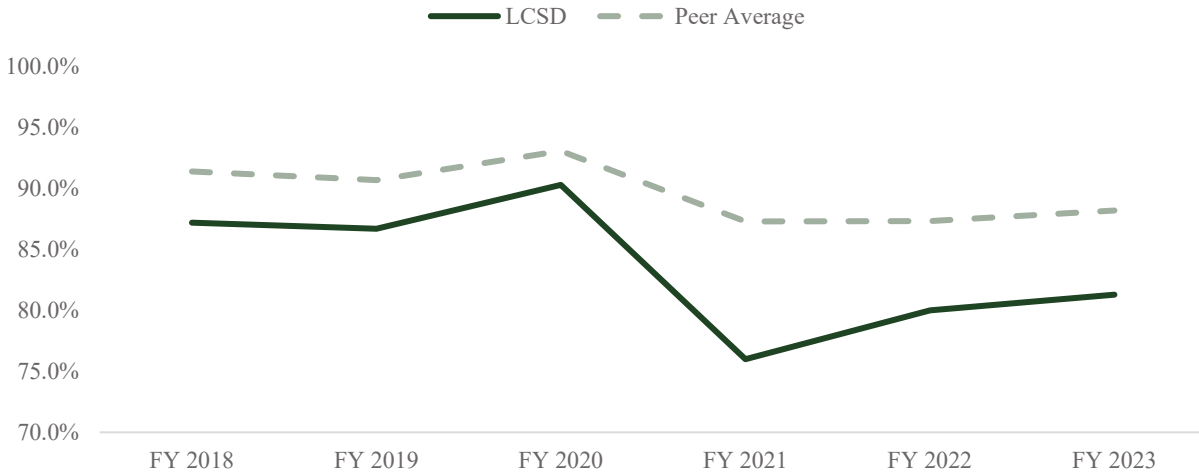
**Chronic Student Absenteeism:** Missing 10 percent or more of the school year, regardless of whether absences are excused or unexcused.

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

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

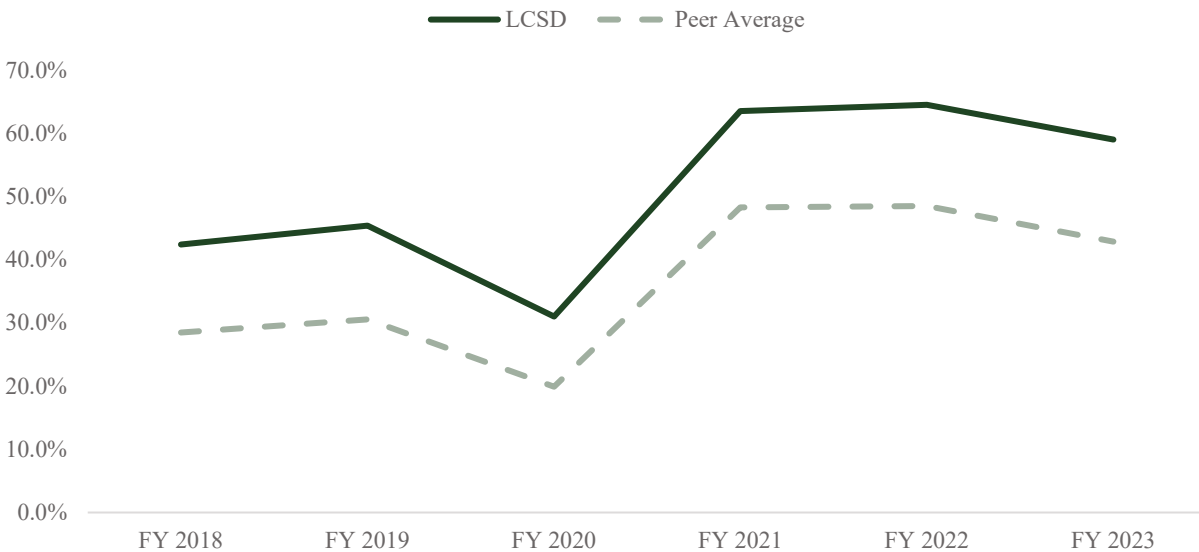
The following graphs illustrate the District’s student attendance and chronic absenteeism rates compared to the primary peer averages.

### Student Attendance Rate Comparison



Source: ODE

### Student Chronic Absenteeism Rate Comparison



Source: ODE

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

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

We compared the District’s Academic Improvement Plan strategies and the District’s other practices to foundational supports recommended by ODE and strategies to reduce chronic absenteeism from Attendance Works.<sup>43</sup> Examples of the District’s strategies include the following:

- The District posts weekly attendance updates on its website and uses calls, billboards, postcards, and more to communicate to families;
- The District analyzes Attendance and Behavioral Data weekly to understand trends and needs for targeted interventions;
- Parents are informed of a child's absence from school via robocall daily. Additionally, if deemed necessary, the building principal and or designee will make personal calls to parent/guardian;
- Attendance billboards are used throughout the city and use the native language of the neighborhood's residents; and
- The District’s partnerships include: Cleveland Brown's Foundation, Local Churches and The Adopt a School Network, Cleveland Guardians, Cedar Point, and Elyria Bike Shop.

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

### Foundational Supports Recommended by ODE

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

Source: ODE and LCSD

<sup>43</sup> Attendance Works is an action research project finally sponsored by Community Initiatives, 501(c)(3) nonprofit.

## Strategies Recommended by Attendance Works

<b>Recommended Strategies</b>	<b>LSCD Meets?</b>
Engage Students and Parents	✓
Recognize Good and Improved Attendance	✓
Monitor Attendance Data and Practice	✓
Provide Personalized Early Outreach	✓
Develop Programmatic Response to Barriers	✓

Source: Attendance Works and LCSD

The District has focused on adopting policies and practices to improve student attendance and chronic absenteeism and has included reducing chronic absenteeism as a focus area of the Academic Improvement Plan. The District meets the best practices established by ODE and Attendance Works.<sup>44</sup>

### Conclusion

The District's adopted policies and reported actions regarding student attendance meet the best practices established by ODE and Attendance Works. Additionally, the District's student attendance rate and chronic absenteeism rate have both improved from FY 2022 to FY 2023. While the District improved, both rates are still worse than the primary peer averages.

---

<sup>44</sup> [During the course of the Performance Audit, Ohio's Attendance Taskforce Recommendations Report was released.](#)

## Employee Attendance

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

### Methodology

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

### Analysis

Per the FY 2022 EMIS Staff Records & Demographics (CI) report, the District’s total attendance rate of 91.7 percent is in line with the peer average attendance rate of 92.4 percent. Per the District’s Report Card, the District’s teacher attendance rate of 93.6 percent is in line with the peer average rate of 93.0 percent.

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

Additionally, we found that in FY 2022, the District’s total costs coded to leave benefits were \$1,300,799.68, approximately 1.6 percent of total salaries & benefit expenditures. By comparison, average cost of leave usage for primary peers was 0.4 percent. The District’s cost of leave is comparable to the primary peers.

The District has board approved policies and procedures in place surrounding employee leave usage, leave monitoring, and maintaining leave data. These policies and procedures comply with federal and state requirements. It also has collective bargaining agreements (CBAs) that contain federal and state leave requirements. The District also offers attendance incentive to combat excessive leave use. The policies and systems in place to monitor leave, approve leave requests appear to be sufficiently developed to ensure employees are using leave appropriately. However, the District does not actively monitor the costs associated with leave usage.

## Conclusion

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

# Academic Improvement Plan

ORC § 3302.103 as enacted by H.B. 110 of the 134<sup>th</sup> General Assembly allowed districts under an ADC a new opportunity to dissolve their ADC. This section allowed districts to develop and submit an Academic Improvement Plan detailing academic improvement benchmarks and strategies for achieving those benchmarks within the designated implementation period. The District submitted its Academic Improvement Plan to ODE, but did not receive approval for all of its proposed benchmarks (see **Appendix E** for more information about the submitted Academic Improvement Plan). Most recently, LCSD’s ADC and Academic Improvement Plan were dissolved on October 3, 2023 as a result of ORC § 3302.111 as contained in the state’s biennial budget bill, H.B. 33 of the 135<sup>th</sup> General Assembly.

While the District’s Academic Improvement Plan was dissolved, some of the benchmarks the District proposed in its utilize data that is publicly reported by ODE, or that has been reported by the District itself. The baseline data, proposed FY 2023 targets, and FY 2023 results for each District-level Academic Improvement Plan benchmark are below. Benchmarks that are Not Reported are indicated with an NR.

## District-Wide Baseline, Proposed FY 2023 Targets, and FY 2023 Benchmark Actuals

#	Benchmark	Baseline	FY 2023 Target	FY 2023 Actual
1	Close the gap by 10% from 100% of students graduating on-time using the State graduation rate.	76.3%	77.1%	76.8%
2	Increase 4-year modified graduation rate based on enrollment time in the district.	82.4%	83.0%	NR
3	Close the gap by 10% from 100% of students on-track to graduate on-time by grade-level using cumulative credits earned.	63.4%	64.6%	NR
4	Close the gap by 10% from 100% of students on-track to graduate on-time by longitudinal cohort using cumulative credits earned.	68.0%	69.1%	NR
5	Increase by 10% students on-track to graduate on-time by grade-level using core courses.	46.8%	48.4%	50.8%
6	Close the gap by 10% from 100% of students on-track to graduate on-time by longitudinal cohort using core courses.	54.7%	56.2%	NR
7	Close the gap by 10% from 100% of students passing an advanced course.	87.7%	88.2%	NR
8	25 point increase on District Performance Index.	41.6%	49.9%	49.0%
9	Increase 25 percentage points in passage on the 3 <sup>rd</sup> Grade Reading Ohio State Test	20.8%	29.1%	32.5%
10	Close the gap by 15%, from 100% of students improving at least one level on the Emotion Identification rubric.	57.5%	59.6%	NR

Efficient • Effective • Transparent

11	Close the gap by 15%, from 100% of students improving at least one level on the Social Behaviors rubric.	59.2%	61.3%	NR
12	Close the gap by 15%, from 100% of students improving at least one level on the Word Reading rubric.	57.8%	60.0%	NR
13	Close the gap by 15%, from 100% of students improving at least one level on the Personal Care and Basic Health rubric.	65.9%	67.6%	NR
14	Increase by 10% students K-8 meeting typical growth targets in ELA, as set by iReady.	49.1%	50.8%	55.0%
15	Increase by 10% students with disabilities K-8 meeting typical growth targets in ELA, as set by iReady.	45.1%	46.6%	NR
16	Increase by 10% English Learners K-8 meeting typical growth targets in ELA, as set by iReady.	46.3%	47.8%	NR
17	Close the gap by 10%, from 100% of students with giftedness meeting their growth targets in ELA, as set by iReady.	72.7%	73.6%	NR
18	Increase by 10% students K-8 meeting typical growth targets in math, as set by iReady.	49.0%	50.6%	51.0%
19	Increase by 10% students with disabilities K-8 meeting typical growth targets in math, as set by iReady.	39.8%	41.1%	NR
20	Increase by 10% English learners K-8 meeting typical growth targets in math, as set by iReady.	38.7%	40.0%	NR
21	Close the gap by 10%, from 100% of students with giftedness meeting their growth targets in math, as set by iReady.	71.3%	72.2%	NR
22	Decrease the percentage of students chronically absent to 20% or less.	63.5%	49.0%	59.0%

Source: LCSD and ODE

While the District is no longer required to implement the Academic Improvement Plan, District representatives stated that they still intend to follow the plan, which the District refers to as its We Believe Strategic Plan. See the District’s November 2023 progress update on its website [here](#). Since the District still plans to follow its We Believe Strategic Plan, it is important for the District to know whether the action steps under this plan are fiscally sustainable.



## Recommendation 5: Evaluate We Believe Strategic Plan Fiscal Sustainability

The District is forecasting a negative General Fund balance beginning in FY 2027 due to several years of forecasted deficit spending. The District should utilize the information presented in this Performance Audit in conjunction with their forecasted revenues and expenditures to identify whether cost-saving measures need to be implemented, and whether doing so would impact the We Believe Strategic Plan. By identifying methods to reduce deficit spending, the District can prevent having a negative General Fund balance.

### Background

The District’s November 2023 Five-Year Forecast projects deficit spending in each year of the forecast period starting in FY 2025, which results in a projected negative General Fund balance beginning in FY 2027 (see **Financial Condition**). While the District is no longer in Academic Distress, it indicated that it will continue to implement its Academic Improvement Plan, called the We Believe Strategic Plan. Given the need for fiscal solvency to support normal school operations, the district must monitor its financial needs to ensure the implementation of the improvement plan. Therefore, we evaluated whether this forecasted deficit may impact the fiscal sustainability of the Academic Improvement Plan.

### Expenditures Under the Former Academic Improvement Plan

For each of the District’s 91 unique Academic Improvement Plan implementation strategies, we attempted to identify one or more expenditure area(s), if any, that require an investment of resources if the strategy were to be carried out. For instance, if a strategy involved the training of teaching staff, it would be marked with the expenditure category of “professional development”, since expenditures related to professional development would be necessary if the strategy were to be realized.

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

For professional development expenditures, which were both significant to the Academic Improvement Plan and could be captured under a USAS or EMIS code, we observed expenditure patterns from FY 2019 to FY 2023 to determine whether spending levels had increased, been maintained, or dropped off within the four-year period. Then, we observed the funds that the

expenditures in the category were expended from in FY 2022—if any fund balance of a relevant fund was likely to run out in the near future, we noted a potential long-term sustainability issue for carrying out the levels of spending necessary for Academic Improvement Plan implementation.

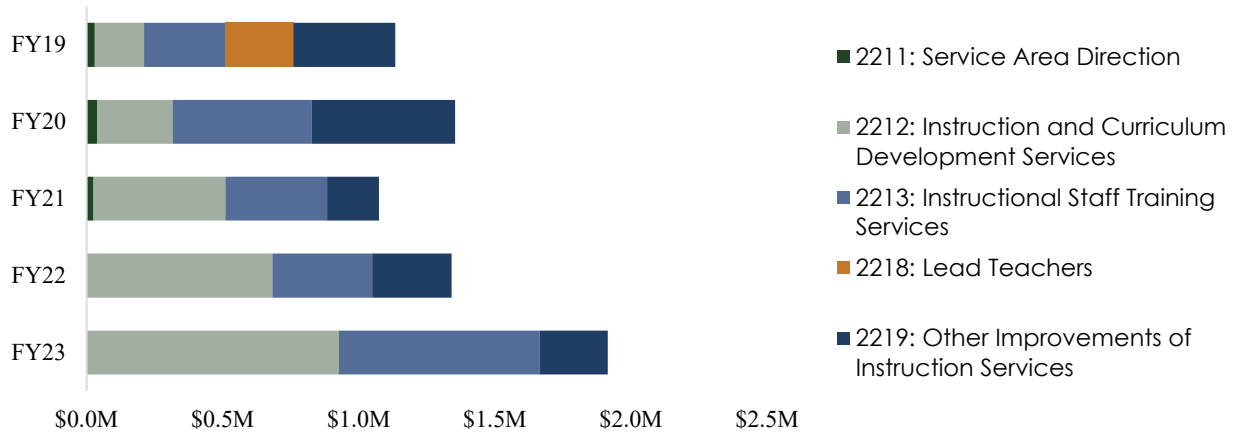
### *Professional Development*

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

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

LCSD’s spending under this function code from FY 2019 to FY 2023 is displayed below. As seen, LCSD’s level of spending in this area was relatively consistent from FY 2019-FY 2022, hovering between \$1.0 million and \$1.5 million. In FY 2023, the District’s professional development spending increased to just under \$2.0 million. Much of the expenditures under this function from FY 2019-FY 2023 were recorded under Function 2211, Service Area Direction, defined as “those activities associated with directing and managing the improvement of instruction services”. Much of the remaining expenditures were recorded under Function 2213, Instructional Staff Training Services. These are defined as “those activities designed to contribute to the professional or occupational growth and competence of members of the instructional staff during their service to the school district or school”. These activities include workshops, demonstrations, school visits, courses for college credit, sabbatical leaves, and travel leaves. LCSD’s increased level of spending on professional development indicates that the District has increased its allocation of resources in this area in pursuit of hitting its Academic Improvement Plan benchmarks.

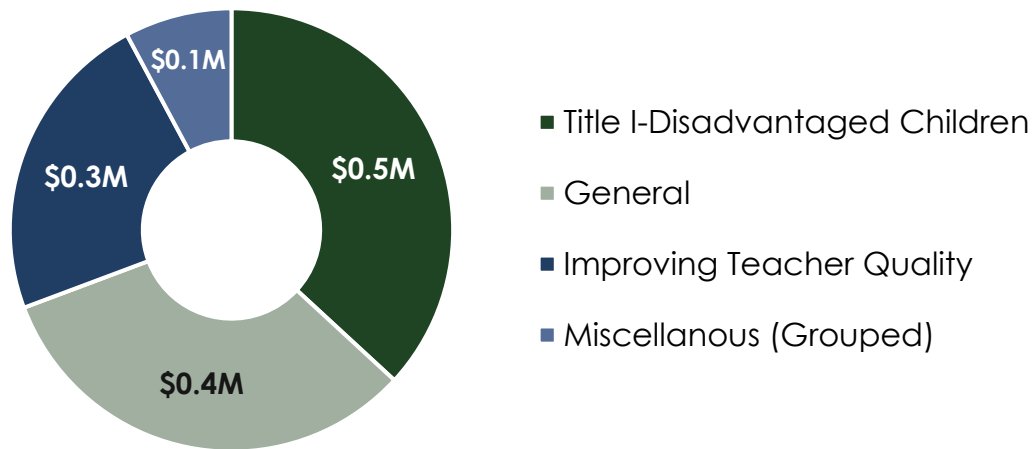
### Professional Development Expenditures, FY 2019-FY 2023



Source: LCSD USAS Data, FY 2019-FY 2023

Given that the provision of professional development to staff is an integral part of LCSD’s strategies for implementing its Academic Improvement Plan, the sustainability of these expenditures in the long-term matters. One method of assessing sustainability is by examining which funds certain expenditures were made from. Below is a visual of LCSD’s Function 2210 expenditures by the fund from which they were expended in FY 2022.

### Professional Development Expenditures by Fund, FY 2022



Source: LCSD USAS Data, FY 2022

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

Note: Miscellaneous (Grouped) includes the Drug Free School Grant Fund, the Vocational Education Fund, the Student Wellness & Success Fund, and other funds.

As seen, 32.4 percent of these expenditures were made from the General Fund. The District is projected to begin deficit spending in FY 2025, which is expected to put the District's General Fund balance into a deficit by FY 2027. While the District is expected to start running an annual deficit in FY 2027, the District has a significant enough General Fund balance to cushion this deficit in the short-term. However, if annual spending deficits continue as predicted, the District may face difficulty maintaining its professional development expenditure levels in the future or may have to supplement this spending more heavily with other funds.

## **Conclusion**

The District's expenditures used to carry out its We Believe Strategic Plan, especially those relating to professional development, are partially reliant on the General Fund. However, the District is forecasting a negative General Fund balance beginning in FY 2027 due to several years of forecasted deficit spending. Additionally, in its year three update on the We Believe Plan, LCSD shared that in carrying out the plan, it had invested in a variety of student support staff, allowing the District to have counselors at each school, social workers who support each school, and wellness coaches. The District will need to continue to monitor spending in these areas to ensure funds are spent strategically to meet state goals and objectives.

## Client Response Letter

Audit standards and AOS policy allow clients to provide a written response to an audit. The letter on the following page is the District's official statement in regards to this performance audit. Throughout the audit process, staff met with District officials to ensure substantial agreement on the factual information presented in the report. When the District disagreed with information contained in the report, and provided supporting documentation, revisions were made to the audit report.



January 11, 2024

Auditor Faber,

Thank you for the audit over the course of the past year. Below is our response to be included with the report.


## Lorain City Schools Performance Audit Response

Recommendation/Finding	LCSD Response
Enhance the Budgeting Process	We agree and will be using the One Plan as the tool to develop a strategic financial plan with action steps that align to the overall district strategic plan. We have reached out to consultants at the Educational Service Center of Northeast Ohio for specific budgeting policies as well to help guide us.
Develop and implement a formal capital plan	This was developed throughout the fall of 2023 and presented to the board of education on November 27th. The plan includes five-year projections for all capital projects.
Review building utilization	Beginning in the spring of 2021, we conducted a facilities assessment to determine current facilities usage to account for student enrollment, programming for electives/specials, preschool, Success Academy, Early College, and Career, Technical Education programming, wraparound services and student supports. We also conducted an enrollment projection study with an outside consulting group in the spring of 2021. The enrollment projection from the study indicated a projected enrollment of 5,530 students for the 2023-2024 school year. As of 1/9/24 our PK-12 enrollment is 6,156 students, a difference of 626 students. In the fall of 2023 we explored historical enrollment trends and geospatial enrollment projections to possibly redraw enrollment boundaries to more efficiently use our facilities based on the increased enrollment.
Develop a Strategic Staffing Plan	We agree and have been working on developing a strategic staffing plan to address the following: <ul style="list-style-type: none"><li>- Creating a recruitment plan - this is an action step in our strategic plan that we are two years into implementation. In each of the past two years, we have had a greater fill rate for teachers with more racially diverse staff than in prior years.</li><li>- Evaluating current staffing needs - as a result of</li></ul>

	<ul style="list-style-type: none"> <li>- changes to the negotiated agreement, we are now able to address staffing needs in February/March as opposed to being forced to wait until May/June. This will allow us to more efficiently address enrollment projections and programmatic needs.</li> <li>- Analyzing staffing patterns and changes - Beginning in summer 2021 we began a revised scheduling process, first at elementary schools, followed by the middle schools, and currently at the high school to coordinate staffing changes across schools to more efficiently and equitably assign staff to buildings.</li> <li>- Projecting future staffing needs - By coordinating staffing across buildings and moving scheduling processes into the winter months we are now able to be proactive in determining staffing needs for future school years.</li> <li>- Completing a skills gap analysis - Beginning in the fall of 2023, our District Leadership Team – as part of our Strategic Plan – developed a learning walk protocol to provide support to the instructional practices being implemented and to inform future skill development needs.</li> <li>- Creating a plan for training - we are in year three of implementing our strategic plan, which heavily emphasizes training staff. We have conducted training and coaching on scope and sequence, healthy culture, equity, the science of reading, PBIS, and universal design for learning.</li> <li>- Examining workplace culture - one of the five pillars of our strategic plan is Healthy Culture. This has been and will continue to be a point of focus for our district.</li> <li>- Completing regular updates to the staffing plan - based on data and other forms of feedback, we update our staffing plan annually beginning in January.</li> </ul>
<p>Evaluate salary and insurance packages to ensure offerings are competitive within the local market</p>	<p>With the help of an independent insurance consultant, we are currently studying our benefits packages and possible options.</p>
<p>Student and employee attendance</p>	<p>Consistent with the national shortage and the peer comparisons, we are struggling to hire paraprofessionals, school healthcare professionals, personal aides, and bus drivers.</p> <p>We agree that employee absences are consistent with other school districts. We are intentionally paying a higher substitute teacher rate to better compete with neighboring districts for quality, substitute teachers.</p>

	<p>We disagree with the statement, "the district does not actively monitor costs associated with employee leave use."</p>
<p>Evaluate We Believe Strategic Plan Fiscal Sustainability</p>	<p>We agree, and we intentionally invested in instruction and professional development. This investment was heavily weighted during the first two years of our strategic plan as our curriculum and associated resources were incredibly outdated and/or lacking. Since our expenditures were front-loaded in our plan, the future costs will be considerably less moving forward to sustain academic programs.</p> <p>These expenditures were the result of a need to align our practices with community expectations, and equal opportunities for our students. As a result of listening to our community – including our students and their families, we conducted a large expansion of arts offerings, new curricular materials, and wrap-around services. As a result of this investment, our enrollment continues to grow.</p>
<p>Page 117 - Food service operations</p>	<p>In alignment with our community expectations, we intentionally provide snacks and additional food helpings during breakfast, lunch and after school for our students.</p> <p>In code 3100: Service Area Direction for Food Services Operations, we are reported as spending \$711 per pupil for purchased services, while other districts are reported as spending \$8 per pupil. This is a result of the fact that we subcontract our food service and our expenditures are coded differently than comparable school districts.</p>
<p>Page 123 - "As of October 2023, LCSD still has 64.1% of its ESSER funding remaining, but it will only have until September 2024 to spend these funds and January 2025 to finish liquidating those funds for that spending - after that, the funds will not be available to use."</p>	<p>As of January 9, 2024, all ESSER funding has been allocated/expended in a manner that is consistent with the expectations of our Strategic Plan. These one-time funds will be spent prior to September 2025, consistent with the ESSER expectations and timelines.</p>

  
 \_\_\_\_\_  
 Dr. Jeff Graham  
 Superintendent

  
 \_\_\_\_\_  
 Tia Kearney  
 Treasurer



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

## Performance Audit Purpose and Overview

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

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

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

## Audit Scope and Objectives

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

### Summary of Objectives and Conclusions

Objective	Recommendation
<b>Resource Allocation</b>	
Where is the District allocating its financial resources and how does the distribution of expenditures compare to peer districts and/or best practices?	<b>IFFS 1, R.3, R.5</b>
Are the District’s decisions in regard to its resource deployment strategies in line with peer districts and/or best practices?	<b>R.1, R.2</b>
<b>District Operations</b>	
Are the District’s staffing levels appropriate to meet the demand for services and how do they compare to industry standards and/or peer districts?	<b>R.3</b>

Efficient • Effective • Transparent

Are the District’s salaries and wages appropriate in comparison to local peers to ensure the District is able to attract and retain employees?	<b>R.4</b>
Are the District’s insurance costs and plan design appropriate in comparison to other governmental entities within the local market?	<b>R.4</b>
Is the District’s employee use of leave comparable to peers?	<b>No Recommendation:</b> The District’s employee use of leave was comparable to peers.
How does the District’s student attendance compare to peers and/or best practices?	<b>No Recommendation:</b> The District’s student attendance policies and procedures meet best practices.
<b>Academic Improvement Plan</b>	
Is the District positioned to ensure successful implementation of the plan’s academic improvement benchmarks?	<b>R.5</b>

Although assessment of internal controls was not specifically an objective of this performance audit, internal controls were considered and evaluated when applicable to scope areas and objectives. The following internal control components and underlying principles were relevant to our audit objectives:<sup>45</sup>

- Control environment
  - We considered the District’s control of its EMIS system.
- Risk Assessment
  - We considered the District’s activities to assess fraud risks.
- Information and Communication
  - We considered the District’s use of quality information in relation to financial data.
  - We considered District’s use of academic data including testing data and report card data.
- Control Activities
  - We considered the District’s compliance with applicable laws and contracts.

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

## Audit Methodology

To complete this performance audit, auditors gathered data, conducted interviews with numerous individuals associated with the areas of District’s operations included in the audit scope, and

---

<sup>45</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

reviewed and assessed available information. Assessments were performed using criteria from several sources, including:

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

In consultation with the District, two sets of peer groups were selected for comparisons contained in this report. A “Primary Peers” set was selected for general, District-wide comparisons. This peer set was selected from a pool of demographically similar districts with relatively higher Ohio Report Card achievement and better academic performance. A “Local Peers” set was selected for a comparison of the General Fund subsidy of compensation, benefits, and collective bargaining agreements, where applicable. This peer set was selected specifically to provide context for local labor market conditions. The lists below show the Ohio school districts included in these peer groups.

## Peer Group Districts

### Primary Peers

- Whitehall CSD (Franklin County)
- Painesville CSD (Lake County)
- Maple Heights CSD (Cuyahoga County)
- Lima CSD (Allen County)
- Euclid CSD (Cuyahoga County)
- Warren CSD (Trumbull County)
- Cleveland Heights-University Heights CSD (Cuyahoga County)

### Local Peers

- Avon Lake CSD (Lorain County)
- Avon LSD (Lorain County)
- Clearview LSD (Lorain County)
- Elyria LSD (Lorain County)
- Firelands LSD (Lorain County, Erie County)
- North Ridgeville CSD (Lorain County)
- Sheffield-Sheffield Lake CSD (Lorain County)
- Vermilion LSD (Lorain County, Erie County)
- Amherst (Lorain County)

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

## Appendix B: Barriers to Learning

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

### Impact of Economic Disadvantage on Educational Achievement

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

In particular, research shows that students from low-income families, on average, score lower on standardized testing than their higher-income peers, even at the very start of their educational career. This can be seen in the [Early Childhood Longitudinal Study, Kindergarten Class of 2010-11](#), a multi-year study conducted by National Center for Education Statistics (NCES) within the Institute of Education Sciences (IES) of the U.S. Department of Education. The study tracked a nationally representative sample of 18,170 children attending kindergarten in 2010-11 from their kindergarten year to the fifth grade. The students completed standardized testing on math and reading during the fall of their kindergarten year. The testing results revealed that students from families below 100 percent of the federal poverty level, or \$24,860 for a family of three in 2023, scored an average of 2.8 points lower on the reading test and 3.6 points lower on the math test than students from families between 100 percent and 199 percent of the federal poverty level—further, these students scored an average of 7.4 points lower on the reading test and 8.9 points lower on the math test than students from families at or above 200 percent of the federal poverty level.<sup>46</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 district’s education quality.

Given that many children from low-income families start school at a disadvantage, these children may need additional resources—in this sense, many studies point out that it may cost more to educate disadvantaged students than non-disadvantaged students. [Ivy and Amerikaner \(2018\)](#) stated, “it simply costs more to educate students from low-income backgrounds,” estimating based on the federal Title I formula “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

<sup>46</sup> The reading test was out of a possible 167 points; the math test was out of a possible 159 points.

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

LCSD administrators emphasize that there’s a strong need for wraparound services for their students, and the District is dedicated to providing them. The District has a Health & Family Services Engagement Center that offers a “Multi-Tiered System of Support” to students and families in need. The District employs counselors and social workers to help students work through “Tier I”, or universal, issues, such as academic struggles, social and emotional development, career planning, and more. Administrators state that the District has a counselor in every school building, and it also employs wellness coaches for students. District administrators also state that the District converted a few of its school buses to mobile clinics to provide basic healthcare services to students. For Tier II and III issues (targeted and intensive, respectively), the District connects the student or family in need to various community organizations for specialized assistance.

A unique aspect of LCSD is its high proportion of Hispanic students—in FY 2022, 44.8 percent of its student population identified as Hispanic. For many of these students, English is their second language; 7.8 percent of LCSD’s students are classified as “English learners”, or students whose native or home languages are not English and who are in the process of developing the English language proficiency; the statewide average on this metric is 3.8 percent. LCSD’s English Learning (EL) program strives to assist these students in learning the English language to proficiency as they move through their grade level instructional curriculum.

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

A literature review by [Burrows et al. \(2017\)](#) showed that the majority of studies on the impacts of diet on academic achievement point to a small-to-moderate positive relationship between diet and academic achievement, including for eating breakfast, regular meal consumption, and meeting national recommendations for fruit intake. To combat this, the District converted some of its school buses to mobile food pantries to deliver meals to students in need. In addition to breakfast and lunch, the district offers dinner and snacks to students, and it works with the local Boys & Girls Club address food insecurity at LCSD elementary schools.

## Impact of Household on Educational Achievement

Per the 2022 1-Year American Community Survey (ASC), roughly 32.3 percent of households in the City of Lorain consist of single parent family households with no spouse present, compared to the statewide average of 21.9 percent of households falling into this category. This can be problematic for educational achievement, as [Pong, Dronkers, and Hampden-Thompson \(2003\)](#) found that single parenthood is associated with lower math and science achievement among young children. In particular, the study found that American children living with single parents score about 28 points lower in math and 32 points lower in science than do children who live with both parents. The study points to these households having fewer monetary and non-monetary (e.g., time) resources as a possible reason for this gap. Additionally, [Garrett-Peters et al. \(2016\)](#) found that income poverty was positively related to household disorganization (defined as high levels of noise, excessive crowding, clutter, and lack of structure in daily life), which was, in turn, associated with lower academic achievement.

## Impact of Crime on Educational Achievement

The high rate of crime in the city may present some obstacles to students' academic performance. In 2021, the Lorain City Police Department reported 310 violent crime incidents to the Federal Bureau of Investigation, or roughly 4.7 incidents per 1,000 residents. Comparatively, Ohio altogether reports approximately 2.9 violent crime incidents per 1,000 residents. [Schwartz et al. \(2021\)](#) found that exposure to violent crimes reduces students' academic performance. Similarly, [Boxer, Drawve, and Caplan \(2020\)](#) found that more crime close to school buildings relates to worse academic performance when controlling for the effects of economic disadvantage.

# Appendix C: History of Academic Accountability

## Report Cards

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

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

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

The current components of the Report Card include:

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

## Academic Distress

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



## ORC 3302.10 Over Time

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

Source: ORC

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

### Academic Plan Requirements by ORC 3302.10 Version

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

Efficient • Effective • Transparent

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

### ADC Membership by ORC 3302.10 Version

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

# Appendix D: Financial Background

## Local Revenue

Local revenue can be raised through a combination of property and income taxes. Property taxes levied in Ohio are subject to restrictions in the Ohio Constitution<sup>47</sup> and the Ohio Revised Code (ORC).<sup>48</sup> These restrictions limit the amount of tax that can be levied without voter approval to 10 mills<sup>49</sup> or 1 percent of property value. While the Constitutional limitation is based on fair market value, the ORC sets a more restrictive limit based on taxable value, which is defined as 35 percent of fair market value. These unvoted taxes are split between the various taxing districts that operate where a property is located.

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

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

Levies may be defined as either a fixed-rate or a fixed-sum. A fixed-rate levy identifies the number of mills that will be assessed in order to raise revenues. If new construction occurs within the district, the rate will apply, and the district would realize additional revenues. Current expense levies, used for general operations, and permanent improvement levies are typically fixed-rate. A fixed-sum levy identifies an amount that will be generated from the levy. While there may be an estimated millage rate, the actual rate will vary based on assessed property values. If new construction occurs within the district, there would be no new revenues for a fixed-sum levy. Emergency levies<sup>50</sup> for general operations, and bond levies for the financing of new buildings, are typically fixed-sum levies.

Ohio has historically had laws which limit the impact rising property values can have on property taxes. The most recent version of these limitations was enacted in 1976 and requires that the amount collected on fixed-rate millage is frozen at the dollar value collected in its first year.<sup>51</sup> In subsequent years, with exceptions such as new construction, a district would not

---

<sup>47</sup> Ohio Const. Art. XII, Section 2.

<sup>48</sup> ORC § 5705.02.

<sup>49</sup> A mill is defined as one-tenth of one percent or \$1 for every \$1,000 of taxable value.

<sup>50</sup> Authorized by ORC §5705.194.

<sup>51</sup> Am.Sub.H.B. No. 920, 136 Ohio Laws, Part II, 3182, 3194.

receive additional revenue from a levy as property values increased.<sup>52</sup> Instead, the outside mills are subject to reduction factors<sup>53</sup> which lower the effective millage rate in order to maintain the preceding year's level of revenue from the same properties.<sup>54</sup>

However, under state law, in order to receive state foundation funding, a district must collect a minimum of 20 mills in property taxes for general purposes, or current expenses.<sup>55</sup> In order to prevent a district from failing to meet this minimum threshold, reduction factors stop being applied once a district reaches an effective rate of 20-mills, colloquially known as the 20-mill floor. Practically speaking, this means that if a district's effective tax rate is reduced to 20 mills for current expenses, the amount of revenue generated from levies will increase with property values unless a new operating levy is approved by voters. It is important to note not all levies count toward the 20-mill floor.

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

In Tax Year 2022, LCSD collected revenues on 33.70 mills of property tax for residential properties. The District's current expense millage rate was 24.03. This included 3.44 inside mills and 20.59 outside mills current expenses. The current expense levies are subject to reduction factors; these reduction factors limit the impact of rising property values. The revenue generated from a current expense levy is limited to the total revenue from the first year of collections. Although property values may increase while the levy is in effect, the reduction factors work to prevent increases in property taxes. The following chart shows a comparison of millage rates between LCSD and local peer districts.

---

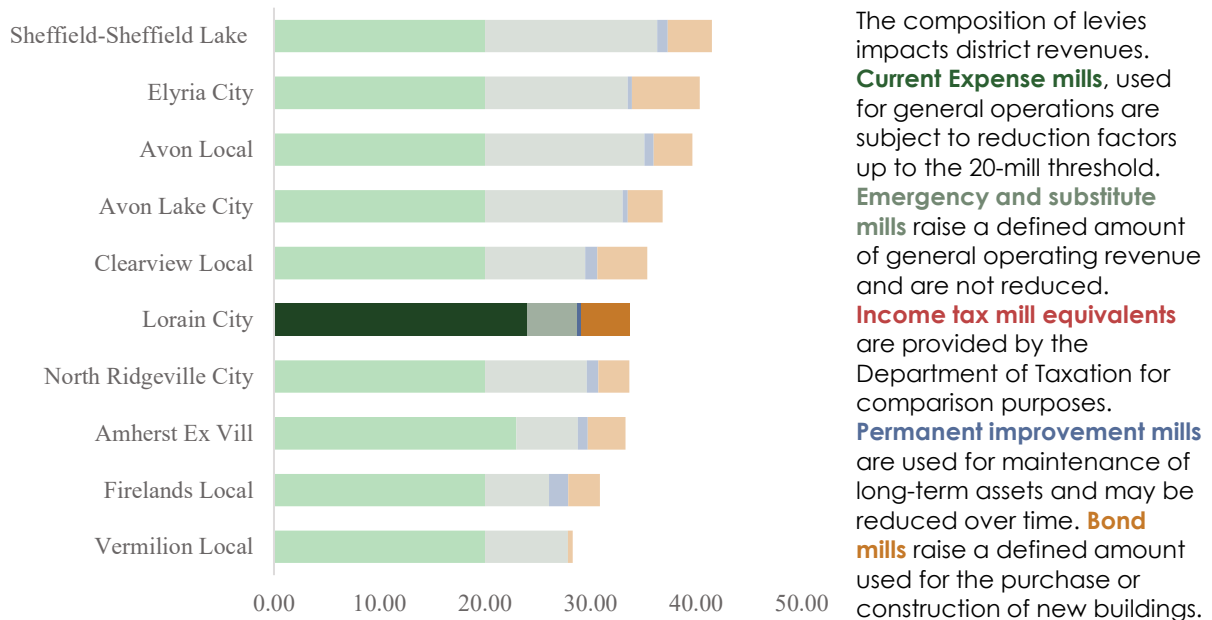
<sup>52</sup> If property value decreased due to reappraisal, it is possible that a district would receive less revenue than originally intended.

<sup>53</sup> ORC § 319.301.

<sup>54</sup> We are providing this information for historical purposes only. The law which regulates collection of on outside millage has been amended since enacted in 1976. The District should consult with the most current version of the law for a clear understanding of how this process works today.

<sup>55</sup> The term 'current expense' refers to revenue generated from levies that are not restricted in their use. It does not include bonds or levies that generate revenues for restricted funds, such as Permanent Improvement levies.

## 2023 Millage and Millage Equivalents | Local Peers



Source: Ohio Department of Taxation

LCSD has a similar millage rate to its local peers. However, because the District’s property values are lower than the local peer average (LCSD’s assessed property value per pupil is \$125,734, versus its local peer average of \$240,781), the amount of revenue raised through these local taxes may be lower than the revenue raised by peers with a similar tax rate.

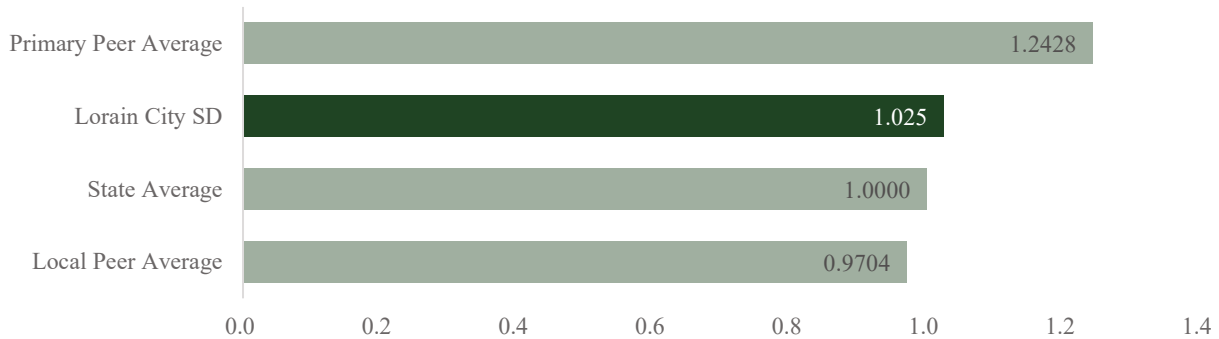
### Local Tax Effort

ODE uses the Local Tax Effort Index as a measure of taxpayer support for the district in which they reside. This index, one of a number of possible measures for evaluating local effort, was initially developed by the Division of Tax Analysis within the Ohio Department of Taxation and is calculated in the context of the residents’ abilities to pay by determining the relative position of each school district in the state in terms of the portion of residents’ income devoted to supporting public education. This index uses median income data and provides context to better understand a community’s tax burden, not only compared to other districts, but also as a function of the residents’ ability to pay.

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

Efficient • Effective • Transparent

## FY 2022 Local Tax Effort Comparison



Source: ODE

As seen, LCSD’s local tax effort index in FY 2022 was 1.025, surpassing its local peer average of 0.9704 and the statewide average of 1.0000 but falling below its primary peer average of 1.2428. LCSD’s low median income means that LCSD residents pay a larger-than-average proportion of their income to property taxes, when compared to the state average.

### *Foundation Funding Formula Update*

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

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

# Appendix E: LCSD Academic Improvement Plan

## Academic Improvement Plan Development

LCSD’s Academic Improvement Plan was developed under the leadership of the Superintendent, in collaboration with staff members, the Board of Education, the Academic Distress Commission, and the community. Additionally, ODE assisted with some graduation and literacy components. During the development, the Academic Improvement Plan was vetted by the District Leadership Team and through community town halls. Most of the development was done before the announcement of the process to remove the academic distress designation, with action steps beginning in spring 2021.

The Academic Improvement Plan is a Microsoft Excel spreadsheet which contains a listing of benchmarks and targets, a technical appendix, details about the plan’s development and monitoring, and action steps with timelines for the four areas of focus. These four areas of focus include Leadership, Teaching and Learning, Climate and Student Supports, and Culture/Improvement Processes. In addition to the Microsoft Excel Spreadsheet submitted to ODE, LCSD has a PDF document with definitions of implementation drivers, a review of past strategic plans, and a listing of implementation drivers for five areas of focus which include Healthy Culture, Equity, Teaching/Learning, Student Supports, and Titan Improvement Process. A webpage includes additional details for each of the five areas of focus and action steps, an action step tree, plan timelines, and progress updates.

LCSD received initial approval for its Academic Improvement Plan on December 3, 2021. On September 2, 2022, LCSD submitted a revised Academic Improvement Plan which included the addition of baseline figures and yearly targets for the same benchmarks that were approved initially. After receiving additional guidance from ODE, LCSD submitted another revision on November 28, 2022. The District did not receive written approval from ODE for the new benchmark targets before ORC § 3302.111 dissolved its ADC and Academic Improvement Plan.

## Academic Improvement Plan Benchmarks

The Academic Improvement Plan contains 21 district-level benchmarks and 9 school-level benchmarks. As discussed in the **Academic Improvement Plan Background**, the District was to be evaluated at the end of FY 2025 based on the standard of meeting a majority of benchmark targets. The proposed FY 2025 targets and the most recent baseline data are shown for each district-wide benchmark in the table below.

---

Efficient • Effective • Transparent

## District-Wide Baseline and Proposed FY 2025 Benchmark Targets

#	Benchmark	Baseline	Target
1	Close the gap by 10% from 100% of students graduating on-time using the State graduation rate.	76.3%	78.7%
2	Increase 4-year modified graduation rate based on enrollment time in the district.	82.4%	84.1%
3	Close the gap by 10% from 100% of students on-track to graduate on-time by grade-level using cumulative credits earned.	63.4%	67.0%
4	Close the gap by 10% from 100% of students on-track to graduate on-time by longitudinal cohort using cumulative credits earned.	68.0%	71.2%
5	Increase by 10% students on-track to graduate on-time by grade-level using core courses.	46.8%	51.5%
6	Close the gap by 10% from 100% of students on-track to graduate on-time by longitudinal cohort using core courses.	54.7%	59.3%
7	Close the gap by 10% from 100% of students passing an advanced course.	87.7%	88.6%
8	25 point increase on District Performance Index.	41.6%	66.6%
9	Increase 25 percentage points in passage on the 3rd Grade Reading Ohio State Test	20.8%	45.8%
10	Close the gap by 15%, from 100% of students improving at least one level on the Emotion Identification rubric.	57.5%	63.9%
11	Close the gap by 15%, from 100% of students improving at least one level on the Social Behaviors rubric.	59.2%	65.4%
12	Close the gap by 15%, from 100% of students improving at least one level on the Word Reading rubric.	57.8%	64.2%
13	Close the gap by 15%, from 100% of students improving at least one level on the Personal Care and Basic Health rubric.	65.9%	71.0%
14	Increase by 10% students K-8 meeting typical growth targets in ELA, as set by iReady.	49.1%	54.0%
15	Increase by 10% students with disabilities K-8 meeting typical growth targets in ELA, as set by iReady.	45.1%	49.7%
16	Increase by 10% English Learners K-8 meeting typical growth targets in ELA, as set by iReady.	46.3%	50.9%
17	Close the gap by 10%, from 100% of students with giftedness meeting their growth targets in ELA, as set by iReady.	72.7%	75.5%
18	Increase by 10% students K-8 meeting typical growth targets in math, as set by iReady.	49.0%	53.9%
19	Increase by 10% students with disabilities K-8 meeting typical growth targets in math, as set by iReady.	39.8%	43.8%
20	Increase by 10% English learners K-8 meeting typical growth targets in math, as set by iReady.	38.7%	42.6%
21	Close the gap by 10%, from 100% of students with giftedness meeting their growth targets in math, as set by iReady.	71.3%	74.1%
22	Decrease the percentage of students chronically absent to 20% or less.	63.5%	20.0%

Efficient • Effective • Transparent



This submission also included baseline data and targets for building-level benchmarks. The benchmarks and the methodology for determining targets proposed by LCSD are included in the table below.

### Building-Level Proposed Benchmarks

#	Benchmark Methodology
23	>50% of buildings will have a 25 point increase on Building Performance Index.
24	>50% of elementary schools have a 25 percentage point increase in passage on the 3rd Grade Reading Ohio State Test.
25	>50% of preschool sites will close the gap by 15%, from 100% of students improving at least one level on the Emotion Identification rubric.
26	>50% of preschool sites will close the gap by 15%, from 100% of students improving at least one level on the Social Behaviors rubric.
27	>50% of preschool sites will close the gap by 15%, from 100% of students improving at least one level on the Word Reading rubric
28	>50% of preschool sites will close the gap by 15%, from 100% of students improving at least one level on the Personal Care and Basic Health rubric.
29	>50% of schools that provide services to students in K-8 buildings will either: 1) have a 10% increase of all students meeting typical growth targets in ELA, as set by iReady or 2) Close the gap by 10%, from 100% of students meeting their growth targets in ELA, as set by iReady
30	>50% of schools that provide services to students in K-8 buildings will either: 1) have a 10% increase of all students meeting typical growth targets in math, as set by iReady or 2) Close the gap by 10%, from 100% of students meeting their growth targets in math, as set by iReady.
31	>50% of schools will decrease students chronically absent to 20% or less.

LCSD’s nine proposed building-based benchmarks establish annual and final targets for each building. These targets are based on an increase in percentage in an area, or gap closing. If 50 percent or more buildings reach their final target, the benchmark would have counted toward meeting the majority of academic improvement benchmarks as established by ORC § 3302.103.

District benchmarks were grouped by area(s) of focus by the audit team to facilitate further discussion with the district, and for use in this report. The table below shows the area(s) of focus and the District’s rationale for each benchmark.

## LCSD Proposed Benchmarks Summarized Rationale

Focus	Benchmark(s)	Rationale
Graduation <sup>56</sup>	1, 2, 3, 4, 5, 6	Students must first graduate to be ready to enroll in a post-secondary program, employed, in an apprenticeship, or enlisted in the military, they first must graduate. All students need to be cumulatively acquiring credits on-time within their cohorts and pathways to graduate on-time.
Passing Advanced Courses (9-12)	7	More students need to pass advanced courses to increase the number of students enrolled in a two or four-year college, employed, in an apprenticeship, or enlisted in the military within six months of graduating.
Performance Index	8, 23	Performance Index measures the overall achievement of students from 3rd grade through End of Course exams.
3rd Grade Reading	9, 24	Students reading at grade level by the end of 3rd grade are 3.5 times more likely to graduate on-time than students not reading at grade level.
Preschool Development	10, 11, 12, 13, 25, 26, 27, 28	It is important to develop skills at an early age.
English Language Arts (Grades K-8)	14, 15, 16, 17, 19	Students need to be meeting growth targets from Prekindergarten to 8th grade to graduate on time.
Math (Grades K-8)	18, 19, 20, 21, 30	Students need to be meeting growth targets from Prekindergarten to 8th grade to graduate on time.
Chronic Absenteeism	22, 31	Students need to be present for staff to engage them and to graduate on time.

Additionally, we grouped these benchmarks using the primary source of data or assessment used for measurement. When developing any benchmark, it is important to ensure that the data or assessment used is reliable, valid, and fair. Reliable assessments are consistent and have replicable results. Valid assessments measure what was intended to be evaluated. Fair assessments are free from bias. Additionally, the audit team assessed the controls for these systems with regards to the policies and procedures surrounding the implementation of the Academic Improvement Plan and its benchmarks and found that the systems appear to be in control. Definitions of these sources are below, along with a table with the groupings by benchmark.

- **Graduation Rate, Time in District:** Student progress toward graduation requirements is tracked using student records, which are then used to calculate a graduation rate in the Ohio District Report Card. LCSD utilizes student time in district to calculate a modified graduation rate.
- **Student Information System (SIS):** This includes course results and credits earned from courses. LCSD’s SIS is PowerSchool.

<sup>56</sup> Graduation includes graduation rate as defined by ODE, a modified graduation rate, and cohort graduation status.

- **Ohio District Report Card:** ODE uses data reported by districts and schools to analyze performance in several categories. Data are collected into six components: Achievement, Progress, Early Literacy, Gap Closing, Graduation, and College, Career, Workforce and Military Readiness.
- **Ohio State Tests:** Ohio State Tests are state achievement tests that demonstrate student knowledge as outlined in Ohio’s Learning Standards. All students in Ohio are required to take the tests given to their grade level.
- **Ohio Early Learning Assessment (ELA):** The Early Learning Assessment is a part of Ohio's Ready for Kindergarten Assessment System. The assessment is designed to aid teachers in determining where children are in their readiness for kindergarten. The Early Learning Assessment will provide information for teachers about children from early preschool to kindergarten.
- **iReady:** iReady is a diagnostic assessment that benchmarks student growth over time and student progress against typical growth targets. iReady has assessments for both reading and math.

### LCSD Proposed Benchmarks by Data or Assessment Used

Data Used	Detail or Description	District Benchmark(s)	Building Benchmark(s)
<b>Graduation Rate, Time in District</b>	Includes on-time state graduation rate and a modified graduation rate that factors in student time in-district.	1, 2	
<b>SIS (Credits Earned, Course Results)</b>	Includes the impact of passing core courses on a student’s ability to graduate on time and the passing of advance courses.	3, 4, 5, 6, 7	
<b>Ohio District Report Card</b>	Includes District Performance Index and Chronic Absenteeism Rate.	8, 22	23, 31
<b>Ohio State Tests</b>	3rd Grade Reading Ohio State Test.	9	24
<b>Ohio ELA</b>	Includes emotion identification, social behaviors, word meaning, and personal care & basic health.	10, 11, 12, 13	25, 26, 27, 28
<b>iReady, English Language Arts</b>	Benchmarks include all K-8, K-8 with disabilities, K-8 English Learners, and gifted K-8.	14, 15, 16, 17	29
<b>iReady, Math</b>	Benchmarks include all K-8, K-8 with disabilities, K-8 English Learners, and gifted K-8.	18, 19, 20, 21	30

Efficient • Effective • Transparent

## Academic Improvement Plan Implementation Strategies

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

LCSD’s Academic Improvement Plan contains 91 action steps, divided into areas of focus called components. Each action step includes a description, action step code, and timeline. These timelines are inclusive of spring 2021 to spring 2025 and include spring, summer, and fall for the periods in between.

LCSD’s progress toward action steps is updated throughout the year using a spreadsheet referred to as “progress-at-a-glance”. This spreadsheet includes information about the status of the action step, including additional work that needs to be completed or reasons for delays. During the course of the audit, LCSD provided access to the progress-at-a-glance spreadsheet, with updates to December 2022. The progress of the steps by component are in the table below.

### December 2022 Action Step Implementation Status

<b>Component</b>	<b>Not Started Yet</b>	<b>In-Progress</b>	<b>Complete<sup>57</sup></b>	<b>Total</b>
Equity	1	11	8	20
Healthy Culture	7	6	7	20
Student Supports	6	15	15	36
Titan Improvement Process	3	6	6	15
<b>Total</b>	<b>17</b>	<b>38</b>	<b>36</b>	<b>91</b>

While these action steps are categorized by the area of focus, they do not include a direct connection to specific benchmarks outlined in the plan. According to the District, the plan was not developed with action steps being directly connected to the benchmarks due to changing guidance. Additionally, the District indicated that a comprehensive change in adult behavior was needed for any improvements to benchmarks to follow.

<sup>57</sup> Complete also includes action steps marked as “complete and in action” and “complete and on-going”.

## Academic Improvement Plan Monitoring and Communicating Progress

As discussed earlier, LCSD has published two progress updates for their Academic Improvement Plan, the FY 2021 Progress Report and FY 2022 Progress Report. The FY 2021 Progress Report included the process of developing the Academic Improvement Plan. The FY 2022 Progress Report includes each action code, action step description, and the implementation status. Each step's implementation status is color-coordinated to show whether it is complete (in action or ongoing), in progress (in development or planning phase), or not yet started (with prior steps needing to be completed first). Additional progress context is included for some action steps. The Academic Improvement Plan, also referred to as the We Believe Strategic Plan, progress update is shown below.

### We Believe Strategic Plan Section of FY 2021 Progress Update



Efficient • Effective • Transparent

## We Believe Strategic Plan Section of FY 2022 Progress Update

<b>WE BELIEVE STRATEGIC PLAN   2021/2022 Progress Update</b>		
<b>PROGRESS KEY</b>		
<b>COMPLETE</b> In action or ongoing	<b>IN PROGRESS</b> In development or planning phase	<b>NOT YET STARTED</b> Prior steps need completed first
<b>HEALTHY CULTURE</b>		
<b>CODE</b>	<b>ACTION STEP</b>	<b>PROGRESS</b>
HC1	Design a sustainable plan to recruit and retain staff with diverse ethnic and racial backgrounds to reflect our community's demographic	<b>Complete and in action now.</b> We have overhauled our recruitment efforts and we are implementing now.
HC2	Design and execute a district-wide process to recognize staff for exemplary performance	Not started yet.
HC3	<b>Design and execute a protocol for forming teams to include:</b> <ul style="list-style-type: none"> <li>Identifying competencies needed of team members</li> <li>An application and/or interview process for Equity, OIP, MTSS, and Curriculum team members based on the competencies</li> <li>Select members for teams that closely reflect our community's demographic</li> <li>Establish clear purpose of the objectives of the team</li> <li>Reference and utilize research-based practices such as team start-up guide from the National Implementation Research Network (NIRN) and Massachusetts Institute of Technology (MIT), and the Ohio Improvement Process 2.0.</li> </ul>	<b>Complete.</b> All team formation has a selection process that emphasizes skills required for team members and demographic diversity including race, gender, years of service, and role.

During the audit, the District personnel indicated that they were in the process of updating their website to have greater capabilities for sharing future progress toward the Academic Improvement Plan's action steps and benchmarks. In our interviews, the District indicated a desire to share progress toward benchmark targets in annual updates, but that this would require having benchmark targets approved by ODE.

### LCSD Benchmarks Evaluation Period

<b>Data or Assessment Used</b>	<b>District-Level Benchmark(s)</b>	<b>Building-Level Benchmark(s)</b>	<b>Evaluation Period</b>
Graduation Rates, Time in District	1, 2		Fall to fall
Credits Earned	3, 4, 5, 6		Summer to summer
Course Results	7		Summer to summer
Ohio District Report Card, Performance Index	8	23	Fall to fall
Ohio District Report Card, Chronic Absenteeism	22	31	Summer to summer
Ohio State Tests	9	24	Fall to fall

Efficient • Effective • Transparent

Ohio Early Learning Assessments	10, 11, 12, 13	25, 26, 27, 28	Fall to spring
iReady Growth English Language Arts	14, 15, 16, 17, 19	29	Fall to spring
iReady Growth Math	18, 20, 21	30	Fall to spring

While the Academic Improvement Plan’s appendix details annual measurements for the purpose of calculating annual and final targets, LCSD reported during interviews that they measure most benchmarks multiple times each year. These more frequent measurements were to assist the District in continuously monitoring their progress and making adjustments to actions as needed.

### LCSD Benchmarks Measurement Frequency

<b>Data or Assessment Used</b>	<b>District-Level Benchmark(s)</b>	<b>Building-Level Benchmark(s)</b>	<b>Measurement Frequency</b>
Graduation Rates, Time in District	1, 2		1 time a year
Credits Earned	3, 4, 5, 6		2 times a year
Course Results	7		2 times a year
Performance Index	8	23	1 time a year
Chronic Absenteeism	22	31	Continuously
Ohio State Tests	9	24	1 time a year
Ohio Early Learning Assessments	10, 11, 12, 13	25, 26, 27, 28	2 times a year
iReady Growth English Language Arts	14, 15, 16, 17, 19		3 times a year
iReady Growth Math	18, 20, 21	30	3 times a year

### Conclusion

The Academic Improvement Plan contains 21 district-level benchmarks and 9 school-level benchmarks. Not all of these benchmarks were approved when the implementation period began.

The Academic Improvement Plan contains action steps that are categorized by the area of focus, but do not include a direct connection to specific benchmarks outlined in the plan. The District indicated that a comprehensive change in adult behavior was needed for any improvements to benchmarks to follow. Each action step includes a description, action step code, and timeline. The District’s progress toward action steps is updated throughout the year using a spreadsheet referred to as “progress-at-a-glance”. This spreadsheet includes information about the status of the action step, including additional work that needs to be completed or reasons for delays.

LCSD’s ADC and Academic Improvement Plan were dissolved on October 3, 2023 as a result of ORC § 3302.111 as contained in the state’s biennial budget bill, H.B. 33 of the 135<sup>th</sup> General Assembly. While the Academic Improvement Plan was formally dissolved, the District reported that they will still continue to follow its Academic Improvement Plan, branded as their We Believe Strategic Plan.

# Appendix F: Expenditure Key Driver Analysis

## Methodology

In FY 2022, LCSD spent more per pupil than its peer districts, regardless of whether ESSER spending is included. Excluding ESSER spending, LCSD spent \$17,691 per pupil in FY 2022. Its peers, on average, spent \$16,131 per pupil.

ODE divides school district expenditures into three overarching categories—classroom instruction operating expenditures, non-classroom operating expenditures, and non-operating expenditures. LCSD’s operating expenditure figures, both in and out of the classroom, surpass its peer average. LCSD’s classroom instruction operating spending per pupil was 20.2 percent higher than its peer average (\$11,401 vs. \$9,485) in FY 2022, and its non-classroom operating spending per pupil was 9.1 percent higher (\$5,613 vs. \$5,143).

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

We only identified key drivers for those categories where LCSD spent more than its peer average in FY 2022. Because LCSD spent less than its peer average in FY 2022 on non-operating expenditures, key drivers were not identified for the difference in non-operating spending.

## Classroom Instruction Operating Expenditures

Classroom instruction operating expenditures include those expenditures dedicated to instruction, pupil support (e.g., guidance, health, psychological, speech, audiology, and social work services), and instructional staff support services (e.g., professional development). In FY 2022, LCSD spent more per pupil on classroom instruction operating expenditures than its peers—LCSD spent \$11,401 per pupil in this category, whereas its peers spent \$9,485 per pupil, on average. This resulted in a difference of \$1,916 per pupil spent on activities related to day-to-day classroom instruction.

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



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

<b>Function</b>	<b>Object</b>	<b>LCSD EPP</b>	<b>Peer AVG EPP</b>	<b>EPP Diff.</b>
1110: Elementary	100: Salaries/Wages	\$2,133	\$1,403	\$730
1190: Other Regular	100: Salaries/Wages	\$572	\$99	\$473

Source: LCSD & Peer USAS Data, FY 2022

As seen, the bulk of the EPP difference in classroom instruction operating expenditures can be explained by salaries and benefits for elementary and “other regular” instruction. LCSD spent \$1,203 more per pupil on these items than the peer average in FY 2022, comprising 62.8 percent of the EPP difference in this category.

## Non-Classroom Operating Expenditures

Non-classroom instruction operating expenditures include those expenditures dedicated to general and school administration, maintenance services, pupil transportation, food service, and other and non-specified support services (e.g., fiscal, business, and central services). In FY 2022, LCSD spent more per pupil on non-classroom operating expenditures than its peers—LCSD spent \$5,613 per pupil in this category, whereas peers spent \$5,143 per pupil, on average. This resulted in a difference of \$470 per pupil spent on operations beyond the classroom.

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

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

<b>Function</b>	<b>Object</b>	<b>LCSD EPP</b>	<b>Peer AVG EPP</b>	<b>EPP Diff.</b>
2412: Staff Relations/Negotiations Services	100: Salaries/Wages	\$69	\$0	\$69
	200: Benefits	\$29	\$0	\$29
2414: Education Services	100: Salaries/Wages	\$60	\$15	\$45
	200: Benefits	\$26	\$7	\$19
2415: District Administration Services	100: Salaries/Wages	\$47	\$15	\$31
	400: Purchased Services	\$16	\$1	\$15
2422: Secretarial Services	100: Salaries/Wages	\$182	\$24	\$157
	200: Benefits	\$72	\$9	\$63
2710: Service Area Direction for Operation and Maintenance of Plant Services	100: Salaries/Wages	\$62	\$19	\$43
	200: Benefits	\$27	\$7	\$20
2720: Care and Upkeep of Building Services	100: Salaries/Wages	\$602	\$294	\$309
	200: Benefits	\$241	\$122	\$119

Efficient • Effective • Transparent

2760: Security Services	100: Salaries/Wages	\$192	\$75	\$117
	200: Benefits	\$78	\$27	\$52
2790: Other Operation and Maintenance of Plant Services	400: Purchased Services	\$41	\$0	\$41
	500: Supplies/Materials	\$74	\$0	\$74
	800: Other Objects	\$52	\$0	\$52
3110: Service Area Direction for Food Services Operations	400: Purchased Services	\$711	\$8	\$704

Source: LCSD & Peer USAS Data, FY 2022

As seen, the EPP difference in non-classroom operating expenditures is explained by an assortment of key drivers. For one, LCSD’s spending per pupil was higher than its peer average on a few function codes related to administration—its salary and benefit payments for staff relations/negotiation services roles, education services roles, and secretarial services roles, in addition to its salary payments for district administration services roles were, in total, \$414 higher per pupil than the peer average. Further, LCSD spent \$491 more per pupil than the peer average on salaries and benefits for facilities manager (i.e., service area direction for operation and maintenance of plant services) and building maintenance (i.e., care and upkeep of building services) roles. The District also spent \$169 more per pupil on security staff salaries and benefits.

Some of the EPP difference between LCSD and its peer average for non-classroom operating expenditures can be attributed to purchased services, supplies/materials, and other objects. LCSD spent \$15 more per pupil than its peer average on purchased services for district administrative services, mainly on document imaging. Further, LCSD spent \$167 per pupil on purchased services, supplies/materials, and other objects for “other operation and maintenance of plant services”—its peers filed no expenditures under these function/object combinations. Of the \$989,000 spent in this area, most expenditures were for supplies and materials used to operate, maintain, and/or repair school buildings, garbage removal services, repairs/maintenance services, and insurance to protect the District. Additionally, a significant portion of the EPP difference in non-classroom operating services can be attributed to purchased services for the management of food services (i.e., service area direction for food services operations)—LCSD spent \$704 more per pupil in this area compared to its peer average. All of these expenditures (\$4.2 million in sum) were filed under Object 462, Contracted Food Services—this is defined as food preparation and/or service contracted with an outside organization. LCSD’s peers did have an average of \$694 per pupil in expenditures for Function 3100, Food Service Operations, in FY 2022, but most of their expenditures went toward salaries/wages and supplies/materials, rather than purchased services.

## Non-Operating Expenditures

Non-operating expenditures include those expenditures dedicated to enterprise operations, community services, non-public school services, adult education, construction, land and existing structures, equipment, interest on debt, and other operation of non-instructional services (including sport oriented activities). Non-operating expenditures are not directly tied to student

performance—as a result, they are less of a focus in this analysis. In FY 2022, LCSD spent less per pupil on non-operating expenditures than its peers—LCSD spent \$677 per pupil in this category, whereas its peers spent \$1,502 per pupil, on average. As such, compared to peers, LCSD spent \$825 less per pupil on expenditures unrelated to day-to-day operations. Much of the difference can be attributed to LCSD’s peers’ higher spending per pupil on debt service and facility acquisition and construction.

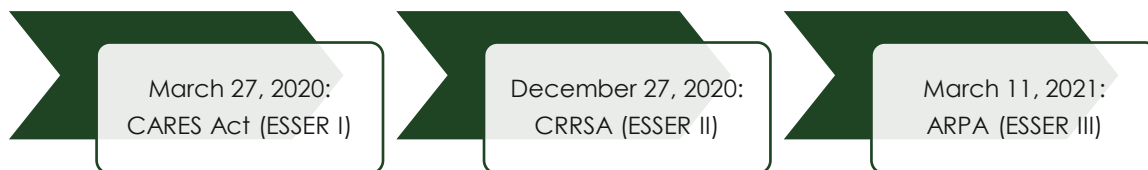
# Appendix G: ESSER

## Elementary and Secondary School Emergency Relief (ESSER) Fund

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

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

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



Of the federal grants made available to school districts, ESSER dollars have a high degree of flexibility. Among other uses, ESSER funds can support any allowable activity under several

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

Note that revenue from and expenditures out of ESSER I, II, and III grants for Ohio school districts are filed under a single fund code in USAS, Fund 507 (the ESSER Fund). LCSD was awarded \$58.3 million in ESSER dollars. As of October 2023, LCSD liquidated (i.e., expended) all but \$157,000 of its ESSER I funding before it expired, and has liquidated a significant portion of its ESSER II and III funding. Barring a legislative extension, it will have until January 2024 to liquidate its ESSER II dollars and January 2025 to liquidate its ESSER III dollars. See the table below for awarded, liquidated, expired, and available ESSER amounts for LCSD as of October 2023.

### LCSD ESSER Awards (as of October 2023)

Award	Liquidation Deadline	Awarded	Liquidated	Expired	Available
<b>ESSER I</b>	Jan. 2023	\$3,937,000	\$3,780,000	\$157,000	\$0
<b>ESSER II</b>	Jan. 2024	\$16,750,000	\$6,318,000	\$0	\$10,432,000
<b>ESSER III</b>	Jan. 2025	\$37,645,000	\$10,711,000	\$0	\$26,934,000
	<b>Total</b>	\$58,332,000	\$20,809,000	\$157,000	\$37,366,000
	<b>% of Awarded</b>	100.0%	35.7%	0.3%	64.1%

Source: CCIP

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

Note: The ESSER I expired amount is the net available amount found in the Project Cash Request (PCR) page of the CCIP. If the Final Expenditure Report (FER) is used as the source, the expired amount is \$154,000.

Because ESSER funds are temporary stimulus funds, school districts have been instructed to use the funds wisely. ODE advised that ESSER funds “... are one-time investments that should be managed carefully. These funds generally should not be used to provide ongoing services, as services may be terminated abruptly when federal funds expire.” In interviews, LCSD administrators provided some insight as to how they’d spent the district’s ESSER money. They stated that around \$900,000 of their ESSER funding went toward the purchase of art equipment, such as musical instruments, in order to expand their arts programming; they also spent over \$1 million on the purchase of new curricula. Further, they stated that the district used ESSER money to convert some school buses into mobile clinics for students.

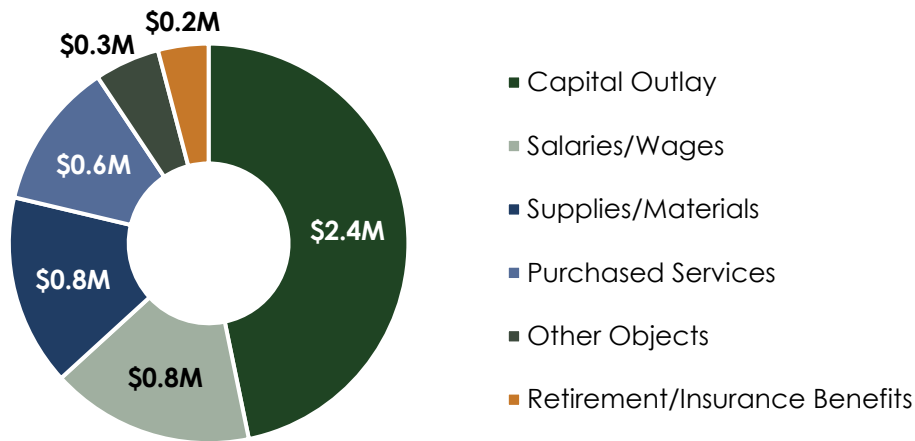
Administrators stated that they brought on additional staff to provide support for students struggling during the pandemic—the District invested in wellness coaches and placed guidance counselors in every school building. Though the District considers their support staff to be vital to students, they stated that they will have difficulty sustaining this level of staff moving forward, as ESSER funds disappear. Administrators say that they will have to decide whether to

continue to employ their additional support staff—if the staff is maintained, they will have to figure out what areas to cut.

### FY 2022 ESSER Spending

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

LCSD ESSER Expenditures by Object, FY 2022



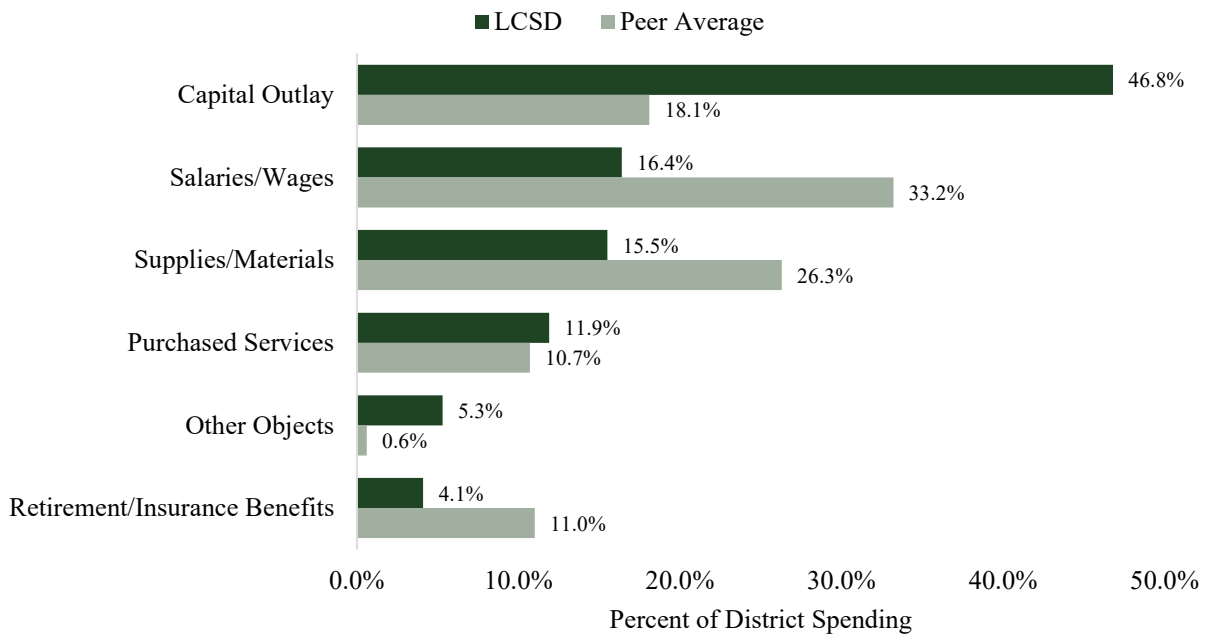
Source: LCSD USAS Data, FY 2022

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

As seen, 46.8 percent, or \$2.4 million, of this spending was on capital outlay—much of these dollars went toward the purchase of technology for students (Chromebooks, iPads, etc.) and roof restoration projects. Another 20.5 percent, or \$1.1 million, of LCSD’s FY 2023 ESSER spending went toward staff salaries, wages, and benefits—note that any staff pay funded by ESSER dollars will have to be transferred to other funds upon the ESSER Fund’s expiration, or reductions in staff FTEs will be required. An additional 15.5 percent, or \$794,000, of the District’s ESSER spending was spent on various supplies and materials. 11.9 percent, or \$612,000, went toward purchased services, including a remodeling project and a contract with the Boys & Girls Club of Northeast Ohio to provide additional tutoring support in literacy for kindergarten through third grade. The final 5.3 percent, or \$271,000, was spent on other miscellaneous objects.

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

## LCSD ESSER Allocations by Object, FY 2022



Source: LCSD & Peer USAS Data, FY 2022

## FY 2023 ESSER Spending

Prior to FY 2023, the District had only spent about \$10.8 million of its \$58.3 million in ESSER awards. In response to the approaching liquidation deadlines mentioned above, the District roughly doubled its ESSER spending from \$5.1 million in FY 2022 to \$11.3 million in FY 2023. Like in FY 2022, the plurality of LCSD’s FY 2023 ESSER spending was on capital outlay—while ESSER spending under this object increased to \$3.1 million from \$2.4 million, it comprised a smaller proportion of the year’s ESSER spending in FY 2023 (27.2 percent) than in FY 2022 (46.8 percent). Over half of this went toward 16-inch MacBook Pro laptops for staff and corresponding AppleCare protection plans.

LCSD’s use of ESSER funds on salaries, wages, and benefits increased in quantity and proportion in FY 2023 compared to FY 2022—31.9 percent (\$3.6 million) of the District’s ESSER spending was funneled into these payments, up from 20.5 percent (\$1.1 million) in the previous year. As mentioned, any staff pay funded by ESSER dollars will have to be transferred to other funds upon the ESSER Fund’s expiration, or reductions in staff FTEs will be required. Furthermore, the District’s use of ESSER funds on supplies and materials (15.8 percent, or \$1.8 million), purchased services (18.7 percent, or \$2.1 million), and other objects (6.4 percent, or \$719,000) increased in quantity and proportion in FY 2023 when compared to FY 2022.

## Conclusion

The District spent \$5.1 million in ESSER funds in FY 2022 and \$11.3 million in FY 2023. After reviewing ESSER-funded expenditures and interviewing LCSD personnel regarding ESSER spending, it appears the District followed ODE’s ESSER spending guidance, and—for the most part—utilized funds for one-time and short-term purchases. As of October 2023, LCSD still has 64.1 percent of its ESSER funding remaining, but it will only have until September 2024 to spend these funds and January 2025 to finish liquidating those funds for that spending—after that, the funds will not be available to use. The District should continue to carefully manage its ESSER dollars by tracking ESSER Fund spending, following available guidance, and assessing the financial and academic impact of expenditure decisions, especially those that will either need to be continued or discontinued in the future.

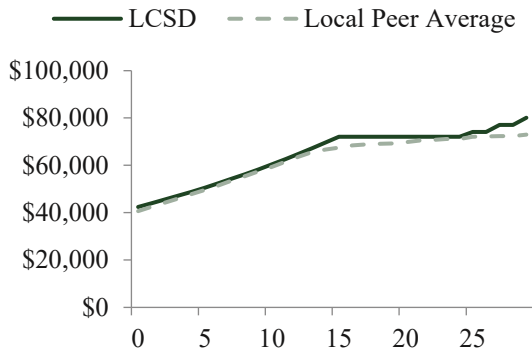
The District’s use of ESSER dollars for staff salaries and benefits will require difficult decisions in the future. Of the District’s \$5.1 million in ESSER spending in FY 2022, 20.5 percent, or \$1.1 million, was spent on staff salaries and benefits. LCSD’s use of ESSER funds on salaries, wages, and benefits increased in quantity and proportion in FY 2023 compared to FY 2022—of the District’s \$11.3 million in ESSER spending in FY 2023, 31.9 percent, or \$3.6 million, went toward these expenditures. Administrators stated that they brought on additional staff to provide support for students struggling during the pandemic—the District invested in wellness coaches and placed guidance counselors in every school building. Though the District considers their support staff to be vital to students, they stated that they will have difficulty sustaining this level of staff moving forward, as ESSER funds disappear. LCSD will need to make strategic decisions in regard to staff paid from ESSER dollars, as any staff pay funded by these dollars will have to be transferred to other funds upon the ESSER Fund’s expiration, or reductions in staff FTEs will be required.



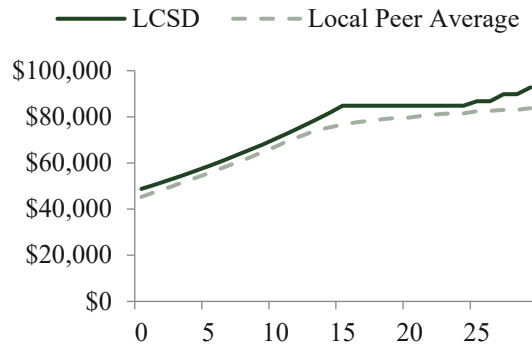
# Appendix H: Human Resources

## FY 2023 Certificated Career Compensation

BA

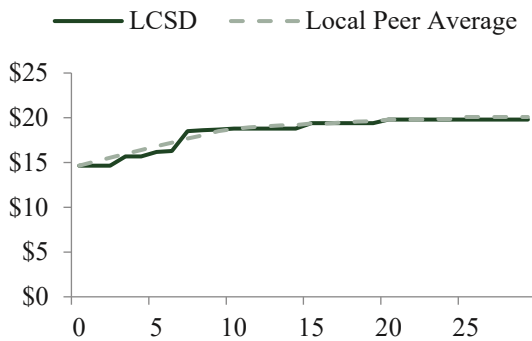


MA

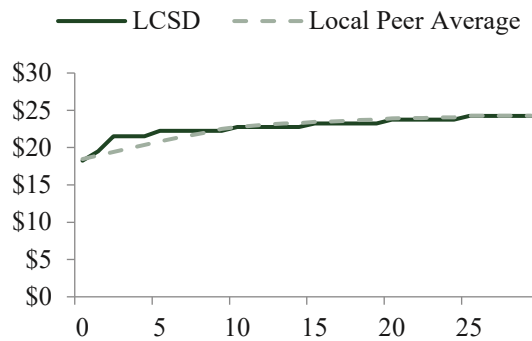


## FY 2023 Classified Career Compensation

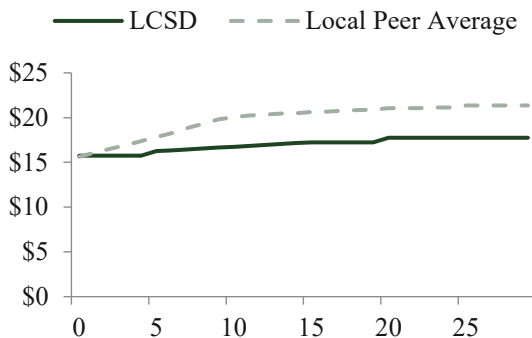
Cleaner



Custodian



Paraprofessional



FY 2023 Insurance

2023 Monthly Medical Insurance Costs

		LCSD		Regional Peer Averages		Local Peer Averages		
		Costs	% Share	Costs	% Share	Costs	% Share	
PPO #1	Single Medical + Rx	District	\$660.92	85.0%	\$699.29	87.2%	\$673.83	86.3%
		Employee	\$116.63	15.0%	\$102.70	12.8%	\$106.92	13.7%
	Family Medical + Rx	District	\$1,652.32	85.0%	\$1,698.10	87.3%	\$1,667.94	86.4%
		Employee	\$291.59	15.0%	\$246.85	12.7%	\$261.79	13.6%
PPO #2	Single Medical + Rx	District	\$612.77	90.0%	\$503.46	90.6%	\$673.83	86.3%
		Employee	\$68.09	10.0%	\$52.08	9.4%	\$106.92	13.7%
	Family Medical + Rx	District	\$1,531.92	90.0%	\$1,246.51	90.6%	\$1,667.94	86.4%
		Employee	\$170.21	10.0%	\$129.83	9.4%	\$261.79	13.6%
HDHP	Single Medical + Rx	District	\$662.86	80.0%	\$699.29	87.2%	\$508.08	94.2%
		Employee	\$165.71	20.0%	\$102.70	12.8%	\$31.07	5.8%
	Family Medical + Rx	District	\$1,657.14	80.0%	\$1,698.10	87.3%	\$1,204.13	93.0%
		Employee	\$414.28	20.0%	\$246.85	12.7%	\$89.98	7.0%

Source: LCSD and SERB

2023 Monthly Medical Insurance Costs – Dental

		LCSD		Regional Peer Averages		Local Peer Averages		
		Costs	% Share	Costs	% Share	Costs	% Share	
OPTION #1	Single Dental	District	\$25.32	82.5%	\$32.86	89.3%	\$24.89	82.9%
		Employee	\$5.37	17.5%	\$3.92	10.7%	\$5.13	17.1%
	Family Dental	District	\$63.29	82.5%	\$84.25	86.6%	\$67.50	82.6%
		Employee	\$13.43	17.5%	\$13.02	13.4%	\$14.18	17.4%
OPTION #2	Single Dental	District	\$20.65	82.5%	\$32.86	89.3%	\$24.89	82.9%
		Employee	\$4.38	17.5%	\$3.92	10.7%	\$5.13	17.1%
	Family Dental	District	\$51.62	82.5%	\$84.25	86.6%	\$67.50	82.6%
		Employee	\$10.95	17.5%	\$13.02	13.4%	\$14.18	17.4%

Source: LCSD and SERB

## 2023 Monthly Medical Insurance Costs – Vision

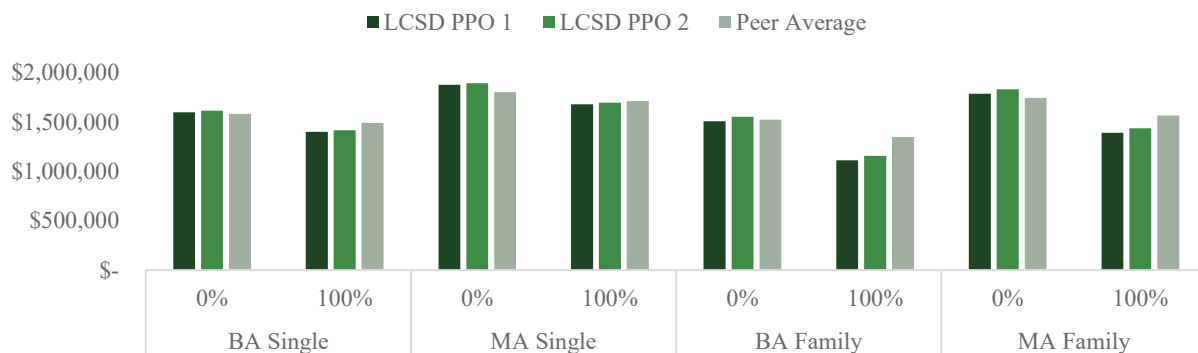
		LCSD		Regional Peer Averages		Local Peer Averages	
		Costs	% Share	Costs	% Share	Costs	% Share
<b>Single Vision</b>	District	\$3.07	100.0%	\$6.48	81.0%	\$6.55	90.0%
	Employee	\$0.00	0.0%	\$1.52	19.0%	\$0.73	10.0%
<b>Family Vision</b>	District	\$8.44	100.0%	\$15.42	77.7%	\$16.93	90.3%
	Employee	\$0.00	0.0%	\$4.43	22.3%	\$1.82	9.7%

Source: LCSD and SERB

### Adjusted Salaries

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

### Adjusted Salary Analysis – 30-year Career Earnings Comparison

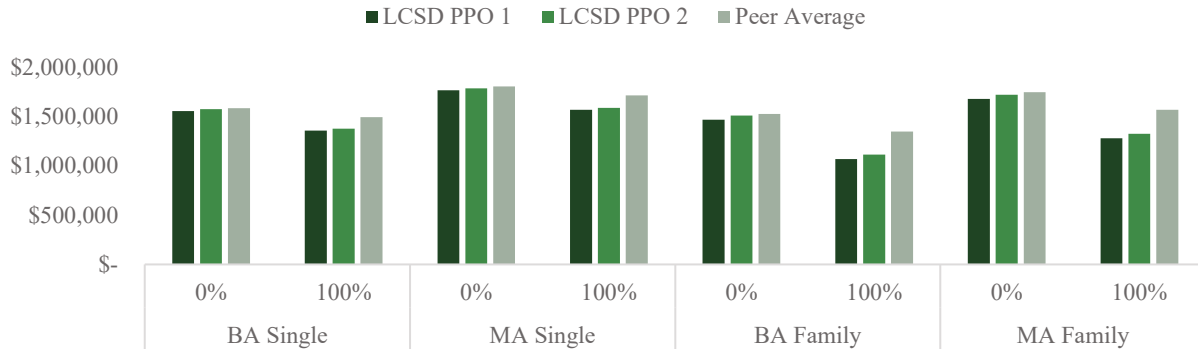


Overall, adjusted salaries for all categories in FY 2023 ranged from 17.4 percent lower to 5.1 percent higher depending on which salary schedule (BA or MA), which insurance plan (PPO 1 or PPO 2, family or single), and how much an employee utilizes their insurance.

### Controlled Salaries

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

### Controlled Salary Analysis – 30-year Career Earnings Comparison

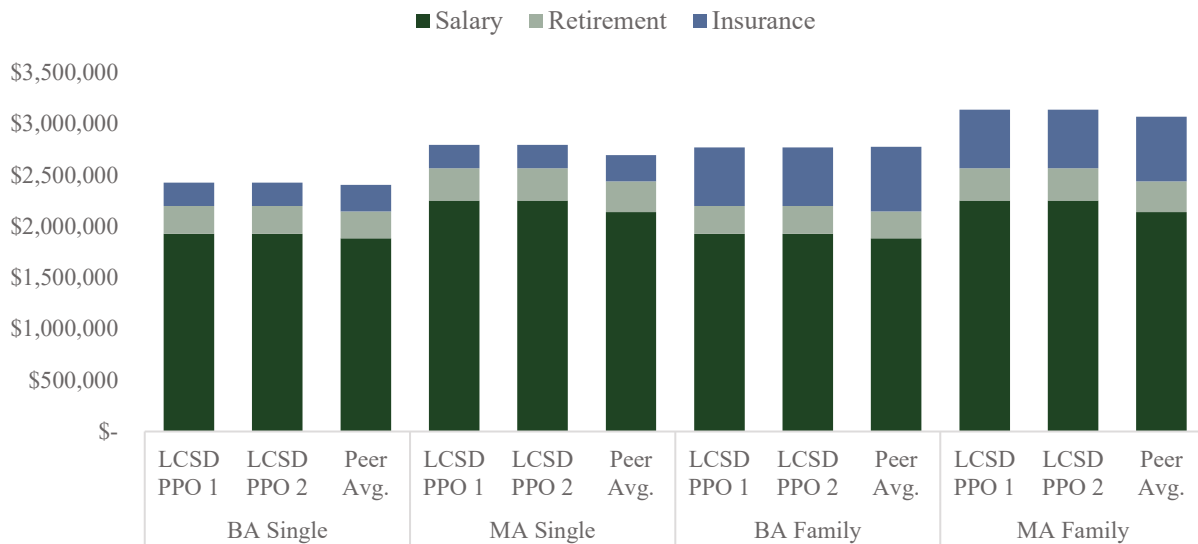


As shown, setting the District’s salary equal to the peer average shows LCSD employees would have a lower to relatively comparable adjusted salary at 0 percent insurance usage and 100 percent usage. Overall, adjusted salaries for all categories in FY 2023 would range from 0.7 percent to 20.7 percent lower depending on which salary schedules (BA or MA), which type of insurance plan (PPO 1 or PPO 2, family or single), and how much an employee utilizes insurance.

### District Cost of an Employee

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

### Districts’ Employee Cost Comparison – 30-year Career



As seen above, LCSD had comparable employee cost for BA single and BA family. LCSD had 3.7 percent higher costs for MA single and 2.3 percent higher costs for MA family.

# OHIO AUDITOR OF STATE KEITH FABER



**LORAIN CITY SCHOOL DISTRICT**

**LORAIN COUNTY**

**AUDITOR OF STATE OF OHIO CERTIFICATION**

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



**Certified for Release 1/16/2024**

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

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