

School District Benchmarking Report

Fiscal Year 2009 **School District Benchmarking Report** *School Year 2008-2009*



Department
of Education

Ted Strickland, Governor
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Introduction

In 2009, as part of his biennial budget proposal, Governor Ted Strickland set forth a series of policy and funding changes for primary and secondary education in Ohio. The funding system Governor Strickland proposed relies in large part on work completed by Allan R. Odden, Michael E. Goetz, and Lawrence O. Picus¹ which sets out to identify evidence of the resources and educational programs that ensure student success. This evidence-based funding system identifies “school-based programs and educational strategies that research has shown to improve student learning”². When fully implemented, the system will ensure that each district has sufficient resources to implement these programs and strategies.

Included in the proposal are a variety of spending and reporting requirements to provide insight on how districts manage the resources provided by the state. The management of resources is dependent on two key dimensions to the effective and efficient use of resources. The educational dimension involves how money is spent to directly support activities in the classroom. This dimension includes areas such as the cost of teachers, administrators, textbooks, classroom supplies, etc. The operational dimension involves how money is spent to support the operations of schools – those items that are not directly part of the classroom experience. This dimension includes areas like food service, transportation, utility management, building management, etc. The District Benchmarking Report presents measures of both dimension and is a starting point in the development of more extensive fiscal measures.

Inherent in the evidence-based model are some assumptions about the allocation of resources. In particular, the success of the model assumes that district resources are allocated in a manner that supports the primary goal of Ohio’s education system: high achievement for all students. It is assumed that the lunch program will be self supporting and that transportation costs will not drain resources from the needs of students in the classroom. The District Benchmarking Report is intended to provide a framework to provide districts with the ability to evaluate the operating costs of the district and identify possible areas for improvement in the allocation of district resources.

The data in this report is compiled from a variety of sources submitted by the district to the Ohio Department of Education (ODE). Some measures, such as the report card data, are based on very detailed and extensive data requirements to ensure each district reports data consistently. The structures for financial data, on the other hand, are not as strictly defined which can lead to some cost variations between districts due to differences in the manner the districts classify their expenses.

All districts are required to report financial data to ODE within the system of revenue and expenditure codes defined by the Ohio Auditor of State in the Uniform School Accounting System (USAS) manual. Districts are required to use at least three levels of reporting codes for each financial transaction: the three digit fund, the four digit function and the three digit object code. These funds, functions, and object codes each have detailed definitions in the USAS manual but, in the past, there has not been a concerted effort to ensure all districts report similar expenditures with the same coding structure. As such, one district may report an after-school program as an extended learning day with all of the expenses coded to regular classroom expenses while another district will report the program as an academic intervention program and the expenses will be coded as supplemental instruction expenses. ODE is currently working with the Auditor of State and district treasurers to develop more consistent reporting standards.

¹ Odden, Goetz, Picus; *Paying For School Finance Adequacy With The National Average Expenditure Per-Pupil, Working Paper 2*; School Finance Redesign Project; The Center on Reinventing Public Education; Daniel J. Evans School of Public Affairs; University of Washington; March 14, 2007;

http://www.crpe.org/cs/crpe/download/csr_files/wp_sfrp2_odden_mar07.pdf

² Ibid.

Fiscal Measures Guide Layout

School District Fiscal Benchmark Report FY2009

Ada Exempted Village (Hardin)

IRN
Name

District	Average of Districts in County	Average of LRC Similar Districts	Statewide Average*	Comparison District 1	Comparison District 2	Comparison District 3
045187						
Ada Exempted Village (Hardin)	Hardin					
Effective	**	**	**			
Below	**	**	**			
Above	**	**	**			
\$230,711	-\$157,474	\$110,697	\$48,568			
22.6%	25.4%	22.3%	22.2%			
\$9	\$2	\$14	\$12			
0.00%	0.00%	0.26%	0.60%			
\$8,426	\$8,962	\$8,584	\$9,637			
856.1	926.4	1169.7	2719.2			
74.6	43.6	26.7	35.7			
11.2	13.2	13.5	14.9			
0.0	**	**	**			
\$6,682	\$7,670	\$7,435	\$8,091			
55.6						

Academic Performance Measures

Report Card Designation

Value Added Composite Score 2008

Value Added Composite Score 2007

General Financial Condition Actual FY09

Structural Surplus/Deficit

Ending Balance as % of Operating Revenue

Change in Ending Balance

Debt as % of Operating Revenue

Expenditure per Pupil

Expenditure per pupil

Expenditure Flow Model Average Daily Membership

% of EFM ADM that is economically disadvantaged

% of EFM ADM with a disability

% of EFM ADM that is Limited English Proficient

Expenditure per Equivalent Pupil

Operational Efficiency Measures

Teacher Costs

Teacher Full Time Equivalents

Fiscal Measures Guide

Avg. Teacher Salary	\$48,823	\$43,806	\$49,456	\$51,671			
Avg. Years of Service	13.6	12.2	12.9	13.2			
K-12 Pupil Teacher Ratio	15.4	14.2	15.7	14.9			
Administrator Costs							
Administrator Full Time Equivalents	6.2						
Pupil Administrator Ratio	138.1	108.5	143.7	142.9			
Bureau of Worker's Compensation Composite Rate	0.52	0.50	0.69	0.75			
Cost of Benefits							
Retirement as % of Total Compensation	11.4%	11.0%	11.7%	11.4%			
Health Care as % of Total Compensation	13.4%	15.2%	12.2%	14.0%			
Total Benefits as % of Total Compensation	25.0%	26.5%	24.8%	22.2%			
Building Operations and Maintenance							
Square Foot per Pupil	0.0	169.3	158.2	179.1			
Costs per sq. ft.	\$0.00	\$5.60	\$5.23	\$5.97			
Util. costs per sq. ft.	\$0.00	\$1.71	\$1.52	\$1.73			
Custodial/Maint. Costs per sq. ft.	\$0.00	\$1.66	\$1.57	\$1.69			
Transportation							
Efficiency measure	0.9	1.4	1.2	1.0			
Square Miles in Districts	43.0	98.3	68.6	68.5			
% of Nontraditional Riders	0.0	1.2	2.5	4.5			
Riders per Square Mile (Density)	4.2	4.1	14.7	44.1			
Food Service							
Cost per meal	\$3.02	\$3.00	\$3.07	\$3.05			
Food Service Fund Gain/Loss	\$38,885	\$20,042	\$3,563	-\$1,761			
Average Daily Lunch Participation	59.9%	60.2%	50.4%	54.4%			

Note: All county, district and state averages and true averages and are not weighted to reflect district size.

*Excludes districts with no enrollment.

How to Create a District Benchmarking Report

The District Benchmarking Report is an Excel workbook consisting of four worksheets:

1. **Report** – this worksheet provides the primary benchmarking and comparative data. To view the report, first select the district by clicking on the drop-down list in the blue box in cell D5. This will populate the report with data for the selected district, the average for districts in the same county and the average for similar districts. For additional comparisons, three districts can be selected using the drop-down lists in cells H5, I5, and J5.
2. **Report_Trend** – this worksheet provides two years of trend data for a single district. To view the trend report, first select the district by clicking on the drop-down list in the blue box in cells D-E5.
3. **Data Info** – this worksheet provides technical details on the data source and calculations used for the benchmarking report
4. **Expenditure Equivalent Pupil** – this worksheet provides details on the data source and calculations for the expenditure per equivalent pupil benchmark.

Average of Districts in County

The average of districts in the county includes an average of the indicated data element for all districts in the county. Data in this column is automatically generated based on the county for the district selected in cell D5.

Average of LRC Similar Districts

Similar districts are a unique group of up to 20 “similar districts” that are most similar according to certain criteria. Statistically speaking, these are the “nearest neighbors” of the selected district. Five criteria are used to determine the “similar districts” comparison group:

- district size
- poverty level
- socioeconomic status (median income, education, occupational data)
- factors related to urban or rural location (population density, % of mining property value, % of agricultural property, cost of doing business adjustment factor)
- overall property wealth (non-agricultural and non-residential tax capacity)

The similar district average includes an average of the indicated data element for all districts in the “similar district” comparison group. Data in this column is automatically generated based on the similar districts defined for the district selected in cell D5.

State Results (%) is an average of results for all Ohio traditional public school districts, excluding the island districts and College Corner, that submitted FY2009 June data or Financial data. Community schools and joint vocational school districts are not included in this average.

Printing the Reports from Excel

Excel gives users the option of either printing each worksheet individually or all at once. In the “Print” menu, there is a group of options called “Print What.” If you would only like to print the current worksheet (such as the summary above) you should select the “Active Sheet(s)” option. However, if you would like to print all worksheets at once (the entire report) you should select the “Entire Workbook” option.

Note: Since this is an Excel workbook, you can modify the formatting to work better with your printer and for better readability.

Understanding the Benchmarks

Academic Performance Measures

Report Card Designation: In August of each year, the district report card is released which provides an overall measure of the districts academic performance. The ratings range from the lowest level of “academic emergency” to the highest of “excellent with distinction.” In general, districts that achieve a higher rating are doing a better job at preparing student for success. Complete details on the rating system and the measures used to develop the rating are available by searching for “Local Report Card and Accountability Information” on the ODE website: www.education.ohio.gov.

Value Added Composite Score: Value added measures the growth in student learning over the course of a year. It is intended to determine the “value” gained by a student during that time period. This data is reported on the district report card. For accountability purposes, the state has grouped the results of the value added computation into three classification bands. “Above” means students have mastered more learning in the year than the state-level expectations. “Met” means students have mastered the learning in the year set by state-level expectations. “Below” means students have mastered less learning in the year than the state-level expectations.

General Financial Condition

School districts are required to complete a five year forecast of the district’s general fund budget. The general fund consists of revenue and expenditures that can be used for the general expenses of the district and is the primary source of financial activity in any district. From the five-year forecast data, some benchmarks that indicate the general financial condition of a district are presented. It is important to keep in mind that property tax revenue is the primary source of local revenue in all districts. In Ohio, there are restrictions that limit the inflationary growth in property tax collections when the value of property increases. However, the expenses of the district will go up with inflation. Because of these competing pressures on revenue and expenses, most districts will go through cycles of strong and weak financial condition measures.

Structural Surplus/Deficit: Like individuals, a district may have cash reserves in the bank that can be used to support expenses when there is not enough income (think of this as a district savings account.) When a district is using the cash reserves to meet current expenses, this number is negative and the district is experiencing a structural deficit. In other words, the current income is not enough to cover current expenses. If the district is spending less than the income received, this number is positive and the district is experiencing a structural surplus. A deficit in this line means the district is nearing the end of the levy cycle and may need to request additional revenue in the near future.

Ending Balance as % of Total Revenue: The ending balance is a strong indicator of the district’s ability to enter the next fiscal year with sufficient funds to meet any unanticipated changes in revenues or expenditures. Any district with less than 2% in this field is considered to be at risk for fiscal difficulties.

Ending Balance: This is the change in the general fund ending balance between the most recent two years of actual data. If this number is increasing, the district has increased the amount of reserves that are available to meet future expenditures; if it is declining the district is reducing the amount of reserves.

Debt as a Percent of Operating Revenue: General fund debts are expenditures for goods or services received in a prior year. Excessive debt may create difficulties in meeting the current expenses of a district.

Expenditure per Pupil

ODE uses the Expenditure Flow Model (EFM) to report per-pupil spending for Ohio's schools. The EFM is a reporting method based on concepts developed by Dr. Bruce Cooper of Fordham University. The model uses the districts' end-of-year financial records to organize expenditure data into meaningful and comparable categories at both the district and building level. More information on the expenditure flow model is available [here](#). To provide a frame of reference, and because the cost of educating some students may be higher, the percentage of students with characteristics that are known to cause higher expenditures are also reported in this section.

Expenditure per Pupil: This number represents the overall expenditure of the district for all district operations and includes instructional programs, staff development (professional development programs), student support services (e.g. health service, guidance services), administration (e.g. central office, principals) and operating expenses (e.g., transportation, maintenance, utilities). Because districts often handle funds unrelated to the instruction of students, *not all expenditures accounted for by a school district are included in the model*. Generally, these are expenses not related to the daily operation of a kindergarten through high school district such as public preschool programs, adult education programs, or building project funded with bonds issued by the district.

Expenditure Flow Model Average Daily Membership: The average daily membership is an annual measure of the number of students enrolled in the district. This number is calculated for each student by dividing the number of days the student was enrolled by the number of days the school was in session. Therefore, a student that is enrolled for only part of the year will be less than one.

% of EFM ADM that are Economically Disadvantaged: The percent of students that are identified as economically disadvantaged is reported on the district local report card. A student is considered to be economically disadvantaged if the student is eligible for a free or reduced price lunch (the student's family income is less than 185% of the federal poverty rate), resides in a household in which a member (e.g., sibling) is known to be eligible for free or reduced-price lunch, or are known to be recipients of or whose guardians are known to be recipients of public assistance or whose parents or guardians have completed a Title I student income form and meet the income guidelines specified. Family income figures are derived from federal poverty guidelines as reported in the Federal Register. For additional information regarding Family Income figures, see the following website:

<http://www.fns.usda.gov/cnd/governance/notices/iegs/IEGs.htm>.

% of EFM ADM with a Disability: The percent of students that have a disability is reported on the district's local report card. Districts are required to identify and offer services to any student with a disability to help alleviate any barriers created by the disability. The services provided to disabled students will increase the cost of education.

% of EFM ADM that is Limited English Proficient: The percent of students who are not native English speaking and are identified with limited English proficiency in speaking, reading, and writing. Students with limited English proficiency frequently require additional services in order to develop language skills and complete the educational program. The services provided to students with limited English proficiency will increase the cost of education.

Expenditure per Equivalent Pupil: As stated previously, some categories of students are known to require additional services that increase the district's expenditure per pupil. The expenditure per equivalent pupil is a measure that adjusts the expenditure per pupil by adjusting the number of pupils to reflect these additional costs. For example, a student that is blind will require special adaptive reading materials and may require additional aides in the classroom in order to direct the student through their studies. Therefore, this student may require

expenditures that are four times higher than the typical student. When comparing two districts, the district with a blind student has the equivalent of 5 sighted students and this measure uses an adjusted ADM to reflect these differences. Thus, while these two districts may have very different expenditure per pupil, the expenditure per equivalent pupil provides a comparison that offsets differences caused by characteristics of the students as opposed to the operations of the district.

Operational Efficiency Measures

Teacher Costs

Teacher Full Time Equivalents: A full-time equivalent teacher is reported in terms of the number of hours the teacher actually works when compared to the number of hours a teacher working all day, every day will work. Thus, a teacher that is employed for only half of the normal course load would be reported as equivalent to $\frac{1}{2}$ of a full-time teacher.

Average Teacher Salary: For every staff member listed as a teacher, this is the sum of the annual salaries for all teachers divided by the number of full time equivalent teachers. Teacher salaries are defined in salary schedules that are unique to each district and some of the difference in average teacher salary will reflect those differences.

Average Years of Service: As the years of service increase, the average teacher salary can be expected to increase. It is important to compare this number when comparing the average salary between districts; differences in teacher salary may be due to differences in the average length of service.

K-12 Pupil Teacher Ratio: This is the number of students per full time equivalent teacher and is measured by dividing the number of students (ADM) by the number of full time equivalent teachers. While, in general, a lower number indicates smaller the class sizes, this is not equivalent to class size. Many teachers in a district work with students to provide tutoring or extra classroom support and are not assigned full time to a class.

Administrator Costs

Administrator Full Time Equivalents: Administrators are staff members in specific job categories such as the superintendent and assistant superintendents, treasurer and assistant treasurers, administrative assistants, principals and assistant principals, supervisors, coordinators and directors. These staff members are generally employed to direct activities in the district and are not working directly with students in the classrooms. A full-time equivalent administrator is reported in terms of the number of hours the administrator actually works when compared to the number of hours an administrator working all day, every day will work. Thus, an administrator that is employed for only 2.5 days per week would be reported as equivalent to $\frac{1}{2}$ of a full-time administrator.

Pupil Administrator Ratio: This is the number of students per full time equivalent administrator and is measured by dividing the number of students (ADM) by the number of full-time equivalent administrators.

Bureau of Worker's Compensation Composite Rate: All employers in Ohio contribute to the Ohio Worker's Compensation system which acts as an insurance policy for employees who are injured on the job. The composite rate is presented as measure of the comparative cost between districts and is impacted by historical claims and the districts participation in BWC rate reduction programs. A higher rate indicates more of the financial resources of the district are paid into this fund. More information on how rates are set can be found at <http://www.ohiobwc.com/basics/guidedtour/generalinfo/empgeneralinfo13.asp>.

Cost of Benefits

Total compensation includes not only the salary paid to employees but, also, the benefit programs that are funded in part or in whole by the district. This section presents the portion of the total compensation costs supporting various benefit programs.

Retirement as % of Total Compensation: Public employers, including school districts, contribute a percentage of each covered employees salary into the appropriate public pension plan. In some districts, the district will also contribute all or a part of the employees contribution to the pension plan.

Health Care as % of Total Compensation: School districts provide health care insurance to their employees and this cost is generally shared between the district and the employee. The cost of health insurance plans is influenced by the types of insurance offered (e.g. medical, dental, vision, etc.), program costs and the portion of the cost that is paid for by the employees.

Total Benefits as % of Total Compensation: Public employers, including school districts, contribute a percentage of each covered employees salary into an unemployment insurance fund which provides benefits to unemployed workers and workers' compensation fund for employees who suffer injuries on the job. In addition, total benefits will include other employer provided benefits such as reimbursement for employee education, uniforms or tools, and employee recognition awards.

Building Operations and Maintenance

Square Foot per Pupil: The square foot includes space available in all district buildings, including any buildings used to provide office space for the central administration (superintendent, treasurer, etc) or operational support (bus garage, maintenance shop, etc.) When comparing these costs, it is important to also consider this measure. If a district has less square foot per pupil than another district, the cost to maintain the buildings may be higher due to the amount of wear and tear students and staff subject the building to.

Costs per sq. ft.: The cost per square foot measures the operational costs to operate and maintaining the buildings in a district. It includes all expenses for the care and upkeep of the buildings and grounds.

Util. costs per sq. ft.: The utilities cost per square foot measures the cost of providing gas, electricity, water, sewage and other utilities necessary to operate the buildings. This measure may be influenced by energy efficiency measures adopted by the district, the age of the buildings, or the number of students and staff that use the building.

Custodial/Maint. Costs per sq. ft.: The custodial and maintenance costs per square foot include the cost of staff hired to care for and maintain the buildings, garbage removal, and supplies for the upkeep of the buildings.

Transportation

Efficiency measure: Transportation efficiency is measured by the number of regular education students that are transported on a school bus. The model establishes a target student per bus value for each district in the state. Districts which exceed that target are defined as being efficient relative to other districts in the state.

There are many factors that can influence the efficiency measure. Districts with busses that run a single route and are not filled with students will experience the lowest efficiency measures. Conversely, a district that schedules buses to run multiple routes with nearly every seat taken will experience the highest efficiency measures. Districts may also have policies in place which lead to lower rider ratios. These policies include transporting students that live less than 1 mile

from school and are not included in the efficiency measure, schools buildings that all start or end the day close together (minimizing the amount of time available to pick up students), or routing plans that deliberately schedule few students per bus.

Square Miles in District: The number of square miles measures the area within the district's boundaries. This value and the number of bus riders are the primary factors for determining the district's target number of students per bus. Districts that are relatively small with a high number of riders can easily achieve a high number of riders per bus, while a district that is geographically large with a low number of riders will experience lower per bus loads.

% of Nontraditional Riders: School districts are generally required to provide transportation services to students who live in the district but attend chartered non-public (private) schools and community schools. Districts with a greater percentage of students attending the private or community schools will generally have higher costs than districts with less students at these schools.

Riders per Square Mile (Density): Rider per square mile is calculated by dividing the district's actual bus riders by its size in square miles.

Food Service

Cost per meal: The cost per meal is measured by dividing the total operating expenses charged to the food service fund by the number of meals served. Some districts do not operate a food service program, in which case this number will be zero. Some districts, particularly districts with a large number of economically disadvantaged students, will serve both breakfast and lunch to students.

Food Service Fund Gain/Loss: The food service gain or loss is the difference between the revenue that is deposited into the food service fund and the operating expenses charged to the fund. When this number is zero or positive, the food service program is self supporting, if the number is negative, the food service program must be supported with funds that would otherwise be available for educational programs.

Average Daily Lunch Participation: The average daily lunch participation rate is the number of lunches served during the school year divided by the ADM times 180 days which is used to approximate the number of days lunch is served. However, the number of days a lunch is served will vary due to cafeteria closures because of scheduled school activities or bad weather.

Where to Find More Information

Most of the data used and reported in the Benchmarking Report are submitted to Ohio Department of Education (ODE) by each district. More detailed data is frequently available by accessing the ODE web site. A wide range of information about students, teachers, administrators, staff, academic ratings, revenues and expenditures is available through the department's interactive local report card, power user's site: http://ilrc.ode.state.oh.us/Power_Users.asp.

The ODE also produces a District Profile report which compiles a number of demographic, tax, financial and student data about each district, similar districts and the statewide average. The District Profile report is available on the ODE website at:

http://webapp2.ode.state.oh.us/school_finance/data/policy_research/F2009_district_profile_report.asp.

Information about the requirements for and organization of financial records submitted to ODE can be found on the Auditor of State's (AOS) website and in particular in the Uniform School Accounting System User Manual at:

http://www.auditor.state.oh.us/services/lgs/publications/LocalGovernmentManualsHandbooks/uniform_school_accounting_system_user_manual.pdf.

The AOS also offers a full range of performance audit services to school systems in Ohio. Performance audits provide a comprehensive report on the efficiency and effectiveness of a school district's operations and offers recommendations for improvement and potential cost savings. These reports are publicly available via a search option on the AOS website at <http://www.auditor.state.oh.us/auditsearch/search.aspx>.

For questions about the School District Benchmarking Report please contact either:

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