

Expenditure Per Pupil

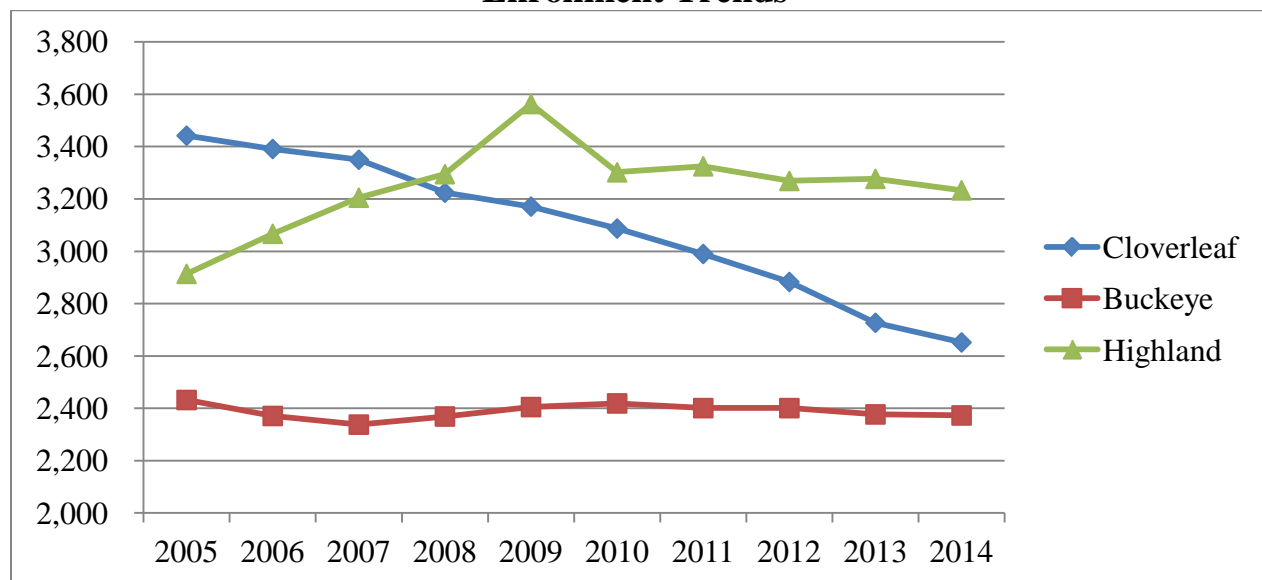
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Cloverleaf Local Schools has for years compared its spending performance to similar districts and to the Medina County district average. The most important comparison has always been the similar district average in relation to the District's spending. The similar district average quantifies comparable attributes such as enrollment, transportation square miles and income levels. These cost comparisons have influenced the decision making process of the District, but it is extremely important to understand how costs are not always a true apples-to-apples comparison. The following examples provide some insight into how costs are not always comparable:

Enrollment

- Enrollment has a dramatic influence on overall expenses. For example, district A with an enrollment of 2,500 could have an expenditure per pupil (EPP) of \$40 to employ a high school principal. Compared to district B with an enrollment of 3,000 would have an EPP of \$33. Both districts are required to have a high school principal and composite similarly, yet district A's EPP would reflect \$7 more in spending.
- A district EPP will be impacted by a declining or an inclining enrollment. Cloverleaf has experienced a declining enrollment of 23.0 percent from FY 2004-05 to FY 2013-14. Comparing Cloverleaf to the other local district in the County, Buckeye has had a 2.4 percent decrease and Highland has had a 10.9 percent increase during the same time period. In the last five years, Cloverleaf has made over \$7 million in cuts in both instructional and non-instructional areas. These reductions were necessary to help align operational needs to the actual student enrollment. Regardless of the reductions, Cloverleaf's fixed costs have remained the same but are now divided among a smaller population.

Enrollment Trends



Transportation

- Transportation – Comparing transportation costs only to districts with similar square miles provides a true insight into overall performance. If not, the costs of district A could be inflated exponentially. In a county comparison there could be several city school districts that only transport 15-35 square miles per day versus a district like Cloverleaf that transports overall 100 square miles per day. By default, the district transporting 100 square miles will incur additional fuel costs, higher maintenance costs and have to replace buses on a faster schedule. The following chart illustrates how the EPP is impacted based on the size of a district.

Transportation EPP

	Cloverleaf	Medina	Highland	Buckeye	Brunswick	Wadsworth
Transportation	663.01	291.04	470.8	405.48	496.63	302.63

As shown in the chart above, Cloverleaf's transportation EPP is 127 percent more of the district with the lowest transportation EPP within the County. These cost are fully explained by the fact the District's square miles are many times the size of some of the city school districts.

Fixed Costs

- When comparing utilities the EPP could be influenced three different ways depending upon the analysis. First, regardless of a district enrollment the buildings must be heated, which is not impacted by the number of students in the building. District A and B could have costs of \$85,000 per year although the EPP would be \$34 for district A with an enrollment of 2,500 and \$28 for District B with an enrollment of 3,000. Secondly, the climate of a district will impact overall cost. A district in northern Ohio will experience colder winters than a district in southern Ohio; hence impacting the overall EPP. Lastly, utility rates will impact the EPP. District A and B could have the exact same size building and enrollment yet one of the district's EPP will be higher depending upon the rates offered by the provider. Districts have little to no option of controlling the rates, yet these costs are still included in the EPP calculation.
- Maintenance and custodian service will also impact the EPP regardless of enrollment. Each day the buildings must be cleaned which requires a set amount of custodians that would not necessarily be impacted by enrollment. Cloverleaf also spends resources on capital improvements to protect building investments. For example, if a roof was replaced our EPP would be higher than a district that replaced a roof with a higher enrollment. In both cases the roof needed replaced but Cloverleaf's EPP is heightened because of the smaller enrollment.

Regardless of the factors that can influence the EPP, district are still responsible for monitoring, tracking and reporting costs to the Ohio Department of Education. Recently, the U.S. Department of Education required the Ohio Department of Education to revise the expenditure

reporting into three categories, which include classroom instructional, non-classroom and non-operating.

Non-operating costs include such items as community school services, construction and debt payments. These items are excluded for several reasons such as community payments are not in the control of any district and are not funds being used to educate students within the district. Classroom instructional includes costs directly related to the education of students such as teachers, paraprofessionals and classroom supplies. Non-classroom items include general administration, utilities, maintenance and transportation. While it's reasonable to include most of these costs, the rationale described above should warrant caution when comparing an absolute cost from one district to another. The following chart illustrates Cloverleaf's spending data in comparison to the other districts in Medina County.

Spending Data

	Cloverleaf LSD	County Average	State Average
Instructional	\$5,475	\$5,441	\$5,892
Non-Classroom	\$2,582	\$2,334	\$2,832
Total	\$8,057	\$7,776	\$8,723
Revised Total¹	\$7,394	\$7,337	\$8,251

Note: The County Average includes, Cloverleaf Local Schools, Medina City Schools, Highland Local Schools, Buckeye Local School and Wadsworth City Schools.

As shown in the table above, Cloverleaf is spending \$281 more than the County average and is 3rd of the 6 districts used in this comparison. The new reporting standards are far superior to the expenditure flow model but there are still a few fundamental flaws to consider. As explained above, one of the biggest differences between Cloverleaf and the other County districts is the overall transportation square miles. Excluding the transportation cost within the non-classroom expenditures, Cloverleaf's revised EPP is \$7,394 which is only \$56 more than the County average. It is also important to note that Cloverleaf's EPP is \$667 less than the State average and \$858 less than the State average when excluding transportation cost. The District would need to spend upwards of \$2 million more per year to have spending levels consistent with the State average.

Several questions come to mind when the data supports that Cloverleaf expenditures are not the lowest or the highest in the County. To name a few:

- Do the lower spending districts provide the same educational programs?
- Do the lower spending districts have similar co-curricular and extra-curricular activities?
- Do the lower spending districts have comparable support structures outside the classroom?
- What educational programs are being offered at the higher spending districts?
- Does Cloverleaf need to be offering those programs?
- Do the other districts have permanent improvement funding for capital investments?
- Are the lower spending districts not investing in capital improvements?

¹ Revised Total excludes transportation cost trying to equalize the overall cost for a more accurate comparison.

There is never a perfect comparison with evaluating educational programs, operation functions or spending levels. However, it is the District's responsibility to review any comparable data and modify approaches to best serve the educational programs for Cloverleaf students.