CMSD Board Meeting

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Agency: Cleveland Metropolitan School District (CMSD)
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Summary

- Significant changes will be made to the school district budget to account for a deficit of more than $140 million.
- The changes will be made in two phases, first focused on central office employees and then office staff.
- The changes affect school calendar, technology usage, out-of-school time, summer learning and more

Follow-Up Questions

- How will teachers be impacted by the remaining deficit amount?
- Should community members anticipate layoffs?
- Should community members anticipate school closings/combinations?

Notes

- Seven members present
- Minutes of previous meeting approved
- School spotlight: The School of One - Maryum Sims, principal
  - Founded 12 years ago - School motto “We meet students where they are and take them where they need to be.”
  - Digital online educational experience
  - Nine sites:
- East Side locations: East Technical H.S., Collinwood H.S., John Adams H.S., and MAGNET.
- West Side locations: Bard H.S., Rhodes H.S., City Life Center, LGBT Center, and The Foundry/MCPC STAD
  - The curriculum is designed specifically for the needs and interests of that student.
    - Wraparound services, career shadowing services, field experiences.
  - Demographics: 281 students, three graduations classes a year, 28 staff members, 8% English language learner, Special education 15%,
    - Students - 58% Black, 23% Hispanic, 17% white
    - Staff - 52% white, 41% Black, 3% multicultural, 4% Asian
  - Ohio standardized testing results
    - ALG 30.4% to 33.3%, 100 ELA 45.9 to 47% 5L GOV 53.5% to 41.5%
    - 0S Biology 19.4% to 14.3% 5C HIS 64.3% to 59% GEO 8.0% to 7.7%.
  - Conditions for learning responses
    - Safe and respectful climate - 98%
    - Challenge - 97%
    - Student support - 96%
    - Social and emotional learning 88%
  - Affirmative Action Program Goals
    - ELA: Quizlet, Achieve3000 Boost, Quill, etc. PEAK-FUELED, Achieve3000.
    - Math: Support student learning. Staff-focused math sessions to support adult implementation in the classroom.
  - AAP Focus Areas
    - Quarterly student and family engagement social-emotional learning (SEL) initiatives and college and career activities.
    - Communication to support the school community (website, social media, and family/community/staff newsletter).
    - Incentive field experiences.
  - Bright spots
    - From the 2021-2022 school year to the 2022-2023 school year, Algebra I scores increased from 15.4% to 33.3% on the OST, and schoolwide both math and English language arts are growing together.
    - Student and family engagement has increased by 15% over the last few years as a result of social emotional learning
Every year we successfully graduate students at record high numbers.

- CEO Warren Morgan said he is impressed with the diversity within the school as well as with scores on state tests.
  - Principal attributes performance to collaboration among teachers as well as an online sourcing program
- Graduation rates - 79% counting graduates after a 5th year of high school

Morgan presents his CEO report:

- Resolution 4.02 - Approving and submitting a deficit reduction plan
  - Approving the School districts deficit reduction plan and submitting to the Ohio Department of Education
  - Strategy for reducing deficits over the next three years
  - The board needs to vote at the Feb. 27 meeting on the deficit reduction plan, which must be submitted to the state by the end of the month.
- Board Member Sara Elaquad highlights the importance of voting and implementing the resolution among the board members

Morgan and Chief Financial Officer Kevin Stockdale:

- If the forecast shows a negative cash balance in either the current year or two future fiscal years, the Ohio Department of Education and Workforce (DEW) requires a deficit reduction plan
- Since FY 2020-21, the American Rescue Plan/Elementary and Secondary School Emergency has been funding initiatives
- Relief Fund (ARP/ESSER) has funded a total of $465 million in temporary CMSD expenditures
- With 2024 ARP/ESSER ending and an assumption that 100% of ARP/ESSER expenditures will be picked up by the district’s general fund, Nov. 2023 forecast projects a two-year negative cash balance of $168 million.
  - Unencumbered fund cash balance must be positive
- Must submit a plan to get the deficit positive.

Change in assumptions

- Preserving school-based budgets - Annual 2% increases in school-based budgets, won’t change for the next two years, saving $21.1 million
- Principals received their budgets today
Health insurance plans - Revised assumption: temporarily reduce employer premiums paid into the fund while maintaining a reserve of at least 75 days of claims, per guidance from the plan administrator, with no impact on employee benefits or employee share of premiums, saves $15 million

Revenue enhancements

- The plan asks the district to identify any known future revenue enhancements that would improve the forecasted cash balance
- No revenue enhancements have been identified or included in the plan
- We remain open to exploring additional revenue sources with private partners

MacKenzie Scott gift:

- The district received an unrestricted $20 million gift from philanthropist MacKenzie Scott in 2022-23
- Because the gift was unrestricted, it was deposited into the general fund, increasing the cash balance and reducing the deficit by $20 million ($4 million of the money was previously allocated.)
- The cash deposit was reflected in the November 2023 budget forecast
- Any future expenditure against the gift occurring outside of the regular budget process would increase the forecast deficit and require offsetting savings to be identified in the state plan

The drafted plan must be approved by the board

- Listen and Learn Tour served as a key guide:
  - Improve safety across CMSD schools
  - Strengthen SEL and academic support to students and improve academic performance and attendance
  - Create more opportunities for active community feedback and collaboration
  - Strengthen transparent communication from central office leadership
  - Enrich and enhance the academic and extracurricular experience, including expansion of CTE programs
  - Increase access to rigorous instruction
  - Concerns with the current K-8 model

Communication objectives

- Board, scholars, impacted staff, teachers union, clergy, parents, teachers’ union
○ Transparent, clear, future plans, compassion, employee assistance
● Starting in 2021, a budget deficit was projected for the upcoming school year

Guiding principles
○ Central office reductions and school budget pools are held flat; align investments with core values; only do things that the district can fully commit to
○ No school closures, and no additional funds at this time.

Reductions will come from Central Office budgets first
● Phase 1 reflects a conservative, quantifiable commitment to minimum savings for certain categories
● Phase 2 reflects the balance of savings that must be realized to meet certain targets by close of the budget process
● Reductions in travel and food
● Saved $5.3 million

Summer learning:
○ 4,225 average daily attendance
○ 90 minutes of instructional time per day, with the balance of time spent on enrichment
○ No mechanism for measuring the impact

Pending review of Summer Learning agreement with Cleveland Teachers Union
plans for 2024 include:
○ Capacity for 3,500 students
○ Doubling the amount of instructional time to 180 minutes per day
○ Introduce MAP testing at the beginning and end of summer learning to measure the program’s impact
○ Saves $31.9 million

Out-of-school time (OST)
● This budget did not exist before ARP/ESSER.
● $17 million in out-of-school programs in FY 23
● Created to temporarily support external partners with funding to address pandemic-related needs
● CMSD will continue offering extracurricular, athletic and other after-school programming
• With the loss of the funding source that made OST possible, return to the previous practice of supplemental providers securing their own funding
• Saves $34.1 million
• Morgan wants to know how the district can keep these programs going

Aligning school calendars
• CMSD currently operates with a high degree of calendar variance across its portfolio
• Eight schools with year-round calendars (20 additional days)
• 13 schools with extended-year calendars (10 additional days)
• 24 schools with extra minutes (30 additional daily minutes)
• Schools with extended calendars receive disproportionately more resources while academic performance varies
• With limited exceptions, they propose to remove extra days and minutes beginning in 2024-25
• Currently reviewing impact and implementation specifics, with final details to be presented as part of the 2024-25 calendar resolution at the March 2024 board work session
• Estimated two-year savings vs. forecast: $13.7 million

Student technology

  • ARP/ESSER funds enabled CMSD to make devices and wireless hotspots for all students, approaching a 1:1 student-to-device ratio
  • In the process of reviewing to ensure that we are investing responsibly while ensuring that all students have access to grade-appropriate technology
  • Expected to include the elimination of free wireless hotspots and more shared technology in earlier grades
  • Continue working with the city and external partners to find ways to help families with connectivity
  • Preliminary estimate of savings vs. forecast: $6.4 million

Phase 1 adjustments

• Reductions in expenditures described thus far save a total of $91.4 million over two years.

Phase 2 savings will be realized in both personnel and non-personnel categories.
Proportions for categories are estimates only; officials said the district anticipates a greater proportion of savings from professional services contracts, which grew disproportionately during the ARP/ESSER era.

**If the plan is approved, more work will have to be done, and there still will be a deficit in the coming years, $143 million. And that number will grow.**

- Morgan is optimistic about this proposal
- Board Member Nigamanth Sridhar requested a framework and metrics for how the cuts will be implemented and improved, stressing a need for clear and visible data. Encourages district to create mechanisms and data systems for proper assessment of student performance and student outcomes before interventions are implemented
- Board Vice Chair Leah Hudnall wants to highlight the community access to this proposal and opportunities for interaction
  - CEO Morgan committed to the accessibility of the proposal
  - Sridhar highlighted the necessity of directly outlining parent impact within websites
- Hudnall asked how parents and families will be supported by these cuts
  - Morgan said this plan looks at the end of simply financial support, but not program support
- Hudnall requested clarifications on technology
  - Morgan said direct data will be given out regarding connectivity and technology usage across CMSD. The Connect Center is utilized by staff, students and families.
- Board Member Robert Briggs compliments the clarity and comprehensiveness of the presentation.
- Board Chair Elaquad asked for device data before pandemic
  - Morgan said he can get that information
- Elaquad highlights out-of-school programs' ability to operate without district funding. Reducing capacity for summer learning—how is that decided who will participate?
- Sridhar highlights the idea of exceptions between exceptions on extra minutes/calendar changes for schools.
  - Morgan said that the model must be observed, with no specifics yet
• Heard asked about numbers and concerns surrounding the wording of personnel reductions.
  ○ Nonpersonnell refers to supplies, materials, any nonhuman expenditures
  ○ No direct projection of personnel cuts
  ○ Prioritizing 1111 CMSD Office and East Professional Center as cuts
  ○ Morgan said staff suggested considering moving out of the Eaton Tower CMSD office: He said the lease is $2 million and was just renewed for five years, so buying out of the contract would be $10 million
• Board Member Midori Lebrón said she appreciates the presentation, especially the alternative plans

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