

OHIO AUDITOR OF STATE
KEITH FABER



Milford Exempted Village
School District

Performance Audit

November 2025

OHIO AUDITOR OF STATE
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To the Milford Exempted Village School District Community:

The Auditor of State's Office recently completed a performance audit for the Milford Exempted Village School District (the District) at the District's request. This review was conducted by the Ohio Performance Team and provides an independent assessment of operations within select functional areas.

This performance audit report contains recommendations, supported by detailed analyses, 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 to perform its own assessment of operations and develop alternative management strategies independent of the performance audit report.

It is my hope that the District will use the results of the performance audit as a resource for improving operational efficiency as well as service delivery effectiveness. The analyses contained within are intended to provide management with information, and in some cases, a range of options to consider while making decisions about their operations.

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. Additional resources related to performance audits are also available on the Ohio Auditor of State's website.

Sincerely,

KEITH FABER
Ohio Auditor of State

Tiffany L. Ridenbaugh, CPA, CFE, CGFM
Chief Deputy Auditor

November 6, 2025

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Introduction

The public expects and deserves government entities to be good stewards of taxpayer dollars. School officials have a responsibility to maximize program outcomes and success while minimizing costs. Transparent management of taxpayer dollars promotes a good relationship with the constituents served by a school district. School districts in Ohio are required to submit budget forecasts to the Ohio Department of Education and Workforce (ODEW) annually in the fall, with updates to the forecast submitted in the spring.¹ These documents provide three years of historical financial data, as well as the projected revenues and expenses for a five-year period.²

The Ohio Auditor of State’s Office Ohio Performance Team (OPT) routinely reviews the submitted forecasts in order to identify districts which may benefit from a performance audit. These audits are designed to assist school districts that are struggling financially. We use data-driven analyses to produce and support recommendations that identify opportunities for improved operations, effectiveness, increased transparency, and reductions in cost. While we have the authority to initiate a performance audit for school districts facing financial distress, any school district can request, and benefit from, an audit.³

As public schools continue to provide valuable educational opportunities and student supports to their communities, a performance audit can provide an independent review of overall operational effectiveness, efficiency, and transparency. In 2025, Milford Exempted Village School District (MEVSD or the District) requested a performance audit to identify strategies to address projected deficit spending within the General Fund. At the request of the District, OPT conducted a performance audit that reviewed a review of human resources, facilities, and transportation along with the financial implications associated with extracurricular activities.⁴ The school board can use the information contained in this report to help guide strategic operational decisions and educate key stakeholders regarding these choices.

¹ORC § 5705.391 and OAC 3301-92-04.

² House Bill 96 of the 136th General Assembly (the biennial budget bill) contained changes to the school forecast which included shortening the length of the forecast period and altering the submission dates. These changes went into effect in FY 2026.

³Performance audits are conducted using Generally Accepted Government Auditing Standards guidelines, see [Appendix A](#) for more details.

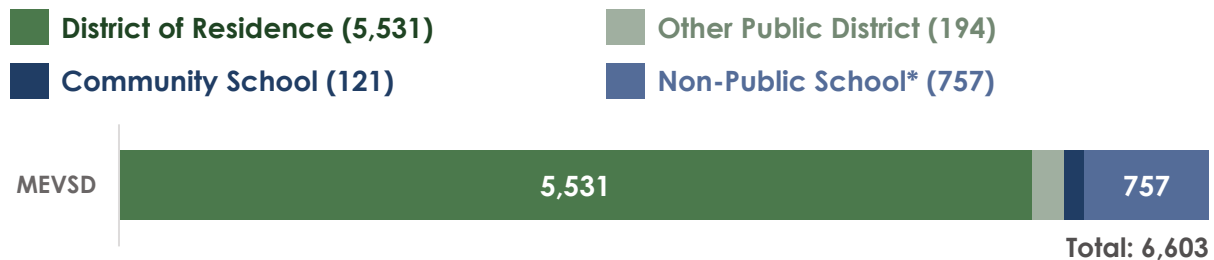
⁴ The District previously had a performance audit in 2008 based on its fiscal condition. The previous audit focused on financial management, human resources, facilities, and transportation.

Milford Exempted Village School District

Milford Exempted Village School District (MEVSD or the District) is located in Clermont County and, as of fiscal year (FY) 2024, had 5,678 students enrolled including students residing in the District and those who attend through open enrollment options. The District spans approximately 31 square miles and has a median income of \$51,848. Of the total enrolled students, approximately 12.7 percent were students with disabilities.

Students and their families have choices regarding where to attend school. Because of this, not all resident students attend the district where they live. Based on available data from ODEW, which tracks state funding on a per-student basis, the visual below shows where students living in MEVSD are attending schools. It should be noted that this visual does not include students who choose to attend private schools and do not receive state assistance or students who are home schooled. Additionally, the number of students attending MEVSD represented in this chart does not include approximately 100 students attending MEVSD via open enrollment options and is not reflective of the total enrollment.

Place of Enrollment, Students Living in MEVSD, FY 2024



Source: ODEW School Report Card

* Includes, if applicable, students participating in the EdChoice or EdChoice Expansion Scholarship Programs, the Cleveland Scholarship Program, the Ohio Autism Needs Scholarship Program, or the Jon Peterson Special Needs Scholarship Program.

Note: This data is compiled by ODEW from a variety of sources and represents a snapshot of a single day in the school year. Due to this, enrollment figures will likely not match other official numbers reported by ODEW.

As seen in the visual above, approximately 16.2 percent of students residing in MEVSD have chosen to attend community schools, nonpublic schools, or another public district that accepts students through open enrollment.

Audit Methodology

Our audit focuses on identifying opportunities where expenditures may be reduced as the District administration can make decisions in these areas. As previously mentioned, the District requested this audit to identify opportunities for efficiencies in the following areas: human resources, transportation, facilities, and financial management of extracurricular activities. As such, the scope of this audit is limited to the areas that the District requested for review. The

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information, which was presented to District officials, is based on a combination of peer district comparisons, industry standards, and statewide requirements.

During the audit, we relied primarily on FY 2024 data to complete our analyses, which was the most recent year of available data at the time. When applicable, we supplemented our analyses with data from FY 2025, which was supplied by the District.

Two groups of peer districts were identified for the purpose of this audit. The first peer group, primary peers, are districts located throughout Ohio and are chosen based on having similar or better academic performance and similar demographic makeup while maintaining relatively lower spending per pupil. Primary peer districts are used for financial comparisons and analyses regarding operations such as staffing levels. The second, local peers, is comprised of districts in the surrounding area and is used for labor market comparisons, such as salary schedules. See [Appendix A](#) for a list of all districts used in our peer comparisons.

Financial Condition

As previously mentioned, the District requested this audit to improve operational efficiencies, programmatic effectiveness, and ensure transparency. While not in fiscal caution or fiscal emergency, the District requested this audit due to its current and projected operational deficit.

In November 2024, the District released its required annual five-year forecast that projected FY 2025 expenditures would exceed revenues by approximately \$3.9 million. This trend was projected to continue throughout the forecast period, resulting in a projected operational deficit of approximately \$12 million in FY 2029, the final year of the forecast. While the District did not project it will conclude any fiscal year with a negative ending cash balance, this balance was projected to dramatically decrease from \$35.7 million in FY 2025 to \$6.6 million in FY 2029. A summary of the forecast is seen in the table below.

Financial Condition Overview (November 2024 Forecast)

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Total Revenue	\$81,980,823	\$83,743,791	\$83,871,191	\$84,075,784	\$84,033,889
Total Expenditures	\$85,945,323	\$86,883,175	\$89,314,578	\$92,595,672	\$96,029,650
Results of Operations	(\$3,964,500)	(\$3,139,384)	(\$5,443,387)	(\$8,519,888)	(\$11,995,761)
Beginning Cash Balance	\$39,708,362	\$35,743,862	\$32,604,478	\$27,161,091	\$18,641,203
Ending Cash Balance	\$35,743,862	\$32,604,478	\$27,161,091	\$18,641,203	\$6,645,442
Encumbrances	\$0	\$0	\$0	\$0	\$0
Cumulative Balance of Replacement/Renewal Levies	\$0	\$0	\$0	\$0	\$0
Cumulative Balance of New Levies	\$0	\$943,811	\$12,205,558	\$29,210,156	\$47,318,534
Ending Fund Balance	\$35,743,862	\$33,548,289	\$39,366,649	\$47,851,359	\$53,963,976

Source: ODEW

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The District attempted to mitigate the projected operational deficit by placing an income tax levy in the November 2024 election. The potential revenues from this levy were included in the November forecast as “Cumulative Balance of New Levies.”

The attempted income tax levy did not pass and, as a result, the District took steps to streamline operations for FY 2026, including aligning transportation with state minimum requirements, instituting an annual activity fee, increasing the cost to participate in extracurricular activities, and implementing all-day kindergarten with tuition requirements.

In May 2025, the District released its semi-annual forecast, which showed that the trends from the November forecast continued but were somewhat improved. Expenditures for FY 2025 through FY 2029 are projected to outpace revenues, resulting in an operational deficit for all projected years. The ending fund balance is projected to decrease from \$38.1 million in FY 2025 to \$12.4 million in FY 2029. This improvement in the operational deficit is due to the District cutting projected expenses with the changes listed above. The chart below shows a summary of this information.

Financial Condition Overview (May 2025 Forecast)

	FY 2025	FY 2026	FY 2027	FY 2028	FY 2029
Total Revenue	\$81,686,582	\$83,417,273	\$83,238,839	\$83,092,061	\$82,932,888
Total Expenditures	\$83,254,929	\$84,109,731	\$87,212,905	\$91,327,677	\$95,785,515
Results of Operations	(\$1,568,347)	(\$692,458)	(\$3,974,066)	(\$8,235,616)	(\$12,852,627)
Beginning Cash Balance	\$39,708,362	\$38,140,015	\$37,447,557	\$33,473,491	\$25,237,875
Ending Cash Balance	\$38,140,015	\$37,447,557	\$33,473,491	\$25,237,875	\$12,385,248
Encumbrances	\$0	\$0	\$0	\$0	\$0
Cumulative Balance of Replacement/Renewal Levies	\$0	\$0	\$0	\$0	\$0
Cumulative Balance of New Levies	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance	\$38,140,015	\$37,447,557	\$33,473,491	\$25,237,875	\$12,385,248

Source: ODEW

In the May 2025 forecast, the District projects negative results of operations in each year of the forecast period. This suggests an imbalance in spending and requires an entity to spend a portion of its reserve funds. In the May forecast, the District’s negative results of operations grows from 1.9 percent of revenue in FY 2025 to 15.5 percent of revenue in FY 2029. This indicates that the District, despite its efforts, continues to project increasing deficit spending throughout the course of the forecast period. This deficit spending, if not resolved, is projected to deplete existing reserve funds from approximately \$38 million to \$12 million. Eventually, this spending pattern will result in an overall deficit fund balance without corrective action. The information contained

in this report can assist District officials with operational decisions that address the remaining deficit spending and continue to work towards balanced operations.⁵

School Funding

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 2025, of the approximately \$28.5 billion in reported revenue for public education in Ohio, nearly 83 percent, or \$23.8 billion, came from state and local sources.

State Funding

On July 1, 2025, House Bill 96 of the 136th General Assembly (the biennial budget bill) was signed by the Governor. This bill included changes to the state foundation funding formula, which was enacted in 2021,⁶ and is commonly referred to as the Fair School Funding Plan. The funding increases will be phased in at 83.33 percent in FY 2026 and 100 percent in FY 2027.⁷ During the phase-in period, the amount of state funding received in any given year may have been less than what would have been received if the formula were fully funded.

Local Funding

Local revenue can be raised through a combination of property and income taxes. While property taxes are assessed on both residential and business properties within a district, income tax is assessed only on residents.⁸ Approximately one-third of Ohio school districts currently have an income tax.

Property Tax

Property taxes levied in Ohio are subject to restrictions in the Ohio Constitution⁹ and the Ohio Revised Code (ORC).¹⁰ These restrictions limit the amount of tax that can be levied without voter approval to 10 mills¹¹ 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

⁵ The District submitted a new forecast to ODEW in October 2025. However, due to the timing of the release of this audit, we did not incorporate it into the report. The forecast can be found by searching for the District on the ODEW reports portal found here: [Reports Portal](#)

⁶ ODEW transitioned to the new funding model in January of 2022.

⁷ See <https://lsc.ohio.gov/assets/legislation/136/hb96/en0/files/hb96-comparison-document-as-enacted-136th-general-assembly.pdf>

⁸ See <https://tax.ohio.gov/wps/portal/gov/tax/individual/school-district-income-tax>

⁹ Ohio Const. Art. XII, Section 2.

¹⁰ Ohio Rev. Code § 5705.02.

¹¹ A mill is defined as one-tenth of one percent or \$1 for every \$1,000 of taxable value.

defined as 35 percent of fair market value. These taxes are distributed 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 un-voted mills. 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 which 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 levies¹² 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.¹³ In subsequent years, with exceptions such as new construction, a district would not receive additional revenue from a levy as property values increased.¹⁴ Instead, the outside mills are subject to reduction factors¹⁵ which lower the effective millage rate in order to maintain the preceding year's level of revenue from the same properties.¹⁶

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.¹⁷ 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

¹² Authorized by ORC §5705.194.

¹³ Am.Sub.H.B. No. 920, 136 Ohio Laws, Part II, 3182, 3194.

¹⁴ If property value decreased due to reappraisal, it is possible that a district would receive less revenue than originally intended.

¹⁵ ORC § 319.301.

¹⁶ 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.

¹⁷ 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.

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.

School District Income Tax

A school district income tax is an alternative method of raising local revenue. Like property taxes, an income tax must be approved by voters and may be for either general use or specific purposes, such as bond repayment. Once approved, a tax becomes effective on January 1st of the following year. Unlike municipal income taxes which are generally levied on wages earned in the municipality by both residents and nonresidents, school district income taxes are levied on wages earned by residents of the district, regardless of where the resident may work. Businesses operating within the school district are not required to pay the income tax.

A school board, when determining that an income tax is necessary for additional revenue, must submit a resolution to the Ohio Tax Commissioner identifying the amount of revenue to be raised and the tax base to be used for calculations. A school district income tax can be assessed on either a traditional tax base or an earned income tax base. The traditional tax base uses the same income base as Ohio’s income tax and the earned income tax base is only earned income from an employer or self-employment. Under the earned income tax base, income such as capital gains or pension payments is not taxable, though this type of income may be taxed under the traditional tax base. Once this information is received, the Tax Commissioner identifies the income tax rate and equivalent property tax millage for the district.

The Ohio Department of Taxation collects income tax through employer withholding, individual quarterly estimated payments, and annual returns. Employers are required to withhold the tax and submit payments to the state under the same rules and guidelines as are currently used for state income taxes. Districts receive quarterly payments from the Department of Taxation and each payment is for the amount collected during the prior quarter. A district receives the total amount of revenue collected less a 1.5 percent fee retained by the state for administration purposes. The amount of revenue collected via income tax each year will vary based on the earnings of the district’s residents.

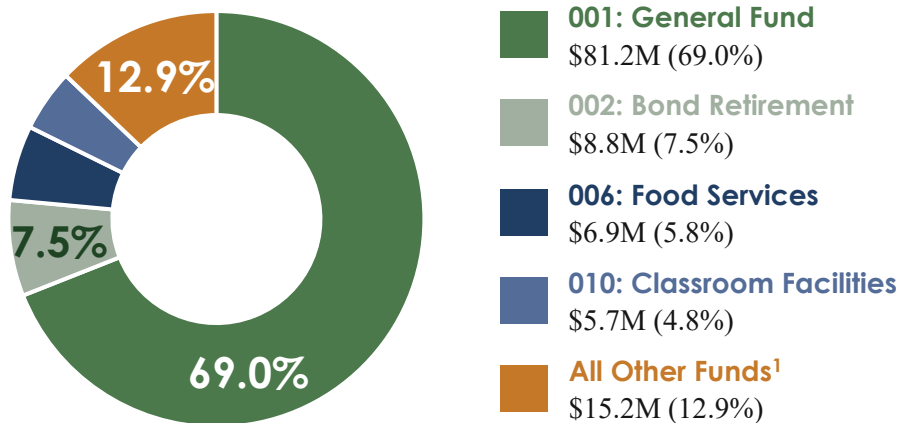
Although MEVSD attempted to have an income tax rate in 2024, that levy failed and thus the District does not have any income tax. The District’s primary peers also do not have income taxes.

MEVSD Revenues

A school district budget is comprised of revenues and expenditures. Revenues are primarily received from local, state, and federal funding sources, and can be placed into general or specific-use funds. In FY 2024, MEVSD had approximately \$117.6 million in total revenue as the following chart shows. While the majority of this revenue, or 69.0 percent, was General Fund revenue, the District also collected revenue from Certification of Participation bonds related to the an athletic fieldhouse, cost overruns at the new middle school, and renovations to the high school auditorium that totaled \$8.8 million or 7.5 percent of all revenue. Additionally, The District received \$6.9 million, or 5.8 percent of total revenues, in food service fund revenue. The District receives this revenue primarily from internal operations and contracts with external entities to provide for their food service needs.

FY 2024 Total Revenue All Funds

Total: \$117.6M



Source: MEVSD

Note: Due to rounding, revenue categories may not sum up to the total listed.

Note: Excludes Advances

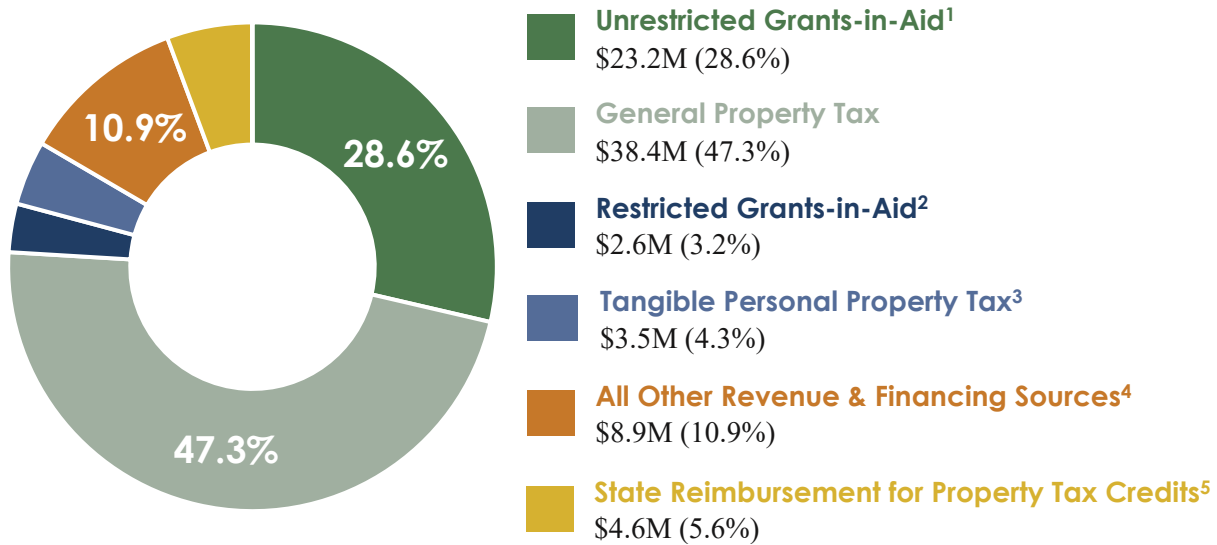
1: The District has 27 total funds, 25 of which recorded revenue in FY 2024. All other funds are comprised of a variety of sources including IDEA funding, Title I, and Extracurricular Activities. See Appendix B for a list of all funds maintained by the District.

As noted above, the majority of the District’s revenue is directed to the General Fund, which is used for general operations. In FY 2024, the District’s total General Fund revenue was approximately \$81.2 million.¹⁸

¹⁸ This total excludes advances to the General Fund. For purposes of comparison, we excluded advances to the General Fund for both MEVSD and the peer groups throughout the Revenues section.

FY 2024 General Fund Revenue Composition

Total: \$81.2M



Source: ODEW

Note: Due to rounding, revenue categories may not sum up to the total listed.

Note: Excludes Advances

1: Unrestricted Grants-in-Aid is comprised primarily of state foundation funding.

2: Restricted grants-in-aid include revenues received as grants from the state which must be used for a categorical or specific purpose.

3: Tangible Personal Property Tax includes revenues related to public utility personal property (telephone, electric, and gas) tax paid by public utilities.

4: All Other Operating Revenue & Financing Sources includes tuition, fees, earnings on investments, rentals, donations, operating transfers, and all other financing sources.

5: State Reimbursement for Property Tax Credits is the money provided by the State as a reimbursement for statutory tax credits and reductions granted to real property taxpayers to include Non-Business Credit, Owner Occupancy Credit, and Homestead Exemptions.

Within the District's General Fund, as seen in the chart above, the primary sources of revenue were general property taxes and unrestricted grants-in-aid.

Revenue per Pupil

Revenue per pupil, broken down by type of funding, is another way to compare funding sources between Ohio school districts. Because, at the District's request, our audit focuses on the projected operational deficit in the five-year forecast, we primarily reviewed only the forecasted fund revenues.¹⁹ In FY 2024, the District received approximately \$13,683 per pupil, with 52

¹⁹ Forecasted funds include the District's General Fund and funds derived from emergency levies.

percent, or approximately \$7,065, coming from local taxes.²⁰ In FY 2024, the primary peer average was \$12,817 in revenue per pupil, with 61 percent, or approximately \$7,796, coming from local taxes. While the District’s total revenue was higher than the primary peer average, its local revenue was lower in FY 2024.

Millage

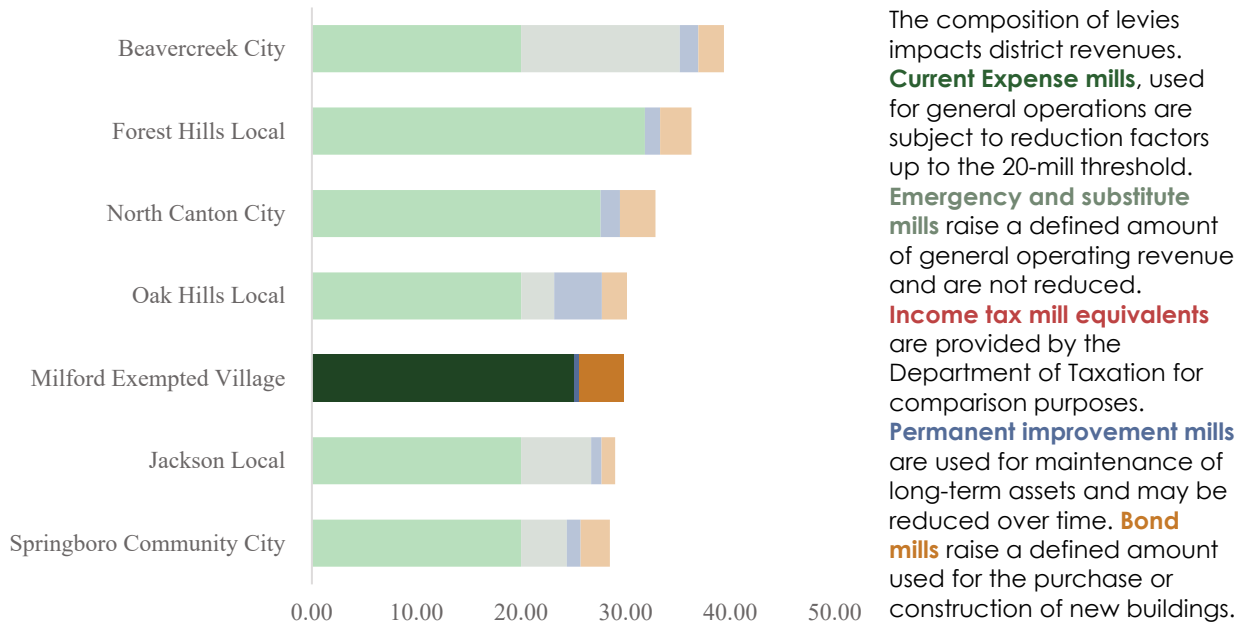
In 2024, MEVSD collected revenues on 29.86 mills of property tax for residential properties.²¹ This included 3.30 inside mills and 21.81 outside mills for current expenses. In addition to the 25.11 mills collected for current expenses, the District collects property tax revenue that does not count toward the 20-mill floor. In 2024, this additional millage totaled 4.75 mills and was comprised of a bond rate of 4.25 mills and a permanent improvement rate of 0.50 mills.

Since the total millage rate can be rolled back as a result of reduction factors, we compared the total effective millage for MEVSD to that of its primary peers. This comparison is found in the chart below. The green portion of the bar represents the current expense millage rate, where three peers are at the 20-mill floor and three peers are above the 20-mill floor, like the District. The grey portion represents emergency and substitute revenue which is not subject to reduction factors. The blue represents permanent improvement funds, and the orange represents bond funding. Like MEVSD, none of the primary peer district have an income tax.

²⁰ The Cupp Report, issued by ODEW, provides information on all revenues received by a district. Because of this, the percentage of revenues from local revenues in the Cupp report may vary from the amount in our report due to the inclusion of additional revenues.

²¹ Residential and agricultural property is considered Class 1 real estate. Commercial Property is considered Class 2 real estate and subject to a different set of reduction factors. The effective millage rate for Class 2 property in 2024 was 50.91.

2024 Millage and Millage Equivalents | Primary Peers



The composition of levies impacts district revenues. Current expense mills, used for general operations, are subject to reduction factors up to the 20-mill threshold. Emergency and substitute mills raise a defined amount of general operating revenue and cannot be reduced. Income tax mill equivalents are calculated by OPT based on guidance provided by the Department of Taxation for comparison purposes. Permanent improvement mills are used for maintenance of long-term assets and may be subject to reduction factors. Bond mills raise a defined amount used for the purchase or construction of new buildings. It is important to understand that *revenue* generated from bond and emergency levies remains the same regardless of changes to property values as they are voted as fixed-sum levies. The *revenue* generated from current expense millage and permanent improvement millage also stays the same until the 20-mill floor is hit for current expense taxes. At that point, a district at the floor would see additional revenues from increases in value to existing properties. The District relies heavily on current expense mills and is not presently at the 20-mill floor. This means that if property values increase within the District, it will not see additional revenues based on that growth.

Property Valuation

Millage is one component of how districts generate revenue. The millage is assessed on property value, so the total revenue collected from property levies is a combination of millage and total valuation. A district with high property value may see more total revenue from fewer mills than a district with low property values. MEVSD’s millage rate is among the lowest compared to the

primary peers. In addition, the District has a low property valuation compared to its peers. MEVSD’s total property valuation in Tax Year 2023 was approximately \$1.6 billion compared to the primary peer average of approximately \$2 billion. In Tax Year 2024 one mill of property tax generated approximately \$281 in revenue per pupil, which is below the primary peer average of \$293 per pupil. The combination of lower valuation and lower total millage means that the District would generate less revenue than the primary peers. Due to this, MEVSD has lower capacity to raise revenue.

The property tax revenues for the District’s General Fund are generated from several levies. The following table shows the levies currently in effect for the District and includes the Gross Tax Rate, or the amount that was voted on, and the Effective Tax Rate, or the amount that is assessed on properties. In the table, the first current expense levy is identified as starting in 1976. It should be noted that in 1976, changes were made to the ORC that impacted the collection of property taxes. The levy identified in 1976 may include any levies that predate that year which remain in effect.

Current Levies Collected by MEVSD, FY 2024

Levy Year	Levy Name	Gross Tax Rate	Class I Effective Tax Rate
	GENERAL FUND (Inside Mills)	3.30	3.30
	PERMANENT IMPROVEMENT	0.50	0.50
1976	CURRENT EXPENSE	29.40	4.34
1983	CURRENT EXPENSE	5.30	1.48
1985	CURRENT EXPENSE	4.60	1.33
1990	CURRENT EXPENSE	5.30	1.62
1993	CURRENT EXPENSE	5.90	2.15
1997	CURRENT EXPENSE	4.80	2.15
2001	BOND (\$43,566,000)	0.50	0.50
2003	CURRENT EXPENSE	5.90	3.17
2008	BOND (\$31,375,000)	1.50	1.50
2008	CURRENT EXPENSE	5.50	3.07
2013	CURRENT EXPENSE	4.50	2.51
2021	BOND (\$55,900,000)	2.25	2.25
Total		79.25	29.86

Source: Ohio Department of Taxation

The table above shows that the most recent levy for current operating expenses was passed by voters in 2013, or more than 12 years ago. The difference between the Gross Tax Rate and the Effective Tax Rate illustrates the impact that reduction factors have on collection rates. The 3.30 mills that are identified as General Fund millage are considered inside mills and are unvoted by the taxpayers. These mills are not subject to reduction factors. If the District’s effective tax rate drops to 20 mills, it will begin to see revenue growth based on property value reappraisals.

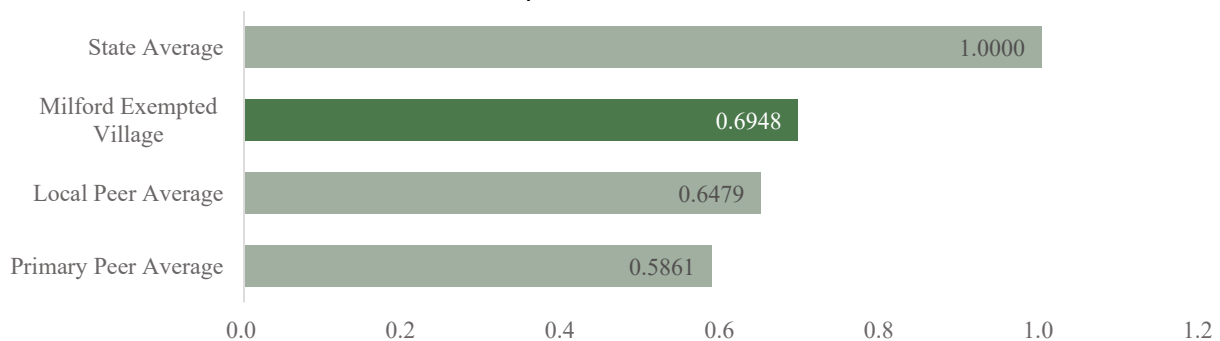
In November 2021, MEVSD passed a 2.25-mill bond levy to raise sufficient revenue to pay for \$56 million building projects and associated interest. The District used the bond revenue to construct a new middle school building and demolish the former junior high building. The new middle school will house sixth grade students, which the District previously served through the elementary schools. The middle school will also now house the students attending the Milford Success Academy. The transition of sixth grade students to the new middle school building will allow for two elementary schools to house the District’s preschool program. Since the middle school replaced the former junior high school and the middle school serves the same grade levels as the former junior high school (with the addition of sixth grade), this audit will refer to students in the sixth to eighth grade band as “middle school students” and the building that houses them as the “middle school.”

Local Tax Effort

ODEW 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.

On this sliding scale, a value of 1.0 indicates the state average, a baseline against which all districts in the state are weighed. If a district has a local tax effort below 1.0, residents provide a smaller portion of their available income to public education whereas a value above 1.0 indicates the community pays a larger portion of their available income to public education compared to the state average. The index is updated annually by ODEW as part of its District Profile Reports, also known as the Cupp Report, to reflect changes in local conditions from year to year.

FY 2024 Local Tax Effort Comparison



Source: ODEW

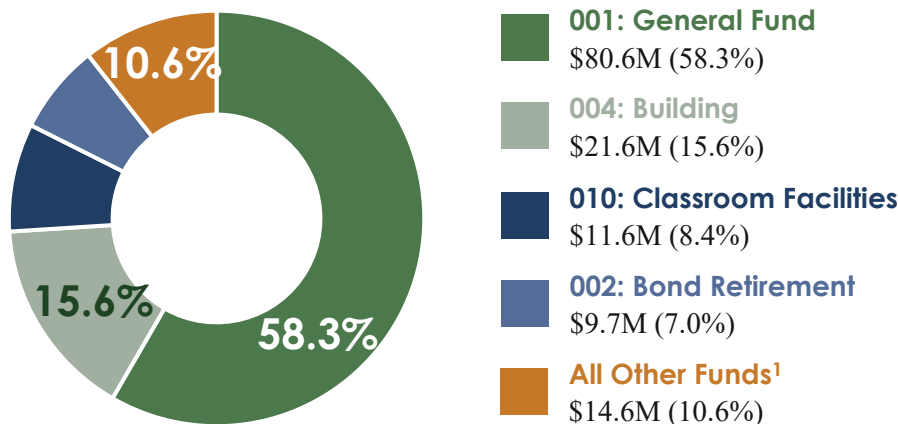
The District’s local tax effort was compared to the local peers, primary peers, and the state average. Districts are ranked from 1 to 606 with 1 being the highest level of effort, or the 99th percentile and 606 being the lowest level effort, or 1st percentile. MEVSD has a local tax effort of 0.6948. This is one of the lowest local tax efforts in the state, ranking 520 out of 606 districts, which is approximately the 14th percentile of all districts. The local peer LTE average of 0.6479 is lower and would rank approximately 545th of all 606 districts, or the 10th percentile.

MEVSD Expenditures

Similar to revenue allocation, expenditures are paid from specific funds. For example, most salaries and wages are typically paid from the General Fund. The chart below shows the District’s total expenditures by fund type. In FY 2024, the total expenditures were \$20.5 million higher than total revenues. This difference, in part, is the result of the construction of the new middle school building.

FY 2024 Total Expenditure Distribution by Fund

Total: \$138.1M



Source: MEVSD

Note: Due to rounding, expenditure categories may not sum up to total listed.

Note: Excludes advances

1: The District has 27 total funds, 26 of which recorded expenditures in FY 2024. All other funds are comprised of a variety of sources including Food Service, IDEA, and Extracurricular Activities. Please see Appendix B for a list of all funds maintained by the District.

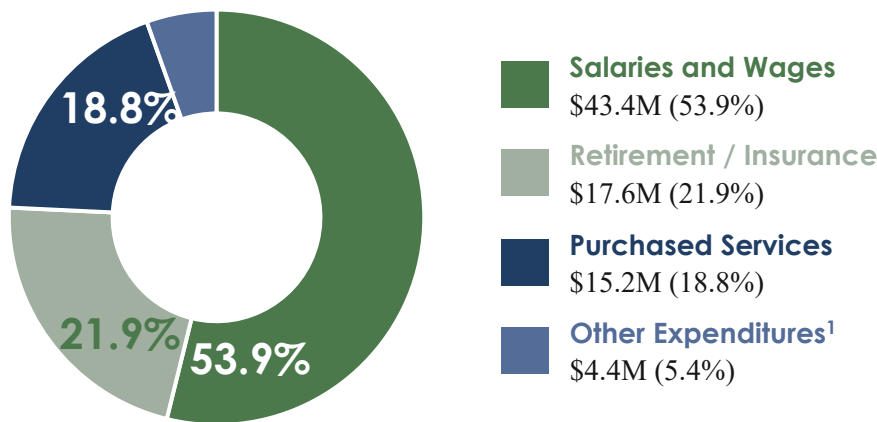
Within funds, expenditures may exceed revenue due to the ability to use available fund balances from previous years. This is noticeable in the variation in bond retirement and classroom facilities revenues and expenditures in FY 2024 at the District. As seen in the visual above, the District’s total General Fund expenditures were approximately \$80.6 million in FY 2024.²² The

²² This total excludes advances from the General Fund. For purposes of comparison, we excluded advances from the General Fund for both MEVSD and the peer groups throughout the Expenditures section.

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 the District’s General Fund expenditures.

FY 2024 General Fund Expenditure Composition

Total: \$80.6M



Source: ODEW

Note: Due to rounding, expenditure categories may not sum up to the total listed.

Note: Excludes advances

1: Other Expenditures may include Supplies and Materials, Capital Outlay, Principal on Loans, Interest & Fiscal Charges, Other Objects, Operating Transfers-Out, and All Other Financing Uses.

As demonstrated in the visual above, purchased services expenditures were approximately \$15.2 million in FY 2024, making up 18.8 percent of the General Fund expenses. The District contracts for services such as busing students, maintenance and repairs, and professional and technical support, which greatly contribute to expenditures in this category.

Expenditures per Pupil

Several of our comparisons are made on a per-pupil basis. This is done to normalize the variation in size between peer districts. The table below shows the District’s spending on a per-pupil basis in several key areas. It also shows the differences between the types of funds from which expenditures are made. For example, the majority of salaries and wages are paid from the General Fund, whereas the majority of capital outlay expense are paid from non-General Fund dollars.

FY 2024 Expenditure per Pupil by Object Code

Object	General Fund	Other Funds	All Funds
100: Salaries & Wages	\$7,316	\$761	\$8,077
200: Retirement & Insurance Benefits	\$2,975	\$271	\$3,246
400: Purchased Services	\$2,554	\$950	\$3,504
500: Supplies & Materials	\$470	\$688	\$1,158
600: Capital Outlay	\$64	\$4,657	\$4,721
800: Other Objects	\$206	\$1,720	\$1,927
900: Other Uses of Funds	\$0	\$652	\$652
Total	\$13,585	\$9,699	\$23,284

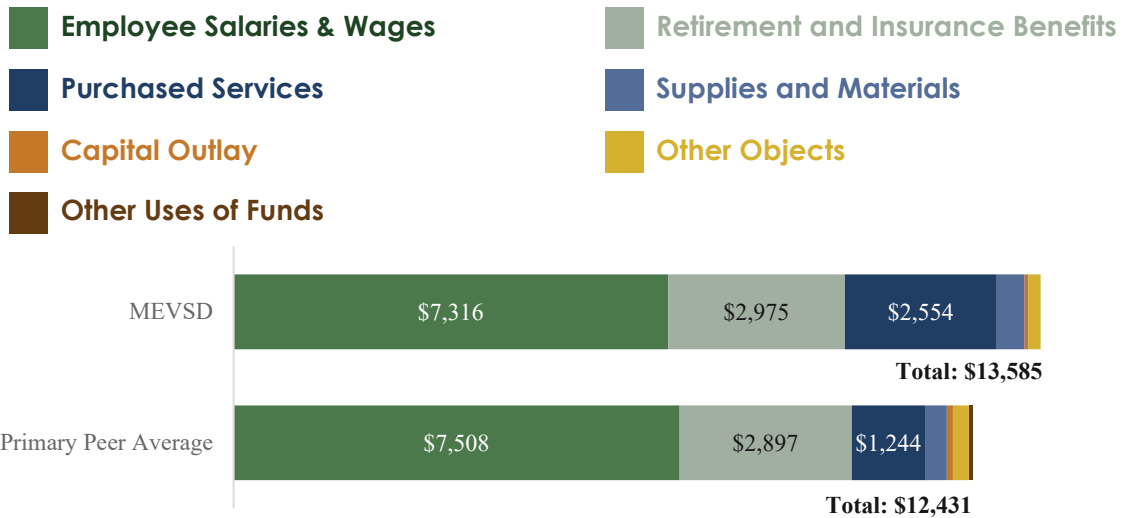
Source: MEVSD & ODEW

In FY 2024, MEVSD spent approximately \$13,600 per pupil from the General Fund, which is 9.3 percent higher when compared to the primary peer average of \$12,400 per pupil from the General Fund. We analyzed General Fund expenditures since they are tied to the five-year forecast.

The District is in line with the primary peers for employee salaries and wages and employee benefits. MEVSD spent more than the primary peer average on purchased services and supplies and materials. When compared to the primary peer average for capital outlay and other objects, the District spent less.²³ The chart that follows provides a comparison of expenditures per pupil for MEVSD and the primary peer average.

²³ The category of “Other Objects” includes things such as interest on loans, memberships in professional organizations, County Board of Education contributions, and various types of non-healthcare insurance. “Other Uses of Funds” mainly consists of transfers, and contingencies within the various accounting dimensions.

FY 2024 Total General Fund Expenditures Per Pupil



Source: MEVSD, Peers, and ODEW

Note: Excludes Advances

As shown in the visual above, the District is slightly lower than their peers for General Fund expenditures per pupil for salaries and wages but is higher for purchased services. As previously mentioned, the District contracts with a third-party vendor for transportation services, which includes the wages and benefits for bus drivers (see [Recommendation 3](#)). It is possible that the lower salaries and wages expense are due to the expense for bus drivers being included in contracted services.

Results of the Audit

In collaboration with the District, the following areas were analyzed in this performance audit: Human Resources, Transportation, Facilities, and Financial Management of Extracurriculars (see [Appendix A](#)). We identified four recommendations within these scope areas which would result in reduced expenses or improve the District’s operational management based on industry standards and peer averages.

Standard Recommendations	Savings
R.1 Eliminate Direct Student Education and Support Positions above the Peer Average	\$1,759,000
Eliminate 3.5 FTE General Education Teaching Staff	\$205,000
Eliminate 0.5 FTE Art Education and 0.5 FTE Physical Education K-8 Teaching Staff	\$91,000
Eliminate 1.0 FTE Teacher Mentor/Evaluator Staff	\$101,000
Eliminate 7.5 FTE Other Professional Staff (Other Educational)	\$767,000
Eliminate 5.0 FTE Social Work Staff	\$337,000
Eliminate 1.0 FTE Intern Psychologist Assignment Staff	\$45,000
Eliminate 0.5 FTE Other Professional Staff	\$61,000
Eliminate 2.0 FTE Library Staff	\$85,000
Eliminate 1.5 FTE Nursing Staff	\$67,000
R.2 Align Employer Insurance Costs of PPO Plan with SERB Regional Average	\$104,000
R.3 Use Rider Data to Make Informed Decisions Regarding Transportation Contract and Bus Routing	N/A
R.4 Monitor Revenue Generation for Extracurricular Activities and Align General Fund Subsidy Percent of Total Expenditures for Extracurricular Activity with the Local Peer Average as Necessary	\$274,000
Total Cost Savings from Performance Audit Recommendations	\$2,137,000
Less: Foodservice portion of Insurance Costs	\$5,000
Total Cost Savings from Performance Audit Recommendations (General Fund)	\$2,132,000

Note: These numbers reflect the average annual savings of each recommendation over the forecast period. Some recommendations may not be implemented in all years of the period and have lower average annual savings compared to what is presented in the recommendation itself. Where appropriate, the timing of implementation is discussed in the recommendation language in the report.

Our recommendations that are based on industry standards and peer comparisons are projected to save the District an average of approximately \$2.1 million annually, if fully implemented. The financial impact of these recommendations on the May 2025 five-year forecast is shown in the table on the following page. This table reflects the actual annual financial impact along with the cumulative financial impact of the implementation of these recommendations on the five-year forecast and the associated reduction in the projected deficit. It should be noted that some of

these recommendations may require contract negotiations and savings may not be realized immediately.

Results of the Audit Recommendations (May 2025 Forecast)

	FY 2026	FY 2027	FY 2028	FY 2029
Original Results of Operations (Line 6.010)	(\$692,458)	(\$3,974,066)	(\$8,235,616)	(\$12,852,627)
In Year Recommendation Savings	\$0	\$2,594,642	\$2,904,084	\$3,051,726
Revised Results of Operations (Line 6.010)	(\$692,458)	(\$1,379,424)	(\$5,331,532)	(\$9,800,901)
Revised Starting Cash Balance (Line 7.010)	\$38,140,015	\$37,447,557	\$36,068,133	\$30,736,601
Revised Ending Fund Balance (Line 12.010)	\$37,447,557	\$36,068,133	\$30,736,601	\$20,935,700

Source: MEVSD & ODEW

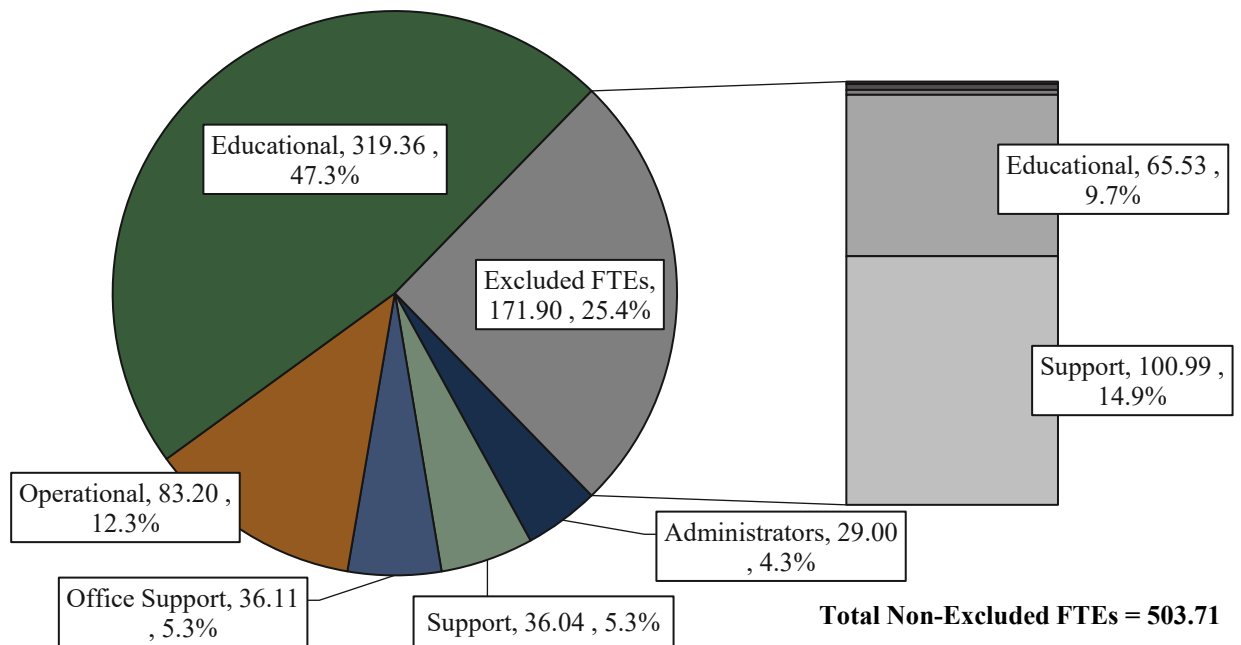
Since the District does not project an ending fund deficit in its five-year forecast, the goal of this audit was to find savings that would help to reduce the operational deficit. The recommendations in this report will not eliminate the operational deficit, but rather provide the District with context to guide decision making. The implementation of these recommendations would also increase the District's projected FY 2029 fund balance in the May 2025 forecast from \$12.3 million to \$20.9 million. While MEVSD has already taken steps to reduce expenditures, the District may have to make further cuts to improve the operational deficit without additional revenue.

Standard Recommendations

Human Resources

Human Resources (HR) expenditures are significant to both the operational and financial conditions within school districts. At the District’s request, OPT reviewed MEVSD’s staffing levels, salaries, retirement pickup contributions, and insurance offerings and compared them to peer districts.

Personnel costs represent over 76 percent of the District’s spending. Due to this, we conduct several analyses relating to the expenses associated with maintaining the existing staffing levels. Certain staff were excluded from our analyses due to various legal and contractual requirements that would make reductions difficult. In the chart below there are approximately 171.90 excluded staff FTEs, which include individuals associated with Special Education, Title I, and preschool programming.



Source: MEVSD

Recommendation 1: Eliminate Direct Student Education and Support Positions above the Peer Average

MEVSD should consider eliminating direct student education and support positions above the primary peer average.

Impact

By reducing direct student education and support positions to be in line with the primary peer average, the District could save an average of approximately \$1.8 million annually beginning in FY 2027.²⁴

Background

Direct student education and support positions perform functions that assist students in an educational setting directly in some manner. Positions may include a variety of professionals including teachers, remedial specialists, educational support staff, health aides, social workers, and counselors. Based on peer comparisons, MEVSD could eliminate staffing positions in some categories.

Methodology/Analysis

Staffing levels for the District were identified and compared to primary peer averages on a per-1,000 student basis. Areas where MEVSD could reduce direct student education and support positions include:

- 3.5 FTE Teaching Staff;
- 1.0 FTE K-8 Art and Physical Education Teaching Staff;
- 1.0 FTE Teacher Mentor;
- 7.5 FTE Other Educational Staff;
- 2.0 FTE Library Staff;
- 1.5 FTE Nursing Staff;
- 5.0 FTE Social Workers;
- 1.0 FTE Intern Psychologist; and,
- 0.5 FTE Other Professional Staff.

²⁴ Calculated savings are based on salary and benefits of the lowest tenured employee(s) in each category.

Teaching Staff

MEVSD employs 259.0 FTE teaching staff, which is 3.72 FTEs above the peer average. Eliminating 3.5 FTE teaching positions could save an average of approximately \$205,000 annually.

K-8 Art and Physical Education Teaching Staff

MEVSD employs 7.0 FTE K-8 art education staff, which is 0.78 FTE above the peer average. Additionally, the District employs 8.0 FTE K-8 physical education staff, which is 0.85 FTE above the peer average. Eliminating 1.0 FTE K-8 art and physical education teaching positions (0.5 from each) could save an average of approximately \$91,000 annually.

Teacher Mentor/Evaluator

MEVSD employs 1.0 FTE teacher mentor, which is 1.0 FTE above the peer average since none of the primary peers have this position. Eliminating 1.0 FTE teacher mentor position could save an average of approximately \$101,000 annually.

Other Educational Staff

MEVSD employs 12.4 FTE in other educational staff, which is 7.81 FTEs above the peer average. Positions in this category include Gifted Intervention Specialists, English Language Learner Support, Multi-Tiered Systems of Support Coach, Home Instructor, Assistant Band Director, and Teachers on Assignment. Eliminating 7.5 FTE other educational staff positions could save an average of approximately \$767,000 annually.

Library Staff

MEVSD employs 9.0 FTE in library staff, which is 2.15 FTEs above the peer average. Eliminating 2.0 FTE library staff positions could save an average of approximately \$85,000 annually.

Nursing Staff

MEVSD employs 9.0 FTE in nursing staff, including health aides, which is 1.60 FTEs above the peer average. Eliminating 1.5 FTE nursing staff positions could save an average of approximately \$67,000 annually.

Social Workers

MEVSD employs 8.0 FTE social workers, which is 5.43 FTEs above the peer average. Eliminating 5.0 FTE social worker positions could save an average of approximately \$337,000 annually.

Intern Psychologist

MEVSD employs a 1.0 FTE intern psychologist, which is 1.00 FTE above the peer average since none of the primary peers have this position. Eliminating 1.0 FTE intern psychologist position could save an average of approximately \$45,000 annually.

Other Professional Staff

MEVSD employs a 0.5 FTE other professional staff position, the mental health coordinator, which is 0.50 FTE above the peer average since none of the primary peers have this position.²⁵ Eliminating the 0.5 FTE other professional staff position could save an average of approximately \$61,000 annually.

Conclusion

The District should eliminate 23.0 FTEs from its direct student education and support positions. Eliminating these positions could save an average of approximately \$1.8 million annually beginning in FY 2027 and bring staffing to a level consistent with the primary peer average.

²⁵ This position is 1.0 FTE. However, 0.5 FTE is dedicated to special education and excluded from our analysis as discussed on page 20.

Recommendation 2: Align Employer Insurance Costs of PPO Plan with SERB Regional Average

The District should align its employer costs for medical insurance with the SERB regional average for school districts. This alignment could be accomplished by adjusting plan designs, increasing employee premium contributions, or seeking out alternative insurance options.

Impact

Aligning the employee costs for the Preferred Provider Organization (PPO) plan with the SERB regional average for school districts could reduce expenditures and result in average annual savings of approximately \$104,000 beginning in FY 2028.²⁶ Due to union contracts which stipulate the employee cost share, these savings could not be implemented until FY 2028.

Background

The District, through its membership in the South West Ohio Organization for School Health (SWOOSH) consortium, offers two health insurance plans, a High-Deductible Health Plan (HDHP) and a PPO plan, with an option for single or family coverage for both plans. At the time of analysis, MEVSD had 464 employees enrolled in the HDHP with 372 employees enrolled in the family plan and 92 enrolled in the single plan. MEVSD had 34 employees enrolled in the PPO plan with 14 employees enrolled in the family plan and 20 enrolled in the single plan.

Methodology

We compared the District's medical insurance provisions and costs to the SERB regional average for school districts. Peer information was obtained from the 2024 SERB survey. The District's medical and dental plans were compared to 64 regional school districts. The peer average excluded outlier districts with plans more than two standard deviations outside the mean. Using the District's assumptions for increases to annual insurance costs, we then projected potential cost savings over the course of the forecast period. Additionally, since the District offers contributions to the HSA to employees enrolled in the HDHP, these contributions were included in the employer cost for an additional analysis of the HDHP plan. For further analysis of the HDHP plan, see [Appendix C](#).

Analysis

The District offers medical, combined with prescription, as well as dental and vision coverage to full-time employees; classified, part-time employees working at least 30 hours per week; and certified, part-time employees working at least 4 hours a day. These insurance benefits are specified in the District's certified and classified CBAs, which state that the Board reserves the

²⁶ In addition, \$5,000 in average annual savings, beginning in FY 2028, would be applied to the Food Service Fund.

right and responsibility to select the carrier for the insurance benefits provided. 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 covers 80 percent of the medical premium for both certified and classified employees for both the HDHP and PPO plans. The District covers 90 percent of dental premiums. However, employees are responsible for 100 percent of vision premiums.

Preferred Provider Organization Plan

We found that District’s PPO plan is higher than the SERB regional average for both employer and employee premiums. This means that the PPO plan is more expensive for both the District and its employees compared with the regional school districts. Under the current PPO insurance plan, the District pays more for the total medical insurance premiums on a monthly basis than the regional peer group while contributing a lower percentage share of the premium. If the District were to maintain the PPO insurance plan, it would need an adjustment to further shift a greater portion of the premium to employees to bring itself in line with the peer average employer cost and reduce insurance related expenditures. The chart below shows these adjustments.

2025 Monthly Medical Insurance Costs - PPO

		MEVSD		Regional Peer Averages		MEVSD Adjustment	
		Costs	% Share	Costs	% Share	Costs	% Share
Single Medical + Rx	District	\$903.56	80.0%	\$700.38	83.9%	\$700.38	62.0%
	Employee	\$225.89	20.0%	\$134.75	16.1%	\$429.07	38.0%
Family Medical + Rx	District	\$2,394.21	80.0%	\$1,790.50	83.2%	\$1,790.50	59.8%
	Employee	\$598.55	20.0%	\$360.53	16.8%	\$1,202.26	40.2%

Source: MEVSD and SERB

To align itself with the SERB regional average for employer cost, the District could need to shift a portion of the medical premium to its employees. As the table above shows, employees enrolled in the single medical plan would need to pay 38.0 percent or \$429.07 of the monthly payment and employees enrolled in the family medical plan would need to pay 40.2 percent or \$1,202.26 of the monthly payment.

There are multiple plan design elements that affect the District’s higher PPO premiums. The District’s copays for urgent care and emergency room visits are significantly higher than the peer average. Additionally, the deductibles for in-network and out-of-network providers as well as the out-of-pocket maximums are also significantly lower than the peer average.

The District’s membership in the SWOOSH consortium allows MEVSD to make changes to its plan design elements. As the District changes its insurance plan to be in line with the peer average, the District may want to consider changing parts of the plan design as well. These

changes could include but are not limited to implementing limitations on spousal healthcare eligibility, increasing copays for urgent care and emergency rooms, and increasing deductibles and the out-of-pocket maximums.

The District has taken some steps to reduce its healthcare costs, including instituting a wellness program. This program provides financial incentives to employees to promote healthy activities. Through this wellness program, employees should be healthier and thus reduce the long-term healthcare costs for the District. However, District officials should continue to work to bring employer costs for the PPO plan in line with the SERB regional average.

Conclusion

MEVSD should work to bring its employer costs for the PPO plan more in line with SERB regional average. Doing so could result in average annual savings of approximately \$104,000 beginning in FY 2028. These savings can be realized by reducing District contributions towards premium costs or exploring alternative insurance options.

Employee Compensation

MEVSD’s human resources expenses include staff salaries and benefits comprised of health insurance and retirement contributions. At the District’s request, we analyzed the 30-year compensation of the classified and certified staff. This included the District’s contributions to administrator’s retirement, health insurance costs, and a comparison of the combined costs of wages, retirement, and insurance for certified employees in the District relative to the local peers. Collective bargaining agreement provisions related to salaries, retirement contributions, and insurance were used in this analysis.

Salaries

MEVSD maintains two collective bargaining agreements: Milford Education Association, representing certified staff, effective through June 30, 2026; and Milford Classified Employees Association, representing classified staff, effective through June 30, 2027. The District contracts individually with administrators.

Certified and Classified Salaries Analysis

This analysis uses the District’s classified and certified CBA salary schedules which were in effect during FY 2025. The District’s classified and certified salaries over a 30-year career were reviewed and compared to the local peer average. A 30-year career was chosen since school district CBAs are generally structured around a 30-year period. Position categories used in this analysis were determined based on the identification of comparable positions and corresponding salary schedules at the local peer districts. As such, this analysis did not include all of the District’s salary schedules.²⁷ The State Employee Relations Board (SERB) website hosts the CBAs for public employees, including those of the local peer districts. When updated contracts and salary schedules were not on SERB, the peer districts provided them.

The following certified categories, which are based on education level, were identified for salary comparison between the District and the local peers:

- Bachelor’s degree (BA); and
- Master’s degree (MA).

We found that the BA and MA salary schedules were in line with the local peer average.

The following classified categories were also identified for salary comparison between the District and the local peers:

- Custodian;
- Secretary;

²⁷ See Appendix C for details regarding these analyses.

- Maintenance; and
- Teacher aide.

The District's salaries for the custodian and secretary positions were lower than the average salaries offered by local peer districts by 9.4 percent and 3.6 percent, respectively. Additionally, MEVSD's salaries for the maintenance positions were in line with the average salaries offered by local peer districts. The District's salaries for the teacher aide position were slightly higher than the peer average by 3.1 percent.

The 30-year salary schedules for the District's certified and classified employees, for all categories except teacher aide, are in line with or lower than the local peer average. Since most of the salary schedules analyzed were either below or in line with the local peer average, there are no recommendations regarding salary schedules in this report.

Insurance

The District, through its membership in the South West Ohio Organization for School Health (SWOOSH) consortium, offers two health insurance plans, a High-Deductible Health Plan (HDHP) and a PPO plan, with an option for single or family coverage for both plans. Prescription coverage is included in all medical plans. In addition, the District offers separate dental and vision insurance plans for certified and classified staff with the option for single or family coverage. MEVSD also offers Health Savings Account contributions to employees who enroll in the HDHP plan, \$1,272 annually for employees enrolled in the single plan and \$3,600 annually for employees enrolled in the family plan. In addition, the District offers employees a \$300 monthly rebate for employees who waive family health insurance coverage. The District's health insurance costs were analyzed individually (see [Recommendation 2](#)) and in combination with salaries.

In addition to health insurance, the District offers dental and vision insurance to employees. There is one dental plan offered by the District with single and family coverage. Our review of the District's dental plan found that the District's costs and employee contribution rates are lower than the regional peer average. The District also offers two vision plans, the essential vision plan and the enhance vision plan. Since employees cover 100 percent of the vision premium, the vision plan was not included in our analysis.

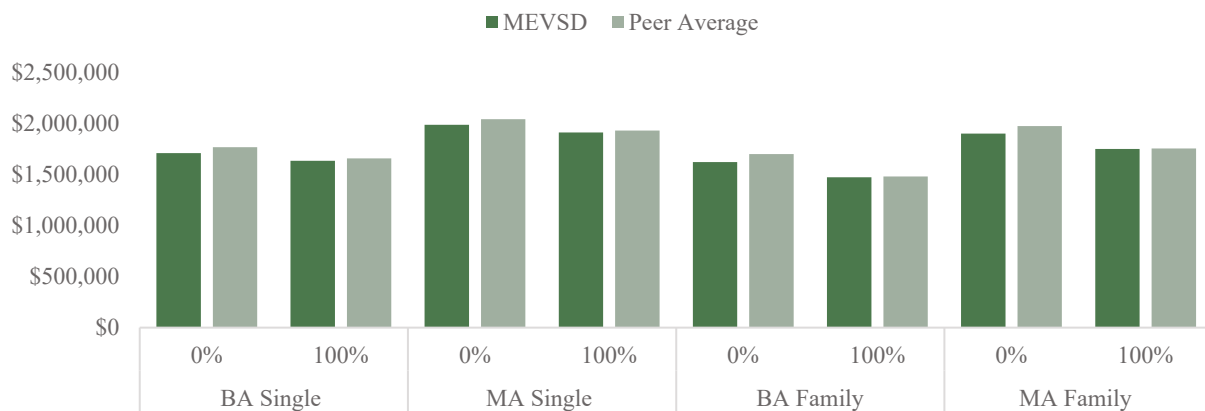
Combined Compensation

Although the District's salaries are generally lower than or in line with those of its local peers (see [Certified and Classified Salary Analysis](#)), employee compensation has multiple components including salaries or wages, retirement contributions, and insurance benefits. Thus, this analysis offers a combined look at salaries, retirement, and insurance both as an adjusted salary (meaning what the employee receives before taxes) and the employer cost (meaning what the District pays employees both in salary, premiums, and retirement contributions). The District must consider the impact of its offerings to ensure it is competitive with the local market.

Adjusted Salary Analysis

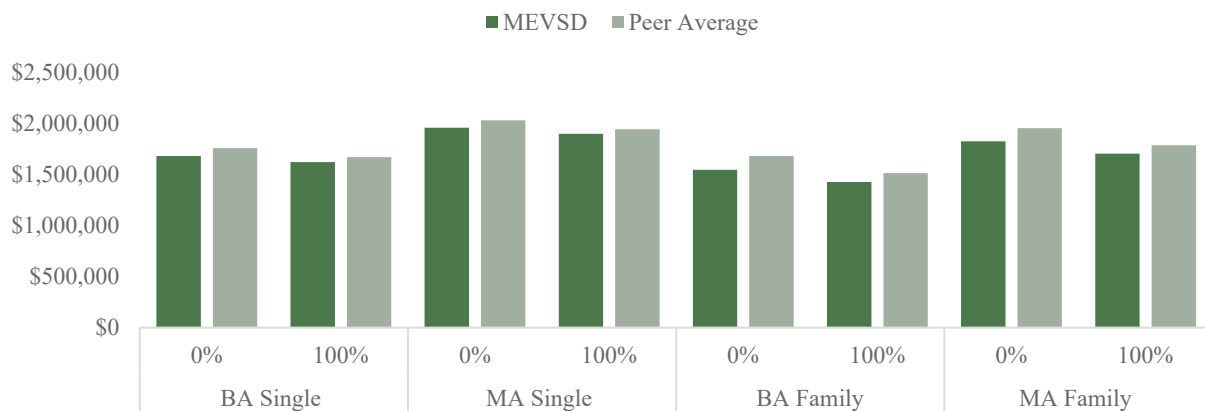
This analysis combines the 30-year career salary schedules for teachers who have a bachelor’s or master’s degree with the District’s two insurance plans, the HDHP and PPO. On one end, employees who use none of their health insurance benefits (0 percent usage of their out-of-pocket maximum) had their retirement contributions and annual premium (calculated at 12 months) subtracted from their salary. Employees who utilized their insurance benefits until they reached the out-of-pocket maximum (100 percent insurance usage) had their retirement contribution, annual health 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 to 100 percent usage.

HDHP Adjusted Salary Analysis – 30-year Career Earnings Comparison



Source: MEVSD, SERB, and Local Peers

PPO Adjusted Salary Analysis – 30-year Career Earnings Comparison



Source: MEVSD, SERB, and Local Peers

As noted in the [Certified and Classified Salary Analysis](#) section above, the District’s certified salaries were in line with the local peer average. When considering salary and insurance benefits together, the District had an adjusted salary at 0 and 100 percent insurance usage that is in line

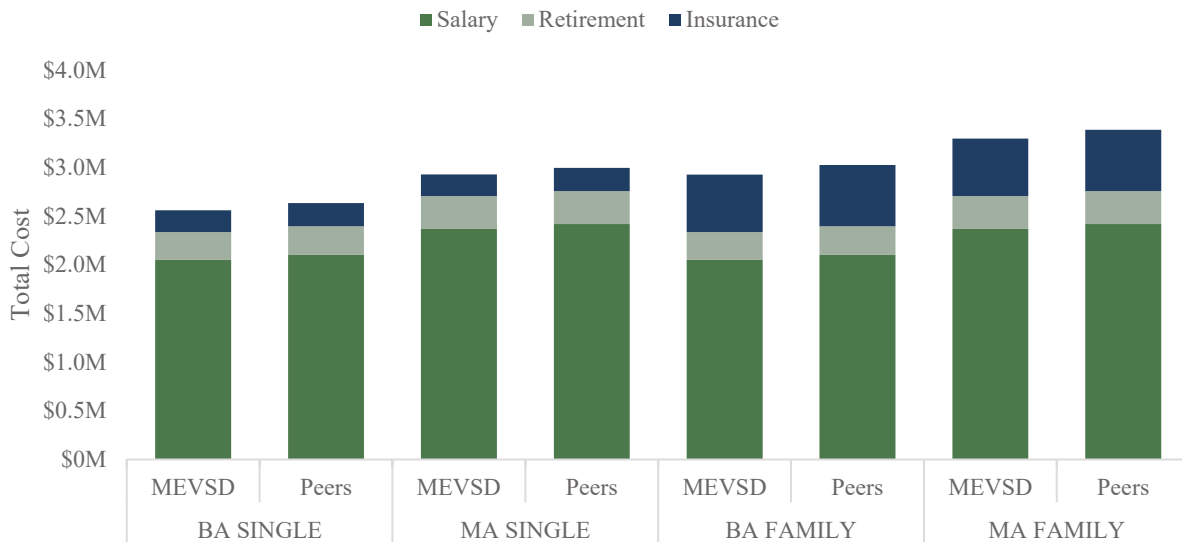
with or lower than the peer average for all certified positions analyzed for both the HDHP and PPO plans.

Employer Cost

This analysis seeks to understand how the major components of a certified employee’s salary and benefits impact the District’s cost of an employee over a 30-year career. The cost of the employee is calculated using three inputs: salary (including longevity), retirement, and health insurance premiums. The District’s employer costs for certified employees are compared to the local peer average.

The graph below shows this comparison of certified employees enrolled in the District’s most popular health insurance plan, the HDHP. MEVSD has a lower or comparable employer cost in all categories for certified employees enrolled in this health insurance plan.

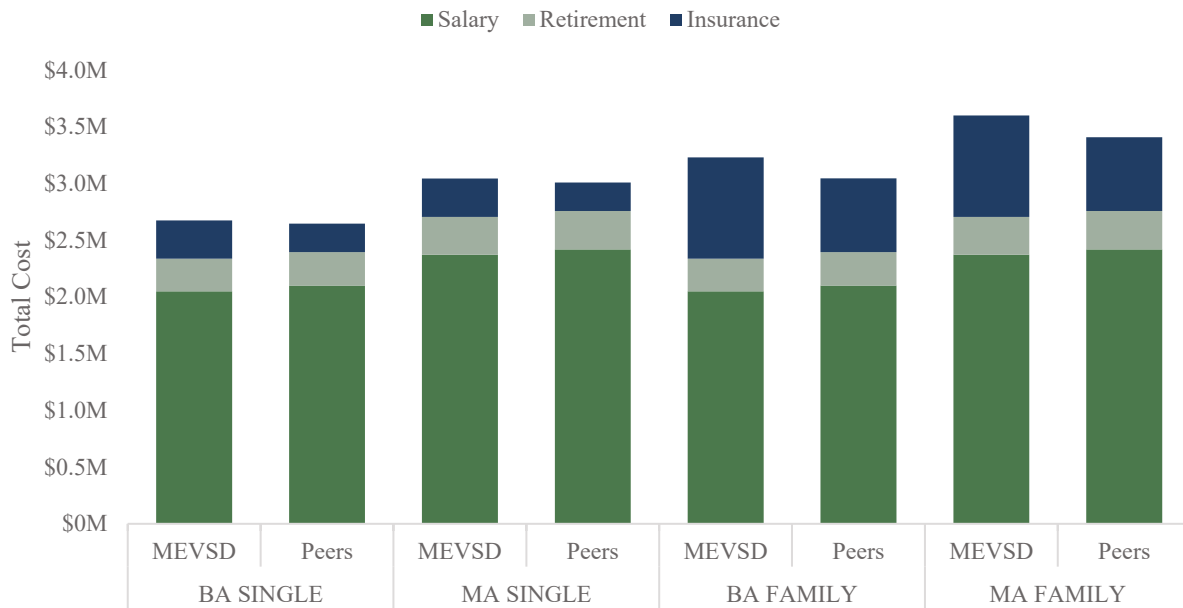
30-year Career Compensation Costs - HDHP



Source: MEVSD and SERB

The graph below shows the comparison of certified employees enrolled in the District’s PPO plan, which has significantly fewer participants compared to the HDHP plan. MEVSD’s employer costs for certified employees enrolled in the single plans are in line with the peer average but the employer costs are higher than the peer average for certified employees enrolled in the family plans (6.07 percent BA family and 5.61 percent for MA family).

30-year Career Compensation Costs - PPO



Source: MEVSD and SERB

As mentioned above, the District’s higher employer costs for the PPO plan are likely due to its employer premiums are higher than the SERB regional average. Therefore, the implementation of [Recommendation 2](#) may bring the District in line with its peers for total employer costs over a 30-year career for certified employees.

Conclusion

Although there is not a recommendation from this analysis, evaluating salaries and insurance together shows that, generally, the District’s total compensation packages are in line with or lower than the peer averages.

Retirement Pickup Benefits Analysis

Eligible employees at the District participate in public employee retirement programs. Specifically, the majority of employees are members of either the State Teachers Retirement System (STRS) or the State Employees Retirement System (SERS). These retirement systems manage pension programs that are funded by employee and employer contributions. Minimum contribution rates are set in ORC as a percentage of income for both the employer and employee, and actual payments are based on an employee's annual wages or salary.

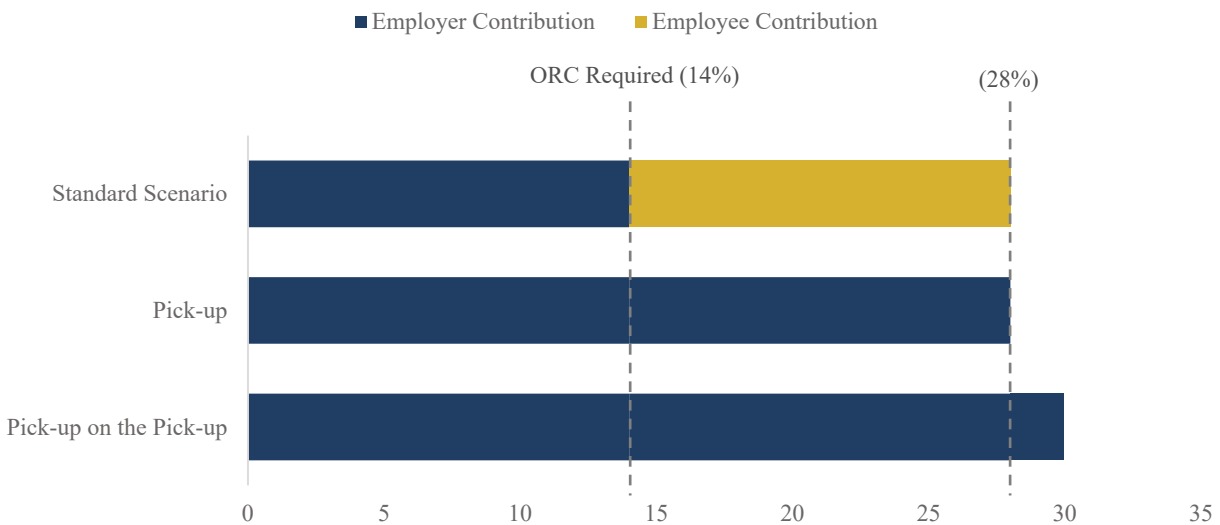
Typically, the employee portion of the payment is taken from the regular pre-tax earnings, or gross wage, in a given pay period. The employer also contributes a percentage of the gross wage for the period; however, this is not deducted from the employee's salary. In some cases the District may opt to "pick-up," or pay, the employee's share in addition to the employer share. This is an added benefit which is often provided to administrator level employees. There are two main ways in which the pick-up can occur. Under both of these options, a district may opt to pay for a portion or all of the employee contribution.²⁸

- 1) Pick-up: Employers pay a portion or all of the employee retirement contribution without a salary reduction.
- 2) Pick-up on the pick-up: Employers pay a portion or all of the employee retirement contribution and reports this as compensation. In doing so, the annual salary is increased, resulting in a higher gross salary and contribution amount.

The charts on the following page show the contribution rates for STRS and SERS and the potential impact of the pick-up and pick-up on the pick-up options if a district were to pay for the full employee contribution.

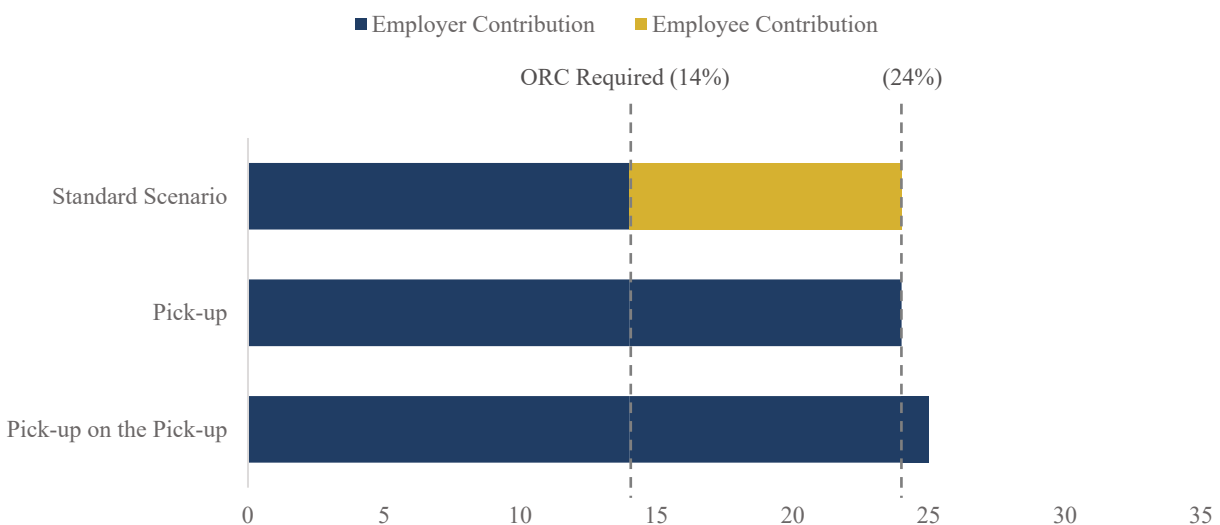
²⁸ In addition to these two pick-up options, a district may pay the employee contribution and reduce the annual wages of the employee accordingly. This option provides tax benefits to the employee through a lower gross taxable wage and does not require any additional cash to be paid by the employer.

Retirement Contributions as a Percentage of Wages - STRS



Source: STRS and ORC

Retirement Contributions as a Percentage of Wages - SERS



Source: SERS and ORC

As seen in the charts, the employer portion of the retirement payment for both STRS and SERS is 14 percent of the annual salary. The employee contribution rate between the two systems varies with STRS being 14 percent and SERS being 10 percent. The employer may choose to pick-up a portion or all of the employee contribution. In addition, if a District opts to pick up the entire employee contribution and report it as income, the total contribution ends up being higher due to the higher reported salary. Administrators who receive the pickup-on-pickup are eligible for higher retirement benefits since benefits are based on both years of service and the highest

five years’ salary as a public employee, and adding the District’s contributions as salary inflates the salary for individuals receiving this benefit.²⁹

MEVSD, along with the primary peers, offers a retirement pick-up benefit for certain administrators. At the District, administrators who receive this benefit get the full pick-up on the pick-up. Because this benefit adds additional costs to staff salaries, we compared the impact of pick-up on the pick-up at MEVSD to the pick-up options offered by the peers.

Employee Pick-Up Offered by Job Category

	Milford EVSD	Forest Hills LSD	Goshen LSD	Indian Hill EVSD	Loveland CSD	Marion CSD	Sycamore Community CSD	Clermont LSD	West
Superintendent	✓	✓	✓	✓	✓	✓	✓	✓	✓
Assistant Superintendent	✓	✓	✓	✓	✓	✓	✓	✓	✓
Treasurer	✓	✓	✓	✓	✓	✓	✓	✓	✓
Principal	✓	✓	✓	✓	✓	✓	✓	✓	✓
Assistant Principal	✓	✓	✓	✓	✓	✓	✓	✓	✓
Dean of Students									
Building Manager									✓
Education Admin Specialist					✓	✓			
Community School Admin									
Director	✓	✓	✓	✓	✓		✓	✓	✓
Other Administrators	✓				✓		✓		
Administrative Assistant		✓							
Other Positions	✓		✓	✓		✓	✓	✓	✓

Source: MEVSD and Peers

This analysis used the list of MEVSD’s administrators who received a pickup-on-pickup benefit for FY 2025. The local peer districts provided a list of names and position titles of the employees who received a pickup benefit, whether those employees received the full pickup-on-pickup or only a portion of the pickup, and the percentage of the pickup contribution. These administrators typically include directors, coordinators, and other positions.

As shown in the graph below, MEVSD has more administrators receiving State Education Retirement System (SERS) and State Teachers Retirement System (STRS) pickup retirement

²⁹ See <https://www.strsoh.org/newsroom/2025/retirement-eligibility-changes-announced.html>

contributions compared to the peer average. Additionally, the District, which provides full pick-up on the pick-up, has a higher proportional contribution for both SERS and STRS when compared with the peer average, as not all peers offer full pick-up on the pick-up.

Retirement Pick-Up Analysis

District	SERS		STRS	
	Employees	Average Pick Up	Employees	Average Pick Up
Milford EVSD	9.0	11.00%	24.0	15.96%
Peer Average	6.3	10.43%	23.4	13.74%
Difference from Peer Average	2.7	0.57%	0.6	2.22%
% Above/Below the Peer Average	43.2%	5.5%	2.4%	16.1%

Source: MEVSD and Peers

Note: ORC requires SERS contribution to be at 10% and STRS contribution to be at 14%.

It should be noted that when the pick-up amount exceeds the employee contribution rate, this is due to reporting the pick-up as additional income, which then increases the salaries of employees. For example, if an employee in SERS made \$100,000 and received full pick-up on the pick-up, the District would include the 10 percent contribution as income and report the individual's salary as \$110,000, making the actual contribution \$11,000. In addition, the District's employer contribution of 14 percent would be based off the \$110,000 salary instead of the \$100,000 salary.

While MEVSD has a higher percentage rate for pick-up benefits compared to the peer average, this must be considered in context of salaries, as administrators are negotiating their salaries and benefits as a package. A higher rate and a lower salary may result in a lower total cost compared to the peers. To address this, we also compared the average administrative salaries combined with pickup contributions for the District and its local peers.³⁰ This analysis is seen in the tables below, separated for SERS and STRS employees.

SERS Comparison of Administrator's Salary and Pickup Compensation

	Average Salary FY- 2024	Pick-Up Contribution	Total
Milford	\$105,891.07	\$11,648.01	\$117,539.08
Peer Average	\$112,533.93	\$11,738.84	\$124,272.77
Difference	(\$6,642.87)	(\$90.83)	(\$6,733.69)

Source: MEVSD and Peers

³⁰ The average administrator salary as published in the District Profile Report was used for this analysis.

STRS Comparison of Administrator's Salary and Pickup Compensation

	Average Salary FY- 2024	Pick-Up Contribution	Total
Milford	\$105,891.07	\$16,900.21	\$122,791.28
Peer Average	\$112,533.93	\$15,498.57	\$128,032.50
Difference	(\$6,642.87)	\$1,401.64	(\$5,241.22)

Source: MEVSD and Peers

As seen in the table, the District’s average annual salary for administrators is lower than the peer average. For SERS employees, where the contribution rates were similar, MEVSD spends less on average for pick-up contributions compared to the peers. For STRS employees, where the District has a higher contribution rate, it spends more on average for pick-up contributions compared to the peers. However, despite the higher pick-up contribution, due to the lower average salary, the total cost of salary and pick-up benefits is still lower for STRS employees at the District compared to the peers.

The District spends an average of \$6,600 per administrator salary less than the peer districts, with an average of \$6,700 less for employees with SERS contributions and \$5,200 less for employees with STRS contributions. Since this analysis only includes the average salaries for administrators combined with pickup contributions, it is possible that individual contracts may be higher for certain individuals and positions.

Conclusion

The District offers full pick-up on the pick-up to eligible employees, which is more than the peer average. However, due to the lower average salary of administrative level employees, the District’s average salary and retirement benefit combined cost is lower than the peer average. Negotiated compensation packages are complex and require consideration on the impact of the total package rather than individual components. Based on this analysis, it appears that despite having pick-up benefits that are greater than the peer averages, the District’s costs associated with pick-up benefits are lower than the peer average due to lower administrative salaries.

Transportation

Transportation of students is a critical function for school districts. Ensuring that busing services are provided in a safe and efficient manner is important for both the well-being of students and the fiscal health of the school district. We examined MEVSD’s bus routing and T-1³¹ reporting policies and procedures in comparison to industry standards and best practices to determine whether there were any areas for improvement.

Recommendation 3: Use Rider Data to Make Informed Decisions Regarding Transportation Contract and Bus Routing

Based on bus routing data for FY 2025, MEVSD had the potential to eliminate five bus routes. This would include a reduction in routes in all tiers (see description below). However, before this audit began, the District decided to move to state minimum transportation requirements in FY 2026. As a result, the routes that the District can currently reduce may differ from the results of the analysis.

Impact

The District’s fleet was not operating as efficiently as possible and operated more buses than necessary in FY 2025, resulting in higher transportation costs than would otherwise be required in a right-sized fleet. However, since the District moved to state minimum requirements during the course of this audit, its transportation operations changed beginning in FY 2026. Continuing to monitor bus fleet utilization would allow the District to ensure that its buses are operating efficiently and reduce extraneous transportation expenses.

Background

MEVSD contracts with a third party to provide transportation to all eligible students. The contractor owns and operates its own buses, meaning that the District does not have its own fleet. In addition to the District schools, MEVSD (through the contractor) transports to several other public and nonpublic schools. In FY 2025, MEVSD transported approximately 3,400 students on a total of 147 routes. The District uses a three-tier system for transportation. Tier I bus routes serve high school and middle school students. Tiers II and III bus routes serve elementary school students.

³¹ T-1 reports are submitted annually to certify to ODEW the actual number of students transported, and the total daily miles traveled. The data is used for calculations of the pupil transportation payment pursuant to ORC § 3317.0212.

ORC §3327.01 establishes minimum transportation requirements, including an obligation to transport all resident K-8 (kindergarten through eighth grade) students living two or more miles from their assigned schools, all nonpublic riders to their destinations if the location is within a 30-minute drive of the otherwise assigned resident school, and all students with disabilities who require transportation. State law does not cap bus ride time for students. MEVSD does not have a formal policy to cap ride times.

For FY 2026, the District decided to move to state minimum transportation requirements, thus ending transportation to high school students and all K-8 students living within two miles of school.³² The District also closed the junior high school building, resulting in a shift in transportation responsibilities for all tiers since sixth grade students will attend the middle school as opposed to the elementary schools and high school students will no longer receive transportation services.³³ The District also changed bell schedules in FY 2026 to accommodate the transportation changes.

Methodology

We conducted interviews with MEVSD officials and the General Manager from the transportation contractor, and collected bus route sheets, rider count sheets, and the T-1 report. For purposes of our analysis, we utilized the May 2025 count sheets instead of the October 2024 count sheets. This was done because the mileage data contained in the May 2025 count sheets more accurately reflected the information submitted to ODEW in the District’s FY 2025 T-1 report. According to the National Highway Traffic Safety Administration (NHTSA), no federal regulation exists for the number of riders placed per seat on a bus, but “school transportation providers generally determine the number of people they can safely fit into a school bus seat. Generally, they fit three smaller elementary school students or two adult high school students into a typical 39-inch school bus seat.”³⁴ While the District tries to route buses in a way that allows for only two elementary school students to sit in a seat, this analysis utilizes the standards from the NHTSA for bus seating. Capacity on each bus route was calculated using the industry benchmark with two students per seat for Tier I and three students per seat for Tiers II and III. We also used a target utilization of 90 percent of total capacity to allow flexibility in accommodating variation in actual daily ridership.

³² Some K-8 and high school students may still receive transportation services if it is federally mandated including if transportation is an accommodation in an Individual Education Plan (IEP) and, when applicable, the Every Student Succeeds Act and the McKinney-Vento Act protections for students in foster care and students experiencing homelessness.

³³ See footnote above, some high school students may still qualify for transportation services.

³⁴ The NHTSA does not specify the number of middle school students per seat. These students were counted the same as high school students for this analysis.

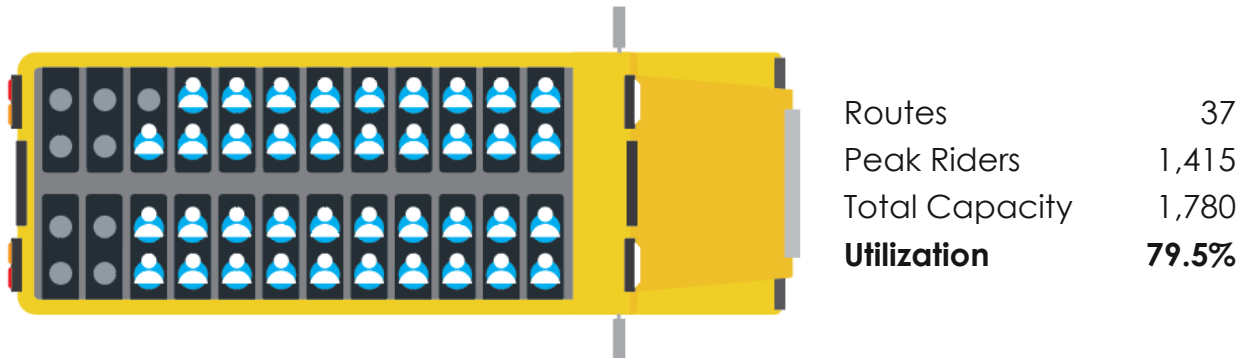
Analysis

When evaluating opportunities for improved efficiency without significant changes to the tiers, start times, and bell schedules, it is important to determine whether all routes that are underutilized can reasonably be improved. This determination can be problematic for special purpose routes and for that reason, we excluded the District’s special education, nonpublic, and shuttle routes from our analysis. We also excluded any routes that exceed 90 percent capacity or have 60 minute or more ride times. After excluding these routes, we analyzed 37 Tier I routes, 31 Tier II routes, and 25 Tier III routes.

The following visuals show the baseline utilization for the regular education routes in Tiers I, II, and III. These visuals are based on the ridership and routes in FY 2025 and show the average number of riders and average possible seats in a bus. Based on the analysis of the District’s routes and peak number of riders in FY 2025, as the visuals below show, the baseline utilization for existing regular bus routes is below the total available capacity indicating that there is opportunity to reduce routes within the District.

Tier I – Current State

39 Average Riders / 48 Average Possible Seats

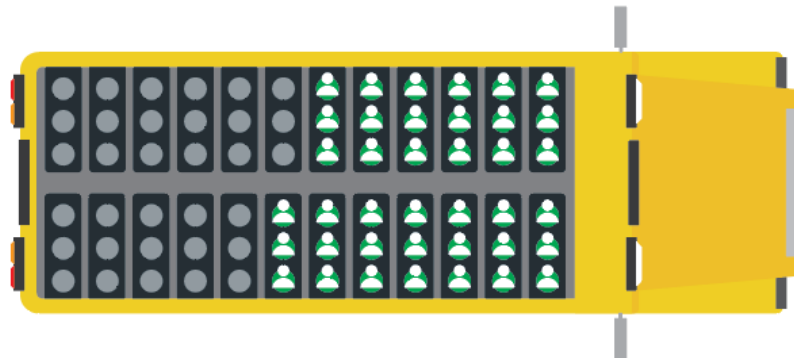


Source: MEVSD

Note: Capacity per bus based on two riders per seat.

Tier II – Current State

39 Average Riders / 72 Average Possible Seats



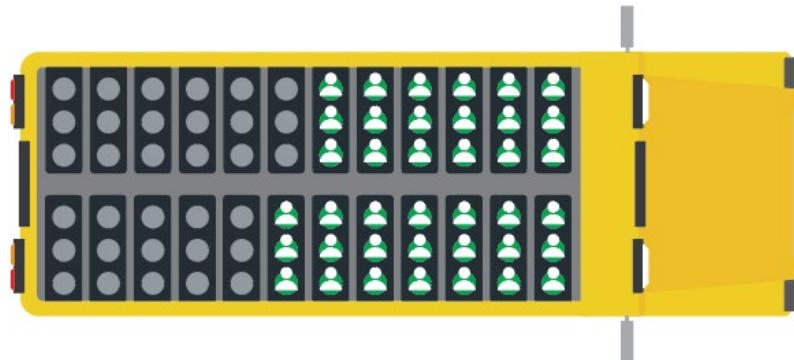
Routes	31
Peak Riders	1,178
Total Capacity	2,176
Utilization	54.1%

Source: MEVSD

Note: Capacity per bus based on three riders per seat.

Tier III – Current State

39 Average Riders / 72 Average Possible Seats



Routes	25
Peak Riders	969
Total Capacity	1,805
Utilization	53.7%

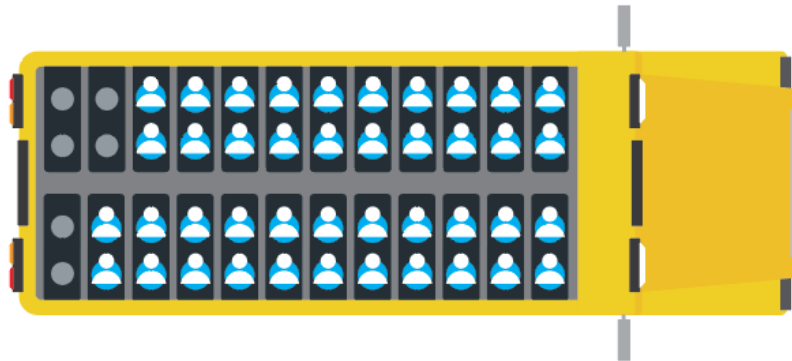
Source: MEVSD

Note: Capacity per bus based on three riders per seat.

Once baseline utilization indicated there were opportunities for bus route reductions, we reviewed the utilization within each tier to identify the maximum number of routes that may be reduced without exceeding 90 percent capacity.

Our analysis identified the number of routes that could be eliminated while maintaining enough capacity for Tier 1, since this tier had the highest ridership. We then applied those reductions to the other two tiers. Ultimately, we determined that the District could eliminate five bus routes. The visual below shows the impact of this reduction on utilization for all three tiers.

Tier I – After Reductions
42 Average Riders / 48 Average Possible Seats

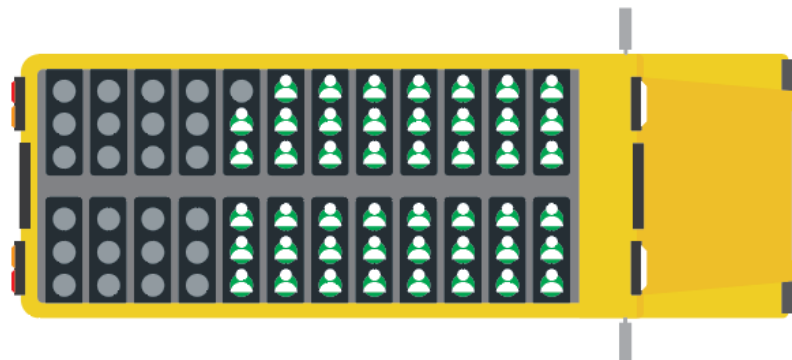


Routes	32
Peak Riders	1,415
Total Capacity	1,069
Utilization	86.5%

Source: MEVSD

Note: Capacity per bus based on two riders per seat.

Tier II – After Reductions
47 Average Riders / 72 Average Possible Seats



Routes	26
Peak Riders	1,178
Total Capacity	1,825
Utilization	64.5%

Source: MEVSD

Note: Capacity per bus based on three riders per seat.

Tier III – After Reductions
49 Average Riders / 72 Average Possible Seats



Source: MEVSD

Note: Capacity per bus based on three riders per seat.

Using the ridership for each tier in FY 2025, MEVSD could reduce five routes on all tiers. Reducing five routes would have resulted in approximately 86.5 percent utilization for Tier I, 64.5 percent utilization for Tier II, and 67.1 percent utilization for Tier III. Eliminating the five routes could have saved the District approximately \$428,000 in FY 2025.

District Actions

During the course of this analysis, the District decided to reduce its transportation services down to the state minimum requirements. Working with its contractor, the District projected that this transition would eliminate seven to ten buses resulting in potential savings of approximately \$750,000 in annual transportation costs.

The District renewed its contract with its third-party contractor in FY 2025, effective FY 2026. The new contract includes a provision that increases the price per bus for every reduced bus. This means that the savings associated with reducing the number of routes is diminished by a higher cost per route.

Additional Considerations

The District may want to consider additional steps to make its transportation services more efficient. These changes could include adapting the bell schedules for school building to allow for the potential consolidation of the current three-tier transportation system. There is already a precedent for changing the bell schedule since the District implemented a new one starting in FY 2026.

The District may also want to consider increasing the number of bus riders to a seat for Tiers II and III, which serve the elementary schools. As mentioned above, the District maintains two elementary school students to a bus seat. However, the NHTSA includes the industry standard of

three elementary school students to a bus seat. Increasing the number of students to a seat could decrease the number of buses needed to transport Tiers II and III.

Conclusion

The District's bus fleet was not operating as efficiently as possible by operating more routes than necessary in FY 2025. If the District had optimized its bus routes for FY 2025 and reduced five routes, it could have saved approximately \$428,000. However, the District decided to move to state minimum transportation requirements, which they estimated would allow them to reduce between 7 and 10 routes. By moving to state minimum transportation requirements, the District estimated that it will save approximately \$750,000 annually. However, this savings may be offset, in part, by provisions it negotiated in the new contract with its transportation provider that increase the cost per bus as routes are eliminated. With this move to state minimum requirements and the new third-party contract, there are many elements to continue monitoring for efficiency purposes. This list includes but is not limited to the number of elementary school students per seat, changing bell times to allow for more time to transport students, any potential loss of revenue from the reduction of routes/mileage and its impact on state funding, and the changes to contract pricing from reductions. The District should use these data elements when it considers future changes to its transportation practices.

Issue for Further Study: Review Transportation Contract Management Policies and Procedures

Although not included in the scope of the audit, MEVSD officials should review contract management policies and procedures. During the course of the audit, we identified inaccurate T-1 reports, which would fall under the responsibility of the contracted transportation provider.. In *Best Practices on Contracting for Services* (NSAA, 2003), the NSAA provides tools for identifying and evaluating best practices in contracting for services. These best practices include having a contract manager that has received training and possesses the skills needed to manage a contract, tracking budgets, evaluating invoices and contract terms, and ensuring deliverables are received on-time with documented results. Reviewing any existing policies and aligning with these best practices can help to mitigate the potential for future data reporting errors. In addition, robust contract management can assist the District in ensuring expenditures related to contracted services, such as transportation, are reasonable and appropriate.

Facilities

The changing landscape of education requires periodic reviews of facility staffing and expenditures to ensure that a district is using limited resources wisely. We reviewed MEVSD’s facilities staffing levels and expenditures in comparison to best practices and industry standards to determine if there were any areas for improvement.

Facilities Staffing

Background

MEVSD currently employs 42.5 FTE facilities employees. Of that total, 33.5 FTE are custodial employees, 7.0 FTE are maintenance employees, and 2.0 FTE are grounds employees. These employees are responsible for maintaining approximately 234 acres of land and 989,000 square feet of the District’s property. The custodial employees also are responsible for cleaning approximately 974,000 square feet of the District’s property. The District’s property includes eight academic buildings with one high school, one middle school, and six elementary schools. MEVSD has made considerable changes to its square footage going into FY 2026. The District closed the former junior high school building, opened a new middle school building, and closed the building that housed the preschool and Milford Success Academy.

Analysis

We analyzed staffing levels that the District has in order to maintain the school buildings, district buildings, and the grounds that the District owns. When compared to industry standards, the District’s combined number of custodians, groundskeepers, and maintenance workers are in line with or below the benchmark. The District does not intend to hire additional staff for the building changes and thus the same staffing levels were maintained for the FY 2025 and FY 2026 analyses. We ran the same facilities staffing analysis with benchmarks incorporating these changes and found that the District is even further below the staffing benchmarks for custodial, groundskeeping, and maintenance staffing for FY 2026. This means that MEVSD is operating even more efficiently than industry standards with the additional square footage to maintain. See [Appendix D](#) for more information about facilities staffing.

Facilities Expenditures

In addition to the academic buildings mentioned above, MEVSD maintains a Board of Education building, an athletic complex, a bus garage, and other smaller maintenance buildings.

Facilities expenditures include all expenses related to the maintenance of these buildings. This would include, for example, the salaries and benefits of employees such as custodial or maintenance staff, supplies and materials necessary to keep the building clean and maintained, and any contracted services such as snow removal or mowing. These expenditures are broken down by category for accounting purposes, and based on a district's operational decisions, categories may vary. For example, a district that chooses to contract for services may have lower salary levels due to fewer staff being necessary.

Analysis

We compared the District's facilities expenditures with those of its primary peers for FY 2024, the most recent data available at the time of the analysis. In this comparison, we noticed that the District's purchased services and equipment costs were higher than the primary peer average. A further review showed an increase in expenditures at the District between FY 2023 and FY 2024. To determine the potential cause of this higher spending we reviewed spending by category to identify any one-time expenditures that may have occurred. During this review, we identified costs associated with roofing and then confirmed with the District that there was a partial roof replacement for the high school building. In addition, we found that security expenses increased from FY 2023 to FY 2024. According to the District, these expenses were related to OFCC safety grants that were used to upgrade security at the buildings and the installation of a new traffic light at the middle school.

We also compared the District's facilities expenditures from FY 2022, FY 2023, and FY 2025 and determined that FY 2024's higher facilities expenditures were an anomaly. Aside from these expenses, the District appears to be spending less per square foot on facilities than the peer average. See [Appendix D](#) for more information about facilities expenditures.

Financial Management

Any organization needs to consider both short-term needs and long-term goals when developing plans for the use of the General Fund. School districts, in particular, must have sound planning processes in place so that they can effectively and transparently provide services to their residents. The District asked that the financial management of its extracurricular activities be included in the scope of this audit to determine if there were any areas for improvement.

Recommendation 4: Monitor and Align the Need of the General Fund Subsidy for Extracurricular Activities with the Local Peer Average

Impact

MEVSD changed participation fees for sports beginning in FY 2026 and thus there is no data for the potential impact of this change. If necessary, the District should consider reducing expenditures and increasing revenue to bring the General Fund subsidy percent of total expenditures for extracurricular activities in line with the local peer average, which would save MEVSD an average of approximately \$274,000 in each year of implementation.

Background

Extracurricular activities represent student activities falling outside the scope of a typical school curriculum. These activities occur under the guidance or supervision of qualified adults and are designed to provide opportunities for pupils to participate in such experiences on an individual basis, in small groups, or in large groups – at school events, public events, or a combination of these – for purposes of motivation, enjoyment, and skill improvement. In practice, participation usually is not required, and credit is usually not given. When participation is required, or credit given, the activity is generally considered to be a curricular course.

Extracurricular activities include, but are not limited to, academic-oriented activities (drama, marching band), sport-oriented activities (individual and team sports), and co-curricular activities (student government, yearbook). At the District’s request, we analyzed the pay-to-play fees for sports to determine the impact of the General Fund subsidy.

Methodology

The District’s FY 2024 General Fund subsidy as a percentage of total extracurricular activities expenditures was compared to the local peer average. We obtained MEVSD pay-to-participate fees for FY 2025 and FY 2026 and compared them to the local peer averages. We also compared the number of varsity sports that the District offers and the District’s expenditures on

extracurriculars with the local peer average. Since this analysis compares data from FY 2024, it does not account for the increase in participation fees that the District implemented for FY 2026.

Analysis

In FY 2024, the District spent approximately \$2.8 million on student extracurricular activities which included the salaries and benefits of directors, coaches, advisers; supplies and materials; transportation services; awards and prizes; and other miscellaneous expenditures. The District transferred approximately \$2.1 million from the General Fund to subsidize these activities. Additionally, approximately \$698,000 in revenue was generated through ticket sales for admissions and other sources. The amount of funding used to subsidize activities has increased by approximately 14.1 percent since FY 2022.

Extracurriculars Expenditures Comparison

A large proportion of MEVSD's extracurricular spending supports athletics (80.5 percent). The District spends more on both boys' and girls' sports, broken down by both individual and team sports, when compared to the local peer average. The District's overall spending on sports is 49.3 percent higher than the peer average.

Extracurricular activities extend beyond sports. We compared the District's expenditures on different extracurricular activities and compared those expenditures to the local peer average. MEVSD spent 13.7 percent more on academic-related activities including art, debate and speech, drama, mathematics, marching band, vocal ensemble, and honors societies. For occupation-related activities, such as vocational industrial clubs, MEVSD spent 30.9 percent more than the local peer average. While there were some specific activities in which the District spent less than peers, overall MEVSD's expenditures on extracurricular activities were 38 percent higher than the local peer average.

Varsity Sports Comparison

MEVSD offers more varsity sports than its peers (32 sports and 29 average sports, respectively). As a result, there may be an opportunity to reduce the number of sports that the District offers in order to reduce extracurricular expenditures.

General Fund Subsidy Comparison

Aligning the District's General Fund subsidy as a percentage of extracurricular expenditures with the local peer average would save approximately \$274,000 annually. While it is common for Ohio school districts to subsidize extracurricular activities from the General Fund, doing so at a rate that exceeds the local peer average may represent an undue burden on the District's General Fund.

FY 2024 General Fund Subsidy as a Percent of Actual Expenditures



Source: MEVSD and Local Peers

To fund extracurricular activities without a General Fund subsidy, the District may consider the following options:

- Increase admission and sales;
- Increase booster club funding;
- Reduce the supplemental salary schedule; and/or
- Eliminate programs.

During the course of the audit, MEVSD decided to raise participation fees for sports to help decrease the General Fund subsidy needed to support extracurricular activities. In FY 2025, MEVSD has sports participation fees at the middle school and high school levels and caps for individual students. The individual caps were \$150 in fees for middle school students and \$300 in fees for high school students. The table below shows the pay-to-play fees for middle school students and high school students for FY 2025 and the new fees in place for FY 2026, and compares the fees with the peer average.

Middle School Pay-to-Play Fees

	2025		2026	
	MEVSD	Peer Average	MEVSD	Peer Average
1 Sport Cost	\$100.00	\$146.67	\$200.00	\$146.67
2 Sport Cost	\$150.00	\$272.50	\$400.00	\$272.50
3 Sport Cost	\$150.00	\$335.83	\$600.00	\$335.83

Source: MEVSD and Peers

High School Pay-to-Play Fees

	2025		2026	
	MEVSD	Peer Average	MEVSD	Peer Average
1 Sport Cost	\$200.00	\$166.67	\$400.00	\$166.67
2 Sport Cost	\$300.00	\$312.50	\$800.00	\$312.50
3 Sport Cost	\$300.00	\$387.50	\$1,200.00	\$387.50

Source: MEVSD and Peers

Efficient • Effective • Transparent

As shown in the tables above, MEVSD increased the participation fees for sports and eliminated the individual caps for FY 2026. Middle school students now pay \$200 per sport and high school students pay \$400 per sport. Since the District implemented this change recently, there is not yet data to show the impact on participation levels, how much money the District will generate in sports fees, or by how much the District will have to subsidize extracurriculars with the General Fund.

Conclusion

Since the District only recently implemented a new participation fee structure in FY 2026, there is no data to show the impact of this change on participation levels and therefore the revenue generation needed to reduce the subsidy from the General Fund. While the General Fund subsidy extends beyond sports to encompass all extracurricular activities, the revenue from sport participation fees for students will impact the amount needed for the subsidy in the future. The District should continue to monitor the General Fund subsidy required in FY 2026 with the new fee structure and determine if additional savings are needed.

The District's General Fund subsidy of extracurricular activities as a percentage of total expenditures is above the peer average. If there continues to be gap between revenue and expenditures, which the General Fund would have to cover, the District should reduce the General Fund subsidy as a percentage of total expenditures for extracurricular activities to the local peer average. Based on FY 2024, doing so would save the District approximately \$274,000 in each year of implementation.

Additional Considerations

As discussed in detail throughout the preceding sections of this report, MEVSD could gain efficiencies by aligning its operations with the peer averages and industry standards and implementing the previously identified standard recommendations. However, the recommendations identified previously in this report, even if fully implemented, would not resolve the projected operational deficit in the most recent five-year forecast. The following suggestions are additional actions that District leadership may need to consider to prevent a worsening fiscal condition.

Implementing the following additional actions could have a significant impact on the District’s operations and instructional activities. However, without additional revenue, the District will likely need to consider the implementation of one or more of the following suggestions in order to remain fiscally solvent and reduce the projected operational deficit.

Investigate Revenue Enhancements

As noted in [MEVSD Revenues](#), the District’s tax effort is lower than the state average and ranks 520 out of 606 districts. The District proposed a levy to implement an income tax in November 2024, but this levy ultimately failed. While MEVSD has the most control over its expenditures, the District could consider revenue enhancements to better align its tax effort with the state average.

Review CBA Provisions

MEVSD could review the terms and provisions in its CBAs and align them with ORC requirements and local peer districts. This may reduce future expenditures and decrease the risk for future liabilities. While this was not in the scope of this audit, many CBA provisions have a financial impact and if excessive, could lead to higher overall cost of operations.

Additional Staffing Reductions

As noted in [Recommendation 1](#), the District is currently staffed above the primary peer average in nine categories. The District could consider the impact of further reductions to meet state minimum requirements. This could include aligning with OAC 3301-35-05 for principals and educators. The state minimum requirement for building administrators includes just one principal per building leading to potential reductions of 7.00 FTEs. The state minimum requirement for teachers includes one classroom teacher per 25 students leading to potential reductions of 75.00 FTEs. Such reductions could have a substantiable impact on District operations and instructional activities.

While a reduction to state minimum standards may not be necessary to address the projected operational deficit, MEVSD could choose to strategically implement staffing reductions to maximize savings while minimizing the impact on the District’s operations. Ultimately, the total

cost savings realized from staffing reductions would be dependent on a variety of factors including the number of positions eliminated, the tenure of the individuals, and the impact of other potential cost saving measures.

If the District decided to pursue reductions to state minimum requirements, it should work with ODEW to ensure compliance with state minimum requirements in OAC 3301-35-05 before reducing staffing levels.

Implement Base and Step Salary Freezes

We compared the District's certified and classified salaries to the local peer averages. The results of this analysis indicated that the District is generally below or in line with the local peer salaries for nearly all positions. However, in order to achieve additional savings, the District could consider implementing a base and step salary freeze, which would result in significant annual savings.

Further Reduce the General Fund Subsidy for Extracurricular Activities

In order to reduce expenditures, the District could reduce the General Fund subsidy of extracurricular activities. As noted in [Recommendation 4](#), the District has already increased participation fees for sports. This additional consideration applies to the District if, even after the increase, there is still a need to subsidize extracurricular activities with the General Fund. To achieve additional savings, the District could consider reducing the subsidy below the peer average or fully eliminating the subsidy.

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.



MILFORD EXEMPTED VILLAGE SCHOOL DISTRICT

Administrative Offices
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Milford, Ohio 45150

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Official Response to the Ohio Auditor of State's Performance Audit

November 2025

Milford Exempted Village School District
1099 State Route 131
Milford, Ohio 45150
www.milfordschools.org

Mr. Keith Faber

Auditor of State
65 East State Street
Columbus, Ohio 43215

Dear Auditor Faber,

On behalf of the Milford Exempted Village School District Board of Education and Administration, we would like to thank you and the Performance Audit Team for your time, professionalism, and expertise in preparing this comprehensive and independent audit of our district. We appreciate the opportunity to participate in a process that provides an objective perspective and a deeper understanding of our financial operations, helping us continue to improve how we serve our students, staff, and community.

Through this process, we requested an external review of our financial practices in response to community feedback emphasizing transparency and fiscal accountability. This helps ensure we are making the most informed and sustainable decisions possible for our students and taxpayers.

We would like to note that the data used in this audit is based on FY24 financial information - with some FY25 information. Comparisons are made to the corresponding Five Year Forecasts. Therefore, some figures may not reflect changes and efficiencies that have already been implemented as part of the district's proactive efforts to strengthen our financial position. The audit's findings also reinforce and support budgeting decisions the district has already made, including the reduction of transportation services to state minimum levels and increased participation fees, both of which were implemented to align spending with available resources while preserving classroom instruction and essential student programs.

The Board of Education and administrative team will review and thoroughly discuss each recommendation outlined in the audit at upcoming public Board meetings. These findings will be carefully evaluated and incorporated into future financial planning and decision-making to ensure that all actions continue to support both the district's long-term financial stability and our mission to provide an exceptional education for every student, every day.

We sincerely appreciate the Auditor of State's Office for its guidance and partnership throughout this process. The insights and recommendations included in the performance audit will serve as a valuable resource as Milford Schools continues its work to enhance operational efficiency, transparency, and accountability.

Respectfully,

Emily Mason

A handwritten signature in cursive script that reads "Emily Mason".

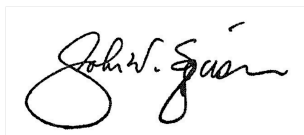
President, Milford Board of Education

Doug Ackermann

A handwritten signature in cursive script that reads "Doug Ackermann".

Treasurer

John Spieser

A handwritten signature in cursive script that reads "John Spieser".

Superintendent

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
Financial Management	
Is the District's General Fund subsidy of extracurricular activities appropriate in comparison to local peers and the District's financial condition?	R.4
Human Resources	
Are the District's staffing levels appropriate in comparison to primary peers, state minimum standards, demand for services, and the District's financial condition?	R.1

Are the District’s salaries and wages appropriate in comparison to local peers and the District’s financial condition?	No Recommendation: The District’s certified and classified salaries are mostly in line or below the peer average.
Are the District’s insurance costs appropriate in comparison to other governmental entities within the local market and the District’s financial condition?	R.2
Facilities	
Are the District’s facilities staffing levels appropriate in comparison to leading practices, industry standards, and the District’s financial condition?	No Recommendation: The District’s facilities staffing is in line with the industry standard.
Are the District’s facilities expenditures appropriate in comparison to primary peers, leading practices, industry standards, and the District’s financial condition?	No Recommendation: The District’s expenses are in line with peer averages.
Transportation	
Is the District’s fleet sized appropriately and routed efficiently in comparison to leading practices, industry standards, and the District’s financial condition?	R.3

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:³⁵

- Control environment
 - We considered the District’s control of its EMIS and payroll systems.
- 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 transportation data.
- Control Activities
 - We considered the District’s compliance with applicable laws and contracts.

Internal control deficiencies were not identified during the course of this audit.

³⁵ 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.

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

- Peer Districts;
- 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 lower per-pupil spending and similar academic performance. A “Local Peers” set was selected for a comparison of the general fund subsidy of extracurricular activities, compensation, benefits, and collective bargaining agreements, where applicable. This peer set was selected specifically to provide context for local labor market conditions. The table below shows the Ohio school districts included in these peer groups.

Peer Group Districts

Primary Peers

- Beaver Creek City School District (Greene County)
- Forest Hills Local School District (Hamilton County)
- Jackson Local School District (Stark County)
- North Canton City School District (Stark County)
- Oak Hills Local School District (Hamilton County)
- Springboro Community City School District (Warren County)

Local Peers

- Forest Hills Local School District (Hamilton County)
- Goshen Local School District (Clermont County)
- Indian Hill Exempted Village School District (Hamilton County)
- Loveland City School District (Hamilton County)
- Mariemont City School District (Hamilton County)
- Sycamore Community City School District (Hamilton County)
- West Clermont Local School District (Clermont County)

Where reasonable and appropriate, peer districts were used for comparison. However, industry standards or 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: Financial Systems

In addition to the financial analyses previously presented throughout the report, we conducted additional review of the District’s finances compared to peers. This information is provided to give a deeper understanding of the current financial condition of the District.

District FY 2024 Financial Accounts

The table on the following shows the Districts FY 2024 financial activities by fund. The District operated with 27 funds in FY 2024. Within this table, recorded receipts, or revenues, and expenditures are identified. In any given year, a particular fund may operate at a deficit or surplus. Further, operating at a deficit may not result in an actual fund deficit due to existing fund balances. By reviewing revenues and expenditures at the fund level, a district can have a more comprehensive understanding of its financial condition.

FY 2024 All Funds Activity

Fund	Fund Name	Receipts	Expenditures
001	General	\$81,179,058.81	\$80,600,935.31
002	Debt Retirement	\$8,774,591.49	\$9,652,671.06
003	Permanent Improvement	\$83,425.00	\$170,262.63
004	Building	\$5,645,842.15	\$21,614,937.10
006	Food Services	\$6,854,141.41	\$5,641,401.62
007	Special Trust	\$22,418.69	\$25,670.80
008	Endowment	\$500.00	\$500.00
009	Uniform Schools Supplies	\$1,046,160.76	\$598,446.17
010	Classroom Facilities	\$5,675,456.40	\$11,626,248.39
018	Public School Support	\$132,430.97	\$115,940.34
019	Other Grants	\$30,880.61	\$27,193.55
020	Special Enterprise	\$935,156.39	\$962,023.08
022	District Custodial	\$10,473.20	\$0.00
027	Workers' Compensation Self-Insurance	\$230,691.62	\$230,691.62
034	Classroom Facilities Maintenance	\$737,875.31	\$18,688.97
200	Student Managed Student Activity	\$103,421.53	\$120,099.56
300	District Managed Student Activity	\$610,496.08	\$617,245.95
401	Auxiliary Services (NPSS)	\$273,925.68	\$251,594.28
467	Student Wellness and Success	\$0.00	\$102,854.12
499	Miscellaneous State Grants	\$24,418.01	\$30,001.29
507	Elementary and Secondary School Emergency Relief (ESSER)	\$3,040,251.86	\$3,040,251.86
516	IDEA, Part B Special Education, Assistance for All Children with Disabilities Ages 3-21	\$1,508,357.56	\$1,697,914.54
572	Title I - Disadvantaged Children/Targeted Assistance	\$529,713.16	\$578,138.13
584	Student Support and Academic Enrichment Programs	\$67,795.82	\$73,543.90
587	Student Support and Academic Enrichment Programs	\$37,543.52	\$41,102.23
590	Improving Teacher Quality	\$84,498.95	\$140,480.57
599	Miscellaneous Federal Grants	\$0.00	\$164,898.48
27	Total Funds	\$117,639,524.98	\$138,143,735.55
Count of Funds with Activity		25	26

Source: MEVSD

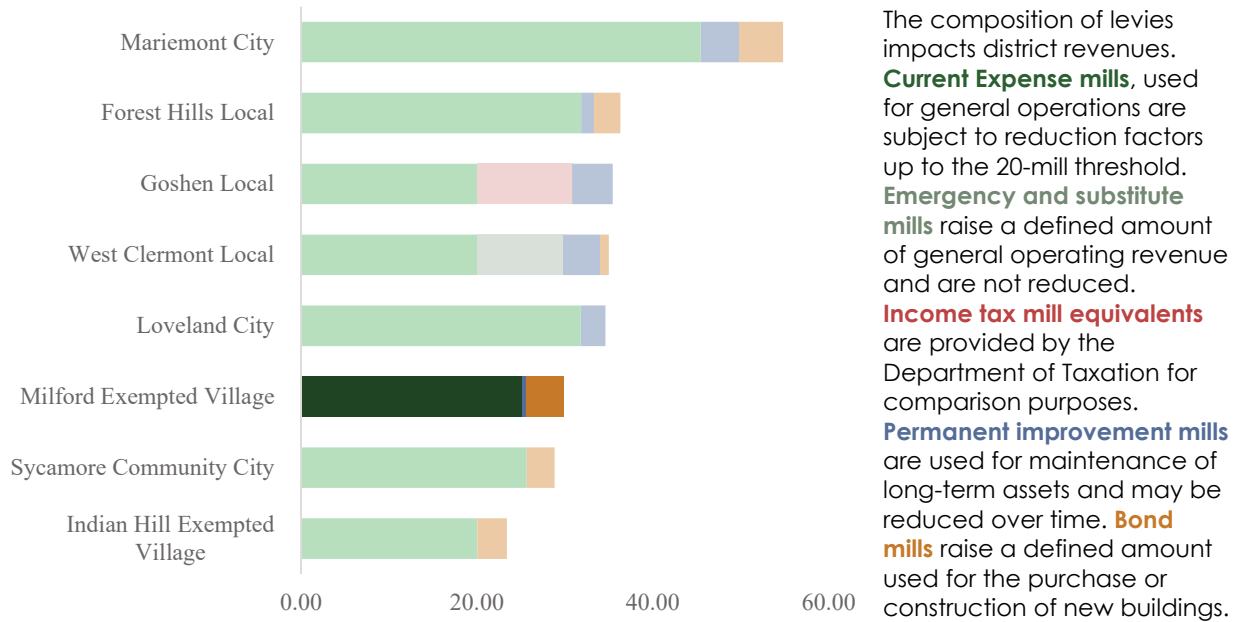
Note: Excludes advances

Local Revenue Comparisons

Since the total millage rate can be rolled back as a result of reduction factors, we compared the total effective millage for MEVSD to that of its local peers. This comparison is found in the chart below. The green portion of the bar represents the current expense millage rate, where two of the local peers are at the 20-mill floor. Because the District is not at the 20-mill floor, it will not see continued growth from current expense mills as property value increases.

Efficient • Effective • Transparent

2024 Millage and Millage Equivalents | Local Peers



Source: Ohio Department of Taxation

The District’s effective tax rate is among the lowest in comparison to the local peer districts. In Tax Year 2024, one mill of property tax generated approximately \$281 in revenue per pupil, falling below the local peer average of \$398.

The following table shows the income tax revenue for the local peer average. Only one local peer collects revenue from an income tax. None of the primary peers collect revenues from an income tax.

2024 Income Tax Revenue and Millage Equivalents | Local Peers

District	Tax Rate	Income Tax Revenue	Estimated Millage Equivalents
Goshen Local	1.00%	\$5,249,072.51	10.84
Forest Hills Local	0.00%	-	0.00
Indian Hill Exempted Village	0.00%	-	0.00
Loveland City	0.00%	-	0.00
Mariemont City	0.00%	-	0.00
Milford Exempted Village	0.00%	-	0.00
Sycamore Community City	0.00%	-	0.00
West Clermont Local	0.00%	-	0.00

Source: Ohio Department of Taxation

Efficient • Effective • Transparent

The following tables show the local tax effort comparison between MEVSD and the primary peer districts and the local peer districts. The District’s LTE is below the statewide average but higher than most of the primary and local peers. A higher LTE results in a lower rank and a higher percentile. For example, a district with a rank of 1 would have the highest LTE and highest percentile in the State.

2024 Local Tax Effort Comparison | Primary Peers

District	LTE	Rank	Percentile
Beavercreek City	0.7885	451	25.6%
North Canton City	0.7705	464	23.4%
Milford Exempted Village	0.6948	520	14.2%
Jackson Local	0.5808	569	6.1%
Oak Hills Local	0.4861	591	2.5%
Springboro Community City	0.4557	594	2.0%
Forest Hills Local	0.4348	599	1.2%
Primary Peer Average	0.5861	568	6.3%

Source: ODEW

2024 Local Tax Effort Comparison | Local Peers

District	LTE	Rank	Percentile
Goshen Local	1.3085	133	78.1%
West Clermont Local	0.9209	347	42.7%
Milford Exempted Village	0.6948	520	14.2%
Mariemont City	0.6582	538	11.2%
Loveland City	0.6208	560	7.6%
Forest Hills Local	0.4348	599	1.2%
Sycamore Community City	0.4063	601	0.8%
Indian Hill Exempted Village	0.1858	606	0.0%
Local Peer Average	0.6479	545	10.1%

Source: ODEW

Appendix C: Human Resources

Staffing Comparison Tables

The following tables illustrate the District’s employee FTEs compared to calculated benchmark FTEs.

The enrollment benchmark FTEs represents the FTEs the District would need to align with the *primary peer average FTEs per-1,000 student ratio*. Normalizing data on a per-1,000 student basis, as seen in the calculation below, allows for a more precise comparison between districts when student counts differ. This primary comparison is shown in each of the following staffing comparison tables.

$$\text{Enrollment Benchmark FTEs} = \text{Peer Avg. FTE per 1,000 Students} * \left(\frac{\text{Client Enrollment}}{1,000} \right)$$

The building benchmark FTEs represents the FTEs the District would need to align with the *primary peer average FTEs per building ratio*. Normalizing data on a per-building basis, as seen in the calculation below, allows for a more precise comparison between districts when building counts differ. This secondary comparison is shown in select staffing comparison tables.

$$\text{Building Benchmark FTEs} = \text{Peer Avg. FTE per Building} * \text{District Building Count}$$

Central Office Administrator Staff Comparison

Position	MEVSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Assistant, Deputy/Associate Superintendent	1.00	1.14	(0.14)
Supervisor/Manager	4.00	2.65	1.35
Coordinator	2.00	2.79	(0.79)
Education Administrative Specialist	0.00	0.17	(0.17)
Director	1.00	5.16	(4.16)
Other Official/Administrative	3.00	2.44	0.56
Total	11.00	14.35	(3.35)

Source: MEVSD and ODEW

Building Administrator Staff Comparison

Position	MEVSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Assistant Principal	7.00	8.20	(1.20)
Principal	9.00	7.30	1.70
Dean of Students	0.00	0.17	(0.17)
Total	16.00	15.67	0.33

Position	MEVSD FTEs	Building Benchmark FTEs	FTEs Above/(Below) Benchmark
Assistant Principal	7.00	11.11	(4.11)
Principal	9.00	9.90	(0.90)
Dean of Students	0.00	0.25	(0.25)
Total	16.00	21.26	(5.26)

Source: MEVSD and ODEW

Teaching Staff Comparison

Position	MEVSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
General Education K-12	258.00	246.26	11.74
Gifted and Talented ¹	1.00	3.92	(2.92)
Career-Technical Programs/Career Pathways	0.00	4.40	(4.40)
EL Instructional Program ²	0.00	0.71	(0.71)
Total	259.00	255.28	3.72

Source: MEVSD and ODEW

¹ The District only has one Gifted and Talented teacher of record. As stated in [Recommendation 1](#), the District has additional Gifted Intervention Specialists. However, these individuals are not teachers of record and are included in the Other Educational Professionals comparison.

² As stated in [Recommendation 1](#), the District has English Language Learner Support professionals. Since these are not teachers of record, they are included in the Other Educational Professionals comparison.

K-8 Teaching Staff Comparison

Position	MEVSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Teacher - Art Education K-8	7.00	6.22	0.78
Teacher - Music Education K-8	8.00	8.65	(0.65)
Teacher - Physical Education K-8	8.00	7.15	0.85

Source: MEVSD and ODEW

Non-Teaching Educational Staff Comparison

Position	MEVSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Curriculum Specialist	0.00	0.04	(0.04)
Counseling	7.00	14.15	(7.15)
Remedial Specialist	8.00	8.62	(0.62)
Tutor/Small Group Instructor	0.00	2.19	(2.19)
Full-time (Permanent) Substitute Teacher	0.00	0.99	(0.99)
Teacher Mentor/Evaluator	1.00	0.00	1.00
Other Professional-Educational	12.36	4.55	7.81

Source: MEVSD and ODEW

Professional Staff Comparison

Position	MEVSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Audiologist	0.00	0.04	(0.04)
Dietician/Nutritionist	1.00	0.97	0.03
Psychologist	4.00	4.05	(0.05)
Publicity Relations	1.00	0.74	0.26
Social Work ¹	8.00	2.57	5.43
Intern Psychologist	1.00	0.00	1.00
Other Professional	0.50	0.00	0.50

Source: MEVSD and ODEW

¹ The District classifies their Mental Health Interventionists as social workers.

Technical Staff Comparison

Position	MEVSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Computer Operating	0.00	2.20	(2.20)
Computer Programming	0.00	0.42	(0.42)
Other Technical	0.00	0.33	(0.33)
Total	0.00	2.95	(2.95)

Source: MEVSD and ODEW

Central Office Support Staff Comparison

Position	MEVSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Administrative Assistant	0.00	0.14	(0.14)
Accounting	0.00	0.17	(0.17)
Bookkeeping (District)	4.63	2.90	1.73
Clerical (District)	8.00	10.94	(2.94)
Records Managing (District)	1.00	0.17	0.83
Telephone Operator (District)	0.00	0.13	(0.13)
Other Office/Clerical (District)	1.00	0.42	0.58
Total	14.63	14.86	(0.23)

Source: MEVSD and ODEW

Building Office Support Staff Comparison (per 1,000 students)

Position	MEVSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Clerical (Building)	21.08	18.67	2.41
Other Office/Clerical (Building)	0.00	3.34	(3.34)
Total	21.08	22.01	(0.93)

Position	MEVSD FTEs	Building Benchmark FTEs	FTEs Above/(Below) Benchmark
Clerical (Building)	21.08	25.63	(4.55)
Other Office/Clerical (Building)	0.00	4.54	(4.54)
Total	21.08	30.17	(9.09)

Source: MEVSD and ODEW

Library Staff Comparison

Position	MEVSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Librarian/Media	2.00	0.95	1.05
Library Aide	7.00	5.91	1.09
Total	9.00	6.85	2.15

Source: MEVSD and ODEW

Nursing Staff Comparison

Position	MEVSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Registered Nursing	1.00	2.63	(1.63)
Practical Nursing	8.00	4.76	3.24
Total	9.00	7.40	1.60

Source: MEVSD and ODEW

Classroom Support Staff Comparison

Position	MEVSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Instructional Paraprofessional	11.54	10.55	0.99
Teaching Aide	0.00	41.05	(41.05)
Total	11.54	51.60	(40.06)

Source: MEVSD and ODEW

Other Clerical Staff Comparison

Position	MEVSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Messenger	0.40	0.65	(0.25)
Parent Mentor	0.00	0.14	(0.14)
Total	0.40	0.80	(0.40)

Source: MEVSD and ODEW

Extracurricular/Intracurricular Activities Staff Comparison

Position	MEVSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Advisor	0.00	1.41	(1.41)
Coaching	0.00	0.36	(0.36)
Other Extra/Intra-Curricular Activities	0.00	0.17	(0.17)
Total	0.00	1.94	(1.94)

Source: MEVSD and ODEW

Other Support Staff Comparison

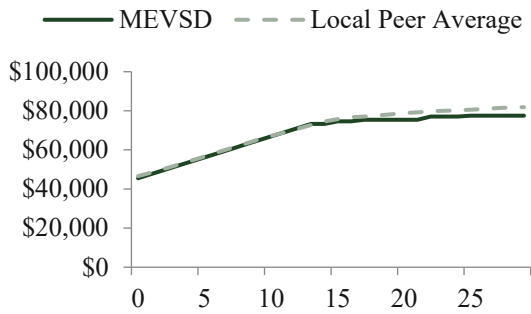
Position	MEVSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Monitoring	0.00	16.65	(16.65)
Other Service Worker/Laborer	0.00	2.00	(2.00)
Total	0.00	18.65	(18.65)

Source: MEVSD and ODEW

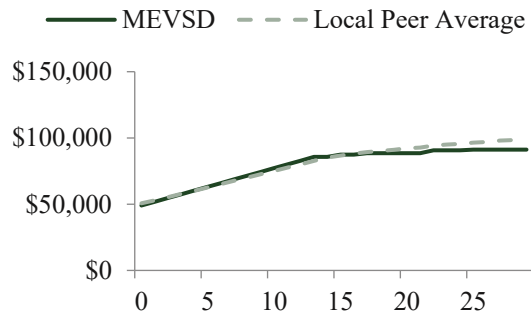
We also looked at annual salaries for all certificated employees and the hourly wage rates for various classified employee positions over the course of a career, as seen in the following charts.

Certificated Career Compensation

Bachelors



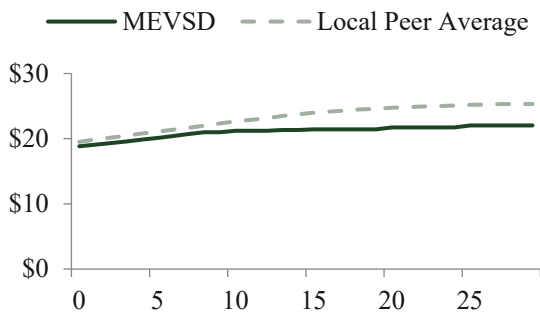
Masters



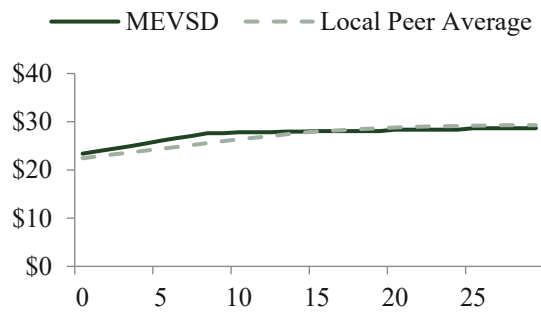
Source: MEVSD, Local Peers, and SERB

Classified Career Compensation

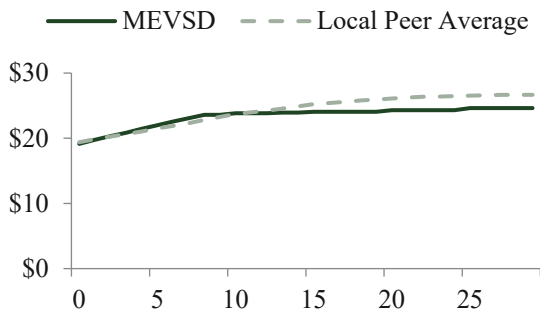
Custodian



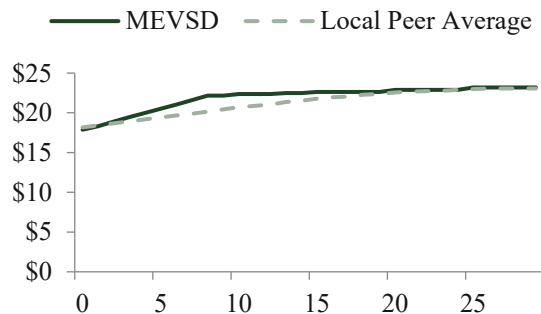
Maintenance



Secretary



Teacher Aide



Source: MEVSD, Local Peers, and SERB

Insurance- HDHP Plan Analysis

Our initial review found that the District’s HDHP plan had a lower monthly employer premium when compared to the SERB regional average for school districts. The table below shows the premium comparisons with the local peer average for the HDHP plan.

2025 Monthly Medical Insurance Costs - HDHP

		MEVSD		Regional Peer Averages		MEVSD Adjustment	
		Costs	% Share	Costs	% Share	Costs	% Share
Single Medical + Rx	District	\$584.76	80.0%	\$666.74	84.4%	\$666.74	91.2%
	Employee	\$146.19	20.0%	\$123.49	15.6%	\$64.21	8.8%
Family Medical + Rx	District	\$1,549.62	80.0%	\$1,746.92	83.1%	\$1,746.92	90.2%
	Employee	\$387.40	20.0%	\$354.65	16.9%	\$190.10	9.8%

Source: MEVSD and SERB

Since the District offers an HSA contribution to employees that enroll in the HDHP plan, we also compared premiums and the HSA contributions with the SERB regional average for school districts. Our review of the District’s insurance plan found that the HDHP plan, even with HSA contributions, still had a lower monthly employer premium when compared with the SERB regional average for school districts. Additionally, the proportion of the monthly employer premium with the HSA contribution (82.5 percent) is lower than the SERB regional average for school districts. The chart below shows the comparison between the HDHP plan with HSA contributions compared to the regional average.

2025 Monthly Medical Insurance Costs - HDHP With HSA

		MEVSD	Regional Peer Averages	Difference
		Single Medical + Rx	District	\$690.76
	Employee	\$146.19	\$123.49	\$22.70
Family Medical + Rx	District	\$1,849.62	\$1,897.92	(\$48.30)
	Employee	\$387.40	\$354.65	\$32.75

Source: MEVSD and SERB

The chart above shows that the District contributes less than the SERB regional average for the HDHP plan with the HSA contributions for both family and single plans.

Appendix D: Facilities

Staffing

We analyzed the staffing levels that the District has to maintain the school buildings, district buildings, and the grounds of land that the District owns using industry standards. Despite the building changes (see [Facilities](#) for more information), the District does not intend to hire additional staff. Thus this analysis holds the staffing levels consistent for FY 2025 and FY 2026.

The table below shows these comparisons.

FY 2024-2025 Buildings & Grounds Staffing Comparison

Grounds Staffing	
Grounds FTEs	2.0
Acreage Maintained	233.7
AS&U Benchmark - Acres per FTE	40.2
Benchmarked Staffing Need	5.8
Grounds FTEs Above/(Below) Benchmark	(3.8)
Custodial Staffing	
Custodial FTEs	33.5
Square Footage Cleaned	974,349
NCES Level 3 Cleaning Benchmark ¹ - Median Square Footage per FTE	29,500
Benchmarked Staffing Need	33.0
Custodial FTEs Above/(Below) Benchmark	0.5
Maintenance Staffing	
Maintenance FTEs	7.0
Square Footage Maintained	989,006
AS&U Benchmark - Square Footage per FTE	94,872
Benchmarked Staffing Need	10.4
Maintenance FTEs Above/(Below) Benchmark	(3.4)
Total Buildings & Grounds Staffing	
Total FTEs Employed	42.5
Total Benchmarked Staffing Need	49.3
Total FTEs Above/(Below) Benchmark	(6.8)

Source: MEVSD, AS&U, and NCES

¹ According to NCES, Level 3 cleaning is the norm for most school facilities. It is acceptable to most stakeholders and does not pose any health issues.

The table above shows that the District was generally below the industry standard before the building changes in FY 2026. This means that the District was operating more efficiently than the industry standards.

FY 2025-2026 Buildings & Grounds Staffing Comparison

Grounds Staffing	
Grounds FTEs	2.0
Acreage Maintained	233.7
AS&U Benchmark - Acres per FTE	40.2
Benchmarked Staffing Need	5.8
Grounds FTEs Above/(Below) Benchmark	(3.8)
Custodial Staffing	
Custodial FTEs	33.5
Square Footage Cleaned	1,018,289
NCES Level 3 Cleaning Benchmark ¹ - Median Square Footage per FTE	29,500
Benchmarked Staffing Need	34.5
Custodial FTEs Above/(Below) Benchmark	(1.0)
Maintenance Staffing	
Maintenance FTEs	7.0
Square Footage Maintained	1,032,946
AS&U Benchmark - Square Footage per FTE	94,872
Benchmarked Staffing Need	10.9
Maintenance FTEs Above/(Below) Benchmark	(3.9)
Total Buildings & Grounds Staffing	
Total FTEs Employed	42.5
Total Benchmarked Staffing Need	51.2
Total FTEs Above/(Below) Benchmark	(8.7)

Source: MEVSD, AS&U, and NCES

¹ According to NCES, Level 3 cleaning is the norm for most school facilities. It is acceptable to most stakeholders and does not pose any health issues.

The table above shows the District's staffing levels compared to industry standards with the building changes in FY 2026. The District is now even further below the industry standards for staffing, meaning that it is operating more efficiently than the industry standards.

Expenditures

Facilities Expenditures per Square Foot Comparison

	Client	Peer Average	Difference	% Difference
Salaries and Wages	\$2.04	\$2.71	(\$0.67)	(24.7%)
Employee Benefits	\$0.86	\$1.11	(\$0.25)	(22.5%)
Purchased Services (Excluding Utilities)	\$1.78	\$1.14	\$0.64	56.1%
Utilities	\$1.17	\$1.15	\$0.02	1.7%
Water & Sewage	\$0.11	\$0.17	(\$0.06)	(35.3%)
Sub-Total Energy	\$1.06	\$0.98	\$0.08	8.2%
Electric	\$0.89	\$0.80	\$0.09	11.3%
Gas	\$0.17	\$0.18	(\$0.01)	(5.6%)
Other Energy Sources	\$0.00	\$0.00	\$0.00	0.0%
Supplies & Materials	\$0.61	\$0.52	\$0.09	17.3%
Capital Outlay	\$0.11	\$0.47	(\$0.36)	(76.6%)
Other Objects	\$0.00	\$0.06	(\$0.06)	(100.0%)
Total Expenditures per Square Foot	\$6.57	\$7.16	(\$0.59)	(8.2%)

Source: MEVSD and Peers

As the table above shows, MEVSD is spending less per square foot compared to the peer average. See the [Facilities](#) section for an explanation on the categories where the District's expenditures are higher than the peer average, including purchased services and supplies and materials.

OHIO AUDITOR OF STATE KEITH FABER



**MILFORD EXEMPTED VILLAGE SCHOOL DISTRICT
CLERMONT 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 11/6/2025

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

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