

OHIO AUDITOR OF STATE
KEITH FABER



Meigs
Local School District

Performance Audit

March 2026

OHIO AUDITOR OF STATE
KEITH FABER



65 E. State St.
Columbus, Ohio 43215
Phone: (614) 466-4514
Toll Free: (800) 282-0370
www.ohioauditor.gov



To the Meigs Local School District Community:

The Auditor of State's Office recently completed a performance audit for the Meigs Local School District (the District). The District was selected for a performance audit based on its projected financial condition. This review was conducted by the Ohio Performance Team and provides an independent assessment of operations within select functional areas. The performance audit has been provided at no cost to the District through state funds set aside to provide analyses for districts that meet certain criteria, including conditions that would lead to fiscal distress.

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

March 31, 2026

This page intentionally left blank.

Table of Contents

Introduction.....	1
Audit Methodology	1
Meigs Local School District	2
Place of Enrollment.....	2
Financial Condition.....	3
School Funding	5
MLSD Revenues	11
MLSD Expenditures.....	14
Results of the Audit	18
Financial Management.....	20
Forecasting	20
Recommendation 1: Develop Formal Plans.....	22
Recommendation 2: Ensure CTE Programming is Fiscally Responsible and Remains in Compliance with State Requirements	26
Recommendation 3: Reduce the General Fund Subsidy Percent of Total Expenditures for Extracurricular Activities to the Local Peer Level.....	33
Human Resources	35
Recommendation 4: Eliminate Administrative Positions above the Peer Average	36
Recommendation 5: Eliminate Direct Student Support Positions above the Peer Average	38
Recommendation 6: Align Classified Salary Schedules.....	40
Recommendation 7: Align Employer Insurance Costs with SERB Regional Average	42
Facilities.....	48
Recommendation 8: Reduce Facilities Staffing.....	48
Additional Considerations	51
Client Response Letter.....	53
Appendix A: Purpose, Methodology, Scope, and Objectives of the Audit	56
Performance Audit Purpose and Overview.....	56
Audit Scope and Objectives	56

Audit Methodology 57
Appendix B: Financial Background..... 60
Appendix C: Financial Management 65
Appendix D: Human Resources..... 68

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 financial forecasts to the Ohio Department of Education and Workforce (ODEW) annually in October, with updates to the forecast submitted in February.¹ These documents provide three years of historical financial data, as well as the projected revenues and expenses for a multi-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

Audit Methodology

Our audit focuses on identifying opportunities where expenditures may be reduced as the District administration can make decisions in these areas. The 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 academic year (AY) 2025 data to complete our analyses, which was the most recent year of available data at the time.⁴ When applicable, we supplemented our analyses with current data 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.

¹ORC § 5705.391 and OAC 3301-92-04.

²House 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 from five years to four years and altering the submission dates. These changes went into effect in AY 2026.

³Performance audits are conducted using Generally Accepted Government Auditing Standards guidelines, see **Appendix A** for more details.

⁴The academic year, which coincides with the fiscal year, begins July 1st and ends June 30th.

Meigs Local School District

Meigs Local School District (MLSD or the District) is located in Meigs County and, as of AY 2025, had 1,476 students enrolled including students residing in the District and those who attend through open enrollment options. The District spans approximately 199 square miles and has an Ohio median income of \$35,319.

Place of Enrollment

Students and their families have choices regarding where to attend school. Because of this, not all resident students attend the district where they live. The visuals below show where students living in MLSD are attending schools. It should be noted that the following visuals do not include students who choose to attend private schools and do not receive state assistance or students who are homeschooled. Additionally, during AY 2025, MLSD educated 132 students who open enrolled into the District.

Place of Enrollment, Students Living in MLSD, AY 2025

Location	Student Count
District of Residence	1,179
Other Public District	386
Community School	66
Non-Public School via EdChoice or Other Program*	26
Total⁵	1,657



As seen above, approximately 71 percent of students residing in the District’s boundaries choose to attend MLSD, compared to the primary peer average of 78 percent. This means that the District experiences a higher percentage of students who choose another educational option.⁶

⁵ 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.

⁶ Community schools, nonpublic schools, or another public district that accepts students through open enrollment.

Financial Condition

In May 2025, the District released its semi-annual five-year forecast that showed negative year-end fund balances in the forecast period beginning in AY 2027. A summary of this forecast is in the table below. As seen in this table, the District has negative results of operations in all five years of the forecast period. This deficit spending is possible in the short-term because of the existing positive fund balance. However, based on projected deficit spending, the District projected a negative ending fund balance of approximately \$2.1 million beginning in AY 2027, which was estimated to grow to approximately \$10.5 million by AY 2029, the last year of the forecast. Due to the declining fiscal condition of the District, and in consultation with ODEW, we chose to conduct a performance audit.

Financial Condition Overview (May 2025 Forecast)

	AY 2025	AY 2026	AY 2027	AY 2028	AY 2029
Total Revenue	\$23,835,015	\$23,759,793	\$23,891,819	\$23,454,021	\$23,814,710
Total Expenditures	\$25,634,252	\$26,193,405	\$27,011,207	\$27,679,700	\$27,940,263
Results of Operations	(\$1,799,237)	(\$2,433,612)	(\$3,119,388)	(\$4,225,679)	(\$4,125,553)
Beginning Cash Balance	\$5,177,655	\$3,378,418	\$944,806	(\$2,174,582)	(\$6,400,261)
Ending Cash Balance	\$3,378,418	\$944,806	(\$2,174,582)	(\$6,400,261)	(\$10,525,814)
Encumbrances	\$0	\$0	\$0	\$0	\$0
Ending Fund Balance	\$3,378,418	\$944,806	(\$2,174,582)	(\$6,400,261)	(\$10,525,814)

Source: ODEW

Due to the projected financial condition in the May 2025 forecast, the District was required to submit a written financial recovery plan and forecast to ODEW in August 2025.⁷ This recovery plan included further staffing reductions through attrition and reductions-in-force, effective AY 2026 and AY 2027. The District also reduced its career-technical education program offerings from 11 programs to 10 programs.

In October 2025, the District released its required annual forecast, which projected negative results of operations for all years of the forecast and negative year-end fund balances beginning in AY 2028.⁸ This deficit was projected to grow to more than \$2.7 million by the end of the forecast period in AY 2029. In the October forecast, the District's negative results of operations ranged from 7.6 percent of revenue in AY 2026 to 6.1 percent of revenue in AY 2029. While the District still projected a deficit, the October forecast is significantly improved from the May

⁷ The projections in the District's August 2025 forecast are similar to the projections in the October 2025 forecast. Due to this, we did not include the August forecast in the report.

⁸ October 2025 was the first four-year forecast submission for school districts, as required by House Bill 96 of the 136th General Assembly.

2025 forecast, primarily due to decreased expenditures from actions taken in the recovery plan, as well as projected increases to revenue.

Financial Condition Overview (October 2025 Forecast)

	AY 2026	AY 2027	AY 2028	AY 2029
Total Revenue	\$24,124,246	\$24,502,814	\$24,293,984	\$24,574,119
Total Expenditures	\$25,952,873	\$25,417,860	\$25,877,829	\$26,073,729
Results of Operations	(\$1,828,627)	(\$915,046)	(\$1,583,845)	(\$1,499,610)
Beginning Cash Balance	\$3,168,140	\$1,339,513	\$424,467	(\$1,159,378)
Ending Cash Balance	\$1,339,513	\$424,467	(\$1,159,378)	(\$2,658,987)
Encumbrances	\$100,000	\$100,000	\$100,000	\$100,000
Ending Fund Balance	\$1,239,513	\$324,467	(\$1,259,378)	(\$2,758,987)

Source: ODEW

After the release of the October forecast, the District’s 1.5-mill five-year permanent improvement levy on the November ballot failed to pass. The levy was expected to generate approximately \$325,000 annually. The District has placed a 1 percent income tax levy on the ballot for May 2026 that, if approved, is expected to generate approximately \$1.7 million annually.

During the course of the audit, the District released its February 2026 forecast and an additional recovery plan. The forecast can be found here: [Reports Portal](#)

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 AY 2025, of the approximately \$28.5 billion in reported revenue for public education in Ohio, 83.4 percent, or \$23.8 billion, came from state and local sources.⁹



In December 2025, four new laws were enacted that will change the way that local property taxes are calculated. These changes interact with each other and alter many long-standing components of the property tax system simultaneously. The application and impact of these changes will vary based on the unique circumstances of each district and will be staggered over the next several years. Throughout the report where local property taxes are discussed, the information presented is based on the laws that were in effect at the time of analysis.

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 2021,¹⁰ and is commonly referred to as the Fair School Funding Plan. The formula changes will be phased in at 83.33 percent in AY 2026 and 100 percent in AY 2027.¹¹ 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.¹² Approximately one-third of Ohio school districts currently have an income tax.

⁹ Of the remaining 16.6 percent of revenue, 9.1 percent came from the federal government with the remaining 7.5 percent coming from a variety of sources including funds raised through tuition, fees, extracurricular activities, grants, and other non-tax sources.

¹⁰ ODEW transitioned to the new funding model in January of 2022.

¹¹ See <https://www.lsc.ohio.gov/assets/legislation/136/hb96/psc/files/hb96-comparison-document-as-pending-in-senate-committee-136th-general-assembly.pdf>

¹² See <https://tax.ohio.gov/wps/portal/gov/tax/individual/school-district-income-tax>

Property Tax

Property taxes levied in Ohio are subject to restrictions in the Ohio Constitution¹³ and the Ohio Revised Code (ORC).¹⁴ These restrictions limit the amount of tax that can be levied without voter approval to 10 mills¹⁵ or 1 percent of property value. While the Constitutional limitation is based on fair market value, the ORC sets a more restrictive limit based on taxable value, which is defined as 35 percent of fair market value. These 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 will 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 levies¹⁶ 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.¹⁷ In subsequent years, with exceptions such as new construction, a district would not receive additional revenue from a levy as property values increased.¹⁸ Instead, the outside mills

¹³ Ohio Const. Art. XII, Section 2.

¹⁴ Ohio Rev. Code § 5705.02.

¹⁵ A mill is defined as one-tenth of one percent or \$1 for every \$1,000 of taxable value.

¹⁶ Authorized by ORC §5705.194.

¹⁷ Am.Sub.H.B. No. 920, 136 Ohio Laws, Part II, 3182, 3194.

¹⁸ If property value decreased due to reappraisal, it is possible that a district would receive less revenue than originally intended.

are subject to reduction factors¹⁹ which lower the effective millage rate in order to maintain the preceding year's level of revenue from the same properties.²⁰

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.²¹ In order to prevent a district from failing to meet this minimum threshold, reduction factors stop being applied once a district reaches an effective rate of 20-mills, colloquially known as the 20-mill floor. Practically speaking, this means that if a district's effective tax rate is reduced to 20 mills for current expenses, the amount of revenue generated from levies will increase with property values unless a new operating levy is approved by voters. It is important to note not all levies count toward the 20-mill floor.

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

¹⁹ ORC § 319.301.

²⁰ 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.

²¹ 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.

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.

The District does not currently collect an income tax, but has placed a 1 percent income tax levy on the May 2026 ballot.

MLSD Local Funding

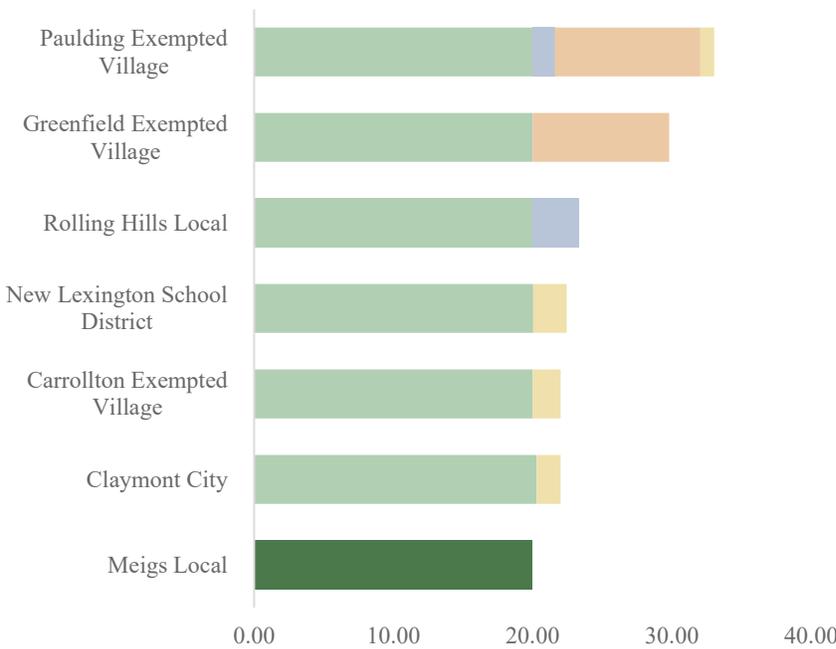
In 2024, MLSD collected revenues on 20.00 mills of property tax for residential properties.²² This included 3.80 inside mills and 16.20 outside mills for current expenses. The District's current expense millage rate is at the 20-mill floor and therefore not subject to reduction factors.

Total millage includes all voted and unvoted mills and can be subject to reduction factors. While MLSD has only 20 total mills, we compared the millage rate of the District to the effective rate 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 all but two of the peers are also at the 20-mill floor.²³ The blue portion represents emergency and substitute revenue which is not subject to reduction factors. The yellow represents permanent improvement funds, and the gray represents bond funding. While MLSD does not have a school district income tax, two peers do collect revenue from income tax. For comparison purposes, OPT calculated an estimated millage for the revenue generated from income taxes based on guidance from the Department of Taxation, which is represented by the orange portion of the bars in the chart below.

²² 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 20.00 mills.

²³ While Claymont City School District and New Lexington School District are not currently at the 20-mill floor, they are very close to it at 20.29 mills and 20.03 mills, respectively.

Tax Year 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 are not reduced. **Income tax mill equivalents** are calculated by OPT for comparison purposes based on guidance from the Department of Taxation. **Permanent improvement mills** are used for maintenance of long-term assets and may be reduced over time. **Bond mills** raise a defined amount used for the purchase or construction of new buildings.

Source: Ohio Department of Taxation

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 presently at the 20-mill floor. This means that if property values increase within the District, it will see additional revenues based on that growth.

The property tax revenues for the District’s General Fund are generated from 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 MLSD, AY 2024

Levy Year	Levy Name	Gross Tax Rate	Class I Effective Tax Rate
1976	General Fund (Inside Mills)	3.80	3.80
	Current Expense	16.20	16.20
Total		20.00	20.00

Source: Ohio Department of Taxation

As seen in the table, the District has not passed any recent levies for current operating expenses. The 3.80 mills that are identified as General Fund millage are inside mills and do not require a vote of the taxpayers. These mills are not subject to reduction factors. As property values have risen, the District has seen revenue growth since it is at the 20-mill floor for current expenses.

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. MLSD's millage rate is the lowest compared to the primary peers. In addition, the District has a low property valuation compared to its peers. MLSD's total property valuation in Tax Year 2023 was approximately \$217 million compared to the primary peer average of approximately \$397 million. In Tax Year 2023, one mill of property tax generated approximately \$147 in revenue per pupil, which is below the primary peer average of approximately \$257 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, MLSD has lower capacity to raise revenue.

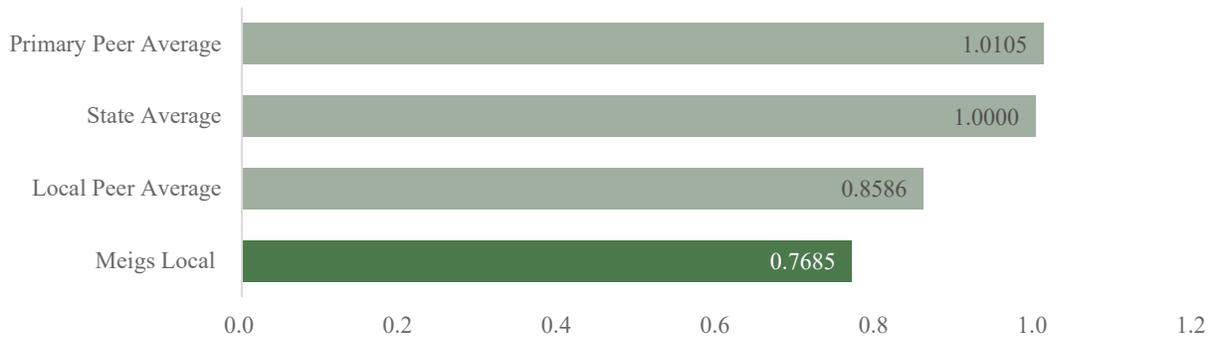
Local Tax Effort

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.

AY 2025 Local Tax Effort Comparison



Source: ODEW

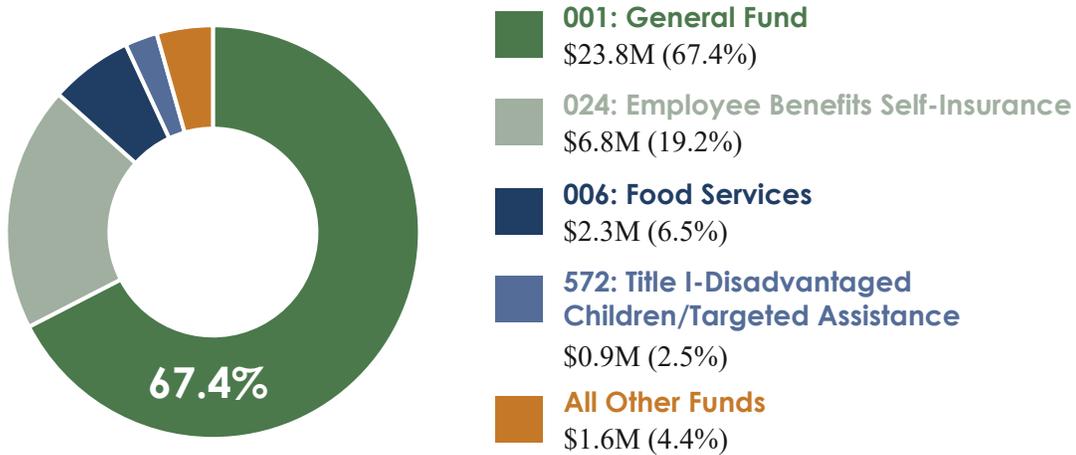
The District’s local tax effort was compared to the local peers, primary peers, and the state average. Districts are ranked from 1 to 606, with 1 being the highest level of effort, or the 99th percentile and 606 being the lowest level effort, or the 1st percentile. The District has a local tax effort of 0.7685. This is one of the lowest local tax efforts in the State, ranking 470 out of 606 districts, which is approximately the 22nd percentile of all districts. By comparison, the local peer average of 0.8586 would rank approximately 390 out of all 606 districts, or the 36th percentile.

MLSD 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 AY 2025, MLSD had approximately \$35.3 million in total revenue as seen in the following chart. The General Fund comprised 67.4 percent of total revenue, the Employee Benefits Self-Insurance Fund comprised 19.2 percent of total revenue, and the Food Service Fund comprised 6.5 percent of total revenue.

AY 2025 Total Revenue All Funds

Total: \$35.3M



Source: MLSD

Note: The District has 25 total funds, 20 of which recorded revenue in AY 2025. See **Appendix B** for more details.

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

Note: Excludes Advances

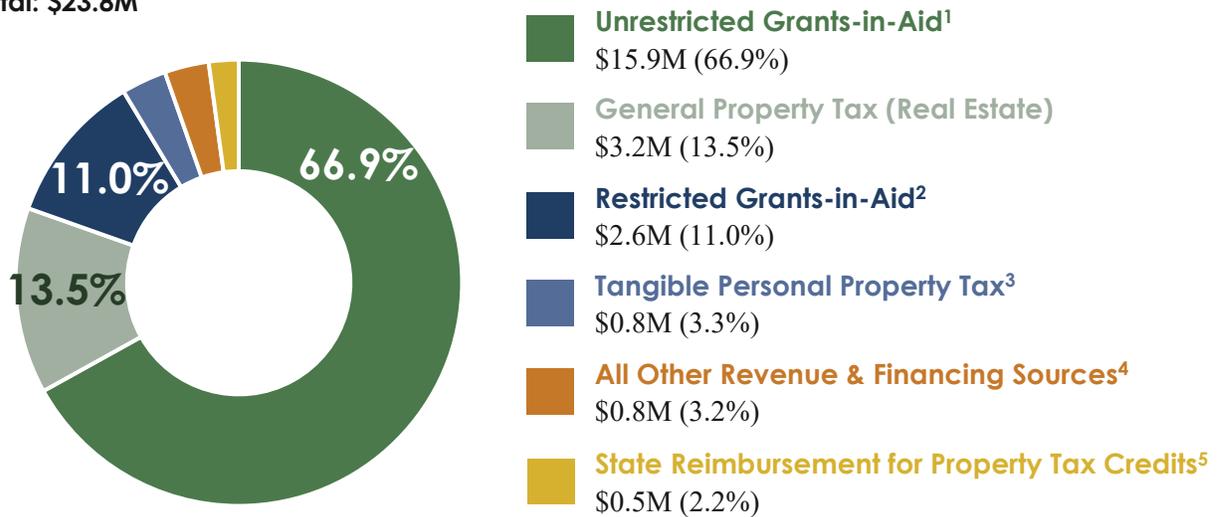
Note: All Other Funds are comprised of a variety of sources including Food Service, IDEA, and Extracurricular Activities.

As noted above, the majority of the District’s revenue is directed to the General Fund, which is used for general operations. In AY 2025, the District’s total General Fund revenue was approximately \$23.8 million.²⁴

²⁴ This total excludes advances to the General Fund. For purposes of comparison, we excluded advances to the General Fund for both MLSD and the peer groups throughout the Revenues section.

AY 2025 General Fund Revenue Composition

Total: \$23.8M



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 previous chart, the primary sources of revenue are unrestricted grants-in-aid, general property tax, and restricted grants-in-aid. Other revenue sources include tangible personal property tax and state reimbursement for property tax credits. The remaining revenue is comprised of a variety of sources.

Revenue per Pupil

Revenue per pupil, broken down by type of funding, is another way to compare funding sources between Ohio school districts. Because our audit focuses on the projected deficit in the financial forecast, we reviewed only the forecasted fund revenues for this purpose.²⁵ In AY 2025, the District received approximately \$15,357 per pupil, with 17.1 percent, or approximately \$2,633,

²⁵ Forecasted funds include the District's General Fund and funds derived from emergency levies.

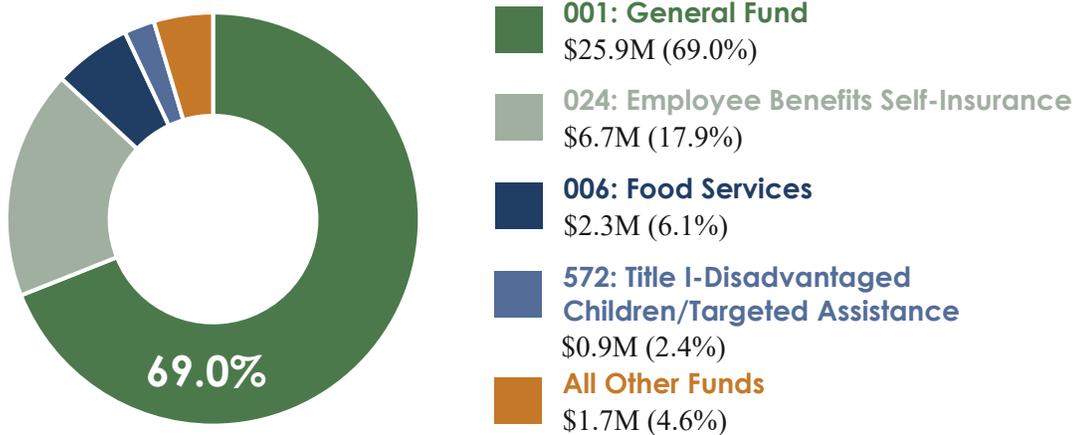
coming from local taxes.²⁶ In AY 2025, the primary peer average was \$15,843 in revenue per pupil, with 36.1 percent, or approximately \$5,724, coming from local taxes.

MLSD 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 following chart shows the District’s total expenditures by fund type. In AY 2025, the total expenditures were higher than total revenue, particularly within the General Fund. 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 Employee Benefits Self-Insurance revenues and expenditures in AY 2025 at the District.²⁷

AY 2025 Total Expenditure Distribution by Fund

Total: \$37.5M



Source: MLSD

Note: The District has 25 total funds, 20 of which recorded expenditures in AY 2025. See **Appendix B** for more details.

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

Note: Excludes Advances

Note: All Other Funds are comprised of a variety of sources including Food Service, IDEA, and Extracurricular Activities.

As seen in the visual above, the District’s total General Fund expenditures were approximately \$25.9 million in AY 2025.²⁸ The largest source of expenditures was human resources which

²⁶ 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.

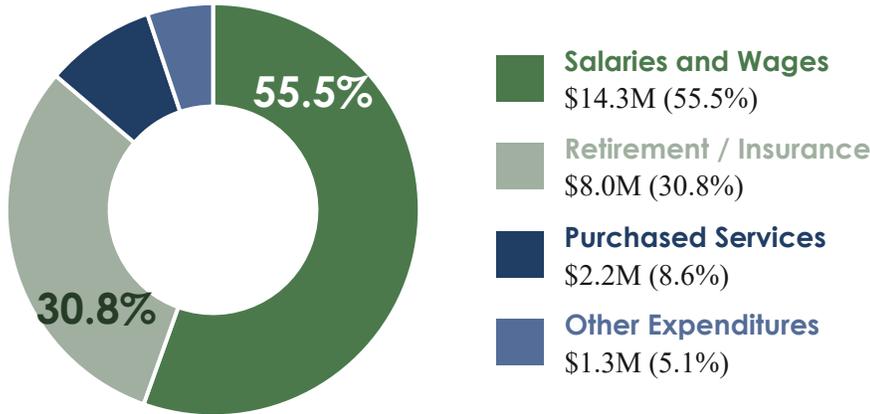
²⁷ See Appendix B for more details regarding fund activity

²⁸ This total excludes advances from the General Fund. For purposes of comparison, we excluded advances from the General Fund for both MLSD and the peer groups throughout the Expenditures section.

includes salaries, wages, and benefits, followed by purchased services. The chart that follows provides additional detail regarding the District’s General Fund expenditures.

AY 2025 General Fund Expenditure Composition

Total: \$25.9M



Source: ODEW

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

Note: Excludes Advances

Note: 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 seen in the visual above, purchased services expenditures were approximately \$2.2 million in AY 2025, making up 8.6 percent of the General Fund expenditures. Of that total, approximately 33 percent of the expenditures were for Tuition and Other Similar Payments, 21 percent were for Professional and Technical Services, and 20 percent were for Property Services (Other than Utilities).

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.

Efficient • Effective • Transparent

AY 2025 Expenditure per Pupil by Object Code

Object	General Fund	Other Funds	All Funds
100: Salaries & Wages	\$9,249	\$1,358	\$10,606
200: Retirement & Insurance Benefits	\$5,134	\$432	\$5,566
400: Purchased Services	\$1,437	\$4,608	\$6,045
500: Supplies & Materials	\$489	\$919	\$1,409
600: Capital Outlay	\$24	\$176	\$200
800: Other Objects	\$271	\$0	\$271
900: Other Uses of Funds	\$74	\$7	\$81
Total	\$16,678	\$7,500	\$24,179

Source: MLSD & ODEW

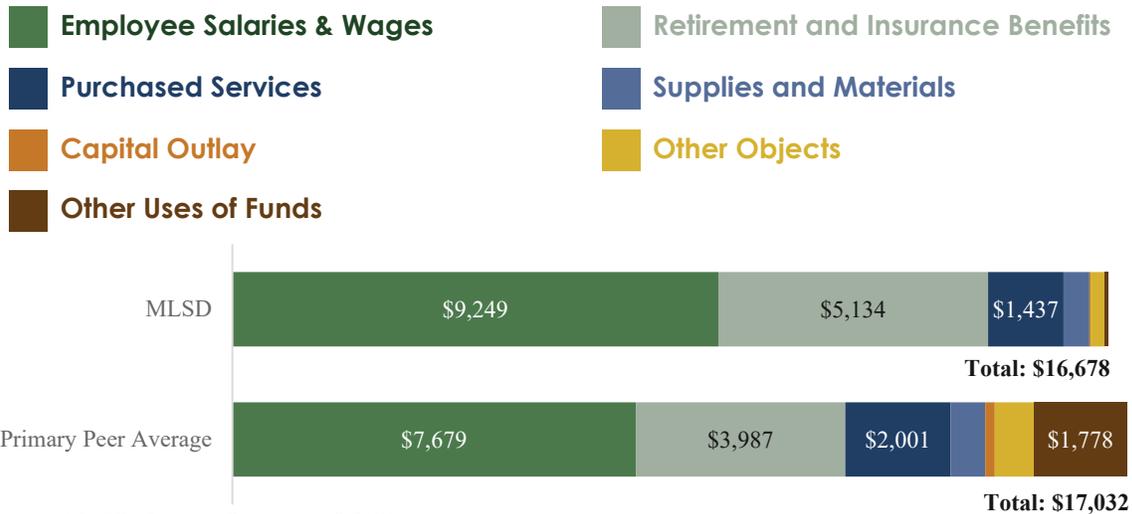
Note: Excludes Advances

In AY 2025, MLSD spent approximately \$24,100 per pupil from all funds. By comparison, the primary peer average expenditure per pupil from all funds was approximately \$26,800. In addition to lower spending per pupil than the peer average for all funds, MLSD spent approximately \$16,600 per pupil from the General Fund, which is 2.1 percent lower when compared to the primary peer average of \$17,000 per pupil. We analyzed General Fund expenditures since they are tied to the financial forecast.

The District spent more than the primary peer average on employee salaries and wages and employee benefits. The District spent less than the primary peer average on purchased services, supplies and materials, capital outlay, other objects, and other uses of funds.²⁹ The chart that follows provides a comparison of expenditures per pupil for MLSD and the primary peer average.

²⁹ 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.

AY 2025 Total General Fund Expenditures Per Pupil



Source: MLSD, Primary Peers, and ODEW

Note: Excludes Advances

The District’s higher salaries and wages may be driven by the District’s staffing levels and classified salary schedules (see **Recommendation 4**, **Recommendation 5**, and **Recommendation 6**). The District’s higher retirement and insurance benefits expenditures may be driven by the District’s medical, dental, and vision insurance costs (see **Recommendation 7**). While the primary peer average spending from the General Fund was higher than MLSD, this was in part due to higher-than-expected transfers from the General Fund to other specific use funds at the peer districts.³⁰

³⁰ This trend was seen across many Ohio school districts in AY 2025 and is illustrated in the category “Other Uses of Funds” in the chart.

Results of the Audit

Based on an initial analysis of the District’s data as compared to its peer groups, the following scope areas were included for detailed review and further analyses: Financial Management, Human Resources, and Facilities (see **Appendix A**). We identified eight 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.

Summary of Recommendations

Standard Recommendations	Savings
R.1 Develop Formal Plans	N/A
R.2 Ensure CTE Programming is Fiscally Responsible and Remains in Compliance with State Requirements	N/A
R.3 Reduce the General Fund Subsidy Percent of Total Expenditures for Extracurricular Activities to the Local Peer Level	\$41,000
R.4 Eliminate Administrative Positions above the Peer Average	\$71,000
Reduce 0.50 FTE Building Administrator Staff	\$71,000
R.5 Eliminate Direct Student Support Positions above the Peer Average	\$250,000
Reduce 1.00 FTE Other Professional Staff	\$107,000
Reduce 0.50 FTE Technical Staff	\$38,000
Reduce 0.50 FTE Library Staff	\$36,000
Reduce 2.00 FTE Other Clerical Staff	\$69,000
R.6 Align Classified Salary Schedules	N/A
R.7 Align Employer Insurance Costs with SERB Regional Average	\$877,000
R.8 Reduce Facilities Staffing	\$38,000
Total Cost Savings from Performance Audit Recommendations	\$1,277,000
Less: Non-General Fund portion of Insurance Costs	\$80,000
Total Cost Savings from Performance Audit Recommendations (General Fund)	\$1,197,000

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, which are based on industry standards and peer comparisons, are projected to save the District an average of approximately \$1.2 million annually, if fully implemented. The financial impact of these recommendations on the projected results of operations in the October 2025 forecast is shown in the following table. This table shows the impact of the estimated average annual savings of the recommendations on the District’s projected annual spending. As seen in the table, the identified savings would resolve projected deficit spending in two out of four years of the forecast period.

Results of the Audit Recommendations (October 2025 Forecast - Line 6.010)

	AY 2026	AY 2027	AY 2028	AY 2029
Original Results of Operations (Line 6.010)	(\$1,828,627)	(\$915,045)	(\$1,583,845)	(\$1,499,609)
In Year Recommendation Savings	\$0	\$531,100	\$2,093,972	\$2,179,217
Revised Results of Operations (Line 6.010)	(\$1,828,627)	(\$383,945)	\$510,127	\$679,608

Source: MLSD, ODEW, and AOS

The District's October 2025 forecast projected expenditures to exceed revenues in each year of the forecast period. The forecasted deficit spending was projected to deplete the District's available fund balance beginning in AY 2028. The recommendations in this report, as seen above, will ultimately resolve the District's spending imbalance in the last two years of the forecast period. As seen in the table below, the estimated savings from implementing the recommendations in the report would allow MLSD to increase its fund balances rather than deplete them over the course of the forecast period.

Results of the Audit Recommendations (October 2025 Forecast - Line 12.010)

	AY 2026	AY 2027	AY 2028	AY 2029
Revised Starting Cash Balance (Line 7.010)	\$3,168,140	\$1,339,513	\$955,568	\$1,465,696
Revised Results of Operations (Line 6.010)	(\$1,828,627)	(\$383,945)	\$510,127	\$679,608
Revised Ending Cash Balance (Line 7.020)	\$1,339,513	\$955,568	\$1,465,696	\$2,145,303
Estimated Encumbrances June 30 (Line 8.010)	\$100,000	\$100,000	\$100,000	\$100,000
Revised Ending Fund Balance (Line 12.010)	\$1,239,513	\$855,568	\$1,365,696	\$2,045,303

Source: MLSD, ODEW, and AOS

As seen in the table above, if all recommendations were fully implemented, the District's ending fund balance would grow over the forecast period from \$1.2 million, or 5.1 percent of total revenues in AY 2026 to \$2.0 million, or 8.3 percent of total revenues in AY 2029. It should be noted that most of these savings require contract negotiations and may not be realized fully. If the District is unable to implement some of the recommendations contained in this report, additional cuts may be necessary for the District to remain solvent (see **Additional Considerations**).

Financial Management

Any organization needs to consider both short-term needs and long-term goals when developing policies and procedures related to financial management. This requires strategic planning in order to identify the best use of available resources. School districts, in particular, must have sound planning processes in place so that they can effectively and transparently provide services to their residents. These planning processes and practices should work together and be taken into account when making management decisions. When developing annual budgets and making spending decisions, the District’s administration should consider the information presented in the financial forecast. Additionally, large purchases and other expenditures should be planned for through long-term strategic planning that is also tied to the forecast and the annual budget. These practices, when properly adhered to, can help a district to avoid financial distress.

We reviewed MLSD’s financial management policies in order to determine if there were areas for improved management.

Forecasting

Districts are required to submit financial forecasts to ODEW twice annually, and these documents should provide a consistent overview of a district’s financial health.³¹ The forecast is meant to be a tool that assists with long-range planning and to facilitate discussions between the administration, the local board of education, and the community regarding the fiscal health of a district and financial issues that it may be facing. In addition, the forecast identifies a district’s ability to maintain personnel and programs. It is also used by ODEW and the Auditor of State to identify districts that may face financial distress.

Our review of MLSD’s May 2025 and October 2025 forecasts found that the District’s forecasting process is generally in alignment with best practices. The Ohio Association of School Business Officials (OASBO), the Government Finance Officers Association (GFOA), and ODEW provide guidance regarding the development and use of the financial forecast. Our review of the District’s forecast assumptions found that the District adheres to these best practices.

The District uses forecasting software to prepare its financial forecasts and accompanying assumptions. When developing the forecast, the District considers historical data and trends, as well as known changes to revenue. The treasurer relies on OASBO and ODEW guidance for forecast development. While the forecasting software generates default assumptions, the treasurer adds additional context for most forecast lines, including Line 6.010 ((Excess of Revenues and Other Financing Sources Over (Under) Expenditures and Other Financing Uses). The District’s October 2025 (AY 2026) forecast reflected deficit spending in all three actual

³¹ House Bill 96 of the 136th General Assembly (the biennial budget bill) contained changes to the school forecast, including shifting to a four-year forecast period from a five-year period.

years of AY 2023, AY 2024, and AY 2025, and in all four projected years. The District has taken cost savings measures in its recovery plans to address the deficit spending and projected negative ending fund balances.

In addition, the treasurer creates presentations for the Board to share the forecast and assumptions. The treasurer also compares actuals to the forecast and budgeted appropriations on a monthly and annual basis. These findings are shared at every Board meeting. MLSD also has a cash balance policy equivalent to at least three General Fund payrolls. The amount is updated annually, and the importance of maintaining a minimum cash balance is addressed in the forecast assumptions. If the forecast projects the District will not adhere to the policy, the superintendent and treasurer propose options to the Board to address the issue.

Using GFOA and ODEW best practices, the District's forecasting process meets 18 out of 20 best practices, partially meets 1 out of 20 best practices, and does not meet 1 out of 20 best practices (see **Appendix C**). The one best practice not met by the District relates to familiarity with long-range planning efforts during the forecasting process. The District does not have formal long-range plans, and this is addressed in **Recommendation 1**.

Recommendation 1: Develop Formal Plans

MLSD should develop formal written strategic, capital improvement, facilities preventive maintenance, fleet preventive maintenance, and bus replacement plans in order to meet financial, programmatic, and operational needs.

Impact

School districts should have multiple formal plans that identify future needs and guide each operational area of the district. It is important that the district has a long-term strategic plan tied to a formal budget and capital plan, as well as a facilities preventive maintenance plan, fleet preventive maintenance plan, and bus replacement plan. This allows the district to ensure the needs of all operational areas can be met in an efficient and effective manner.

Methodology

We interviewed District officials and confirmed that the District has components of a capital plan, facilities preventive maintenance plan, fleet preventive maintenance plan, and bus replacement plan, but does not have a strategic plan. We then compared the District's current planning practices to industry standards and best practices to identify opportunities for improvement.

Analysis

A formal strategic plan will provide a framework for decision-making as MLSD officials work to achieve long-term goals. However, without also having a comprehensive capital plan that identified needs over a multi-year period, the decisions made related to the strategic plan may be inefficient or ineffective. Further, while the District has elements of a capital plan, facilities preventive maintenance plan, fleet preventive maintenance plan, and bus replacement plan, the District does not have a formal strategic plan.

Each operational area within the District has specific planning needs which should be considered and included in planning documents. Specific criteria related to each type of plan is addressed below.

Strategic Plan

The GFOA provides guidance to governmental entities in the development and maintenance of effective long-term planning. *Strategic Planning* (GFOA, 2023) defines strategic planning as the “act of articulating where or what an organization wants to be in the future and includes the design of a vision and identification of goals and objectives. It relates to long-term financial planning, developing financial policies, capital improvement planning, and budgeting, but it is inherently different. Each process fulfills a different combination of planning purposes.”

Key steps in the strategic planning process include:

- Conduct strategic planning under the organization’s chief executive;
- Analyze internal and external environments;
- Identify the most critical problems facing the organization;
- Develop a vision/goal to address each problem;
- Develop strategies to realize your visions;
- Develop tactics to implement strategies;
- Obtain approval of the plan;
- Execute and monitor tactics and strategies; and,
- Continually evaluate and reassess the vision and strategies.

Capital Plan

According to *Multi-Year Capital Planning* (GFOA, 2022), public entities should “prepare and adopt comprehensive, fiscally sustainable, and multi-year capital plans to ensure effective management of capital assets.” The GFOA further states that “a prudent multi-year capital plan identifies and prioritizes expected needs based on a strategic plan, established project scope and cost, details estimated amounts of funding from various sources, and projects future operating and maintenance costs.”

MLSD has some informal capital planning practices, which are largely related to the District’s budgeting and forecasting practices. For example, the District, in part, has developed capital asset life cycles for certain assets, has determined financial impacts of planned projects and purchases, and has prioritized capital requests based on health, safety, and asset preservation.

Facilities Preventive Maintenance Plan

According to the *Planning Guide for Maintaining School Facilities* (National Center for Education Statistics, 2003), “a comprehensive facility maintenance program is a school district’s foremost tool for protecting its investment in school facilities and is the cornerstone of any effective maintenance initiative. A good maintenance program is built on the foundation of preventive maintenance. An effective maintenance program begins with an audit of buildings, grounds, and equipment.”

After facilities data has been assembled, structural items and pieces of equipment can be selected for preventive maintenance. Once the items that should receive preventive maintenance are identified, planners must decide on the frequency and type of inspections. Manufacturers’ manuals are a good place to start when developing this schedule; they usually provide guidelines about the frequency of preventive service, as well as a complete list of items that must be maintained. Finally, this information must be formatted so that preventive maintenance tasks can be scheduled easily. Ideally, scheduling should be handled by a computerized maintenance management program; however, tasks can be efficiently managed using a manual system as well.

While the District does not have a formal facilities preventive maintenance plan, the District schedules and conducts maintenance according to its Ohio Facilities Construction Commission (OFCC) facilities maintenance plan. The District did not provide a copy of this plan. MLSD's facilities staff conduct regular light facilities maintenance when equipped to do so. Maintenance performed by District staff is documented in a work order system, but some maintenance for some facilities components such as the HVAC system, sprinkler systems, and elevator inspections are contracted out.

Fleet Preventive Maintenance Plan

According to the *Public Works Management Practices Manual* (American Public Works Association, 2014), a preventive maintenance program should be developed for all equipment and includes preventive maintenance, recording performance, and monitoring the preventive maintenance program. A fleet preventive maintenance program should call for scheduled maintenance, and the program should be evaluated to ensure its efficacy. While the District does not have a formal fleet preventive maintenance plan, some of the District's existing policies and procedures meet best practices.

Bus Replacement Plan

In *School Bus Replacement Considerations* (NASDPTS, 2002), the National Association of State Directors of Pupil Transportation recommends that the timely replacement of school buses should be a planned process. While available funding is a key consideration for the replacement of school buses, there are two other major factors which should be considered:

- First, the need to keep up with federal standards for the safety, fuel efficiency, or exhaust emissions requirements;
- Second, the operating and maintenance expenses on a school bus, or a group of school buses.

While the rule of thumb for bus replacement is between 12 and 15 years of age, reviewing maintenance costs for each bus may identify buses that should be replaced sooner or kept in service longer. With accurate and thorough records on the operating and maintenance costs of all school buses in a fleet, a district will have the data necessary to understand when to make replacement decisions.

Although the District doesn't have a formal bus replacement plan, the District has an informal schedule for replacement of every three years for a portion of the fleet, as funding permits. The informal schedule considers age, mileage, and exhaust emissions.

Conclusion

Formal plans help an organization address financial, programmatic, and operational needs. By developing these plans and tying a formal capital plan to the overall strategic plan, the District will be able to efficiently and effectively allocate its limited resources. In particular, by

understanding and mapping out both routine expenditures and large purchases, the District will improve its ability to avoid unexpected or unnecessary expenses.

Recommendation 2: Ensure CTE Programming is Fiscally Responsible and Remains in Compliance with State Requirements

MLSD is statutorily required to provide career-technical education (CTE) to students enrolled in grades 7 through 12, with several delivery options available to the District to fulfill this requirement. MLSD operates as a compact Career-Technical Planning District (CTPD), alongside Eastern Local School District and Southern Local School District. The majority of the CTE programs and staffing for this CTPD are located at MLSD.

MLSD should ensure its CTE program maximizes efficiency and effectiveness within the District's priorities, remains compliant, and also considers financial components, such as General Fund subsidies, as well as enrollment and operational components.

Impact

Ensuring that CTE programming is fiscally responsible and in compliance with statutory requirements will allow MLSD to provide students with a sustainable CTE program and the training needed to be prepared for the workforce.

Background

Career-Technical Education is an education option available for students enrolled in grades 7 through 12 in Ohio. The purpose of CTE is to prepare students for the workforce and/or prepare students to transition into college degree programs. Common areas of study include automotive services, cosmetology, information technology, and nursing.

In Ohio, CTE programming is delivered through Career-Technical Planning Districts (CTPDs). CTPDs must meet State requirements and standards to operate CTE programs and to qualify for funding.³² There are three structures for CTPDs:

³² Ohio's CTE funding is based on a weighted formula that assigns funding based on program categories. Programs are grouped into five categories, with Category 1 receiving the highest funding due to Category 1 programs correlating with high-priority fields. CTPDs offering more programs in Categories 1 and 2 receive more CTE funding per student. This structure reflects the State's focus on workforce-aligned, high-demand careers and creates a financial incentive to offer programs in specific areas.

Delivery Options

Comprehensive	Joint Vocational School District (JVSD)	Compact
Deliver CTE programs inhouse	Independent school districts with separate governing boards that exist to provide CTE programming to traditional school districts	Deliver CTE programs via a contractual partnership between multiple school districts

Source: Ohio Revised Code

Across the State, Ohio has 25 comprehensive CTPDs, 15 compact CTPDs, and 49 JVSD CTPDs.³³ MLSD is a compact CTPD, but surrounding the District are JVSDs.

CTE program requirements are established by OAC 3301-61-03. Generally, CTPDs that provide CTE must offer 12 programs, also known as pathways, across at least 8 career fields. However, CTPDs such as MLSD, that have fewer than 2,250 students enrolled in grades 7 through 12, must offer 10 programs across 8 career fields (commonly referred to as the 10/8 Rule).

According to ODEW, a program must have at least one student known as a concentrator,³⁴ who is enrolled for the program or career field to be applied to the 10/8 Rule. According to ORC § 3317.161, ODEW, along with the lead district of each CTPD, conducts annual reviews of CTE programs to ensure compliance with program requirements and alignment with workforce needs. Compliance is determined in the fall for the prior fiscal year. If a CTPD's CTE programming is determined to be noncompliant, rather than adjusting funding, ODEW works with the CTPD to regain compliance.

In AY 2026, MLSD has 11 pathways across 10 career fields, which is compliant with the 10/8 Rule. The pathways are: Agribusiness and Production Systems, Horticulture, Business and Administrative Services, Construction Design and Management, Early Childhood Education, Allied Health and Nursing, Cosmetology, Network Systems, Criminal Justice, Manufacturing Operations, and Ground Transportation.³⁵

As part of the District's written financial recovery plan to ODEW, submitted in August 2025, the District has approved plans to decrease its number of programs and pathways offered, including one of the agricultural pathways. The District also expressed the intent to eliminate its Cosmetology

³³ Career-Technical Education is also offered by the State at two correctional facilities.

³⁴ According to ODEW, a CTE concentrator is a student who has completed at least two courses in a single approved CTE program or program of study.

³⁵ At the beginning of the AY 2026 school year, the District reduced its career fields and pathways through the elimination of its Arts and Communication career field and Visual Arts pathway.

pathway and Business and Administrative Services pathway, along with the corresponding career fields. These actions may impact the District’s compliance with the 10/8 Rule.

Methodology

To understand the District’s historical and current CTE programming, we analyzed CTE expenditures, enrollment, and staffing.³⁶ We compared these metrics to surrounding CTPDs which were identified based on geographic location. The selected surrounding CTPDs include:

- Buckeye Hills JVSD;
- Tri-County JVSD; and,
- Washington County JVSD.

Lastly, we interviewed District officials, confirming CTE programmatic elements and compared the District’s CTE programming and delivery to ODEW best practices.

Analysis

In AY 2025, MLSD spent approximately \$1.5 million on CTE, with the majority of the funds, or \$1.4 million, being General Fund dollars. Personnel expenditures were the largest category of expenditures, followed by supplies and materials and purchased services expenditures. In AY 2025, CTE expenditures per CTE pupil totaled approximately \$15,000. The District received approximately \$5,500 in state funding per pupil enrolled in CTE programming, meaning MLSD was responsible for covering the remaining expense. According to the District, MLSD receives state funding per pupil from the other two districts in the CTPD.³⁷ The majority of CTE related expenditures, approximately \$14,200, were made from the General Fund as seen in the table on the following page and could include state and local revenues.

³⁶ CTE staffing levels for the District were identified and compared to the surrounding CTPD averages on a per-100 student basis.

³⁷ In AY 2025, 45 students from Eastern Local Schools and Southern Local Schools were enrolled in CTE programming.

AY 2025 CTE Expenditures per CTE Pupil by Object Code³⁸

Object	General Fund	Other Funds	All Funds
100 - Personal Services	\$8,059.23	\$723.83	\$8,783.07
200 - Employees' Retirement and Insurance Benefits	\$5,144.90	\$57.04	\$5,201.94
400 - Purchased Services	\$302.78	\$0.00	\$302.78
500 - Supplies and Materials	\$593.94	\$18.94	\$612.88
600 - Capital Outlay	\$49.45	\$0.00	\$49.45
800 - Other Objects	\$92.79	\$0.00	\$92.79
Total	\$14,243.10	\$799.81	\$15,042.91

Source: MLSD and ODEW

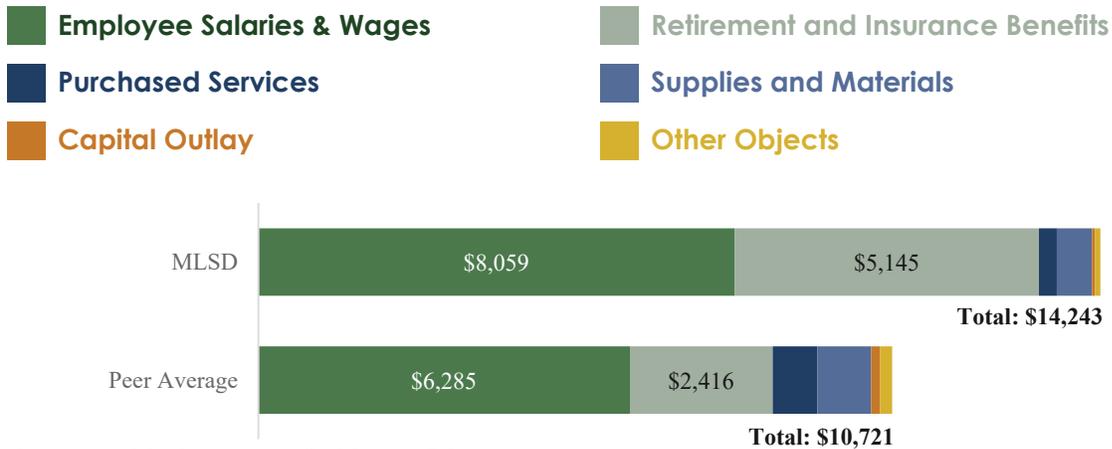
In AY 2025, MLSD’s CTE expenditures were higher than that of surrounding CTPDs in major spending categories (see **Recommendation 7**) on a per-pupil basis. This may be, in part, due to the overall size of the program. The size of the District combined with a lower participation rate in CTE compared to that of the surrounding CTPDs results in a lower number of students enrolled in programs. Specifically, the District’s participation, based on students enrolled in grades 7 through 12, was 8.3 percent in AY 2026, compared to an average of 12.5 percent at the three closest CTPD programs. At MLSD, 8.3 percent is equal to approximately 111 students and 12.5 percent at the neighboring CTPDs is equal to an average of approximately 512 students. This means that in addition to lower enrollment and participation, MLSD has, on average, about a fifth as many students enrolled in CTE programs. MLSD’s CTE enrollment may be lower since all of the surrounding CTPDs are JVSDs which have significantly higher total enrollment and, as a result, have more students that can participate in CTE programming.³⁹

In AY 2025, MLSD exceeded surrounding CTPD General Fund CTE expenditures per CTE pupil by approximately \$3,500, as seen in the chart below. It is important to note that the higher enrollment at the surrounding CTPDs allows for a greater per pupil distribution of CTE expenditures.

³⁸ This table includes only CTE enrollment and expenditures that are reported to a Function Code in the 1300s, which is used by districts to report vocational instruction related expenditures. A Function Code is an accounting code that describes the activity or purpose for which an expenditure is made.

³⁹ Tri-County JVSD is comprised of 8 schools and has a total of approximately 5,100 students enrolled in grades 7-12; Buckeye Hills JVSD is comprised of 6 schools and has a total of approximately 4,100 students enrolled in grades 7-12; and Washington County JVSD is comprised of 6 schools and has a total of approximately 3,100 enrolled in grades 7-12. Meigs’ compact CTPD is comprised of 3 schools and has a total of approximately 1,300 students enrolled in grades 7-12.

AY 2025 Total General Fund Expenditures Per Pupil



Source: MLSD, Surrounding CTPDs, and ODEW
Note: Excludes Advances

Due to the level of expenditures and General Fund subsidy for CTE programming, the Board decided to reduce 4.0 FTE CTE teaching staff positions for AY 2027. A comparison of MLSD’s AY 2026 CTE staffing found that MLSD had 12.0 FTE CTE teaching staff, which exceeded the surrounding CTPD average by 6.55 FTEs. After the District reduces 4.0 FTE CTE teaching staff for AY 2027, the District will exceed the surrounding CTPD average by 2.5 FTEs, as seen in the following table.⁴⁰

CTE Teaching Staff Comparison

2026 COMPARISON			DISTRICT ACTION	
MLSD CTE FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark	MLSD Planned Reductions	FTEs Above/(Below) Benchmark
12.00	5.45	6.55	(4.00)	2.5

Source: MLSD and ODEW

The District’s AY 2026 student-to-teacher ratio for CTE programs was 9.28, which was significantly lower than the surrounding CTPD average ratio of 21.0. This indicates that MLSD has smaller class sizes or more staff relative to CTE students. With the reduction of 4.0 FTE CTE teaching staff, the student-to-teacher ratio should move closer to the surrounding CTPD average. While the District’s action to improve staffing supports ongoing efforts to reduce expenditures and ensure spending is in better alignment with enrollment numbers and expected

⁴⁰ These staffing ratios were calculated using CTE teaching staff per-100 students and the surrounding CTPD average, similar to our calculations for the staffing recommendations in this report (see **Appendix D**).

funding, the action will impact CTE programming and may impact the District’s compliance with the 10/8 Rule. Higher staffing levels may have also contributed to the District’s higher personnel expenditures per pupil in AY 2025.

CTE Best Practices

In *Ohio’s Quality Program Standard for Career-Technical Education Programs* (ODEW, 2023), and in *Expanding Career-Technical Education in Ohio* (ODEW, 2022), ODEW outlines many best practices for CTPDS to implement for CTE programming. Of the model CTE program characteristics analyzed that related to the CTE objective, MLSD met 24 and partially met 7 of ODEW’s best practices for a model program. The District met 5, partially met 2, and did not meet 1 best practice associated with expanding CTE programming. The expansion practices considered partially met or not met are attributed to MLSD not offering nontraditional scheduling, as well as a lack of formal and strategic partnerships with external entities to share spaces and resources (see **Appendix C**).

CTE Delivery Methods

When compared to surrounding CTPDs, MLSD has below average enrollment and above average CTE staffing. Further, the District does not meet all of ODEW’s CTE best practices. Given the condition of MLSD’s current CTE program, the District should work with ODEW to determine the most optimal path forward. The District could also conduct a cost-benefit analysis to determine how its current CTE program structure can become fiscally sustainable. While there are multiple options to consider, selecting the most efficient and effective CTE delivery method is essential to ensuring compliance, fiscal responsibility, and high-quality programming for students.

Option 1: Remain a Compact CTPD

Choosing this option will allow the District to retain minimal transportation costs and the ability to tailor programs to meet local workforce needs. This option, however, means the District will remain responsible for all supplies, materials, facilities, and staffing for the program, and the full financial impact.⁴¹ Within this option, MLSD may consider formalizing an agreement with the other districts in the compact that would allow for charges for CTE programming.

Option 2: Dissolve as a Compact CTPD and Join a JVSD

Choosing this option will eliminate the District’s financial and operational responsibility of supplies, materials, facilities, and staffing. Students could also gain access to more robust and

⁴¹ As the lead district for the compact CTPD, MLSD is responsible for the CTE program costs but receives State funding commensurate with that role.

specialized programs. This option, however, will also increase transportation costs and require residents to not only pay MLSD millage, but also the millage of the JVSD.

Option 3: Reduce Options to State Minimum Requirement (10/8 Rule)

Choosing this option will allow MLSD to reduce program offerings while remaining in compliance with the 10/8 Rule. This would result in a need for less staff, while also retaining the ability to tailor programs to meet local workforce needs. This option, however, means the District will remain responsible for all supplies, materials, facilities, and staffing for the program, and the full financial impact. As mentioned above, the District plans to reduce 4.0 FTE CTE teaching staff for AY 2027, which will reduce CTE staffing to 8.0 FTEs. Further reductions may impact the District's ability to continue to fulfill the requirement of offering 8 career fields within 10 programs.

Option 4: Remain a Compact and Supplement via Another Compact or JVSD

Choosing this option will allow MLSD to retain CTE programs at its schools while expanding student opportunities through other CTPDs. This option, however, may result in increased transportation costs while still leaving MLSD fully responsible for most supplies, materials, facilities, and staffing expenditures.

Each option presents different benefits and challenges. The optimal path forward will depend on the District's priorities, whether that is maintaining local control, ensuring financial sustainability, expanding student access, or a combination of all three. Selecting the right model will be key to creating a high-quality, compliant, and sustainable CTE program for MLSD students. When making CTE program decisions, the District should also consider its financial condition, enrollment, and operational components such as staffing.

Conclusion

MLSD should consider its options for CTE program delivery and work with ODEW to ensure compliance with program requirements. When making a decision on CTE program delivery, the District should also consider financial components, such as General Fund subsidies, and operational components, such as staffing and transportation.

Recommendation 3: Reduce the General Fund Subsidy Percent of Total Expenditures for Extracurricular Activities to the Local Peer Level

Impact

Reducing expenditures and increasing revenue to bring the General Fund subsidy as a percent of total expenditures for extracurricular activities in line with the local peer average would save MLSD an average of approximately \$54,000 in each year of implementation.⁴²

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 is usually 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).

Methodology

The District’s AY 2025 General Fund subsidy as a percent of total extracurricular activities expenditures were compared to the local peer average.

Analysis

In AY 2025, the District spent approximately \$549,000 on student extracurricular activities, which included the salaries and benefits of directors, coaches, and advisors; supplies and materials; transportation services; awards and prizes; and other miscellaneous expenditures. The District’s General Fund subsidy for extracurricular activities was approximately \$393,000. Additionally, approximately \$164,000 in revenue was generated through ticket sales for admission and other sources. The District does not charge pay-to-participate fees for extracurricular activities.

⁴² Since this recommendation is unable to be implemented until AY 2027, the average annual savings throughout the forecast period are reduced to approximately \$41,000.

AY 2025 General Fund Subsidy as a Percent of Actual Expenditures



Source: MLSD and Local Peers

The District's General Fund subsidy as a percent of extracurricular expenditures is 70.8 percent compared to the local peer average of 56.9 percent. Aligning the District's General Fund subsidy as a percent of extracurricular expenditures with the local peer average would save approximately \$54,000 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.

The District could consider the following steps to reduce expenditures or raise additional revenue for extracurricular activities:

- Implement pay-to-participate fees;
- Increase admissions and sales;
- Increase booster club funding;
- Reduce the supplemental salary schedule; and/or,
- Eliminate programs.

Conclusion

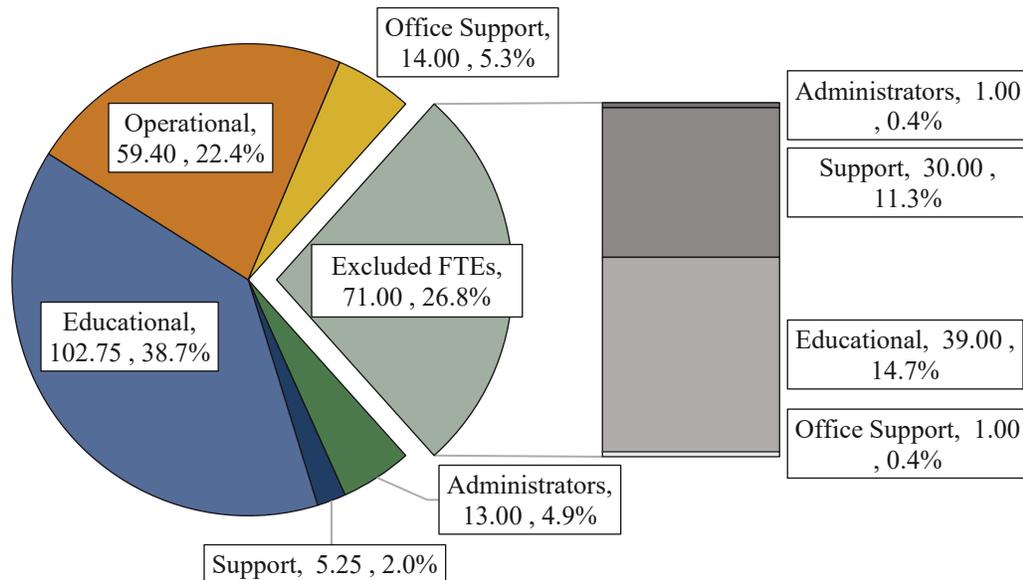
The District's General Fund subsidy of extracurricular activities as a percent of total expenditures is above the local peer average. To close the gap between revenue and expenditures, and in turn alleviate the amount of General Fund support needed, the District should reduce the General Fund subsidy as a percent of total expenditures for extracurricular activities to the local peer average. Doing so would save the District approximately \$54,000 in each year of implementation.

Human Resources

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

Personnel costs represent more than 86 percent of the District’s spending. Due to this, we conducted several analyses relating to the expense 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 71 excluded staff FTEs, which include individuals associated with special education and Title I programming.

FTEs by Category with Excluded FTEs Breakout



Source: MLSD

Recommendation 4: Eliminate Administrative Positions above the Peer Average

MLSD should consider eliminating administrative positions above the primary peer average.

Impact

By reducing administrative positions to be in line with the primary peer average, the District could save an average of approximately \$94,000 annually beginning in AY 2027.⁴³

Background

The District employs individuals in administrative positions who are responsible for activities related to the daily operations of the District. While these positions provide support to students and educators at MLSD, the District may be able to reduce some positions based on peer comparisons.

Methodology/Analysis

Staffing levels for the District were identified and compared to primary peer averages on a per-1,000 student basis and per-building basis.⁴⁴ MLSD could reduce 0.5 FTE building administrator positions.

Building Administrators

At the time of analysis, MLSD employed 8.0 FTE building administrators, which is 2.56 FTEs above the peer average on a per-1,000 student basis and 1.83 FTEs above the peer average on a per-building basis. During the course of the audit, the District submitted a recovery plan to ODEW which included the elimination of 2.0 FTE building administrator positions, effective AY 2027. Accounting for this reduction, the District could eliminate an additional 0.5 FTE building administrator positions, which could save an average of approximately \$94,000 annually.

Conclusion

The District should consider eliminating an additional 0.5 FTE from its administrative positions. Eliminating 0.5 FTE building administrator positions could save an average of approximately \$94,000 annually and bring staffing to a level consistent with the primary peer average.

⁴³ Calculated savings are based on the salary and benefits of the lowest paid administrators. Since this recommendation is unable to be implemented until AY 2027, the average annual savings throughout the forecast period are reduced to approximately \$71,000.

⁴⁴ A Full-Time Equivalent (FTE) was used to identify staffing levels, based on ODEW reporting guidelines.

*Note: At the time of analysis, the District exceeded the primary peer average for staffing in other position categories. However, during the course of the audit, the District took actions in its August 2025 recovery plan to reduce staffing levels, effective AY 2027. This recommendation accounts for those staffing reductions and reflects remaining staffing areas where the District employs more staff than the peers (see **Appendix D**).*

Recommendation 5: Eliminate Direct Student Support Positions above the Peer Average

MLSD should consider eliminating support positions above the primary peer average.

Impact

By reducing support positions to be in line with the primary peer average, the District could save an average of approximately \$335,000 annually beginning in AY 2027.⁴⁵

Background

Support positions perform functions that assist students in an educational setting directly in some manner. Based on peer comparisons, MLSD could eliminate support staffing positions.

Methodology/Analysis

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

- 1.0 FTE Other Professional – Educational Staff;
- 0.5 FTE Technical Staff;
- 0.5 FTE Library Staff; and,
- 2.0 FTE Other Clerical Staff.

Other Professional - Educational Staff

MLSD employs 2.0 FTE other professional – educational staff, which is 1.10 FTEs above the peer average. Eliminating 1.0 FTE other professional - educational staff position could save an average of approximately \$143,000 annually.

Technical Staff

MLSD employs 2.0 FTE technical staff, which is 0.78 FTEs above the peer average. Eliminating 0.5 FTE technical staff positions could save an average of approximately \$51,000 annually.

Library Staff

At the time of analysis, MLSD employed 3.0 FTE library staff, which is 1.45 FTEs above the peer average. During the course of the audit, the District submitted a recovery plan to ODEW

⁴⁵ Calculated savings are based on the salary and benefits of the lowest tenured employee in each category. Since this recommendation is unable to be implemented until AY 2027, the average annual savings throughout the forecast period are reduced to approximately \$250,000.

which included the elimination of 1.0 FTE library staff position, effective AY 2027. Accounting for this reduction, the District could eliminate an additional 0.5 FTE library staff positions, which could save an average of approximately \$48,000 annually.

Other Clerical Staff

MLSD employs 2.0 FTE other clerical staff, which is 2.0 FTEs above the peer average. Eliminating 2.0 FTE other clerical staff positions could save an average of approximately \$93,000 annually.

Conclusion

The District should consider eliminating 4.0 FTEs from its direct student support positions. Eliminating these positions could save an average of approximately \$335,000 annually and bring staffing to a level consistent with the primary peer average.

*Note: At the time of analysis, the District exceeded the primary peer average for staffing in other position categories. However, during the course of the audit, the District took actions in its August 2025 recovery plan to reduce staffing levels, effective AY 2027. This recommendation accounts for those staffing reductions and reflects remaining staffing areas where the District employs more staff than the peers (see **Appendix D**).*

Recommendation 6: Align Classified Salary Schedules

MLSD should align its classified salary schedules with the local peer average.

Impact

While cost savings are not calculated for this recommendation, aligning the classified salary schedules for specific positions with the local peer average would result in future cost savings and allow the District to improve its overall fiscal condition.

Background

The District's CBAs were obtained from the State Employment Relations Board (SERB). The District's classified CBA is in effect until June 30, 2027, and contains salary schedules for classified staff.

Methodology

We used the District's classified CBA and salary schedules which were in effect during AY 2025 for purposes of our analysis. The District's classified salaries over a 30-year career were reviewed and compared to the local peer average (see **Appendix D**). The District's certificated salaries over a 30-year career were also reviewed and compared to the local peer average; however, we found that they were in line with the peer average. A 30-year career was chosen since school district salary schedules are generally structured around a 30-year period.

Position categories used in our analysis were determined based on the identification of comparable positions and corresponding salary schedules at the local peer districts. As such, this analysis did not include all of the District's salary schedules. Pay schedules from the peer district CBAs were obtained from the SERB website. When updated contracts and salary schedules were unavailable from SERB, they were obtained directly from peer districts.

Analysis

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

- Bus Driver;
- Cook;
- Custodian;
- Maintenance;
- Mechanic; and,
- Secretary.

MLSD has a higher starting salary than the local peer average in all classified categories analyzed. Further, the 30-year career compensation for the District is higher than the local peer average for all categories examined, with the exception of the mechanic position, ranging from 8.4 percent to 18.6 percent higher. The mechanic salary is in line with the peer average.

Conclusion

The salary schedules for the District's classified employees, for all categories analyzed, except the mechanic position, have a higher 30-year career compensation than the local peer average. To achieve savings, MLSD should align its classified salaries with the local peer average. Though not calculated here, any future savings would affect forecasted funds.

Recommendation 7: Align Employer Insurance Costs with SERB Regional Average

The District should align its employer costs for medical, dental, and vision insurance with the SERB regional average for other school districts. This alignment could be accomplished by increasing employee premium contributions and/or adjusting plan designs.

Impact

Aligning employer costs for medical, dental, and vision insurance would reduce expenditures and result in average annual savings of approximately \$1.7 million annually beginning in AY 2028.⁴⁶ Due to union contracts which stipulate the employee cost share, these savings could not be implemented until AY 2028.⁴⁷

Background

MLSD is self-insured, but uses the Jefferson Health Plan consortium as a third-party administrator that manages the administrative tasks for the District's insurance plans. The District recently changed insurance providers which decreased costs. The District offers two Preferred Provider Organization (PPO) medical insurance plans (grandfathered plan and new plan) and one High Deductible Health Plan (HDHP). In addition, the District offers separate dental and vision insurance plans. All medical, dental, and vision insurance plans are available to certificated and classified staff and have an option for single or family coverage.

At the time of analysis, MLSD had 92 enrollees in its grandfathered PPO family medical plan and 37 enrollees in its grandfathered PPO single medical plan.⁴⁸ MLSD had 6 enrollees in its new PPO family medical plan and 2 enrollees in its new PPO single medical plan. MLSD had 31 enrollees in its HDHP family medical plan and 16 enrollees in its HDHP single medical plan. Of the total enrollment in each medical plan, approximately 70 percent are enrolled in the grandfathered PPO plan, 4.3 percent are enrolled in the new PPO plan, and 25.5 percent are enrolled in the HDHP plan. Prescription coverage is included in each medical plan. The District had 164 enrollees in the family dental plan and 59 enrollees in the single dental plan. Lastly, the District had 157 enrollees in the family vision plan and 61 enrollees in the single vision plan.

⁴⁶ Of this total, approximately \$160,000 in annual savings, beginning in AY 2028, would not impact the General Fund, but would impact other funds, such as the Food Service Fund.

⁴⁷ Since this recommendation is unable to be implemented until AY 2028, the average annual savings throughout the forecast period are reduced to approximately \$877,000. Of this total, approximately \$80,000 would not impact the General Fund, but would impact other funds, such as the Food Service Fund.

⁴⁸ Employees hired prior to July 1, 2024 are eligible for enrollment in the PPO grandfathered plan.

Methodology

We compared the District’s medical, dental, and vision insurance provisions and costs to the SERB regional average for school districts. Peer information was obtained from the 2025 SERB survey. The District’s medical plans were compared to 105 plans, the dental plan was compared to 55 regional peers, and the vision plan was compared to 44 regional peers. The peer average excluded outlier districts whose plans were 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.

Analysis

The District offers medical, combined with prescription, as well as dental and vision coverage to its full-time and part-time employees. These insurance benefits are specified in the District’s certificated and classified CBAs. Part-time classified employees, which includes employees working four hours or less per day, are required to pay a prorated share of the premiums to receive coverage. The insurance premium, or cost of obtaining insurance is split between the District and the employee on a percentage basis.

For certificated employees, the District covers 85 percent of the PPO or HDHP plan premium. For classified employees, the District covers 90 percent of the PPO or HDHP plan premium. For both dental and vision insurance, the District covers 100 percent of the premium.

Medical Insurance

Each of the three medical plans offered by the District have higher monthly premiums than the peer average. Generally, insurance costs are influenced by a variety of factors including the size of the organization obtaining benefits, the claims history of the organization, and the plan design of the coverage. We found that the District’s grandfathered PPO plan had a low deductible compared to the peers, making it more generous to the employee and possibly increasing the overall expense of the premium. Our review of the District’s HDHP insurance plan found that the coverage and provisions, such as copayments, deductibles, and out-of-pocket maximums, are lower than the regional peer group, and as a result, it is also more generous to employees. In addition, MLSD stated that it has historically had a high claims history, which would also impact the overall cost of the insurance.

According to SERB, there are cost saving measures entities could pursue to reduce insurance costs. These cost saving measures including joining a consortium, implementing worksite wellness programs, offering an opt-out incentive, implementing spousal restrictions, and conducting a dependent eligibility audit. MLSD has implemented cost saving measures such as offering an opt-out incentive and a wellness program. The District has also negotiated adjustments to plan design elements to discourage usage of emergency room services. The District currently uses the Jefferson Health Plan consortium as a third-party administrator rather than a carrier. The District could pursue additional cost saving measures recommended by SERB

to reduce insurance costs. In lieu of finding ways to achieve cost savings on insurance coverage, the District could consider renegotiating the amount of the premium it pays on behalf of employees.

PPO Cost Adjustment

In addition to having a higher total premium cost, the District also contributes a greater percentage of the premium than the regional peers for classified employees. If the District were to maintain the current PPO plans, it would need an adjustment to 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 results of this adjustment are calculated in the following table.

CY 2025 Monthly Medical Insurance Costs | PPO

			MLSD		Regional Peer Averages		MLSD Adjustment		
			Costs	% Share	Costs	% Share	Costs	% Share	
GRANDFATHERED	Certificated	Single Medical + Rx	District	\$1,174.42	85.0%	\$975.54	87.6%	\$975.54	70.6%
			Employee	\$207.25	15.0%	\$138.30	12.4%	\$406.13	29.4%
	Family Medical + Rx	District	\$3,132.74	85.0%	\$2,270.84	84.0%	\$2,270.84	61.6%	
		Employee	\$552.84	15.0%	\$432.58	16.0%	\$1,414.74	38.4%	
	Classified	Single Medical + Rx	District	\$1,243.50	90.0%	\$975.54	87.6%	\$975.54	70.6%
			Employee	\$138.17	10.0%	\$138.30	12.4%	\$406.13	29.4%
	Family Medical + Rx	District	\$3,317.02	90.0%	\$2,270.84	84.0%	\$2,270.84	61.6%	
		Employee	\$368.56	10.0%	\$432.58	16.0%	\$1,414.74	38.4%	
NEW	Certificated	Single Medical + Rx	District	\$1,109.83	85.0%	\$975.54	87.6%	\$975.54	74.7%
			Employee	\$195.85	15.0%	\$138.30	12.4%	\$330.14	25.3%
	Family Medical + Rx	District	\$2,960.45	85.0%	\$2,270.84	84.0%	\$2,270.84	65.2%	
		Employee	\$522.43	15.0%	\$432.58	16.0%	\$1,212.04	34.8%	
	Classified	Single Medical + Rx	District	\$1,175.11	90.0%	\$975.54	87.6%	\$975.54	74.7%
			Employee	\$130.57	10.0%	\$138.30	12.4%	\$330.14	25.3%
	Family Medical + Rx	District	\$3,134.59	90.0%	\$2,270.84	84.0%	\$2,270.84	65.2%	
		Employee	\$348.29	10.0%	\$432.58	16.0%	\$1,212.04	34.8%	

Source: MLSD and SERB

To align itself with the SERB regional average for employer cost, the District would need to shift a portion of the medical premium to its employees. As seen in the table above, employees enrolled in the single grandfathered PPO plan would need to pay 29.4 percent, or \$406.13, of the monthly premium, and employees enrolled in the family grandfathered PPO plan would need to pay 38.4 percent, or \$1,414.74, of the monthly premium. Employees enrolled in the single new PPO plan would need to pay 25.3 percent, or \$330.14, of the monthly premium, and employees

enrolled in the family new PPO plan would need to pay 34.8 percent, or \$1,212.04 of the monthly premium.

HDHP Cost Adjustment

Under the current HDHP medical insurance plan, as seen in the following table, the District pays more for the total medical insurance premium on a monthly basis than the regional peer group. The District also contributes a greater percentage of the premium than the regional peers for classified employees. If the District were to maintain the current HDHP plan, it would need an adjustment to 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 results of this adjustment are calculated in the following table.

CY 2025 Monthly Medical Insurance Costs | HDHP

			MLSD		Regional Peer Averages		MLSD Adjustment	
			Costs	% Share	Costs	% Share	Costs	% Share
Certificated	Single Medical + Rx	District	\$1,011.15	85.0%	\$819.16	87.9%	\$819.16	68.9%
		Employee	\$178.44	15.0%	\$113.20	12.1%	\$370.43	31.1%
	Family Medical + Rx	District	\$2,696.39	85.0%	\$2,007.91	85.1%	\$2,007.91	63.3%
		Employee	\$475.83	15.0%	\$351.72	14.9%	\$1,164.31	36.7%
Classified	Single Medical + Rx	District	\$1,070.63	90.0%	\$819.16	87.9%	\$819.16	68.9%
		Employee	\$118.96	10.0%	\$113.20	12.1%	\$370.43	31.1%
	Family Medical + Rx	District	\$2,855.00	90.0%	\$2,007.91	85.1%	\$2,007.91	63.3%
		Employee	\$317.22	10.0%	\$351.72	14.9%	\$1,164.31	36.7%

Source: MLSD and SERB

Note: This table only includes the base HDHP costs and does not include HSA contributions. However, for the overall financial impact of this recommendation, HSA contribution costs are included.

To align itself with the SERB regional average for employer cost, the District would need to shift a portion of the medical premium to its employees. As seen in the table above, employees enrolled in the single HDHP plan would need to pay 31.1 percent, or \$370.43, of the monthly premium, and employees enrolled in the family HDHP plan would need to pay 36.7 percent, or \$1,164.31, of the monthly premium.

In addition, for employees enrolled in the HDHP, MLSD offers annual Board-paid Health Savings Account (HSA) contributions. Certificated and classified single plan contributions differ slightly, with certificated staff receiving \$1,436 annually and classified staff receiving \$1,316 annually. The District contributes \$3,843 annually to employees enrolled in the HDHP family plan. The District's HSA single plan contributions fall below the SERB regional average of \$1,745, but District's HSA family plan contributions exceed the SERB regional average of \$3,454 by \$389.

We conducted an additional analysis that combined the District’s monthly employer HDHP and HSA costs to determine how total monthly employer costs compared to the peer average. Although the District’s annual single HSA contribution is below the peer average, when combined with HDHP costs, the total employer cost exceeds the peer average for both single and family plans. For certificated employees, the single and family plan monthly employer contributions exceed the peer average by approximately \$245 and \$911, respectively. For classified employees, the single and family plan monthly employer contributions exceed the peer average by approximately \$295 and \$1,069, respectively. When considering HSA contributions in conjunction with HDHP costs and plan design provisions, the District significantly exceeds the SERB regional peer average for all aspects of this plan.

Dental Insurance

Our review of the District’s dental insurance plan found that some provisions, such as the annual maximum dental benefit and coinsurance for major restorative services, are higher than the regional peer group, and as a result, more generous to employees.

Under the current dental insurance plan, as seen in the following table, the District pays significantly more for the total single dental insurance premium, but slightly less for the total family dental insurance premium on a monthly basis than the regional peer group. The District also contributes a greater percentage of the premium. If the District were to maintain the current dental insurance plan, it would need an adjustment to 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 results of this adjustment are calculated in the following table.

CY 2025 Monthly Dental Insurance Costs

		MLSD		Regional Peer Averages		MLSD Adjustment	
		Costs	% Share	Costs	% Share	Costs	% Share
Single Dental	District	\$84.00	100.0%	\$35.78	92.5%	\$35.78	42.6%
	Employee	\$0.00	0.0%	\$2.90	7.5%	\$48.22	57.4%
Family Dental	District	\$84.00	100.0%	\$75.72	87.0%	\$75.72	90.1%
	Employee	\$0.00	0.0%	\$11.35	13.0%	\$8.28	9.9%

Source: MLSD and SERB

To align itself with the SERB regional average for employer cost, the District would need to shift a portion of the dental premium to its employees. As seen in the table above, employees enrolled in the single dental plan would need to pay 57.4 percent, or \$48.22, of the monthly premium, and employees enrolled in the family dental plan would need to pay 9.9 percent, or \$8.28, of the monthly premium.

Vision Insurance

Under the current vision insurance plan, as seen in the following table, the District’s total single and family vision insurance premiums are in line with the regional peer average, but MLSD contributes a greater percentage of the premium and, as a result, has a higher employer cost. If the District were to maintain the current vision insurance plan, it would need an adjustment to 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 results of this adjustment are calculated in the following table.

CY 2025 Monthly Vision Insurance Costs

		MLSD		Regional Peer Averages		MLSD Adjustment	
		Costs	% Share	Costs	% Share	Costs	% Share
Single Vision	District	\$10.00	100.0%	\$7.64	71.3%	\$7.64	76.4%
	Employee	\$0.00	0.0%	\$3.08	28.7%	\$2.36	23.6%
Family Vision	District	\$20.00	100.0%	\$15.21	61.5%	\$15.21	76.1%
	Employee	\$0.00	0.0%	\$9.50	38.5%	\$4.79	23.9%

Source: MLSD and SERB

To align itself with the SERB regional average for employer cost, the District would need to shift a portion of the vision premium to its employees. As seen in the in the table above, employees enrolled in the single vision plan would need to pay 23.6 percent, or \$2.36, of the monthly premium, and employees enrolled in the family vision plan would need to pay 23.9 percent, or \$4.79, of the monthly premium.

We identified potential cost savings associated with bringing the employer medical, dental, and vision insurance costs in line with the regional peer average. The District has projected a five percent increase for AY 2027 through AY 2029, the last year of the forecast. The District could save approximately \$1.7 million annually, beginning in AY 2028, by aligning the employer insurance costs with the regional peer group. The District could pursue additional cost reductions by further shifting costs and/or adjusting plan designs.

Conclusion

MLSD should work to bring its employer medical, dental, and vision insurance premium costs in line with the SERB regional average. Doing so could result in average annual savings of approximately \$1.7 million. These savings can be realized by shifting premium costs and/or adjusting plan designs. It is important to note that shifting premium costs will require contract negotiations.

Facilities

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

MLSD has three academic buildings: Meigs High School (grades 9-12), Meigs Middle School (grades 6-8), and Meigs Elementary School. The elementary school houses Meigs Intermediate School (grades 3-5) and Meigs Primary School (grades K-2). The District also has a central office building.

Recommendation 8: Reduce Facilities Staffing

To achieve cost savings and align with industry benchmarks, MLSD could reduce its facilities staff by 0.5 FTEs.

Impact

Reducing facilities staffing by 0.5 FTEs could save an average of approximately \$50,000 annually.⁴⁹

Background

At the time of analysis, MLSD employed 19.1 FTE facilities employees. Of that total, there are 14.8 FTE custodial staff, 2.0 FTE maintenance staff, and 2.3 FTE grounds staff. These employees are responsible for cleaning and maintaining approximately 337,000 square feet of the District’s property, along with approximately 55 acres. Custodial staff are assigned to a specific building, but are also responsible for some maintenance and groundskeeping tasks.

Methodology

Facilities employees generally take on a variety of tasks related to custodial, grounds, and maintenance activities. Typically, individuals are assigned to a primary functional area, however, there is often a crossover of duties between areas, and it may be possible to move between roles rather than hire new employees. Due to this, we combined all facilities staffing for this analysis. Then, using industry benchmarks, we reviewed the District’s facilities staffing levels.

⁴⁹ Since this recommendation is unable to be implemented until AY 2027, the average annual savings throughout the forecast period are reduced to approximately \$38,000.

Analysis

The National Center for Education Statistics (NCES) identifies levels of cleaning benchmarks that can be used to guide facilities staffing. According to the *Planning Guide for Maintaining School Facilities* (NCES, 2003), Level 3 cleaning is the standard for most school facilities. When adhering to a Level 3 standard of cleaning, a custodian can clean approximately 28,000 to 31,000 square feet in 8 hours. Using this standard, MLSD exceeds the custodial staffing benchmark by 3.3 FTEs.

American School & University Magazine (AS&U) identifies square footage and acreage maintenance benchmarks for maintenance and grounds staffing. According to AS&U, each 1.0 FTE maintenance employee should be responsible for maintaining approximately 95,000 square feet, and each 1.0 FTE grounds employee should be responsible for maintaining approximately 40.2 acres. Using these standards, MLSD falls below the maintenance staffing benchmark by 1.5 FTEs, but exceeds the grounds staffing benchmark by 0.9 FTEs.

The following table provides a comparison of the District’s facilities staffing to industry benchmarks.

Buildings & Grounds Staffing Comparison

Grounds Staffing	
Grounds FTEs	2.3
Acreage Maintained	54.8
AS&U Benchmark - Acres per FTE	40.2
Benchmarked Staffing Need	1.4
Grounds FTEs Above/(Below) Benchmark	0.9
Custodial Staffing	
Custodial FTEs	14.8
Square Footage Cleaned	336,723
NCES Level 3 Cleaning Benchmark ¹ - Median Square Footage per FTE	29,500
Benchmarked Staffing Need	11.4
Custodial FTEs Above/(Below) Benchmark	3.3
Maintenance Staffing	
Maintenance FTEs	2.0
Square Footage Maintained	336,723
AS&U Benchmark - Square Footage per FTE	94,872
Benchmarked Staffing Need	3.5
Maintenance FTEs Above/(Below) Benchmark	(1.5)
Total Buildings & Grounds Staffing	
Total FTEs Employed	19.0
Total Benchmarked Staffing Need	16.3
Total FTEs Above/(Below) Benchmark	2.7

Source: MLSD, 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.

During the course of the audit, the District submitted a written financial recovery plan to ODEW, which included the reduction of 2.0 FTE facilities staff, effective AY 2027. Accounting for this reduction, the District could reduce an additional 0.5 FTEs, bringing staffing more in line with industry benchmarks.

Conclusion

The District's total facilities staffing exceeds industry benchmarks by 0.7 FTEs when considering all square footage and acreage maintained. To achieve savings, the District could reduce 0.5 FTEs, which would result in average annual savings of approximately \$50,000.

Additional Considerations

As discussed in detail throughout the preceding sections of this report, MLSD could gain efficiencies by aligning its operations with peer averages and industry standards and by implementing the previously identified recommendations. However, the majority of the identified savings from these recommendations are subject to collective bargaining negotiations that may restrain the District’s ability to fully realize potential savings. If MLSD is unable to fully implement the recommendations in this report, more drastic cost saving measures may be necessary. The following suggestions are additional actions that District leadership may 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.

Additional Staffing Reductions

The District could consider the impact of further reductions while remaining compliant with state minimum requirements. This could include aligning with OAC 3301-35-05 for building administrators and educators. The state minimum requirement for building administrators includes just one principal per building, which would lead to a potential reduction of 2.0 additional FTEs beyond what is identified in the standard recommendation (see **Recommendation 4**) and after accounting for reductions the District has already made. The state minimum requirement for teachers includes one classroom teacher per 25 students, which would lead to a potential reduction of up to 26.49 FTE classroom teachers after accounting for reductions the District has already made (see **Appendix D**). Such reductions could have a substantial impact on District operations and instructional activities.

While a reduction to state minimum standards is likely not necessary to address the projected operational deficit, MLSD 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 decides 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 certificated and classified salaries to the local peer averages (see **Recommendation 6**). The results of the analysis indicated that the District exceeds the peer average for the bus driver, cook, custodian, maintenance, and secretary salary schedules. To achieve additional savings, the District could consider implementing a base and step salary freeze for all positions.

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 3**, the District's General Fund subsidy in AY 2025 was approximately \$549,000, or approximately 70.8 percent of total extracurricular activity expenditures, compared to the local peer average of 56.9 percent. To achieve additional savings, the District could consider reducing the subsidy below the local 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.

MEIGS LOCAL SCHOOL DISTRICT

41765 Pomeroy Pike ▪ Pomeroy, OH ▪ 45769



Scot F. Gheen, Superintendent
(740) 992-2153

Roy W. Johnson, Treasurer
(740) 992-5650

March 17, 2026

Ohio Auditor of State – Ohio Performance Team

Re: Response to Performance Audit Recommendations – Meigs Local School District

To Whom It May Concern,

On behalf of the Meigs Local School District Board of Education and administration, we appreciate the time and effort of the Ohio Auditor of State's Office in conducting the recent performance audit of the District. The District recognizes the importance of responsible fiscal management and transparency with public resources. We have reviewed the findings and recommendations and offer the following responses to Recommendations 1 through 8.

Recommendation 1 – Develop Formal Plans

The District acknowledges the recommendation to formalize strategic, capital improvement, facilities maintenance, fleet maintenance, and bus replacement plans. While the audit notes that several of these elements already exist informally within District operations, we recognize the benefit of compiling these processes into formal written plans. Moving forward, the District will work toward documenting these procedures in a more structured format that aligns with long-term financial planning and operational needs.

Recommendation 2 – Ensure CTE Programming is Fiscally Responsible and Remains in Compliance with State Requirements

The District understands the importance of maintaining Career-Technical Education (CTE) programs that are both compliant with state requirements and fiscally sustainable. As noted in the audit, the District has already taken steps through its financial recovery plan to evaluate and reduce certain program offerings. The District remains committed to providing meaningful workforce opportunities for students while balancing enrollment levels, program costs, and compliance with the 10/8 program requirements.

Recommendation 3 – Reduce the General Fund Subsidy for Extracurricular Activities

Extracurricular programs are an important component of the student experience and community engagement in Meigs Local Schools. The District continually evaluates participation fees, fundraising, and program costs to manage General Fund impact. While we will review the comparison to peer districts provided in the audit, the District must also consider community expectations and the value these programs bring to students when evaluating potential changes.

Recommendation 4 – Eliminate Administrative Positions Above the Peer Average

The District has already implemented several staffing adjustments through attrition and reductions included in our financial recovery plans. Administrative staffing decisions are based not only on enrollment comparisons but also on building configuration, student needs, and operational responsibilities. The District will continue evaluating administrative structure as staffing changes occur while ensuring that leadership capacity remains sufficient to operate schools safely and effectively.

Recommendation 5 – Eliminate Direct Student Support Positions Above the Peer Average

Student support positions play a critical role in addressing academic, behavioral, and social-emotional needs of students. While the District acknowledges the comparison to peer averages, reductions in these areas must be considered carefully due to their direct impact on student services. The District will continue to evaluate staffing levels through attrition and operational review to ensure appropriate staffing while remaining fiscally responsible.

Recommendation 6 – Align Classified Salary Schedules

The District recognizes the recommendation regarding classified salary schedules. Any changes in this area must occur through collective bargaining processes and negotiations with employee associations. The District will consider the information presented in the audit during future negotiations while also recognizing the need to remain competitive within the local labor market.

Recommendation 7 – Align Employer Insurance Costs with SERB Regional Average

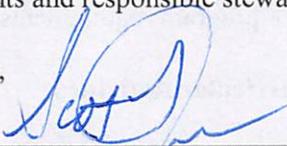
The District acknowledges that employee insurance costs represent a significant portion of expenditures. Health insurance benefits are negotiated through collective bargaining agreements, and adjustments must occur through that process. The District will continue working with its insurance consortium and employee groups to manage healthcare costs while maintaining competitive benefits for employees.

Recommendation 8 – Reduce Facilities Staffing

Facilities staffing levels are influenced by the size of the District, the number of buildings, and the age of facilities. The District will review this recommendation as part of ongoing operational evaluations. As with other staffing areas, reductions would most likely occur through attrition whenever possible to minimize disruption to operations.

In closing, Meigs Local School District appreciates the review conducted by the Auditor of State's Office. The District has already implemented several cost-saving measures as part of our financial recovery plans and will continue evaluating additional efficiencies while maintaining quality educational opportunities for students and responsible stewardship of taxpayer resources.

Sincerely,



Superintendent
Meigs Local School District

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	
Are the District’s forecasting practices consistent with leading practices and is the forecast reasonable and supported?	No Recommendation: The District’s forecasting practices are consistent with leading practices, and is reasonable and supported.
Are the District’s budgeting practices in line with leading practices?	No Recommendation: The District’s budgeting practices are in line with leading practices.
Are the District’s planning practices consistent with leading practices?	R.1
Is the District’s General Fund subsidy of extracurricular activities appropriate in comparison to local peers and the District’s financial condition?	R.3

Efficient • Effective • Transparent

How does the District’s career-technical education programming impact its operations and financial condition and are its planning practices consistent with leading practices?	R.2
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.4, R.5
Are the District’s salaries and wages appropriate in comparison to local peers and the District’s financial condition?	R.6
Are the District’s insurance costs appropriate in comparison to other governmental entities within the local market and the District’s financial condition?	R.7
Facilities	
Are the District’s facilities staffing levels appropriate in comparison to leading practices, industry standards, and the District’s financial condition?	R.8

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:⁵⁰

- 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.
- 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.

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

⁵⁰ We relied upon standards for internal controls obtained from *Standards for Internal Control in the Federal Government* (2014), the U.S. Government Accountability Office, report GAO-14-704G.

reviewed and assessed available information. Assessments were performed using criteria from 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

- New Lexington School District (Perry County)
- Rolling Hills Local School District (Guernsey County)
- Greenfield Exempted Village School District (Highland County)
- Claymont City School District (Tuscarawas County)
- Paulding Exempted Village School District (Paulding County)
- Carrollton Exempted Village School District (Carroll County)

Local Peers

- Alexander Local School District (Athens County)
- Eastern Local School District (Meigs County)
- Federal Hocking Local School District (Athens County)
- Gallia County Local School District (Gallia County)
- Southern Local School District (Meigs County)
- Vinton County Local School District (Vinton 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 Background

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 AY 2025 Financial Accounts

This report summarizes financial activity across all district funds, including revenues, expenditures, transfers, and other financing uses. Districts may pay for the same services using different funding sources, such as local funds, grants, or special use funds. To support fair comparison of overall activity and services delivered, all funds and funding sources are included, regardless of how that activity is financed. However, interfund advances are excluded because they are temporary loans between funds that are repaid and do not represent spending on services. Because money can move between funds before it is ultimately spent, the same dollar may appear more than once as it flows through the system. For this reason, totals shown in this report reflect gross financial activity, not unique dollars received from outside sources.⁵¹

The following table shows the Districts AY 2025 financial activities by fund. The District operated with 21 funds in AY 2025. 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.

⁵¹ The 024 Employee Benefits Self-Insurance Fund is an area where this commonly occurs, as it receives money from the General Fund and other funds for the purpose of paying insurance.

AY 2025 All Funds Activity

Fund	Fund Name	Receipts	Expenditures
001	General	\$23,802,839.85	\$25,851,259.89
003	Permanent Improvement	\$0.00	\$0.00
004	Building	\$0.00	\$138,617.50
006	Food Services	\$2,285,672.76	\$2,278,445.70
007	Special Trust	(\$14,430.79)	\$2,000.00
009	Uniform Schools Supplies	\$1,061.00	\$0.00
018	Public School Support	\$17,986.68	\$22,430.57
019	Other Grants	\$35,440.00	\$25,834.59
022	District Custodial	\$0.00	\$0.00
024	Employee Benefits Self-Insurance	\$6,767,329.94	\$6,717,623.58
200	Student Managed Student Activity	\$73,312.75	\$67,539.04
300	District Managed Student Activity	\$126,860.56	\$125,069.32
439	Public School Preschool	\$153,000.00	\$153,000.00
451	Data Communications for School Buildings	\$7,964.56	\$14,759.40
499	Miscellaneous State Grants	\$0.00	\$0.00
507	Elementary and Secondary School Emergency Relief (ESSER)	\$298,322.19	\$297,812.08
510	Coronavirus Relief Fund (CRF)	\$0.00	\$0.00
516	IDEA, Part B Special Education, Assistance for All Children with Disabilities Ages 3-21	\$463,350.96	\$460,870.44
524	Career-Technical Education: Carl D. Perkins Career-Technical Education	\$78,746.74	\$78,477.65
536	Title I School Improvement A	\$27,499.10	\$29,247.31
572	Title I - Disadvantaged Children/Targeted Assistance	\$893,490.48	\$893,673.96
584	Student Support and Academic Enrichment Programs	\$103,595.08	\$103,595.08
587	IDEA, Part B Special Education, Assistance for All Children with Disabilities Ages 3-5	\$6,049.60	\$6,049.60
590	Improving Teacher Quality	\$103,115.16	\$113,606.59
599	Miscellaneous Federal Grants	\$28,081.88	\$56,864.49
25	Total Funds	\$35,259,288.50	\$37,436,776.79
	Count of Funds with Activity	20	20

Source: MLSD

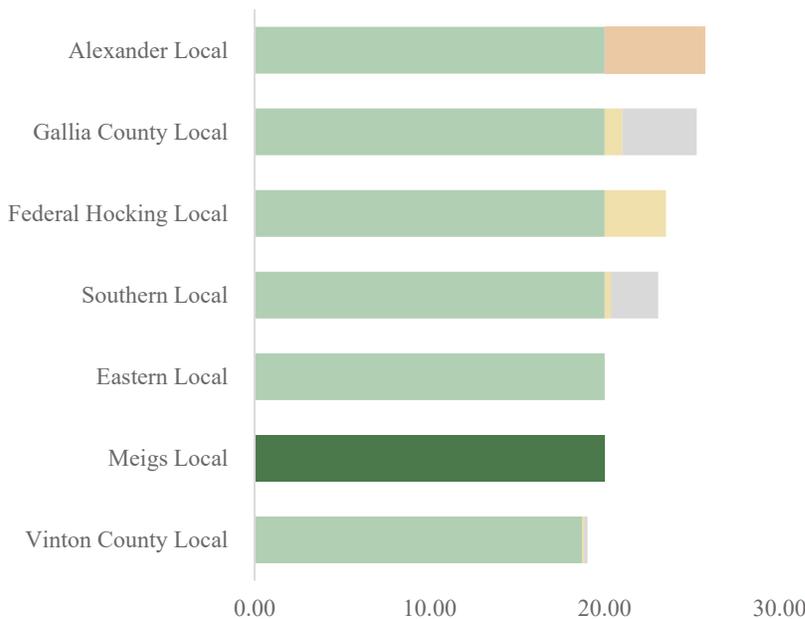
Note: Excludes advances because they are temporary loans between funds that are repaid.

Note: Includes transfers and other financing activities; Because money can move between funds before it is ultimately spent, the same dollar may appear more than once as it flows through the system (see **Appendix B**)

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 MLSD 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 all of the local peers are at the 20-mill floor.⁵¹ Because the District is at the 20-mill floor, it will see continued growth from current expense mills as property value increases.

Tax Year 2024 Millage and Millage Equivalents | Local 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 are not reduced. **Income tax mill equivalents** are calculated by OPT for comparison purposes based on guidance from the Department of Taxation. **Permanent improvement mills** are used for maintenance of long-term assets and may be reduced over time. **Bond mills** raise a defined amount used for the purchase or construction of new buildings.

Source: Ohio Department of Taxation

The District's effective millage rate is among the lowest in comparison to the local peer districts. In Tax Year 2023, one mill of property tax generated approximately \$147 in revenue per pupil, falling below the local peer average of approximately \$279, by 89.6 percent.

The following tables show the income tax revenue for primary peer districts and local peer districts. Two primary peers and two local peers collect revenue from an income tax.

⁵¹ Vinton County Local Schools collects revenue on 18.7 current expense mills. For purposes of calculating the 20-mill floor, JVSD millage is included, but not represented on this chart.

2024 Income Tax Revenue and Millage Equivalents | Primary Peers

District	Tax Rate	Income Tax Revenue	Estimated Millage Equivalents
Paulding Exempted Village	1.00%	\$2,834,679.50	10.44
Greenfield Exempted Village	1.25%	\$3,192,526.93	9.80
Carrollton Exempted Village	0.00%	-	0.00
Claymont City	0.00%	-	0.00
Meigs Local	0.00%	-	0.00
New Lexington School District	0.00%	-	0.00
Rolling Hills Local	0.00%	-	0.00

Source: Ohio Department of Taxation

2024 Income Tax Revenue and Millage Equivalents | Local Peers

District	Tax Rate	Income Tax Revenue	Estimated Millage Equivalents
Alexander Local	1.00%	\$2,053,788.04	5.73
Eastern Local	0.00%	-	0.00
Federal Hocking Local	0.00%	-	0.00
Gallia County Local	0.00%	-	0.00
Meigs Local	0.00%	-	0.00
Southern Local	0.00%	-	0.00
Vinton County Local	0.00%	-	0.00

Source: Ohio Department of Taxation

The following tables show the local tax effort (LTE) comparison between MLSD and the primary peer districts and the local peer districts. 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. Districts are ranked from 1 to 606 with 1 being the highest level of effort and the 99th percentile and 606 being the lowest level of effort and the 1st percentile.

2025 Local Tax Effort Comparison | Primary Peers

District	LTE	Rank	Percentile
Greenfield Exempted Village	1.6897	26	95.7%
Paulding Exempted Village	1.3089	128	78.9%
Rolling Hills Local	0.9446	329	45.7%
Carrollton Exempted Village	0.7743	466	23.1%
Meigs Local	0.7685	470	22.4%
New Lexington School District	0.7370	497	18.0%
Claymont City	0.6082	563	7.1%
Primary Peer Average	1.0105	280	53.8%

Source: ODEW

2025 Local Tax Effort Comparison | Local Peers

District	LTE	Rank	Percentile
Alexander Local	1.1219	215	64.5%
Federal Hocking Local	0.9873	292	51.8%
Vinton County Local	0.9288	341	43.7%
Gallia County Local	0.8149	427	29.5%
Meigs Local	0.7685	470	22.4%
Southern Local	0.7083	512	15.5%
Eastern Local	0.5906	570	5.9%
Local Peer Average	0.8586	390	35.6%

Source: ODEW

Appendix C: Financial Management

Forecasting Best Practices

The following tables show the comparison of the District’s forecasting practices to industry standards and best practices. The District’s forecasting process meet nearly all components recommended by the GFOA and ODEW.

GFOA Forecasting Best Practices

Meets
 Partially Meets
 Does Not Meet
 N/A

Define Assumptions	Gather Information	Preliminary/ Exploratory Analysis	Select Methods	Implement Methods	Use Forecast
Forecast has a timeline	District uses statistical data in forecasting	Understands how revenues/ expenditures vary with economical activity	Determine the quantitative and/or qualitative forecasting methods that will be used	Put into practice described forecasting methods	Forecaster has credibility
District is transparent as to whether the forecast is conservative in estimating revenues/ expenditures	Uses accumulated judgment and expertise of individuals inside and perhaps also outside the organization	Understands effects of demographic trends			Forecast is presented with a clear message
District is aware of political/legal issues that could affect forecast	Become familiar with other longer-term planning efforts of the organization that impact financial decisions and the fiscal environment.	Outliers are identified and explained			Forecast plays a key role in budgeting and financial decisions
District knows major revenue/ expenditure categories		Relationships between different variables are identified and explained			

Source: GFOA and MLSD

Efficient • Effective • Transparent

ODEW Best Practices

Meets	Proactive management of revenues/expenditures
Meets	Board policy to achieve and maintain 60 days of expenditures in cash balance
Meets	Report and discuss expenditures vs revenues monthly
Meets	Participate in a program that promotes best budgeting practices for school districts

Source: ODEW and MLSD

CTE Best Practices

The following table shows the comparison of the District’s CTE program practices to best practices. The District’s CTE program practices do not meet all components recommended by ODEW.

ODEW CTE Program Expansion Best Practices

Meets Partially Meets Does Not Meet

<p>Schools are introducing CTE courses in middle school to help students explore careers through hands-on activities, with many Ohio districts already implementing this in grades 6-10.</p>	<p>Limited facility space restricts program growth, but sharing spaces among schools, businesses, and communities cuts costs and offers students work-based learning while benefiting companies.</p>	<p>Nontraditional scheduling in Ohio provides flexible learning through varied programs like semester experiences, second shifts, and four-day weeks.</p>
<p>Industry-recognized credentials build students’ skills and support graduation, with schools expanding options through micro-credentials, sprint classes, and senior programs.</p>	<p>CTE teacher shortages, especially in IT, are addressed by partnering with businesses to upskill employees and hire part-time professionals, cutting costs and boosting retention.</p>	
<p>Federal law defines work-based learning as hands-on experiences with industry professionals that align with curriculum, helping students explore careers, strengthen partnerships, and expand learning without needing more school space.</p>		
<p>Ohio districts design quality CTE programs using innovative methods like career academies and flexible schedules to expand offerings and manage resources effectively.</p>		
<p>Partnerships between adult and secondary education share resources and align pathways but face accreditation challenges that can delay programs and affect credit awards.</p>		

Appendix D: 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	MLSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Assistant, Deputy/Associate Superintendent	-	0.24	(0.24)
Supervisor/Manager	3.00	1.92	1.08
Coordinator	-	0.33	(0.33)
Director	-	0.30	(0.30)
Other Official/Administrative	-	0.15	(0.15)
Total	3.00	2.94	0.06

Source: MLSD and ODEW

In the table below, MLSD exceeds the peer benchmark by 2.56 FTEs on a per-1,000 student basis and 1.83 FTEs on a per-building basis. During the course of the audit, the District approved the reduction of 2.0 FTE building administrator positions, effective AY 2027. In accounting for the reductions, the District could still eliminate another 0.5 FTEs to bring staffing more in line with the peer average (see **Recommendation 4**).

Building Administrator Staff Comparison (per 1,000 students)

Position	MLSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Assistant Principal	4.00	1.47	2.53
Principal	4.00	3.82	0.18
Dean of Students	-	0.15	(0.15)
Total	8.00	5.44	2.56

Source: MLSD and ODEW

Building Administrator Staff Comparison (per building)

Position	MLSD FTEs	Building Benchmark FTEs	FTEs Above/(Below) Benchmark
Assistant Principal	4.00	1.90	2.10
Principal	4.00	3.93	0.07
Dean of Students	-	0.33	(0.33)
Total	8.00	6.17	1.83

Source: MLSD and ODEW

In the table below, MLSD exceeds the peer benchmark by 11.29 FTEs, or 1.69 FTEs if career-technical education teaching staff are excluded. During the course of the audit, the District approved the reduction of 6.0 FTE teaching staff positions, including 4.0 CTE teachers, effective AY 2027, bringing the District more in line with the peer average benchmark. Career-technical

education teaching staff were not included as part of this analysis as none of the primary peer districts are a CTPD, and as a result have very few career-technical education teachers (see **Recommendation 2**).

Teaching Staff Comparison

Position	MLSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
General Education K-12	76.00	74.17	1.83
Gifted and Talented	-	0.14	(0.14)
Career-Technical Programs/Career Pathways	12.00	2.40	9.60
Total	88.00	76.71	11.29

Source: MLSD and ODEW

K-8 Teaching Staff Comparison

Position	MLSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Art Education K-8	2.00	1.72	0.28
Music Education K-8	2.00	1.90	0.10
Physical Education K-8	2.00	2.21	(0.21)

Source: MLSD and ODEW

Non-Teaching Educational Staff Comparison

Position	MLSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Curriculum Specialist	0.75	0.81	(0.06)
Counseling	3.00	3.56	(0.56)
Remedial Specialist	-	0.45	(0.45)
Tutor/Small Group Instructor	-	0.48	(0.48)
Other Professional-Educational	2.00	0.90	1.10

Source: MLSD and ODEW

Professional Staff Comparison

Position	MLSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Psychologist	-	0.18	(0.18)
Social Work	-	0.17	(0.17)
Other Professional	-	0.18	(0.18)

Source: MLSD and ODEW

Technical Staff Comparison

Position	MLSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Computer Operating	-	0.21	(0.21)
Computer Programming	-	0.18	(0.18)
Other Technical	2.00	0.84	1.16
Total	2.00	1.22	0.78

Source: MLSD and ODEW

Central Office Support Staff Comparison

Position	MLSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Administrative Assistant	-	0.30	(0.30)
Accounting	-	0.29	(0.29)
Bookkeeping	1.00	1.48	(0.48)
Clerical	1.00	2.58	(1.58)
Records Managing	1.00	1.03	(0.03)
Other Office/Clerical	1.00	0.15	0.85
Total	4.00	5.83	(1.83)

Source: MLSD and ODEW

In the table below, MLSD exceeds the peer benchmark by 0.52 FTEs on a per-1,000 student basis. During the course of the audit, the District approved the reduction of 1.0 FTE building office support staff positions, effective AY 2027, bringing the District more in line with the peer average benchmark.

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

Position	MLSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Clerical	8.00	7.48	0.52
Total	8.00	7.48	0.52

Source: MLSD and ODEW

Building Office Support Staff Comparison (per building)

Position	MLSD FTEs	Building Benchmark FTEs	FTEs Above/(Below) Benchmark
Clerical	8.00	8.70	(0.70)
Total	8.00	8.70	(0.70)

Efficient • Effective • Transparent

Source: MLSD and ODEW

In the table below, MLSD exceeds the peer benchmark by 1.45 FTEs. During the course of the audit, the District approved the reduction of 1.0 FTE library staff positions, effective AY 2027. In accounting for this reduction, the District could still eliminate another 0.5 FTEs to bring staffing more in line with the peer average (see **Recommendation 5**).

Library Staff Comparison

Position	MLSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Librarian/Media	3.00	0.29	2.71
Library Aide	-	1.26	(1.26)
Total	3.00	1.55	1.45

Source: MLSD and ODEW

Nursing Staff Comparison

Position	MLSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Registered Nursing	2.00	1.45	0.55
Practical Nursing	-	0.91	(0.91)
Total	2.00	2.37	(0.37)

Source: MLSD and ODEW

Classroom Support Staff Comparison

Position	MLSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Instructional Paraprofessional	-	1.56	(1.56)
Teaching Aide	-	4.70	(4.70)
Total	-	6.26	(6.26)

Source: MLSD and ODEW

Other Clerical Staff Comparison

Position	MLSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Family and Community Liaison	2.00	-	2.00
Total	2.00	-	2.00

Source: MLSD and ODEW

Extracurricular/Intracurricular Activities Staff Comparison

Position	MLSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Advisor	1.00	0.89	0.11
Other Extra/Intra-Curricular Activities	0.25	0.93	(0.68)
Total	1.25	1.81	(0.56)

Source: MLSD and ODEW

In the table below, MLSD exceeds the peer benchmark for Other Service Worker/Laborer by 1.0 FTE. During the course of the audit, the District approved the reduction of 1.0 FTE other service worker/laborer positions, effective AY 2027, bringing the District more in line with the peer average benchmark.

Other Support Staff Comparison

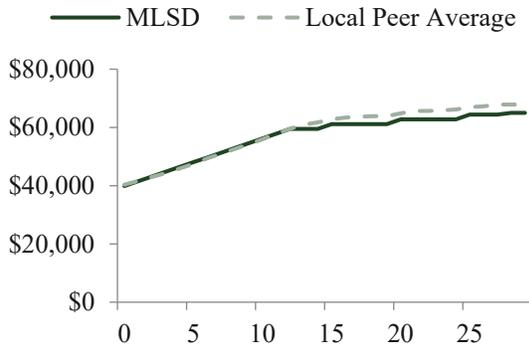
Position	MLSD FTEs	Enrollment Benchmark FTEs	FTEs Above/(Below) Benchmark
Monitoring	-	1.14	(1.14)
Other Service Worker/Laborer	1.00	-	1.00

Source: MLSD and ODEW

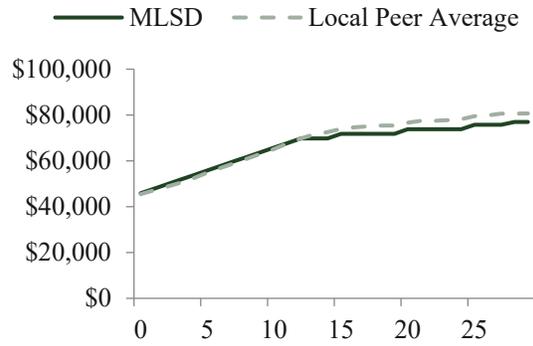
We also looked at annual salaries for select certificated position categories and the hourly wage rates for various classified position categories over the course of a career, as seen in the following charts.

Certificated Career Compensation

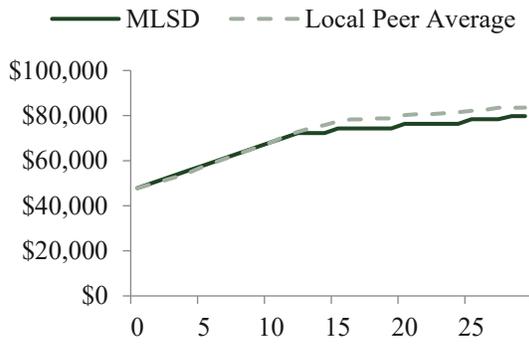
Bachelor's



Master's



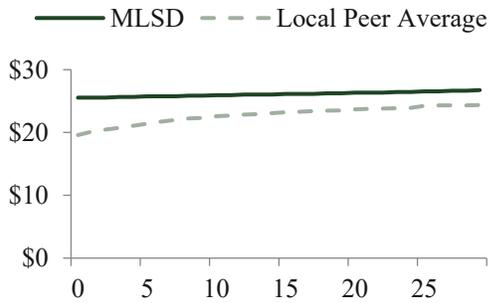
MA+15



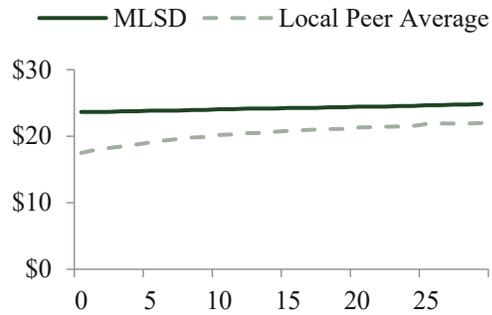
Source: MLSD, Local Peers, and SERB

Classified Career Compensation

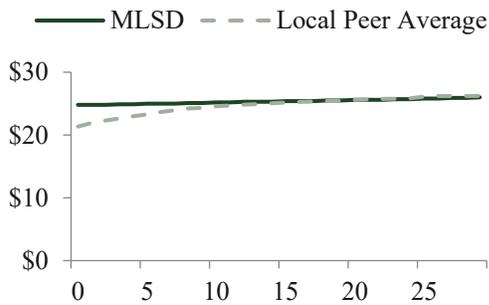
Bus Driver



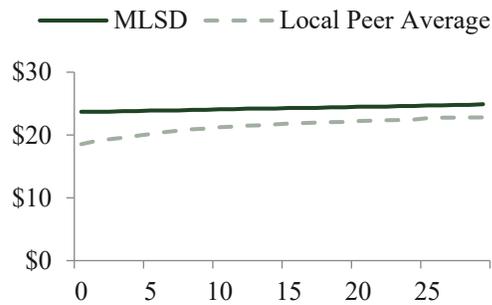
Cook



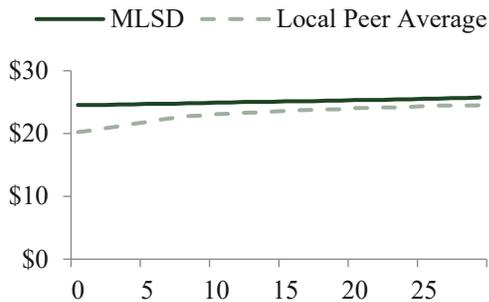
Mechanic



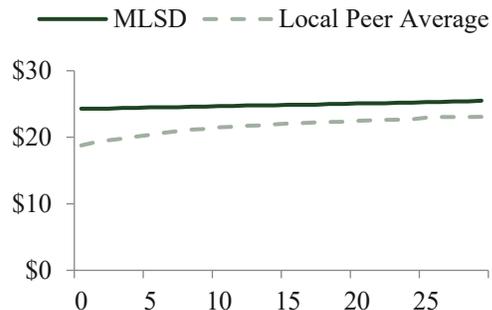
Custodian



Maintenance



Secretary



Source: MLSD, Local Peers, and SERB

OHIO AUDITOR OF STATE KEITH FABER



MEIGS LOCAL SCHOOL DISTRICT

MEIGS 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 3/31/2026

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

This report is a matter of public record and is available online at
www.ohioauditor.gov