

Performance Audit of CLAY COUNTY SCHOOL DISTRICT FINAL REPORT



September 4, 2019

RESSEL & ASSOCIATES, LLC

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EXECUTIVE SUMMARY

EXECUTIVE SUMMARY

As outlined in the RFQ for the Performance Audit of the Clay County School District issued by OPPAGA, the performance audit included a review of program areas related to the construction of new schools, reconstruction and renovation of existing schools, acquisition of equipment, including safety and security equipment, and technology.

Ressel & Associates, LLC conducted the performance audit in accordance with the requirements of Ch. 2018-118, *Laws of Florida*, found codified in s. 212.055(10), *Florida Statutes*, passed during the 2018 session of The Florida Legislature with findings and observations organized in the following six chapters:

- Chapter 1 - Program Economy, Efficiency, and Effectiveness
- Chapter 2 - Program Design and Structure
- Chapter 3 - Alternative Delivery Methods
- Chapter 4 - Goals, Objectives and Performance Measures
- Chapter 5 - Reporting Accuracy and Adequacy
- Chapter 6 - Program Compliance

CHAPTER 1 - PROGRAM ECONOMY, EFFICIENCY, AND EFFECTIVENESS

Chapter 1 presents audit findings related to the economy, efficiency, and effectiveness of the program areas under review. As part of field work, Ressel & Associates examined the District's internal monitoring structure including management reporting and the results of internal and external audits and operational performance reviews. In addition, Ressel & Associates evaluated program performance and costs and thoroughly researched the strengths and weaknesses associated with past projects of similar size and complexity.

Finding on program economy, efficiency, and effectiveness: In its evaluation, Ressel & Associates found that past growth-management strategies for building core facilities surrounded by portable classrooms have resulted in an untenable situation. The District has been unable to fully comply with the State's Portable Reduction Act, portable classrooms are deteriorating with age, and costs for maintenance and utilities continue to rise. Plans for the reduction of portables need to be well-documented and implemented as soon as practically possible.

The Ressel Team also found that Board policies and operational procedures are, in many cases, outdated and incomplete. Case studies of three recent or ongoing facilities projects show that facility projects are being brought in on time and within budget. To manage the many projects envisioned in the Surtax resolution additional monitoring and internal controls will be required to maintain this level of performance.

Observations and Recommendations

- 1.1 Management Reports to the Board provide appropriate detail for Board to take action at meetings.
- 1.2 With the exception of Section 1 of the School Board Policy Manual, the policies of the Clay County School Board are very outdated.

Recommendation 1-1: Promptly update the Board’s Policy Manual and include a review by legal staff.

- 1.2.1 Case Studies of three projects indicate that past projects have come in on time and within budget; contract management recommendations made by the Auditor General are being addressed in part by documented operating procedures, however, more work is required:

- Although CCSD administrators said they follow Florida Statutes requiring an appraisal on purchases of land greater than \$100,000, no general guidance relating the need for land appraisals is found in Board Policy or procedures.

Recommendation 1-2: Implement a Board Policy regarding the need for appraisals prior to all real property purchases, and document the process to be followed in the Facilities and Construction Procedures Manual.

- CCSD created the Facilities Planning and Construction Procedures Manual to address recommendation made by the Auditor General’s Operational Audit Report No. 2019-115 dated February 2019 that contained findings specifically relating to the Discovery Oaks Elementary project.

Recommendation 1-3: Update the procedures to ensure that newly hired or contracted Project Managers understand how they are expected to provide adequate and appropriate oversight, as well as maintain project documentation.

- 1.2.2 Ressel & Associates found that CCSD has complied with state reporting requirements for facilities and a review of the internal assessments of facility condition and need is based on supported facts. The District could, however, benefit from a cost analysis when assessing final project strategies and designs. While not required for locally funded facility projects, using this type of information in the decision-making process is generally considered an industry best practice.

Recommendation 1-4: Conduct the additional analysis outlined in the state guidelines as due diligence to confirm the building and renovation plans for the Surtax and to maximize state PECO funding in the future.

- 1.2.3 CCSD’s past growth management strategies have resulted in an inordinate number of temporary/ portable facilities. The District has taken steps to replace older, costly buildings. Administrators, however, explained that they have been unable to fully comply with the Florida Statute 1013.21 (Reduction of Relocatable Facilities in Use) due to the cost of replacing portables with permanent classroom facilities.

Recommendation 1-5: Establish a more specific plan for reducing portables that includes goals and progress reports.

- 1.2.4 The District's process for handling deferred maintenance and preventative maintenance is not keeping pace with the growing needs of the District.

Recommendation 1-6: Establish a schedule for roofing, HVAC, and other replacement needs, and annually provide the full list to the Board with recommendations for funding options.

- 1.3.1 CCSD conducted a well-documented cost-benefit analysis to determine if it was more cost effective and efficient to hire its own police force rather than contracting with various Sheriff's offices for Security Resource Officers (SRO).
- 1.4.1 In recent years, the Information and Technology Services Department (ITS) staff started applying for and receiving E-rate funding and as a result has substantially increased resources available for technology upgrades.
- 1.5.1 Based on best practices and the State's Benchmarks for debt, CCSD has the capacity for new debt; establishing benchmarks for acceptable levels of debt, however, could improve decision making and debt management during this anticipated high-growth period.

Recommendation 1-7: Establish an acceptable debt ratio benchmark against which the District can monitor and manage debt in the future.

CHAPTER 2 - PROGRAM DESIGN AND STRUCTURE

Chapter 2 presents findings related to program design and structure. As part of the audit, Ressel & Associates examined the organization and management structure of the District as a whole and the component units within the organization that are now or will be responsible for the program areas identified in the Surtax Resolution. The examination included contracted and other external services that are now or will be used in the implementation of the projects outlined in the Resolution. In addition, the Ressel Team assessed the procurement and contracting function to determine its capacity for handling the volume and complexity of work anticipated in the Resolution.

Finding on program design and structure: In its audit, Ressel & Associates found that the current design and structure of the program areas under review are effective and overall CCSD has adequate staffing. However, staffing levels need careful review and possible reallocation as, over the past five years, staffing at the Administrative and Professional levels have grown, whereas staffing in the Maintenance and Facility Planning and Construction support areas are low and have remained static over the same five-year period. These support areas require more staff to meet current needs and will need additional staff and expertise to manage the envisioned Surtax-related projects.

Observations and Recommendations

2.1.1 Florida Department of Education reports indicate that CCSD is adequately staffed overall, with the total number of full-time staff increasing by only 5.0 percent over the last five years as compared to a student growth rate of 6.8 percent. However, increases in the number of Administrator and Professional staff positions have outpaced enrollment, while most positions in the support areas have remained unchanged or declined.

Recommendation 2-1: Analyze the number of administrators, instructional and operational staff versus the statutory and operational needs to determine where reductions can be made that will allow for adequate staffing in critical areas of need.

2.1.2 The Board continues to incur significant legal expenses, including Surtax referendum costs, even though they have a full-time school board attorney.

Recommendation 2-2: Create guidelines for legal services, assign an administrator to monitor legal expenditures, and conduct a thorough analysis of in-house and outsourced legal expenditures to determine:

- how legal expenditures can be reduced; and
- whether the District should contract all legal expenditures and not have a full-time attorney.

2.2.1 Even with contracted services, CCSD Maintenance Department staffing levels are low based on Florida Department of Education standards.

Recommendation 2-3: Adopt appropriate staffing levels and eliminate some outsourced duties to compensate for the additional cost of staff as appropriate.

2.2.2 The CCSD job descriptions in the Maintenance Department are not current, which means that the job descriptions cannot be used to accurately evaluate employee performance.

Recommendation 2-4: Once new Maintenance Department job descriptions are approved, implement a districtwide three-year review cycle for all job descriptions.

2.2.3 Maintenance Department salaries in CCSD are not competitive with the private sector or peer school Districts.

Recommendation 2-5: Conduct a compensation and classification study to ensure salary levels are sufficient to attract and retain qualified staff.

2.2.4 Tours of nine schools in the District where specific renovations and repairs were identified as needs in the list of projects to be paid for with Surtax proceeds, confirmed the primary needs and revealed that the facilities were clean, fresh smelling, and the outer structures were being presentably maintained to the extent possible.

2.2.5 The Facility Planning and Construction area is understaffed to handle the volume of projects envisioned in the Surtax Referendum.

Recommendation 2-6: Determine the correct mix of contracted services and full-time staff to address the envisioned Surtax project needs.

- 2.3.1 The Clay County School District has comprehensive staffing in place to address its compliance with the Marjory Stoneman Douglas High School Public Safety Act legislated in Senate Bills 5026 and 7030, as well as for emergency management.

Recommendation 2-7: Periodically reassess the structure and staffing levels as Surtax safety and security related improvements are implemented.

- 2.4.1 The current organization structure and staffing levels for the Information and Technology Services Department (ITS) are adequate and appropriate to support the District's technology needs.
- 2.5.1 The Business Services Department appears to be adequately staffed to handle the day-to-day finance related operations of the District; a contract for a Financial Advisor is used to supplement staff expertise in the debt service arena.
- 2.5.2 CCSD has established a collaborative relationship with local area governments through the concurrency process, which is designed to track and mitigate the impact of growth on the District and community in general.

CHAPTER 3 - ALTERNATIVE DELIVERY METHODS

Chapter 3 presents audit findings related to alternative delivery methods used in the program areas under review. As part of the field work, Ressel & Associates examined the programs and services currently being provided through shared service or outsourced/contract arrangements and also assessed what, if any activities or services, might be delivered in an alternative method. Further, Ressel & Associates evaluated the manner in which the District assesses alternative delivery methods.

Finding on alternative delivery methods: In its evaluation, Ressel & Associates found that CCSD is actively pursuing alternative delivery methods to meet the District's growing needs. Processes for assessing the costs and benefits, and feasibility of such decisions were found to be reasonable and adequate. Formally documenting the required criteria and justification process would provide decision makers a consistent, organized method for future evaluations.

Observations and Recommendations

- 3.1.1 CCSD has made extensive use of contract services, outsourcing and other alternative delivery methods throughout the District by analyzing both the benefits of in-house staff options as well as external options. Formally documenting the current process in policy or procedure would ensure continuity in the future.

Recommendation 3-1: Document in policy or procedure the process for justifying both contract services and the creation of new positions, which examines the full cost and benefits of both options.

- 3.2.1 The District's use of outsourcing is the result of staffing constraints and its inability to perform some functions with in-house staff.
- 3.3.1 The District's inter-local agreement for School Resource Officers with the Orange Park and Green Cove Spring Police Departments are in place for 2019-20.
- 3.3.2 The District has sought and used funds from state and local sources to address immediate safety-related needs when operating funds were not sufficient to meet the need.
- 3.4.1 The Information and Technology Services Department outsources work to vendors where it makes sense financially or from a capacity perspective.

CHAPTER 4 - GOALS, OBJECTIVES, AND PERFORMANCE MEASURES

Chapter 4 presents findings related to goals, objectives and performance measures. As part of the field work, Ressel & Associates examined major Districtwide planning efforts and the manner in which management measures day-to-day performance and budgets, and the system of internal controls used to ensure that the program areas under review are meeting their goals and objectives.

Finding on goals, objectives and performance measures: In its evaluation, Ressel & Associates found the planning efforts of the District are beginning to take shape under the leadership of the Superintendent; however, linkages between the various plans and clear and measurable strategies and objectives for accomplishing the goals do not currently exist. Board policies and procedures are outdated or, in some instances, are missing key elements. While all bid and contract documentation examined as part of the case studies were found to be in compliance with State and local purchasing guidelines, the decentralized purchasing functions currently handled by the Facilities Planning and Construction Department will require additional central office oversight and a stronger system of internal control to handle the volume and complexity of the purchasing processes for the envisioned Surtax-related projects.

Observations and Recommendations

- 4.1.1 The February 2018 Strategic Plan is embraced by senior staff, yet the Plan contains no measurable objectives and to date has not had an annual update.

Recommendation 4-1: Provide a formal update to the February 2018 Strategic Plan including both accomplishments and any modifications, and with the approval of the Board, revise the structure of the Plan to include measurable outcomes and budget linkages.

- 4.1.2 CCSD has plans for financing priority needs in the first five years of the Surtax; however, financing strategies adopted and adhered to by the Board are needed to ensure adequate and appropriate financing to address CCSD's long-term needs.

Recommendation 4-2: In cooperation with the School Board, develop a more comprehensive, long-term, strategic funding plan for funding and prioritization of the identified \$600 million in total needs.

- 4.2.1 CCSD's Educational Facilities Plan complies with the State's reporting requirements but is not laid out in the form and format of a typical Facility Master Plan, and the document does not contain linkages to the educational goals of the District.

Recommendation 4-3: Develop a Long-Range Facility Master Plan that incorporates its educational goals.

- 4.2.2 The Clay County School District has a coordinated energy-management plan.
- 4.2.3 The Maintenance Operations and Procedural manual has not been updated since 2012 but efforts to update those procedures are currently underway.

Recommendation 4-4: Complete the update of the *Maintenance Operations and Procedural Manual* on a three-year basis with specific procedures for each trade.

- 4.2.4 The Maintenance Department implemented a new work order system within the last few months, and is currently working with *Asset Essentials* to develop a good system for measuring performance using this new work order system.

Recommendation 4-5: Continue to work with *Asset Essentials* to identify data needs and develop reports that can be used to monitor turnaround times, completion of work performed, and quality of work performed collectively and by technician.

- 4.2.5 The District drafted a Facility Planning and Construction Manual in response to the Auditor General's findings; however, the value of the procedures will be enhanced as staff embrace the concept of using the document as a tool for continual improvement.

Recommendation 4-6: Reassess the concept of procedures for the purpose of training and protection of institutional knowledge as implementation of the Facility Planning and Construction Procedures Manual is completed.

- 4.3.1 CCSD Safety and Security functions are in transition for the new school year, and at this point, internal performance measures have not been fully developed.

Recommendation 4-7: The Operations Safety and Security and Police Department should continue to collaboratively develop performance measures that are tied to District goals, strategies, and initiatives.

- 4.3.2 The District is using a tracking tool to monitor its compliance with SB 7030 implementation.

4.4.1 Although there were a number of documents referred to by the Director of Information Technology Services as various planning documents, none of these documents appear to be a comprehensive Technology Master plan and none of the individual plans are directly linked to the CCSD Strategic Plan. During the course of this study a more comprehensive plan was drafted.

Recommendation 4-8: Once the Technology Plan for July 2018 through June 2024 is adopted, continue to update the plan annually as progress is made and new initiatives are added.

4.5.1 While the School Board’s Fund Balance Policy seeks to comply with the minimum requirements of Section 1011.015, F.S., the Policy does not specify what the Board considers an optimum fund balance.

Recommendation 4-9: Establish a fund balance policy in keeping with the GFOA recommendation that articulates a framework and process for building and maintaining the unrestricted fund balance at an acceptable level.

4.5.2 Board policies and administrative procedures do not address key aspects of the District’s purchasing functions, and in some instances current practices are not in line with the intent of policy nor are they conducive to a strong system of internal control.

Recommendation 4-10: Update Board Purchasing Policies and Administrative Procedures to address the missing components and clarify the roles and responsibilities of all parties to the purchasing process.

4.5.3 Based on an examination of bid and contract documents as part of the three case studies conducted by Ressel & Associates, the team found that CCSD complied with purchasing statutes. However, additional central office oversight of the construction bidding and contracting processes will be needed to manage the volume and complexity of Surtax projects.

Recommendation 4-11: Centralize the competitive bid and contracting functions for all departments within the Purchasing Department.

CHAPTER 5 - REPORTING ACCURACY AND ADEQUACY

Chapter 5 presents findings related to reporting accuracy and adequacy. During the performance audit, Ressel & Associates examined Districtwide information systems as well as any ancillary systems used in each of the functional areas under review to determine if the systems are meeting the business needs of the organization and are capable of delivering timely, accurate and useful information for management and stakeholders. The auditor also examined the District’s website and other tools used to keep the general public informed about ongoing projects and business activities. The Open Records processes were also assessed for responsiveness and accuracy.

Finding on reporting accuracy and adequacy: In its evaluation, Ressel & Associates found no instances of non-compliance. However, policies relating to the handling of Open Records requests need to be reviewed and updated. A review of information provided to the public on the District website and through public requests found that information being provided is accurate and complete. Enhancements to the information available on the website are recommended to further improve communication with targeted groups for specific purposes, such as potential vendors and contractors.

Observations and Recommendations

5.1.1 The Clay County School District has a 2012 Board-approved document that serves as policy for open record requests.

Recommendation 5-1: Adopt an updated Open Records Policy that includes the role of legal counsel regarding the process and the formal designation of a District Records Management Officer.

5.1.2 With few exceptions, the District's website is up-to-date and easy to navigate; access to older Board meeting agendas and minutes may prove helpful to the public.

5.1.3 The Clay County School District has not been successful in the use of citizen advisory committees in recent years.

Recommendation 5-2: Inform the public of the importance of the Surtax Oversight Committee, establish clear guidelines for the role and responsibility of the committee and when the Board appoints the Oversight Committee, provide training for committee members as to their valuable role and responsibilities.

5.2.1 The terminology used by CCSD officials when referring to District needs and planning efforts relating to the Surtax projects and growth needs need clarification and consistency.

Recommendation 5-3: Bring consistency to the terminology used when referencing the two phases of the envisioned projects to improve community understanding.

5.2.2 All vendors and contractors wishing to do business with the District must go through a prequalification process before they are able to submit a bid; making the information on the Website more visible to vendors/contractors could be a tool for increasing participation..

Recommendation 5-4: Expand the Webpage to include more information for vendor/contractors, and more easily accessible vendor/contractor information regarding the process for doing business with CCSD.

5.3.1 CCSD has systems and procedures in place regarding the sharing of information, however the program could be enhanced by making it easier for students, staff and community members to report suspicious activity by more prominently displaying local phone numbers and local and state tip lines on CCSD’s website.

Recommendation 5-5: Enhance the website to prominently provide a mechanism and instructions to students, staff and the community members for reporting suspicious behavior.

5.4.1 Business technology in the District is improving with the conversion to Business Plus.

5.5.1 CCSD’s external audits revealed that over the last four years, the District has received unmodified opinions on its annual external audits.

CHAPTER 6 - PROGRAM COMPLIANCE

Chapter 6 presents findings related to program compliance. As part of the audit, Ressel & Associates assessed the District’s compliance with Florida Statute Title XIV, 212.055: Discretionary sales surtaxes; legislative intent; authorization and use of proceeds. Ressel & Associates further assessed the adequacy of processes and internal controls used to ensure compliance with and remediate instances of non-compliance with federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures applicable to the program areas under review.

Finding on program compliance: Of the program areas and processes reviewed, Ressel & Associates found no areas of non-compliance with related federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies as they relate to general operations and small to mid-sized construction and renovation projects. However, controls will need to be enhanced in order to handle the volume and complexity of the projects envisioned in the Surtax Resolution. The administration has taken reasonable steps to plan for increased needs in terms of Building Officials and Project Managers. Further efforts are required to address the need for additional oversight and monitoring of the competitive bidding and construction management processes.

Observations and Recommendations

6.1.1 The Clay County School Board passed a Discretionary Sales Tax Resolution that substantially complies with the requirements of Title XIV, 212.055 of the Florida Government Code.

6.1.2 The District has not yet published detailed information on the use of the Surtax funds for review by the public.

Recommendation 6-1: At the appropriate time, publish a detailed list of proposed uses of the Surtax proceeds, display these data on the District website homepage, appoint an Oversight Committee for the Clay County School District to monitor Surtax expenditures, and report back on the use of Surtax funds to the Board and community on at least a quarterly basis.

- 6.2.1 Contract management for major projects is carried out by the Facility Planning and Construction group without the benefit of a formal construction audit.

Recommendation 6-2: Arrange for construction audits to provide the Board and the public assurances that the projects and the project management activities are being accomplished effectively and efficiently, and within all legal guidelines.

- 6.2.2 The Facilities Planning and Construction Department relies heavily on the Code Enforcement Department to conduct all compliance inspections relating to fire codes and State Requirements for Education Facilities (SREF); as Surtax projects are undertaken, a clear delineation of the roles and responsibility of the Building Official and Project Managers in compliance monitoring are needed.

Recommendation 6-3: Update the job descriptions for the Building Official and the Project Manager positions to clearly delineate the roles and responsibilities for compliance monitoring and ensure that new employees are trained to assume those responsibilities.

- 6.3.1 In its evaluation, Ressel & Associates found the Clay County School District (CCSD) has adequate safety and security procedures in place to ensure compliance with Florida statutes, local policies, and inter-local agreements.

- 6.4.1 Although the ITS Department has documented certain operating procedures and is in the process of updating its procedures, the procedures available to the auditors at the time of the study were not yet complete.

Recommendation 6-4: Continue to update and document Information and Technology Services procedures.

- 6.5.1 CCSD uses the financial advisory services of Ford & Associates to ensure that the District remains in compliance with bonding covenants, principal and interest payments.

BACKGROUND AND INTRODUCTION

BACKGROUND AND INTRODUCTION

In June 2019, Ressel & Associates responded to a Request for Quote (RFQ) issued from the Florida Office of Program Policy Analysis and Governmental Accountability (OPPAGA) for a performance audit of the Clay County School District. Ressel & Associates was awarded the contract and immediately began work on the project by drafting a work plan which was first approved by OPPAGA. The work plan was then provided to the District's leadership.

As stated in the RFQ, the work plan addressed the requirements of Ch. 2018-118, *Laws of Florida*, found codified in s. 212.055(10), *Florida Statutes*, passed during the 2018 session of The Florida Legislature. The relevant portion states as follows:

212.055(1) Discretionary sales surtaxes; legislative intent; authorization and use of proceeds.—It is the legislative intent that any authorization for imposition of a discretionary sales surtax shall be published in the Florida Statutes as a subsection of this section, irrespective of the duration of the levy. Each enactment shall specify the types of counties authorized to levy; the rate or rates which may be imposed; the maximum length of time the surtax may be imposed, if any; the procedure which must be followed to secure voter approval, if required; the purpose for which the proceeds may be expended; and such other requirements as the Legislature may provide. Taxable transactions and administrative procedures shall be as provided in s. 212.054.

(10) PERFORMANCE AUDIT.—(a) For any referendum held on or after the effective date of this act to adopt a discretionary sales surtax under this section, an independent certified public accountant licensed pursuant to chapter 473 shall conduct a performance audit of the program associated with the surtax adoption proposed by the county or school district. The Office of Program Policy Analysis and Government Accountability shall procure the certified public accountant and may use carryforward funds to pay for the services of the certified public accountant. (b) At least 60 days before the referendum is held, the performance audit shall be completed and the audit report, including any findings, recommendations, or other accompanying documents shall be made available on the official website of the county or school district. The county or school district shall keep the information on its website for 2 years from the date it was posted. (c) For purposes of this subsection, the term “performance audit” means an examination of the program conducted according to applicable government auditing standards or auditing and evaluation standards of other appropriate authoritative bodies. At a minimum, a performance audit must include an examination of issues related to the following: 1. The economy, efficiency, or effectiveness of the program. 2. The structure or design of the program to accomplish its goals and objectives. 3. Alternative methods of providing program services or products. 4. Goals, objectives, and performance measures used by the program to monitor and report program accomplishments. 5. The accuracy or adequacy of public documents, reports, and requests prepared by the county or school district which relate to the program. 6. Compliance of the program with appropriate policies, rules, and laws. (d) This subsection does not apply to a referendum held to adopt the same discretionary surtax that was in place during the month of December immediately before the date of the referendum.

Statutory Charge. In accordance with s. 212.055(10), Florida Statutes, and Government Auditing Standards (2011 Revision) issued by the Comptroller General of the United States, the certified public accountant must conduct a performance audit of the Clay County School District program areas within the administrative unit(s) which will receive funds through the referendum approved by Resolution adopted by the Clay County School Board on July 8, 2019, attached hereto and incorporated herein as Appendix 2. The performance audit must evaluate the district administrative unit(s) related to new construction, reconstruction and improvement of school facilities including land acquisition; safety and security improvements; technology implementation and upgrades; and service bond indebtedness.

Audit fieldwork must include interviews with program administrators, review of relevant documentation, and other applicable methods as needed to soundly document and clearly and credibly communicate related findings and recommendations related to each of the issues described in 2.2.1.1 through 2.2.1.6. Each of the six finding statements must clearly, directly, and succinctly provide an overall conclusion regarding the program(s) performance based on an evaluation of the items identified under the applicable research task.

This performance audit is organized in the following six chapters:

- Chapter 1 - Program Economy, Efficiency, and Effectiveness
- Chapter 2 - Program Design and Structure
- Chapter 3 - Alternative Delivery Methods
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- Chapter 5 - Reporting Accuracy and Adequacy
- Chapter 6 - Program Compliance

METHODOLOGY

Ressel & Associates began the audit by developing a detailed work plan which was approved by OPPAGA and then shared with Clay County School District (CCSD) administrators. During the initial conference call with the Superintendent and key administrators, the District named the Chief of Staff as Project Manager for the audit and she and staff began the process of gathering data on the preliminary data request list created by Ressel & Associates.

During this same visit, administrators and Ressel & Associates collaboratively identified a list of peer school districts to use for comparison purposes based on their size and/or proximity to CCSD. Following that discussion, the Ressel team began gathering additional data from the Florida Department of Education and directly from the following peer school districts (**NOTE:** Peer districts were selected based on Florida Department of Education Statistics and CCSD preference):

- Alachua County School District
- Lake County School District
- Marion County School District
- St. Johns County School District
- Santa Rosa County School District

While comparison data were not used to evaluate CCSD, the information, when analyzed along with the data gathered by the District, provided valuable insights into the challenges and opportunities that may exist in the Clay County School District.

During the week of July 22, 2019, the Ressel Team conducted onsite interviews, observations and tours, and reviewed a wide array of policy and program documents. Additional telephone interviews and onsite visits occurred on an as-needed basis to ensure that all relevant data were collected and recorded.

While onsite, the Ressel Team visited nine District sites accompanied by the Building Official and the Director of Maintenance. These are shown below:

Site visits and walk-throughs of:

- Green Cove Junior High School
- Charles E. Bennett Elementary School
- W.E. Cherry Elementary School
- Orange Park High School

Drive-by visits and external assessments of:

- Swimming Pen Creek Elementary School
- Clay High School
- Lake Asbury Elementary School
- Lake Asbury Junior High School
- Orange Junior High School

In addition, the Ressel Team conducted case studies of three major capital outlay projects:

- Fleming Island High School - Advanced International Certificate of Education (AICE) Project;
- Keystone Heights Elementary School - Parking Lot; and
- Discovery Oaks Elementary School – New Construction.

The case studies examine the projects from start to finish, and identify lessons learned, if any, and how CCSD responded. The three case studies are included in the **Appendices**.

PEER COMPARISON DATA

The Clay County School District is a fast growing district. As shown in **Exhibit 1**, among its peers, only St. Johns and Santa Rosa School Districts have grown at a faster rate over the last five years.

Exhibit 1
Growth Rates in Florida Public Schools
2014-15 to 2018-19 School Years

District	# of Students 2014-15	# of Students 2015-16	# of Students 2016-17	# of Students 2017-18	# of Students 2018-19	% Change
Clay County School District	35,835	36,638	37,052	37,521	38,264	6.8%
Alachua County School District	28,689	29,305	29,485	29,764	29,845	4.0%
Lake County School District	42,152	42,462	42,516	43,174	43,947	4.3%
Marion County School District	42,517	42,786	43,040	43,119	42,941	1.0%
St. Johns County School District	35,268	36,593	38,546	40,189	41,908	18.8%
Santa Rosa County School District	26,330	26,740	27,473	27,995	28,479	8.2%

Source: Florida Department of Education, July 2019.

Of its peers, the Clay County School District receives the lowest percentage of its revenue from local sources (**Exhibit 2**); the percentage of revenues from the State is the highest among its peers.

Exhibit 2
Revenues - All Governmental Funds
2017-18 School Year*

District	Total Federal Revenues	% of Total Revenues	Total State Revenues	% of Total Revenues	Total Local Revenues	% of Total Revenues	Total Revenues
Clay County School District	\$2,556,468	0.9%	\$216,146,897	78.5%	\$56,789,348	20.6%	\$275,492,713
Alachua County School District	\$1,131,823	0.5%	\$132,851,970	57.1%	\$98,744,155	42.4%	\$232,727,948
Lake County School District	\$2,361,684	0.8%	\$202,828,469	64.9%	\$107,191,691	34.3%	\$312,381,845
Marion County School District	\$3,882,398	1.1%	\$214,263,863	63.1%	\$121,299,436	35.7%	\$339,445,697
St. Johns County School District	\$288,721	0.1%	\$165,204,418	53.7%	\$142,010,691	46.2%	\$307,503,831
Santa Rosa County School District	\$1,809,874	0.9%	\$153,974,743	73.2%	\$54,535,447	25.9%	\$210,320,064

Source: School District Annual Financial Report, Florida Department of Education, July 2019.

*latest data

Exhibits 3 and 4 explore expenditures and revenues by category. As can be seen, the Clay County School District was in the middle of total expenditures for the 2017-18 school year. Interestingly, only the Clay County School District reported debt services in 2017-18.

Exhibit 3
Expenditures - All Governmental Funds
2017-18 School Year*

District	# of Students 2017-18	Total Current Expenditures	Total Capital Outlay	Total Debt Service	Total Expenditures
Clay County School District	37,521	\$267,137,430	\$3,025,110	\$520,535	\$270,683,075
Alachua County School District	29,764	\$234,736,916	\$972,663	\$0	\$235,709,579
Lake County School District	43,174	\$321,644,257	\$760,794	\$0	\$322,405,051
Marion County School District	43,119	\$336,898,966	\$2,337,752	\$0	\$339,236,718
St. Johns County School District	40,189	\$306,401,505	\$562,439	\$0	\$306,963,944
Santa Rosa County School District	27,995	\$212,124,083	\$1,591,506	\$0	\$213,715,588

Source: School District Annual Financial Report, Florida Department of Education, July 2019.

*latest data

Exhibit 4
Categorical Program Revenues
2017-18 School Year*

District	Class Size Reduction – Operating	Florida Digital Classrooms	Safe Schools	Student Transportation
Clay County School District	\$39,522,018	\$1,081,841	\$582,345	\$6,870,438
Alachua County School District	\$30,543,214	\$953,994	\$808,893	\$3,982,516
Lake County School District	\$45,946,866	\$1,164,609	\$880,645	\$8,441,656
Marion County School District	\$43,473,393	\$1,166,980	\$872,636	\$10,319,143
St. Johns County School District	\$42,060,125	\$1,117,903	\$588,431	\$9,550,553
Santa Rosa County School District	\$29,351,423	\$927,902	\$384,609	\$6,666,868

Source: School District Annual Financial Report, Florida Department of Education, July 2019.

*latest data

Exhibits 5, 6, and 7 examine facility and technology-related allocations and appropriations with relevance to the program areas under review. The Clay County School District is the second highest in facilities and construction appropriations (**Exhibit 5**); the third highest on instruction-related technology appropriations (**Exhibit 6**); and next to lowest in administrative technology Services Appropriations (**Exhibit 7**).

Exhibit 5
Facilities Acquisition and Construction Appropriations
2018-19 School Year

District	Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Other Supplies	Capital Outlay	Other	Total
Clay County School District	\$637,785	\$178,580	\$783,256	\$1,650	\$9,864	\$1,518,053	\$500	\$3,129,687
Alachua County School District	\$49,211	\$16,304	\$10,700	\$100	\$1,000	\$39,500	\$500	\$117,315
Lake County School District	\$378,270	\$136,593	\$161,700	-	\$1,440	\$80,928	\$305	\$759,236
Marion County School District	\$537,785	\$171,986	\$79,325	\$3,000	\$11,300	\$531,167	\$2,500	\$1,337,063
St. Johns County School District	\$1,037,594	\$363,039	\$3,001,473	\$11,450	\$7,600	\$3,175	\$21,865	\$4,446,196
Santa Rosa County School District	-	-	-	-	-	\$13,288	-	\$13,288

Source: School District Summary Budget, Florida Department of Education, July 2019.

Exhibit 6
Instruction-Related Technology Appropriations
2018-19 School Year

District	Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Other Supplies	Capital Outlay	Other	Total
Clay County School District	\$2,925,059	\$816,586	\$1,044,731	-	\$86,037	\$593,492	-	\$5,465,904
Alachua County School District	\$2,331,071	\$679,948	\$222,300	\$3,100	\$45,420	\$67,680	\$500	\$3,350,019
Lake County School District	\$664,327	\$188,111	\$80,000	-	-	-	-	\$932,438
Marion County School District	\$1,409,213	\$492,398	\$741,030	\$6,200	\$27,025	\$168,800	\$27,000	\$2,871,666
St. Johns County School District	\$3,772,695	\$1,307,627	\$4,059,915	\$2,000	-	\$16,790	-	\$9,159,027
Santa Rosa County School District	\$1,842,313	\$590,890	\$534,641	\$8,792	\$10,017	\$2,712,671	\$218	\$5,699,541

Source: School District Summary Budget, Florida Department of Education, July 2019.

Exhibit 7
Administrative Technology Services Appropriations
2018-19 School Year

District	Salaries	Employee Benefits	Purchased Services	Energy Services	Materials and Other Supplies	Capital Outlay	Other	Total
Clay County School District	\$598,185	\$167,492	\$199,350	\$6,800	\$16,925	\$2,750	\$10,332	\$1,001,833
Alachua County School District	\$1,113,278	\$312,964	\$100,000	-	-	-	-	\$1,526,242
Lake County School District	\$1,696,997	\$590,751	\$2,074,732	-	\$60,605	\$525,701	\$26,205	\$4,974,991
Marion County School District	\$1,640,888	\$478,765	\$3,187,602	\$2,000	\$20,298	\$2,646,077	\$20,250	\$7,995,880
St. Johns County School District	\$332,558	\$120,552	\$250,778	-	\$6,750	\$277,366	\$475	\$988,479
Santa Rosa County School District	\$1,243,679	\$353,185	\$751,610	-	\$9,911	\$114,051	-	\$2,472,435

Source: School District Summary Budget, Florida Department of Education, July 2019.

Exhibits 8 through 10 examine safety and security-related allocations and appropriations. These allocations and appropriations are consistent with peer districts.

Exhibit 8
Safe Schools Allocation
2018-19 School Year*

District	Allocation Minimum	2016 Crime Index	Allocation Based On Crime Index	Unweighted FTE*	Allocation Based On Unweighted	Additional School Resources Officers Allocation	Total Safe Schools Allocation
Clay County School District	\$250,000	4,160	\$260,373	37,518	\$263,550	\$1,117,951	\$1,891,874
Alachua County School District	\$250,000	9,210	\$576,451	29,460	\$206,943	\$877,830	\$1,911,224
Lake County School District	\$250,000	7,500	\$469,422	42,918	\$301,480	\$1,278,847	\$2,299,749
Marion County School District	\$250,000	9,097	\$569,378	42,957	\$301,752	\$1,280,003	\$2,401,133
St. Johns County School District	\$250,000	4,141	\$249,184	40,654	\$284,573	\$1,211,374	\$2,006,131
Santa Rosa County School District	\$250,000	2,177	\$136,258	27,922	\$196,137	\$831,992	\$1,414,387

Source: Funding Allocations, Florida Department of Education, July 2019.

*July 17, 2018 FTE count

**Exhibit 9
Safe Schools Appropriation District Expenditures
2017-18 School Year***

District	School Resources Officers	Middle and High School Programs for Correction of Specific Discipline Problems	Other Improvements to Enhance the Learning Environment (Continued)	Behavior Driven Intervention Programs (Continued)	Alternative School Programs for Adjudicated Youth (Continued)	Suicide Prevention	Bullying Prevention and Intervention	Detection Dogs	Total Safe Schools Appropriation Expenditure (Not Including Flexibility Option)
Clay County School District	\$517,083	\$18,000	\$1,200	\$12,689	-	-	\$15,031	-	\$564,003
Alachua County School District	\$806,893	-	-	-	-	-	-	-	\$806,893
Lake County School District	\$812,078	-	\$45,226	\$6,342	\$7,111	\$6,113	\$3,775	-	\$880,645
Marion County School District	\$872,636	-	-	-	-	-	-	-	\$872,636
St. Johns County School District	\$587,756	-	-	-	-	-	\$675	-	\$588,431
Santa Rosa County School District	\$398,918	\$49,278	-	-	-	-	\$7,061	\$28,561	\$483,818

Source: Safe Schools Appropriation Report, Florida Department of Education, July 2019.

*latest data

**Exhibit 10
Mental Health Assistance Allocation
2018-19 School Year**

District	Unweighted FTE*	Allocation Based On Unweighted FTE	Minimum Funding \$100,000 Per District	Total Mental Health Allocation
Clay County School District	37,518	\$826,049	\$100,000	\$926,049
Alachua County School District	29,460	\$648,625	\$100,000	\$748,625
Lake County School District	42,918	\$944,934	\$100,000	\$1,044,934
Marion County School District	42,957	\$945,788	\$100,000	\$1,045,788
St. Johns County School District	40,654	\$895,078	\$100,000	\$995,078
Santa Rosa County School District	27,922	\$614,755	\$100,000	\$714,755

Source: Florida Education Finance Program, Florida Department of Education, July 2019.

*March 6, 2018 FTE count

Exhibits 11 through 15 compare various facility-related factors, including the number and types of facilities as well as energy costs. As can be seen, in Exhibit 14, CCSD has the third newest facilities behind Lake and St. Johns School Districts.

**Exhibit 11
Annual Energy Cost Information
2017-18 School Year**

District	Natural Gas	Bottled Gas	Electricity	Heating Oil	All Energy	F.I.S.H. GSF	COFTE	Square Foot Cost		Cost Per COFTE	
								All Energy	Elec Only	All Energy	Elec Only
Clay County School District	-	\$3,775	\$6,880,700	\$99,467	\$6,983,942	\$6,743,458	35,308	\$1.04	\$1.02	\$197.80	\$194.88
Alachua County School District	\$278,710	\$104,091	\$7,606,225	-	\$7,989,026	\$5,477,066	26,033	\$1.46	\$1.39	\$306.89	\$292.18
Lake County School District	\$129,492	\$38,443	\$7,499,221	-	\$7,667,155	\$7,946,498	39,887	\$0.96	\$0.94	\$192.22	\$188.01
Marion County School District	\$68,735	\$53,817	\$8,024,459	\$110	\$8,147,121	\$7,587,841	40,608	\$1.07	\$1.06	\$200.63	\$197.61
St. Johns County School District	\$50,279	\$93,962	\$5,807,648	\$34,559	\$5,986,449	\$6,353,499	38,728	\$0.94	\$0.91	\$154.58	\$149.96
Santa Rosa County School District	\$163,659	\$9,711	\$5,847,942	-	\$6,021,312	\$4,398,171	26,805	\$1.37	\$1.33	\$224.63	\$218.16

Source: District Financial Report, Florida Department of Education, July 2019.

**Exhibit 12
Number of Total Classrooms
2016-17 School Year***

District	K-3 Core Classrooms	4-8 Core Classrooms	9-12 Core Classrooms	ESE Core Classrooms	Total Core Classrooms	Total Non-Core Classrooms	Total Classrooms
Clay County School District	702	598	494	199	1,993	194	2,187
Alachua County School District	562	473	290	144	1,469	163	1,632
Lake County School District	772	809	420	168	2,169	259	2,428
Marion County School District	772	701	421	205	2,099	252	2,351
St. Johns County School District	747	671	369	115	1,902	265	2,167
Santa Rosa County School District	488	533	293	106	1,420	108	1,528

Source: Florida Inventory of School Houses, Florida Department of Education, July 2019.

*latest data

Exhibit 13
Number of Facility Types
2016-17 School Year

Facility Type	Clay County School District	Alachua County School District	Lake County School District	Marion County School District	St. Johns County School District	Santa Rosa County School District
Vacant	0	3	1	0	1	0
PreKSE	0	0	0	0	0	1
Kindergarten	0	1	0	0	0	0
Elementary	26	21	24	30	19	16
Middle	6	6	10	8	7	7
Junior High	0	0	1	0	0	0
Senior High	6	6	8	8	6	4
Exceptional Student	0	2	1	1	0	1
Combination	1	3	1	2	3	2
Alternative Education	2	0	1	0	1	0
Adult Education	0	0	0	1	0	0
County Administration	2	1	2	6	4	3
Warehouse	0	0	0	0	0	0
Maintenance	0	0	0	0	2	0
Transportation	3	0	3	1	2	0
Food Service	0	0	0	0	0	0
Community Service	0	6	0	1	0	0
Joint Use	0	0	0	0	0	0
Multiple Use Support	3	3	10	5	0	0
VoTech	0	0	1	0	1	1
State School	0	0	0	0	0	0
Other	0	0	0	0	0	0
Leased to another entity	0	0	1	0	0	0
Agriculture Farm	0	0	0	0	0	0
Total	49	52	64	63	46	35

Source: Florida Inventory of School Houses, Florida Department of Education, July 2019.

Exhibit 14
Age of Permanent Facilities
2016-17 School Year

District	Total NSF	SQFT 1-10 Yrs Old	SQFT 11-20 Yrs Old	SQFT 21-30 Yrs Old	SQFT 31-40 Yrs Old	SFT 41-50 Yrs Old	SQFT >50 Yrs Old	Avg Age
Clay County School District	4,892,646	16.1%	31.8%	15.9%	11.3%	16.5%	8.5%	28
Alachua County School District	5,033,979	3.6%	11.4%	20.0%	9.3%	24.9%	30.9%	41
Lake County School District	7,054,335	13.3%	49.1%	15.8%	3.6%	5.9%	12.2%	24
Marion County School District	6,757,375	15.2%	19.7%	27.3%	11.6%	9.0%	17.3%	31
St. Johns County School District	5,317,884	21.5%	29.7%	22.9%	8.4%	3.6%	14.0%	26
Santa Rosa County School District	4,022,095	3.1%	24.9%	23.5%	13.9%	15.9%	18.6%	35

Source: Florida Inventory of School Houses, Florida Department of Education, July 2019.

Exhibit 15 shows that many of the District's relocatable facilities are over 40 years old.

Exhibit 15
Age of Relocatable Facilities
2016-17 School Year*

District	Total NSF	SQFT 1-10 Yrs Old	SQFT 11-20 Yrs Old	SQFT >20 Yrs Old	Avg Age
Clay County School District	1,314,373	0.9%	1.2%	97.9%	43
Alachua County School District	226,925	20.3%	15.0%	64.8%	34
Lake County School District	397,672	12.5%	17.3%	70.2%	26
Marion County School District	364,299	0.0%	5.1%	94.9%	44
St. Johns County School District	311,879	29.7%	67.3%	3.0%	10
Santa Rosa County School District	65,629	36.7%	39.5%	23.8%	23

Source: Florida Inventory of School Houses, Florida Department of Education, July 2019.

*latest data

Exhibit 16 shows the number of relocatable classrooms in each District. As can be seen, the Clay County School District has almost as many portable facilities as all peer school districts combined. In contrast, Florida's largest school district, Miami-Dade School District, reports only 361 portables in 2017-18.

Exhibit 16
Number of Relocatable Classrooms
2017-18 School Year

District	K-3 Core Classrooms	4-8 Core Classrooms	9-12 Core Classroom	ESE Core Classroom	Total Core Classrooms	Total Non-Core Classrooms	Total Classrooms
Clay County School District	187	324	205	99	815	30	845
Alachua County School District	59	9	3	3	74	-	74
Lake County School District	148	112	44	14	318	1	319
Marion County School District	30	28	3	9	70	-	70
St. Johns County School District	147	128	66	5	346	7	353
Santa Rosa County School District	14	14	16	5	49	1	50

Source: Florida Inventory of School Houses, Florida Department of Education, July 2019.

* Includes all satisfactory replaced relocatables.

Exhibits 17 through 20 examine staffing levels and categories for relocation of the peer school districts. As can be seen, CCSD has the second highest number of administrative staff and the third highest number of instructional staff.

Exhibit 17
Support Staff in Florida's Public Schools
2018-19 School Year

District	Other Professional Staff Non-instructional	School Resources Officers	Para-professional	Technicians	Administrative Support Workers	Service Workers	Skilled Crafts Workers	Unskilled Laborers	Total Support Staff
Clay County School District	193	29	588	45	306	747	57	6	1,971
Alachua County School District	139	2	52	46	213	317	70	15	854
Lake County School District	188	4	39	54	401	429	77	31	1,223
Marion County School District	173	0	961	60	505	1,002	110	24	2,835
St. Johns County School District	149	0	360	49	282	728	47	20	1,635
Santa Rosa County School District	69	2	684	52	189	49	36	1	1,082

Source: Staff in Florida's Public Schools, Florida Department of Education, July 2019.

Exhibit 18
Administrative Staff in Florida's Public Schools
2018-19 School Year

District	Officials, Administrators and Managers-Instructional	Officials, Administrators and Managers-Non-Instructional	Officials, Administrators, Managers Total	Consultants/Supervisors of Instruction	Principals	Assistant Principals	Deans/Curriculum Coordinators	Total Administrative Staff
Clay County School District	18	40	58	10	45	71	7	191
Alachua County School District	18	23	41	7	41	53	1	143
Lake County School District	17	18	35	8	46	94	2	185
Marion County School District	33	20	53	14	56	94	3	220
St. Johns County School District	29	28	57	6	40	63	8	174
Santa Rosa County School District	12	5	17	14	35	41	0	107

Source: Staff in Florida's Public School, Florida Department of Education, July 2019.

Exhibit 19
Instructional Staff in Florida's Public Schools
2018-19 School Year

District	Elementary Teachers (PK-6)	Secondary Teachers (7-12)	Exceptional Education Teachers	Other Teachers	Total Teachers	Guidance	Visiting Teachers/Social Workers	School Psychologists	Librarians/Audio Visual Workers	Other Professional Instructional Staff	Total Instructional Staff
Clay County School District	1,104	916	484	55	2,559	98	13	19	43	160	2,892
Alachua County School District	740	440	226	7	1,413	56	0	2	43	114	1,628
Lake County School District	1,172	1,011	389	68	2,640	97	15	15	38	279	3,084
Marion County School District	1,140	992	410	35	2,577	98	16	18	47	289	3,045
St. Johns County School District	988	969	388	74	2,419	97	11	18	36	237	2,818
Santa Rosa County School District	889	702	441	82	2,114	65	6	12	32	120	2,349

Source: Staff in Florida's Public School, Florida Department of Education, July 2019.

Exhibit 20
Total Staff by Category in Florida's Public Schools
2018-19 School Year

District	Clay County School District	Alachua County School District	Lake County School District	Marion County School District	St. Johns County School District	Santa Rosa County School District
Officials, Administrators and Managers	58	41	35	53	57	17
Consultants, Supervisors of Instruction	10	7	8	14	6	14
Principals	45	41	46	56	40	35
Assistant Principals	71	53	94	94	63	41
Community Education Coordinators	7	1	2	3	8	0
Elementary Teachers (PK-6)	1,104	740	1,172	1,140	988	889
Secondary Teachers (7-12)	916	440	1,011	992	969	702
Exceptional Students Education Teachers	484	226	389	410	388	441
Other Teachers	55	7	68	35	74	82
Guidance Counselors	98	56	97	98	97	65
Social Workers	13	0	15	16	11	6
School Psychologists	19	2	15	18	18	12
Librarians/Audio-Visual Workers	43	43	38	47	36	32
Instructional Professional Staff	160	114	279	289	237	120
Non-Instructional Professional Staff	193	139	188	173	149	69
School Resource Officers	29	2	4	0	0	2
Paraprofessionals	588	52	39	961	360	684
Technicians	45	46	54	60	49	52
Clerical/Secretarial	306	213	401	505	282	189
Service Workers	747	317	429	1,002	728	49
Skilled Crafts Workers	57	70	77	110	47	36
Laborers, Unskilled	6	15	31	24	20	1
Total Full-Time Staff	5,054	2,625	4,492	6,100	4,627	3,538

Source: Staff in Florida's Public School, Florida Department of Education, July 2019.

Exhibit 21 shows the list of referenda in peer school districts.

Exhibit 21
Referenda in Last 10 Years
in Comparison School Districts

District	Referendum (Yes/No)	# of Referenda	Issues	Years	Amount
Clay County School District	Yes (1 mill property tax)	1	Safety and Security and other operational expenses	Four years (July 1, 2019-June 30, 2023)	\$12 million annually
	October - November 2019	Pending	New construction, reconstruction and improvement of school facilities including land acquisition; safety and security improvements; technology implementation and upgrades; and service bond indebtedness	30 years (January 1, 2020 – December 31, 2049)	\$403,929,990
Alachua County School District	Yes (Half-cent Sales Tax)	1	Safety and security improvements; repair, renovation and remodeling of Board-owned schools, including modernization of classrooms, science labs and other spaces; technology; elimination of portable classrooms; new construction; land acquisition and improvement	2019-2030	Estimated \$20 million annually over 12-year period
Lake County School District	Yes (Property Tax and County 1 cent Sales Tax)	2	Safety and security (Property Tax); capital projects and purposes (District's allowance of County 1-cent sales tax)	2019-2022 (Property Tax); 2018-2033 (County 1 cent Sales Tax)	Approximately \$16 million annually (Property Tax); Approximately \$5.3 million to the District (County 1 cent sales tax)
Marion County School District	Yes (Millage Referendum)	1	Additional safe school measures; faculty competitive pay and raises, the arts programs; library media services; vocational programs	2019-2023	Estimated \$18 million annually for four-year period
St. Johns County School District	Yes (Half-cent Sales Tax)	1	New construction; safety and security improvements; building expansions, renovation; and technology upgrades	2016-2025	\$13 million annually over 10-year period
Santa Rosa County School District	Yes (Half-cent Sales Tax)	1	New school district facilities, renovations, and additions; land acquisition and improvements; technology equipment upgrades; and design and engineering costs	2019-2028	Approximately \$9.1 million annually over 10-year period

Source: Phone calls to Comparison Districts, July 2019.

Exhibit 22 shows similar information conducted by the Florida Finance Council in 2018.

**Exhibit 22
Florida Millage Survey Results
2018**

District	Operating Millage							
	Does your district currently levy a voter approved millage (Mil) levy for operations?	If yes, how much?	What is the money used for (salaries, security, etc.)?	Do you share the revenues with charter schools?	If no, do you plan to ask for an additional millage (Mil) levy in the future?	Primary 2018 Local Tax and Millage (Mil) Referendums	If you are planning a referendum, how much are you planning to ask for and which election? Are you planning to share with your charter schools?	What do you plan to use the money for (salaries, security, etc.)?
Clay County School District	No	NA		N/A	Yes	1 Mil for safety and security needs as well as other operational expenses	1 Mil August	Safety and security and other operational expenses
Alachua County School District	Yes	1 Mil	Instructional tech, magnet, art & music programs, guidance counselors.	No	N/A			
Lake County School District	No			N/A	Yes	.75 Mil for school safety and student welfare	.75 Mil, 2018 primary, haven't decided	School safety and security
Marion County School District	Yes	1 Mil	Salaries for class size reduction, paraprofessionals, art, music media, PE at elementary schools, vocational programs	No	No	1 Mil for operating expenses	Asking for a renewal of another 4 years	Salaries for CSR teachers; paras ;art music media PE for elementary schools; vocational programs and safety
St. Johns County School District	No			N/A	No			
Santa Rosa County School District	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Exhibit 22 (Continued)
Florida Millage Survey Results
2018**

District	Sales Tax				
	Do you have an approved sales tax?	How much is your sales tax, or your portion of the shared sales tax (.5, .25, etc.)?	Do you share your sales tax revenues with charter schools?	If you don't have a sales tax, do you plan to ask for one in the year future?	If you are planning a sales tax referendum, how much would you receive and which election? Do you plan to share the revenue with charter schools?
Clay County School District	Yes, the Local Government Infrastructure Surtax that is shared with the county	0.10	No	Yes, the School Capital Outlay Surtax	Half-cent sales tax, approximately \$12.5 million per year, no to charter schools
Alachua County School District	No	N/A	N/A	Yes, the School Capital Outlay Surtax	\$22 million annually, November 2018
Lake County School District	Yes, the Local Government Infrastructure Surtax that is shared with the county	0.33	No	N/A	N/A
Marion County School District	No	N/A	N/A	No	N/A
St. Johns County School District	Yes, School Capital Outlay Surtax	0.50	No	N/A	N/A
Santa Rosa County School District	N/A	N/A	N/A	N/A	N/A

Source: Florida Finance Council, 2018.

***CHAPTER 1:
PROGRAM ECONOMY, EFFICIENCY,
AND EFFECTIVENESS***

1.0 PROGRAM ECONOMY, EFFICIENCY, AND EFFECTIVENESS

Chapter 1 presents audit findings related to the economy, efficiency, and effectiveness of the program areas under review. As part of field work, Ressel & Associates examined the District's internal monitoring structure including management reporting and the results of internal and external audits and operational performance reviews. In addition, Ressel & Associates evaluated program performance and costs and thoroughly researched the strengths and weaknesses associated with past projects of similar size and complexity.

The specific audit evaluation tasks are provided below:

- 1. Reviewed any management reports/data that program administrators use on a regular basis and determine whether this information is adequate to monitor program performance and cost;*
- 2. Determined whether the program is periodically evaluated using performance information and other reasonable criteria to assess program performance and cost;*
- 3. Reviewed findings and recommendations included in any relevant internal or external reports on program performance and cost;*
- 4. Determined whether program administrators have taken reasonable and timely actions to address any deficiencies in program performance and/or cost identified in management reports/data, periodic program evaluations, audits, etc.;*
- 5. Evaluated program performance and cost based on reasonable measures, including best practices;*
- 6. Evaluated the cost, timing, and quality of current program efforts based on a reasonably sized sample of projects to determine whether they were of reasonable cost and completed well, on time, and within budget; and*
- 7. Determined whether the school district has established written policies and procedures to take maximum advantage of competitive procurement, volume discounts, and special pricing agreements.*

Finding on program economy, efficiency, and effectiveness: In its evaluation, Ressel & Associates found that past growth-management strategies for building core facilities surrounded by portable classrooms have resulted in an untenable situation. The District has been unable to fully comply with the State's Portable Reduction Act, portable classrooms are deteriorating with age, and costs for maintenance and utilities continue to rise. Plans for the reduction of portables need to be well-documented and implemented as soon as practically possible.

The Ressel Team also found that Board policies and operational procedures are, in many cases, outdated and incomplete. Case studies of three recent or ongoing facilities projects show that facility projects are being brought in on time and within budget. To manage the many projects envisioned in the Surtax resolution additional monitoring and internal controls will be required to maintain this level of performance.

In this chapter, program economy, efficiency, and effectiveness in the Clay County School District is presented in the following functional areas:

- 1.1 Districtwide Support for Areas Under Review
- 1.2 Facilities Planning, Use, and Construction
- 1.3 Safety and Security Improvements
- 1.4 Technology Implementation and Upgrades
- 1.5 Service Bond Indebtedness

1.1 DISTRICTWIDE SUPPORT FOR AREAS UNDER REVIEW

In this section the following topics are addressed:

- 1.1.1 Management Reports to the School Board
- 1.1.2 School Board Policies

1.1.1 Management Reports to School Board

OBSERVATION: Management Reports to the Board provide appropriate detail for Board to take action at meetings.

During the performance audit, Ressel & Associates reviewed agenda items which included management reports and presentation materials presented to the Board over the last 12 months as well as selected past reports relevant to this audit.

Some of the more data intensive reports and presentations reviewed included the following:

- First Coast Expressway Presentation by Superintendent – October 2018
- Budget presentations for the last three years and Preliminary for 2019-20
- Various presentations made by Operations relating to the assessed deferred maintenance and projected growth needs
- Police Department Scenarios – January 2019
- School Impact Fee Technical Report – April 2017

As can be seen, several were budget presentations with detailed budget timelines, proposed millage levy information, and information on capital outlay items”.

This review found management reports to be sufficiently detailed. No instances were found to suggest that the data are not accurate or complete.

1.1.2 School Board Policies

OBSERVATION: With the exception of Section 1 of the School Board Policy Manual, the policies of the Clay County School Board are very outdated.

Effective district management requires sound, clearly written and legally valid policies. The State of Florida mandates that each school board adopt policies that govern the operation of its schools and make them accessible to all school employees and the public. (Administrative Procedure Act, Chapter 120, Florida Statutes).

The Clay County School District has a policy manual (entitled School Board Rules). The school board's responsibility for maintaining the policy manual has been assigned to the Coordinator of Strategic Planning and Community Partnerships who prepares drafts of proposed or revised policies with input from other senior staff.

The Clay County School Board has a policy (rule) that provides guidelines for the development of proposed policies or policy amendments, and their submission to and adoption by the Board (School Board Rule 1.02F). This policy states:

All School Board policies shall be reviewed with regularity by the Superintendent or his or her designee(s). The review shall be for the purpose of identifying and correcting deficiencies in Board policies, clarifying and simplifying policies, deleting obsolete, unnecessary or redundant policies, and ensuring their compliance with statutory and other legal requirements.

A review of the Clay County School Board Rules Manual found that, in general, policies (rules) have been developed sporadically primarily when legislation warrants an update. The complete school board rules manual has not been completely updated since 1981. A review of the manual found that the majority of policies are very out-of-date.

In 1998, MGT of America conducted a Performance Audit of the Clay County School District for OPPAGA. MGT stated an identical finding over a decade ago. In other words, in 1998, the manual contained many 1981 policies. MGT recommended that the District:

...conduct a comprehensive review of the district's policy manual to purge policies that are no longer needed, eliminate areas of duplication in policy, and assess the need for additional policies.

Clear, updated policies should provide a framework for Board and school district decisions. Generally, school board policy manuals necessitate a complete comprehensive review at least every ten years. With the exemption of Section 1 of the Manual which was completely updated in 2018 and 2019 over a two-year period, no other Board policy sections have been purged by the Board.

As the result the School Board of Clay County continues to rely on outdated policies, and therefore, many old administrative procedures created by senior staff.

RECOMMENDATION

Recommendation 1-1:

Promptly update the Board’s Policy Manual and include a review by legal staff.

The Florida School Board Association should be consulted about the procedures used by other Florida schools to update their board policy manual.

1.2 FACILITIES PLANNING, USE, AND CONSTRUCTION

In this section the following topics are addressed:

- 1.2.1 Case Studies of Past Projects
- 1.2.2 Department of Education Oversight
- 1.2.3 Portables
- 1.2.4 Deferred Maintenance

1.2.1 Case Studies of Past Projects

Ressel & Associates conducted case studies of three major capital outlay projects.

- Fleming Island High School - Advanced International Certificate of Education (AICE) Project
- Keystone Heights Elementary School - Parking Lot
- Discovery Oaks Elementary School – New Construction

The case studies examine the projects from start to finish, and identify lessons learned, if any, and how CCSD responded to correct any missteps in the process.

In general, the projects were well-managed. Highlights of each case study are presented here. Full copies of the case studies can be found in **Appendices A** through **C** of this report.

OBSERVATION: Case Studies of three projects indicate that past projects have come in on time and within budget; contract management recommendations made by the Auditor General are being addressed in part by documented operating procedures, however, more work is required.

The management of recent projects provide evidence of the District’s ability to effectively and efficiently manage the project envisioned in the Surtax Reference.

**Fleming Island High School - Advanced International
Certificate of Education (AICE) Project**

Project Description: The Fleming Island High School AICE Project is a new construction addition of an AICE testing facility on the existing Fleming Island High School site. AICE, Advanced International Certificate Education, is a set of challenging college-level classes for high school students of Education developed by Cambridge Assessment, a non-profit department of the University of Cambridge in England.

The strategic location of the AICE building site to Fleming High School was important because Fleming Island High used funds earned and received from their AICE program to build the testing facility for the students. As this project is a testing facility, CCSD student station capacity did not change as a result of this building addition.

To the recollection of current CCSD staff, this project ran relatively smoothly with the projected final completion date scheduled for January 21, 2019 with actual final completion on March 14, 2019. Fleming Island High School was an active school campus during construction, and unexpected site conditions were discovered. Storm drain repairs had to be addressed after damage was uncovered. Multiple storm drains located adjacent to the building needed repairs. Required storm drains repair was added to the original contract and funded by CCSD Local Capital Improvement Funds (LCIF).

Project Start Date: April 26, 2018

Expected Final Project Completion Date: January 21, 2019

Actual Project Completion Date: March 14, 2019

Projected Project Cost: \$1,082,636

Final Actual Project Cost: \$1,126,427

Project Cost Variance: \$43,791, or approximately 4%, and within District tolerance of 10%

Location: 2233 Village Square Parkway, Orange Park, FL 32003

Land Size: 60 Acre Total School Site

Building/Addition Size: 6,175 Square Feet Gross

Construction Type: Addition/New Construction Type II

Funding Source(s): AICE Funds (New Construction) /LCIF Funds (Erosion Control)

Lessons Learned: District staff anticipate no process changes but highlight the importance of scheduling for weather contingences and unforeseen challenges especially relative to storms. In summary, storm drains failed at the boxes and the ground around storm drain boxes opened and created sinkholes from drainage issues due to Hurricanes Irma and Matthew. Fleming Island and Fleming Island High School flooding is an ongoing issue due to the nature of the site. District staff is addressing any problems as they arise. If funding allows, exploratory studies of the existing storm water pipe are desired in an effort to catch any failures in the early stages of impact instead of waiting for complete failure.

Keystone Heights Elementary School - Parking Lot

Project Description: The Keystone Heights Elementary School parking lot improvement project was substantially complete August 9, 2019 with final completion expected August 24, 2019. This project is important because traffic during parent pick up was disrupting and crowding the surrounding neighborhood streets and properties.

Keystone Heights is located in a remote area of Clay County and, as such, presented challenges with a lack of contractor interest and higher than normal prices. Construction ran smoothly; however, a water main had to be relocated by the local utility company.

Project Start Date: May 14, 2019

Expected Project Substantial Completion Date: August 9, 2019

Actual Project Substantial Completion Date: August 9, 2019

Projected Final Project Cost: \$475,443

Final Actual Project Cost: Not available until Final Completion

Project Cost Variance: Not available until Final Completion

Location: Keystone Heights Elementary

Land Size: .71 acre

Construction Type: Site Improvements (New Parent Pickup/Parking)

Funding Source(s): LCIF (1.5 mil) Funds (Local Capital)

Lessons Learned: The land for this project was apparently strategically important to the school because of its proximity to the school and safety concerns. In an effort to effectively drive purchase negotiations, Facilities staff wisely obtained a property appraisal resulting in a purchase price significantly lower than the original sales offer. Facilities staff are updating the District Facilities and Construction Procedures Manual and plan to include guidance on property acquisition to ensure consistency and efficiency. Further, the Project Manager plans to observe site use to help implement new traffic patterns and report to engineer on any issues.

OBSERVATION: Although CCSD administrators said they follow Florida Statutes requiring an appraisal on purchases of land greater than \$100,000, no general guidance relating the need for land appraisals is found in Board Policy or procedures.

Section 1013.14(b), Florida Statutes, requires one appraisal on purchases of land greater than \$100,000.

The parking lot expansion purchase was for approximately .71 acres of land adjacent to Keystone Heights Elementary School. Although this offer fell below the legal threshold for an appraisal, an appraisal obtained by the seller valued the property at \$33,000 in November 2017. The District's appraiser, Moody Appraisal Group, valued the property at \$15,000 in January 2018.

At its May 2018 regular School Board meeting, the School Board of CCSD granted authority to purchase the property for \$30,000 to improve the Keystone Heights Elementary school parking lot. In addition, \$8,000 was authorized for installation of a fence to secure the property perimeter.

Clearly there were negotiations on the price which were aided by the appraisals. In the absence of a documented policy or procedure, staff made the wise decision to pursue an independent appraisal to ensure that the District's interests were protected.

A Board Policy requiring appraisals on all real property purchases would ensure that property is purchased at or near market value, and would eliminate any perception of favoritism.

RECOMMENDATION

Recommendation 1-2:

Implement a Board Policy regarding the need for appraisals prior to all real property purchases, and document the process to be followed in the Facilities and Construction Procedures Manual.

Discovery Oaks Elementary School

Project Description: The Discovery Oaks Elementary School is a new school construction project located in the Orange Park area of Clay County called Oakleaf. The District projects student capacity at 862, with school built to accommodate STEAM, Science, Technology, Engineering, Art and Math programs, upon its final completion July 30, 2018. The Oakleaf location was chosen because of high growth in the area.

The Discovery Oaks Elementary School presented timeline and scheduling challenges. This project had to be completed in 12 months in order to open on time for the 2018-19 school year. A typical timeline for a school this size is approximately 18 months. Weather also presented challenges in that Hurricane Irma and Tropical Storm Emily both struck the area during the early stages of construction, August and September 2017. Discovery Oaks Elementary school was built in an Enhanced Hurricane Protected Area (EHPA) in order to harden the cafeteria/multipurpose space and add a 400 kilowatt generator. Days were added to the original contract to accommodate changes due to weather, but the school was finished in time for the beginning of school year.

- Project Start Date:** June 29, 2017
- Expected Final Completion Date:** July 2, 2018
- Actual Project Final Completion Date:** July 30, 2018
- Original Contract Amount:** \$20,770,188 (includes Sitework Cost \$2,564,555)
- Final/Actual Project Cost:** \$21,014,300
- Project Cost Variance:** \$244,112, approximately 1%, and within District tolerance of 10%
- Location:** 950 Plantation Oaks Parkway, Orange Park, FL 32065
- Land Size:** 63 acre
- Building/Addition Size:** 110,000 Square Feet
- Construction Type:** Type 2 New Construction
- Funding Source(s):** Impact Fees and LCIF

OBSERVATION: CCSD created the Facilities Planning and Construction Procedures Manual to address recommendations made by the Auditor General’s Operational Audit Report No. 2019-115 dated February 2019 that contained findings specifically relating to the Discovery Oaks Elementary project.

Subsequent to completion of Discovery Oaks Elementary School, the District underwent an operational audit conducted by the Florida Auditor General. Auditor General Operational Audit Report No. 2019-115 dated February 2019 noted four findings relative to selected District Facilities Management processes and administrative activities. **Exhibit 1-1** provides a summary of those findings.

The Auditor General recommended closer monitoring of construction payment requests, enhancement of the subcontractor selection process, better documentation of subcontractor licenses, and enhancement of controls over negotiating, monitoring, and documenting reasonableness of general conditions costs.

According to Facilities staff, Auditor General findings and recommendations have been discussed and analyzed to develop recommended procedures. Draft and final procedures provided to Ressel & Associates address the majority of concerns. For example, procedures contain language addressing the need to compare and monitor CME pay requests relative to GMP and subcontracts.

Exhibit 1-1
Summary of 2018 Auditor General Findings
relating to Construction Management

CLAY COUNTY DISTRICT SCHOOL BOARD

SUMMARY

This operational audit of the Clay County School District (District) focused on selected District processes and administrative activities and included a follow-up on findings noted in our report No. 2017-069 and management letter comments in the 2016-17 financial audit report. Our operational audit disclosed the following:

Finding 1: District personnel did not compare construction management entity (CME) pay requests to the CME guaranteed maximum price (GMP) contracts and subcontractor contracts for the Discovery Oaks Elementary School Project. The CME GMP contracts were \$20.8 million, including \$18.6 million for subcontractor services.

Finding 2: District construction administration monitoring procedures for the Discovery Oaks Elementary School Project did not include District personnel attendance at the subcontractor bid openings or documented comparisons of the subcontractor bids and contracts to verify that the CME used a competitive selection process to select subcontractors and that the selected bid and contract amounts agreed.

Finding 3: The District did not verify the licenses of subcontractors before they commenced work on the Discovery Oaks Elementary School Project.

Finding 4: The District needs to enhance controls over negotiating, monitoring, and documenting the reasonableness of CME general conditions costs.

Source: Auditor General Operational Audit Report No. 2019-15, February 2019.

In some instances, however, CCSD management response to the findings were to defer to the contracts with the Architect and Construction Managers. For example, for Finding 3, Management gave the following response:

District Response:

The District contracted with a Construction Manager for this project. Utilizing this approach, the CM is legally and financially responsible for the performance of the subcontractors on the project. The CM is charged with the responsibility of bidding, selecting and contracting with the subcontractors. These responsibilities include ensuring that subcontractors have the required license, insurance and bonds. District staff deems this to be a contractual responsibility of the CM. Utilizing the CM at-risk concept, the District is currently not required by either state or local Board policy to do so. The district does receive the subcontractor license information from the CM on the project Building Permit Application. District procedures are being developed to ensure this information is verified by District personnel prior to issuance of the Permit. As the audit finding states, all of the subcontractors that were checked had the appropriate license.

In this regard, the question then becomes “Who is monitoring the CM contract, and what is the District’s responsibility for ensuring that the CM is fulfilling the terms and conditions of the contract?”

The procedures manual addresses the review of invoices for payment by staff but does not address *how* CMs are to be monitored and managed, and what level of due diligence is needed to ensure compliance with all contract terms and conditions. For example, the procedures require the Project Manager to perform inspections relating to permitting, but do not establish expectations for periodic and ongoing on-site monitoring visits throughout the life of the project. Interviews and project documentation confirmed that Project Managers are on-site conducting this level of monitoring on an ongoing basis, but that expectation is not discussed in the manual.

In another example, the procedures contain a number of references and checklists regarding the items that are to be maintained in the project files, but there is no mention of periodic checks by management to ensure that those files are complete and well organized.

As employees or contractors are brought in to assist with the management of the many projects envisioned in the Surtax resolution, having clearer guidelines and expectations will be needed for training and accountability purposes.

RECOMMENDATION

Recommendation 1-3:

Update the procedures to ensure that newly hired or contracted Project Managers understand how they are expected to provide adequate and appropriate oversight, as well as maintain project documentation.

1.2.2 Department of Education Oversight

OBSERVATION: Ressel & Associates found that CCSD has complied with state reporting requirements for facilities and a review of the internal assessments of facility condition and need is based on supported facts. The District could, however, benefit from a cost analysis when assessing final project strategies and designs. While not required for locally funded facility projects, using this type of information in the decision-making process is generally considered an industry best practice.

The Facility Planning and Construction Department conducts an Educational Plant Survey every five years as required by the Florida Department of Education (DOE). The Plant Survey provides detailed facility information for each school site, the use of existing facilities and projects future facility needs. The most recent Educational Facilities Plant Survey was conducted in 2016 and is valid through 2021. The next scheduled 5-Year Plant Survey is due to be conducted in 2021.

Florida school districts that receive State Public Education Capital Outlay Funding (PECO) are required to follow certain state requirements provided in Florida Statute (1013.31) that in summary include, but are not limited to:

- a documentation of need by the School District;
- a cost analysis of replacing or renovating the facility to meet the need;
- approval by the Florida Department of Education

The following excerpts from the Florida Department of Education's application for *Room Condition Change Building Replacement/Raze (Exhibit 1-2)* describe some of the basic reporting and approval requirements.

As shown, the guidelines are built to ensure that districts have done their due diligence in terms of pre-construction planning, construction management, and analyzing the costs and benefits of renovation versus new construction.

CCSD conducted an internal needs assessment and prepared a comprehensive list of needs that form the basis for the projects to be addressed by the Surtax Referendum. Through tours of a sample of CCSD facilities and a review of the details associated with the CCSD needs assessment, Ressel & Associates found no instances where the district-developed needs assessment were inaccurate or misleading. The details of the CCSD assessment, however, may not meet the FLDOE requirements shown above, but are not currently relevant since the projects, as envisioned, will be funded with local funds.

Recent changes to Florida Statutes Chapter 1013 relating to Educational Facilities removed certain reporting and approval requirements by the Florida Department of Education when districts use local funds.

Exhibit 1-2
Excerpts from Application for Room Condition Change
Building Replacement/Raze

B. CONDITION CHANGE (Not applicable to community colleges)

1. RATIONALE (provide the following information, as appropriate, to justify changing the condition of spaces):
 - i. In order to change the space condition from satisfactory to unsatisfactory the district must certify that the space is no longer physically safe or suitable for occupancy:
 1. Unsatisfactory space is typically designated as such due to compromising effects on the structural integrity, safety, or excessive physical deterioration of a building.
 2. Typically, space condition should be the same, either satisfactory or unsatisfactory, for all rooms in a permanent building.
 3. Space that has been determined to be unsatisfactory should not be occupied.
 4. Application of a facility replacement formula, such as the Castaldi generalized formula for modernization or other similar facilities study, does not necessarily mean that the condition of the identified spaces is unsatisfactory. The condition code cannot be changed simply due to the results of a planned replacement unless the integrity of the space meets the criteria identified to classify the space as unsatisfactory.
 - ii. In order to change the space condition from unsatisfactory to satisfactory the district must certify that the space has been successfully reconditioned to meet all applicable regulations regarding occupancy requirements.

C. RAZE/REPLACE PERMANENT BUILDING(S)

1. RATIONALE (provide the following information, as appropriate, to justify razing/replacing permanent buildings):
 - i. Detailed explanation of need for the proposed project and the expected benefit to the district/community college.
 - ii. General scope of the proposed project.
 - iii. Building age and year of construction.
 - iv. Existing capacity of building(s), include the number of student stations, classrooms, and other instructional spaces.
 - v. Current number of students housed and the projected number of students to be housed in the affected building(s).
 - vi. Current educational plant survey recommendations and capacity.
 - vii. What alternatives have been considered besides razing/replacement and why are the alternatives not feasible?
 - viii. School board/community college board approval of the concept of razing/replacing permanent buildings.
 - ix. Building condition/engineer study (optional).
 - x. Impact if the proposed project is not approved. OEF Form RCC-BRR – March 2008 Page 3
 - xi. Other relevant data; identify any major systems (include date, if applicable) that have been replaced or upgraded, e.g., electrical, HVAC, fire alarm, roof, plumbing, drainage, etc. Provide a general scope of work for any previous remodeling, renovation, and addition, and year completed.
2. COST ANALYSIS (Building by Building):
 - i. Castaldi Analysis (or other cost analysis formula to support the proposed project).
 - ii. The following five questions must be addressed:
 1. How many years will modernization extend the useful life of the modernized building(s)?
 2. Does the existing building(s) lend itself to improvement, alteration, remodeling, and expansion? If no, explain why not.
 3. Explain how a modernized and a replacement building(s) fits into a well-conceived long-range plan of the district/community college?
 4. What is the percentage derived by dividing the cost for modernization by the cost for a replacement building?
 5. A committee of district officials and independent citizens from outside the school attendance zone has determined that the replacement of the building(s) is financially justified and no other alternative is feasible? (Not applicable to community colleges)
 - iii. Detailed scope of work for modernization of the existing building(s).
 - iv. FISH building plan and/or schematic drawings of the existing building with FISH room numbers.

Source: Florida Department of Education, <http://www.fldoe.org/core/fileparse.php/7735/urlt/0075339-unsatisfactorybuilding.pdf>.

As shown in **Exhibit 1-3** the state’s PECO funding allocations have dropped dramatically since 2008-09, and *were not funded by the Legislature for the 2019-20 school year.*

Exhibit 1-3
Historic Public Education Capital Outlay and Debt Service Trust Fund Allocations
Clay County School District
FY 2008-09 through 2017-18

PECO Allocations	2008-09	2009-10	2010-11	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18	2018-19
Repair and Renovations	\$1,933,808	\$724,455	\$2,062,385	\$0	\$0	\$0	\$716,917	\$871,725	\$1,296,083	\$864,848	\$0
New Construction	\$4,309,693	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0

Source: Florida Department of Education, Appropriation History and Projections <http://www.fldoe.org/finance/fco/appropriation-history-projections.stml>

Although the state projections indicate that CCSD is eligible for approximately \$1 million per year in combined new construction and maintenance funds, future PECO funding remains in the hands of the Legislature. Should funding be made available, CCSD would be required to follow the state guidelines shown above.

Although the State guidelines are not currently applicable, the Castaldi or similar cost analysis is an industry best practice as it provides a detailed analysis of what structures can be reasonably and affordably renovated to meet educational needs, versus those where it is simply cheaper and more efficient to raze the structure and rebuild from the ground up. Conducting this type of cost analysis, particularly on core facilities older than 25 years, would provide the District leaders with additional information on which to base their final project strategies and designs.

RECOMMENDATION

Recommendation 1-4:

Conduct the additional analysis outlined in the state guidelines as due diligence to confirm the building and renovation plans for the Surtax and to maximize state PECO funding in the future.

1.2.3 Portables

OBSERVATION: CCSD’s past growth management strategies have resulted in an inordinate number of temporary/ portable facilities. The District has taken steps to replace older, costly buildings. Administrators, however, explained that they have been unable to fully comply with the Florida Statute 1013.21 (Reduction of Relocatable Facilities in Use) due to the cost of replacing portables with permanent classroom facilities.

In the 1980s, all new CCSD facilities were built with a core infrastructure (cafeteria, media center, gym, and administrative offices) surrounded by portables. The plan was to replace portable buildings one wing at a time with a permanent building wing. That never happened at some campuses. The current infrastructure is, in some instances, insufficient to support the

number of students on those campuses. A list of all schools, their capacities and the number of portables on each campus can be found in **Appendix D; Exhibit 1-4** summarizes the number of portables currently in use at each school level.

**Exhibit 1-4
Portable Classrooms in Use by School Level
August 2019**

School Level	Number of Portable Classrooms
Elementary School	488
Junior High School	111
High School	287
Total	886

Source: Clay County School District Facilities Planning and Construction Department, 2018-19.

Exhibit 1-5 shows the number of satisfactory portables for CCSD as compared to its peer districts.

**Exhibit 1-5
Peer District Comparison of Satisfactory Portables
Clay County School District**

District	K-3 Core Classrooms	4-8 Core Classrooms	9-12 Core Classroom	ESE Core Classroom	Total Core Classrooms	Total Non-Core Classrooms	Total Classrooms
Clay County School District	187	324	205	99	815	30	845
Alachua County School District	59	9	3	3	74	-	74
Lake County School District	148	112	44	14	318	1	319
Marion County School District	30	28	3	9	70	-	70
St. Johns County School District	147	128	66	5	346	7	353
Santa Rosa County School District	14	14	16	5	49	1	50

Source: Florida Inventory of Schools, 2017.

Exhibit 1-6 shows that CCSD ranks fourth in the state in the total number of portables when compared to other school districts, however in terms of the percent of all classrooms housed in portables, CCSD is number one among that group. Further, the Florida districts with more total portable classrooms have significantly higher student enrollment.

**Exhibit 1-6
Ranking of Statewide Acceptable Portables**

District	Acceptable Portables								Permanent Classrooms	Total Classrooms	Ratio of Portables to Permanent Classrooms
	Number of Students	K-3 Core Classrooms	4-8 Core Classrooms	9-12 Core Classroom	ESE Core Classroom	Total Core Classrooms	Total Non-Core Classrooms	Total Classrooms			
Clay County	38,264	187	324	205	99	815	30	845	1,342	2,187	38.6%
Orange County	209,114	1,026	465	367	34	1,892	80	1,972	10,316	12,288	16.1%
Palm Beach County	194,186	660	387	219	35	1,301	23	1,324	9,337	10,661	12.4%
Broward County	270,978	500	533	401	17	1,451	44	1,495	11,980	13,475	11.1%
Duval County	130,245	133	127	129	24	413	7	420	6,287	6,707	6.3%
Miami-Dade County	350,458	146	179	32	4	361	-	361	17,766	18,127	2.0%

Source: Florida Inventory of School Houses, June 30, 2017; and Florida Department of Education Student Enrollment by District, 2018-19.

From an educational perspective, researchers say that portable classrooms do not deter student learning or the teachers' ability to teach. CCSD has made every effort to equip the portable classrooms with the same technology and learning environment as permanent classrooms. The decision to build campuses with portable classrooms surrounding a core facility has, however, created a number of financial, safety and health-related challenges for CCSD. Most significantly, as portables are aging, the maintenance costs are rising as the energy efficiency declines. Another major challenge noted by researchers are health concerns, specifically relating to air quality and mold, both of which are ongoing maintenance issues for CCSD.

Although disaggregated information on the cost of maintaining the portables and the related energy costs were not available at the time of this audit, anecdotally, the Maintenance Department indicated that the portable classrooms are continually requiring roof, air conditioner, flooring and wall repairs and replacements. In the future, the Maintenance Department's new work order system will have the capability of tracking the actual costs for Maintenance, and administrators indicated that more data to support the growing costs will be available by campus and facility.

In terms of safety, the chain link fencing that forms the parameter around the facilities are easy to scale, as evidenced by the vandalism observed during campus tours. Because only the very youngest students have restrooms in their portable classrooms, all other students housed in portable classrooms must make use of "gang bathrooms," which are also housed in portable facilities. Further, even some younger students must walk unaccompanied between and among the classrooms to go to the front office or cafeteria, use the restroom and the like. Cameras are in use for surveillance and patrols are ongoing by officers and guardians, however, the risk exists for an intruder to scale the fence and hide under or around these buildings.

In recognition of the high costs associated with the use of older portable classrooms, the Florida Legislature enacted the following:

1013.21 Reduction of relocatable facilities in use.—

(1)(a) It is a goal of the Legislature that all school districts shall provide a quality educational environment for their students such that, by July 1, 2003, student stations in relocatable facilities exceeding 20 years of age and in use by a district during the 1998-1999 fiscal year shall be removed and the number of all other relocatable student stations at over-capacity schools during that fiscal year shall be decreased by half.

The Legislature finds, however, that necessary maintenance of existing facilities and public school enrollment growth impair the ability of some districts to achieve the goal of this section within 5 years. Therefore, the Legislature is increasing its commitment to school funding in this act, in part to help districts reduce the number of temporary, relocatable student stations at over-capacity schools.

The Legislature intends that local school districts also increase their investment toward meeting this goal. Each district's progress toward meeting this goal shall be measured annually by comparing district facilities work programs for replacing relocatables with the state capital outlay projections for education prepared by the Office of Educational Facilities. District facilities work programs shall be monitored by the Office of Educational Facilities to measure the commitment of local school districts toward this goal.

As shown in **Exhibit 1-3** above, there has been no State PECO funding allocated to the District for “new construction” since 2008-09, which Administrators said had impacted CCSD’s ability to fund the construction of permanent classrooms needed to retire portables.

The District’s criteria for reducing the number of portables are addressed in its *Educational Facility Plan (EFP) for 2019-20 to 2023-24* and its ED F.I.R.S.T. initiative. The FLDOE recommends replacement of relocatable units 20 year old and older. The Clay County School Board has a policy to replace these older relocatable units. But, in the *April 2017 School Impact Fee Technical Report*, in doing so:

...elimination of the existing 9,851 student stations in relocatable classrooms 20 years old and older would increase the overall utilization rate from 85.8 percent to 111.9 percent, and create an undersupply of 3,843 student stations. The EFP says that the number of student stations will decrease as a result of the planned initiative to remove 20+ year old portables from their inventory.

How and when those classrooms will be removed is not described in the plan, nor is the issue of the undersupply of student stations should that plan be implemented.

In the District’s *April 2017 School Impact Fee Technical Report School District of Clay County, Florida* report to the CCSD School Board, the District stated, “these older and aging relocatable units are considered to be inefficient and costly to operate and beyond productive renovation.”

Exhibit 1-7 shows how much the District spends moving portables and the associated cost of disconnecting and reconnecting them (plumbing, electrical, electronics - intercom, fire alarm, telecommunications, ramps/stairs, new sidewalks, and any remodeling needed to meet program needs at the new location).

**Exhibit 1-7
Relocatable Expenses by
Fiscal Year**

Fiscal Year	Expenses
2015-16	\$242,278
2016-17	\$143,841
2017-18	\$198,378
Total	\$584,497

Source: CCSD Facilities, Planning, and Construction Department, August 2019.

The Florida Community Planning Act (Chapter 2011-139, Laws of Florida) under Section 15 relating to school concurrency and amending Section 163.3180, Florida Statutes, provides the following:

...a school district that includes relocatable facilities in its inventory of student stations shall include the capacity of such relocatable facilities as provided in S.1013.35(2)(b)2.f., provided the relocatable facilities were purchased after 1998 and the relocatable facilities meet the standards for long-term use pursuant to S.1013.20.

Inasmuch as 9,851 student stations are in relocatable classrooms 20 years old and older and purchased well before 1998, this language appears to support disqualifying these existing relocatable classrooms and student stations from the County inventory, resulting in elimination of current over-capacity conditions.

In its *Educational Facilities Plan*, CCSD noted that:

... with enrollments projected to increase substantially in the future and with implementation of a policy to reduce and eventually eliminate the aging relocatable units, additional student station capacity will be needed to accommodate future enrollment growth.

...41 percent of the District's student stations identified in Florida Inventory of School Houses (FISH) are housed in satisfactory relocatable buildings. A 2017 approved Spot Survey has begun the process of removing 20 + year old relocatable buildings from our elementary classroom inventory. This year we expect to remove over 30 of these assets.

Without considering growth, to currently bring CCSD to a 10 percent portable ratio, approximately 600 portables would need to be replaced with permanent classrooms. Clearly, the cost of replacing 600 classrooms with permanent facilities is prohibitive.

However, according to the Coordinator of Planning and Intergovernmental Relations, the District's plan for removing 50 portables a year has only just begun. While they fell short of meeting this goal in 2018-19, they did eliminate 32 portables. During interviews, administrators gave a number of scenarios for eliminating portables, but in the absence of a documented and potentially Board-approved strategy, meeting the goal will be difficult.

RECOMMENDATION

Recommendation 1-5:

Establish a more specific plan for reducing portables that includes goals and progress reports.

1.2.4 Deferred Maintenance

OBSERVATION: The District's process for handling deferred maintenance and preventative maintenance is not keeping pace with the growing needs of the district.

The average age of CCSD schools is 40 years, with some as old as 100 years. The nearly 900 portables vary in age, but administrators said some were at least 50 years old. Maintaining the roofs, HVAC systems, chillers and the like is an ongoing challenge.

During the annual budget cycle, the Maintenance and Facilities Planning and Construction Departments develop a list of Capital projects to be undertaken during the coming year. As shown, these projects generally include the replacement of some roofs, Chillers and HVAC units, but these items are not based on a systematic replacement cycle, but on extreme need. **Exhibit 1-8** provides an excerpt from the 2019-20 budget presentation to illustrate.

**Exhibit 1-8
Excerpt of Proposed Capital Maintenance Items
2019-20 Proposed Budget**

MAINTENANCE, RENOVATION AND REPAIR
Reimbursement of the Maintenance, Renovation, and Repairs paid through the General Fund as permitted by Florida Statute including Maintenance Personnel Salaries (#3894)
New/Repair/Renovate Concrete/Sidewalks/Parking Lots (#3360)
Maintenance/Repair/Renovate Fencing (#3520)
Repair/Renovate Asphalt Surfaces (#3620)
Maintenance/Repair/Renovate Covered Walkways (#3665)
Maintenance/Repair/Renovate WWR Plants (#3691)
Maintenance/Repair/Renovate Drainage-Storm water Systems (#3701)
Maintenance/Repair/Renovate Play Courts (#3781)
Maintenance/Repair/Renovate Boilers/Plumbing (#3023)
Maintenance/Repair/Renovate Cafeteria/Stage Floors (#3025)
Maintenance/Repair/Renovate HVAC Units (#3038)
Maintenance/Repair/Renovate Elevators (#3043)
Maintenance/Repair/Renovate of Plant Services (#3309)
Safety-To-Life Projects County Wide (#3348)
Maintenance/Repair/Renovate/Replace Plumbing/Irrigation (#3465)
Maintenance/Repair/Renovate Restroom Partitions (#3500)
Maintenance/Repair/Renovate Light Fixtures/Electrical (#3540)
Maintenance/Repair/Renovate Fire Alarm, I/C and Sound Systems (#3570)
Painting County Wide (#3590)
Maintenance Overtime (#3591)
New/Maintenance/Repair/Renovate Doors (#3610)
New/Maintenance/Repair/Renovate Flooring County Wide (#3630)
Maintenance/Repair/Renovate Roofs-Ceilings (#3660)
Maintenance/Repair/Renovate EWC/Plumbing (#3664)
New/Maintenance/Repair/Renovate Bleachers (#3671)
Maintenance/Repair/Renovate Portables (#3681)
Maintenance/Repair/Renovate Emergency Generators (#3791)
Maintenance/Repair/Renovate EMS (#3821)
Maintenance/Repair/Renovate Enhanced Classrooms (#3831)
Tree Cutting, Trimming and Removal (#3629)
Roof Replacement/Repair County Wide (#3002)
Restroom Renovations County Wide (#3802)
Rooftop Cupola Modifications at Thunderbolt Elementary (#3755)
District Office Renovations/Remodeling (#3716)
Site Improvements/Underground Utilities County Wide (#3004)
HVAC Repair/Replacement County-Wide (#3061)
Erosion Control/Storm water Repair County Wide (#3009)
Security Lighting Repair/Replacement County Wide (#3540)

Source: First Public Hearing for the Adoption of Millage and the Approval of the 2019-20 Tentative Budget, July 2019.

A limited amount of preventative maintenance is performed by custodians on each campus such as changing air conditioner filters. Maintenance technicians are scheduled to periodically perform some more complex preventative maintenance on chillers and air conditioners, and a limited number of contracts exist for outside contractors to perform periodic preventative maintenance (See **Chapter 3: Alternative Delivery Methods** for a detailed list).

Maintenance uses an *Asset Essentials* work order system to manage its workload. Its goal is to address all work order items within five days. In reality, management said it is more like 7-10

days. The majority of work orders are related to “break fix” situations, and priority is given to life safety, etc. Consequently, scheduled preventative Maintenance generally is not a priority.

The US Department of Energy publishes a Best Practices Guide that provides insights regarding the advantages of preventative maintenance (**Exhibit 1-9**).

Exhibit 1-9
Advantages and Disadvantages of Preventative Maintenance

Advantages

- Cost effective in many capital-intensive processes.
- Flexibility allows for the adjustment of maintenance periodicity.
- Increased component life cycle.
- Energy savings.
- Reduced equipment or process failure.
- Estimated 12% to 18% cost savings over reactive maintenance program.

Disadvantages

- Catastrophic failures still likely to occur.
- Labor intensive.
- Includes performance of unneeded maintenance.
- Potential for incidental damage to components in conducting unneeded maintenance.

Source: <https://www.energy.gov/eere/femp/downloads/operations-and-maintenance-best-practices-guide>

As shown above, proactive maintenance of aging equipment and roofs is less costly and less disruptive than reactive maintenance with system fail. Coupled with potential energy savings and the opportunity to upgrade and enhance equipment installed many years ago, the advantage to adopting a plan for the cyclical replacement plan outweighs the disadvantages.

RECOMMENDATION

Recommendation 1-6:

Establish a schedule for roofing, HVAC, and other replacement needs, and annually provide the full list to the Board with recommendations for funding options.

1.3 SAFETY AND SECURITY IMPROVEMENTS

The economy efficiency and effectiveness of the Police Department is present in this section of the chapter.

1.3.1 Police Department

OBSERVATION: CCSD conducted a well-documented cost-benefit analysis to determine if it was more cost effective and efficient to hire its own police force rather than contracting with various Sheriff’s offices for Security Resource Officers (SRO).

New laws made it necessary for the District to increase police presence on campuses. Florida Chapter 1006.12 requires safe-school officers at each public school. This can be either/or a combination of a school resource officer (SRO) through inter-local agreements with law enforcement agencies, and a school safety officer that the district may employ school safety officers. CCSD employs 42 police officers and contracts with two law enforcement offices for five SROs. Problems with old SRO contracts also made the need for a careful look at the contracting process in general.

The Auditor General recommended that:

... ”the District should establish procedures to require and ensure that School Resource Officers (SRO) contracts set forth the required SRO service times. In addition, prior to payment, school personnel with direct knowledge of the SRO services should document satisfactory receipt of the services.”

Findings and recommendations in the Auditor General Report regarding SROs are no longer relevant since the district made the decision to create its own police force and assign one police officer to each school.

The millage rate increase went to voters in August 2018, and will bring in approximately \$12 million annually. As shown in **Exhibit 1-10**, in January 2019, CCSD took five options to the Board based on the following five scenarios shown in the exhibit:

**Exhibit 1-10
Police Cost Benefit Analysis**

Option Description	Staffing	Cost Year One	Cost Year Two
Option A: Police Chief and high level staff oversee SRO contracts	3 Central Office; SRO Contracts provide current campus-level coverage	\$4,260,374.66	\$3,964,653.26
Option B: Police Force provides Officers Supplemented by SROs from 2 municipalities only	47 Staff including 37 Officers	\$6,102,705.86	\$4,214,352.06
Option C: Police Force provides Officers with NO Supplemental SROs	58 Staff including 47 Officers	\$6,979,875.98	\$4,640,834.78
Option D: Police Force provides Officers Supplemented by SROs including Clay County Officers	34 Staff including 27 Officers	\$6,794,809.80	\$5,421,650.20
Option E: Police Chief and high level staff oversee SRO contracts	3 Central Office; SRO Contracts provide enhanced campus coverage	\$6,029,143.74	\$5,888,859.54

Source: CCSD Police Chief, July 2019.

Option A was presented as a base line by which to compare the various options. Based on this analysis, the Board ultimately selected Option B as it was clear that it was more cost effective to continue only two of the inter-local agreements for SROs with the Orange Park Police Department and the Green Cove Springs Police Department, as it was clear that hiring additional staff to cover those schools (Option C) was most costly.

Conducting this analysis and presenting the options to the Board allowed the administration and Board to come to agreement on a cost beneficial manner in which to address safety and security need of the district.

1.4 TECHNOLOGY IMPLEMENTATION AND UPGRADES

1.4.1 E-Rate Funding

OBSERVATION: In recent years, the Information and Technology Services Department (ITS) staff started applying for and receiving E-rate funding and as a result has substantially increased resources available for technology upgrades.

The E-rate Program is one of four universal service programs funded through the federal Universal Service Fund (USF). The Federal Communications Commission (FCC) appointed the Universal Service Administrative Company (USAC) as the permanent administrator of the USF and the universal service programs, including the E-rate Program.

The Schools and Libraries (E-rate) Program provides discounts to assist eligible schools to obtain affordable internet access and telecommunications services. E-rate funds the following service types: Data Transmission Services and/or Internet Access, Internal Connections, Managed Internal Broadband Services, and Basic Maintenance of Internal Connections.

The E-rate Program supports connectivity, which is the conduit or pipeline for communications using telecommunications services or the internet. The school is responsible for providing resources such as the end-user equipment (computers, telephones, etc.), software, professional development, electrical capacity, and the other elements that are necessary to effectively use the requested eligible services and equipment.

Up until three or four years ago, the CCSD had not applied for maximum E-rate funding. E-rate Category 1 is for services such as high speed data circuits, and Category 2 is for internal connections such as wireless access points, cabling, and firewalls.

Category 1 E-rate funding increased from approximately \$1.5 million to \$2.4 million due to the increased number of devices distributed to the schools requiring high bandwidth to be provided. District devices have increased over 29,000 since 2015.

Category 2 E-rate started in Clay in 2016 but on a per-project application basis. CCSD received Category 2 funding every year but last year as they strategically planned for maximum attention to the upcoming communications infrastructure dark fiber project.

The District is in final review of the dark fiber application process. ITS staff expects final approval for the dark fiber project which will allow for districtwide infrastructure upgrades.

1.5 SERVICE BOND INDEBTEDNESS

In this section, debt and debt service are discussed in terms of debt ratios.

1.5.1 Debt Ratios

OBSERVATION: Based on best practices and the State's Benchmarks for debt, CCSD has the capacity for new debt; establishing benchmarks for acceptable levels of debt, however, could improve decision making and debt management during this anticipated high-growth period.

Exhibit 1-11 Provides a comprehensive look at CCSD's current debt and debt service obligations.

Exhibit 1-11
Current Debt Estimate for End of Fiscal Year 2019

Type of Debt	Outstanding Amount of Debt	Annual Debt Service Principal	Annual Debt Service Interest	Total Debt Service	*Years Remaining to Pay Off
STATE BOARD OF EDUCATION CAPITAL OUTLAY BONDS**					
Series 2009-A	\$0	-	-	-	
Series 2011-A	\$229,400	\$45,000	\$8,200	\$53,200	4
Series 2014-B	\$13,260	\$13,000	\$260	\$13,260	1
Racetrack - Series 2010-A	\$2,827,269	\$120,000	\$95,955	\$215,955	13
Total SBOE Capital Outlay Bonds	\$3,069,929	\$178,000	\$104,415	\$282,415	
CERTIFICATES OF PARTICIPATION					
COP-REFUND 2012/LAJH & OHS - Series 2012	\$24,986,238	\$885,000	\$876,662	\$1,761,662	9
COP-REFUND 2004/2005A 12/18/2014	\$14,321,126	\$540,000	\$339,124	\$879,124	8
COP-REFUND 2000/2005B Series 2017	\$4,290,665	\$2,397,000	\$70,625	\$2,467,625	6
Total COPS	\$43,598,028	\$3,822,000	\$1,286,411	\$5,108,411	
CAPITAL LEASES PAYABLE					
Synovia Bus GPS Lease	\$273,888	\$123,938	\$13,006	\$136,944	2
Dell Financial Services Lease	\$520,535	\$497,925	\$22,609	\$520,535	1
Dell Financial Services Lease	\$1,012,752	\$458,382	\$47,993	\$506,376	2
Total Capital Lease Payables	\$1,807,174	\$1,080,246	\$83,609	\$1,163,854	
Dues and Fees	\$149,300			\$16,100	
Total Debt	\$46,817,257	\$4,000,000	\$1,390,826	\$5,406,926	

Source: Assistant Superintendent for Business Services, August 2019.

* Years Remaining to be paid off include the current 2019-20 debt service obligations.

**The State Bonds and the Race Track Bonds are paid with pass thru funds to the district.

To assess the financial position of the District in terms of overall debt and debt service, it is important to look at demographics of the District and its tax base. **Exhibit 1-12** uses the debt and debt service amounts shown in **Exhibit 1-11** to calculate relevant ratios.

**Exhibit 1-12
Debt and Debt Service Ratios for
Clay County Public Schools**

DEMOGRAPHICS	
Population of Clay County, Florida *	209,524
Assessed Property Value in Clay County, Florida *	\$15,027,575,127
Assessed Taxable Property Value in Clay County, Florida *	\$10,614,446,287
Total Clay County School District Estimated Revenues 2019-20 (All Funds)	\$369,456,044
Total Clay County School District Estimated Expenditures 2019-20 (All Funds)	\$387,985,310
DEBT RATIOS:	
Total Debt as a Percent of Assessed Property Value	0.31%
Total Debt as a Percent of Taxable Property Value	0.44%
Debt per Capita – Clay County, Florida	\$223.45
Total Debt as a Percent of Estimated Revenues (All Funds)	12.67%
Total Debt as a Percent of Estimated Expenditures (All Funds)	12.07%
Total Debt Service as a Percent of Estimated Revenues (All Funds)	0.04%

Sources: * Population and Property Values, Clay County Property Appraiser 2018 Annual Report;

** Estimated Revenues and Expenditures, 2019-20 Tentative Budget Presentation.

While there are no statutory guides relating to debt ratios and capacities for Florida school districts, the State of Florida’s Benchmark Debt Ratio for the State as a whole —debt service to revenues available to pay debt —is set at 6 percent. Reports are issued each year to show the type of debt outstanding, the debt service amounts anticipated for the years and how the current ratios compare to the benchmark. CCSD ratio of .04 percent is well under the state’s benchmark.

For many districts, an internal benchmark is used to evaluate the financial position and capacity for new debt in the coming year. In reviewing the financial statements of larger growing districts, Miami-Dade, for example, annually prepares a Debt Ratio Report which is presented as part of the unaudited portion of the Annual Financial Reports. As shown, CCSD ratios for *Total Debt as a Percent of Assessed Property Value*, *Total Debt as a Percent of Taxable Property Value*, and *Debt per Capita* compare very favorably to those of the Miami-Dade School District (see **Exhibit 1-13**).

If, for example, CCSD set its own debt service benchmark at no more than 1 or 2 percent, the Certificates of Participation anticipated for the purchase of new buses and the debt serviced by the Surtax would be added and an assessment would be made as to whether the new debt could be serviced within the benchmark.

As CCSD moves forward with issuing debt that will be serviced by the Surtax proceeds, adopting benchmarks or goals for an acceptable debt ratio would aid the Board and administration in making decisions about issuing new debt versus maximizing revenues from other funding streams such as Impact Fees.

RECOMMENDATION

Recommendation 1-7:

Establish an acceptable debt ratio benchmark against which the District can monitor and manage debt in the future.

**Exhibit 1-13
Miami-Dade Debt Ratios**

THE SCHOOL BOARD OF MIAMI-DADE COUNTY, FLORIDA CURRENT DEBT RATIOS AND BOND DEBT PER CAPITA OF MIAMI-DADE COUNTY - COMPUTATION OF DIRECT AND OVERLAPPING DEBT FOR LAST YEAR (amounts expressed in thousands) (Unaudited)			TABLE 11
Factors:			
The School Board of Miami-Dade County Debt, Net Reserves:			
State Board of Education Capital Outlay Bonds		\$	11,477
General Obligation Bonds			969,024
Certificates of Participation			2,595,271
Capital Leases Payable			44,316
Total Direct Debt		\$	3,620,088
Overlapping Debt (1):			
Miami-Dade County (2)			
Total Outstanding Debt	\$	15,421,736	
Estimated Percentage Applicable (3)		12.25%	
Total Overlapping Debt		\$	1,889,478
Total Direct and Overlapping Debt		\$	5,509,566
Population of Miami-Dade County			2,769,813
Assessed Property Value		\$	345,804,142
Assessed Taxable Property Value		\$	297,825,035
<u>DEBT RATIOS:</u>			
	PERCENTAGE OF ASSESSED PROPERTY VALUE	PERCENTAGE OF ASSESSED TAXABLE PROPERTY VALUE, NET	PER CAPITA (4)
Direct Debt	1.05%	1.22%	\$ 1,307
Overlapping Debt	0.55%	0.63%	\$ 682
Direct and Overlapping Debt	1.59%	1.85%	\$ 1,989
(1) Overlapping governments are those whose geographic area coincides at least in part with the area of the District.			
(2) Most recent data available for Miami-Dade County is as of September 2017.			
(3) Percent of the County's General Obligation Bonds to the County's total primary government debt as reflected in the Miami-Dade County's CAFR.			
(4) Represents the gross debt per capita. Net bonded debt per capita is reported in Table 10.			
SOURCE(S): The School Board of Miami-Dade County - Office of the Controller and Miami-Dade County			

Source: Miami Dade 2018 Comprehensive Audited Financial Statement, Table II.

***CHAPTER 2:
PROGRAM DESIGN AND STRUCTURE***

2.0 PROGRAM DESIGN AND STRUCTURE

Chapter 2 presents findings related to program design and structure. As part of the audit, Ressel & Associates examined the organization and management structure of the District as a whole and the component units within the organization that are now or will be responsible for the program areas identified in the Surtax Resolution. The examination included contracted and other external services that are now or will be used in the implementation of the projects outlined in the Resolution. In addition, the Ressel Team assessed the procurement and contracting function to determine its capacity for handling the volume and complexity of work anticipated in the Resolution.

The specific audit evaluation tasks performed are provided below.

- 1. Reviewed program organizational structure to ensure the program has clearly defined units, minimizes overlapping functions and excessive administrative layers, and has lines of authority that minimize administrative costs.*
- 2. Assessed the reasonableness of current program staffing levels given the nature of the services provided and program workload.*

Finding on program design and structure: In its audit, Ressel & Associates found that the current design and structure of the program areas under review are effective and overall CCSD has adequate staffing. However, staffing levels need careful review and possible reallocation as, over the past five years, staffing at the Administrative and Professional levels have grown, whereas staffing in the Maintenance and Facility Planning and Construction support areas are low and have remained static over the same five-year period. These support areas require more staff to meet current needs and will need additional staff and expertise to manage the envisioned Surtax-related projects.

In this chapter, program economy, efficiency, and effectiveness in the Clay County School District is presented in the following functional areas:

- 2.1 Districtwide Support for Areas Under Review
- 2.2 Facilities Planning, Use, and Construction
- 2.3 Safety and Security Improvements
- 2.4 Technology Implementation and Upgrades
- 2.5 Service Bond Indebtedness

2.1 DISTRICTWIDE SUPPORT FOR AREAS UNDER REVIEW

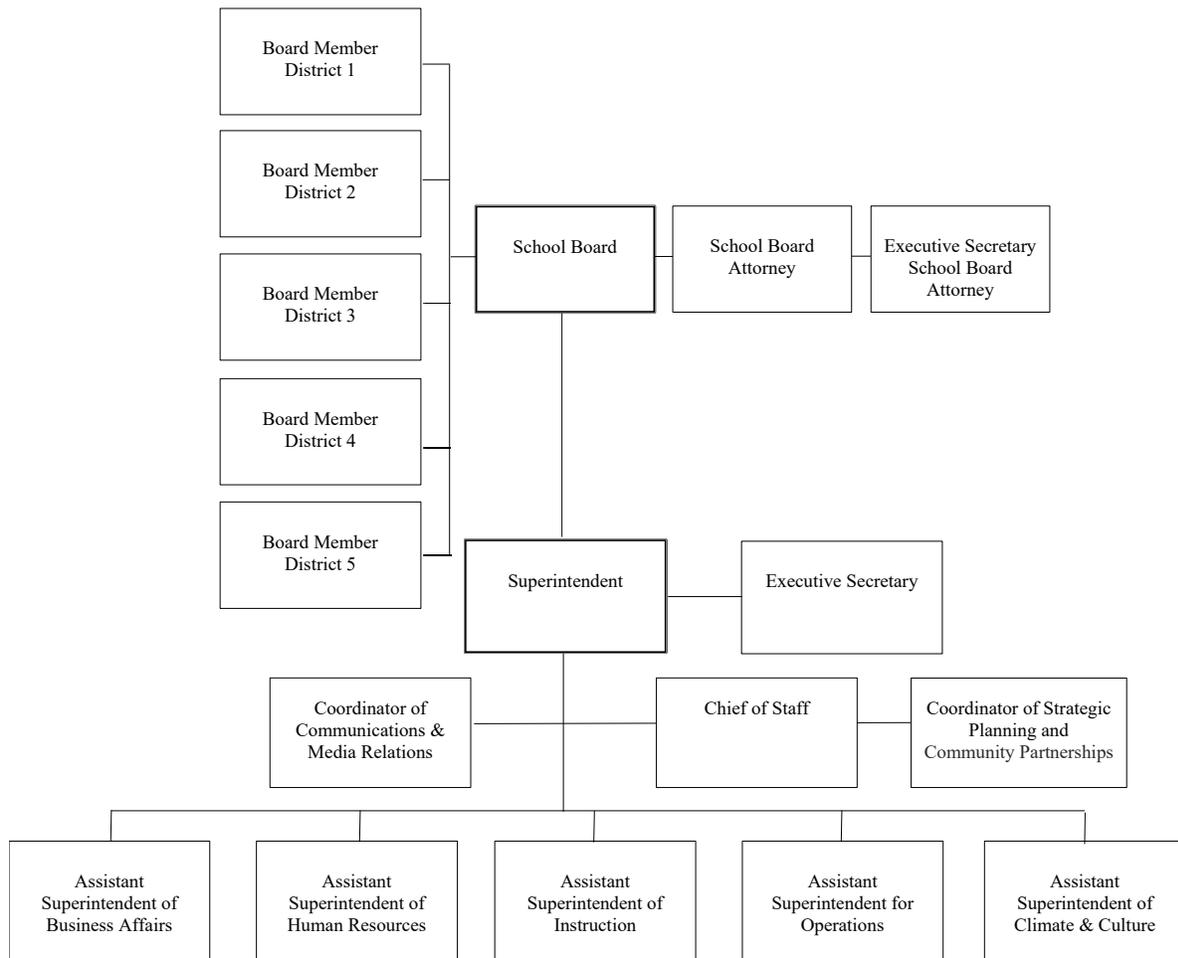
This section addresses CCSD's districtwide program design and structure in the following subsections:

- 2.1.1 Districtwide Staffing Allocations
- 2.1.2 Legal Services and Expenditures

The School Superintendent in the Clay County School District is an elected position. The current Clay County School District Superintendent, Addison Davis, has been Superintendent since November 2016 election. The Superintendent was Chief of Schools in the Duval County School District when he was elected.

The districtwide organizational chart for the central office in Clay County School District is shown in **Exhibit 2-1**.

**Exhibit 2-1
Central Office Organization
Clay County School District**



Source: Clay County School District, Superintendent’s Office, July 2019.

The responsibilities of each Division are articulated in School Board Policy 1.04:

The Clay County District Schools (“District”) Offices shall be organized into five (5) divisions, each to be headed by an administrator recommended by the Superintendent, and appointed by the School Board. The five (5) divisions are:

1. *Business Affairs, Curriculum and Instruction, Operations, Human Resources, and Climate and Culture. The division heads shall be directly responsible to the Superintendent. The Division of Business Affairs shall be responsible for the management of the business affairs of the District. The services of this division shall include financial services, purchasing services, insurance, and property control services.*
2. *The Division of Curriculum and Instruction shall be responsible for directing and coordinating all of the instructional programs of the District, and for services which directly support the instructional programs. Curriculum and Instruction ensures that the organization focuses on the delivery of a relevant, responsive, and effective curriculum based on state standards. Curriculum and Instruction will be responsible for training all certified staff members on curriculum and standards.*
3. *The Division of Operations shall be responsible for providing school facility planning and construction, maintenance services, custodial services, student transportation services, food and nutrition services, and safety management for the District.*
4. *The Division of Human Resources shall be responsible for providing personnel services to the instructional, support, administrative, and supervisory personnel of the District. The services of this division include recruitment, employment, salary, and labor relations. The Division of Human Resources is responsible for managing people within the organization and recruiting and retaining diverse, high quality personnel.*
5. *The Division of Climate and Culture shall be responsible for student services, including mental health, exceptional student education, and student discipline. This division shall also be responsible for information technology and managing all data. The services of this division shall include reviewing, compiling, and intersecting district-based student behavior and performance data.*

Each division shall be organized into departments directed by personnel who are directly responsible to the administrative head of the division.

Senior staff meets once a week as a Cabinet and the Superintendent also meets individually with each Assistant Superintendent on a weekly basis.

2.1.1 Districtwide Staffing Allocation

OBSERVATION: Florida Department of Education reports indicate that CCSD is adequately staffed overall, with the total number of full-time staff increasing by only 5.0 percent over the last five years as compared to a student growth rate of 6.8 percent. However, increases in the number of Administrator and Professional staff positions have outpaced enrollment, while most positions in the support areas have remained unchanged or declined.

Annually, Florida school districts self-report the number of full-time staff in each category to the Florida Department of Education (DOE). The categories are defined by DOE, however, school districts have some discretion when assigning staff to the categories, therefore, the data are generally useful in making broad comparisons.

Exhibit 2-2 provides fulltime staffing levels as reported to DOE in the fall of 2018 by CCSD and its peers. While the number of staff by category is presented, the ratio of students to staff by category, calculated by Ressel & Associates, allows for a more relevant comparison.

Exhibit 2-2
Number of Full Time Staff
Clay County School District and Peer School Districts
2018-19 School Year

District/ Category	Clay County School District	Alachua County School District	Lake County School District	Marion County School District	St. Johns County School District	Santa Rosa County School District
Student Count	38,264	29,845	43,947	42,941	41,908	28,479
Administrators						
Officials, Administrators and Managers-Instructional	18	18	17	33	29	12
Officials, Administrators and Managers-Non instructional	40	23	18	20	28	5
Officials, Administrators, Managers - Total	58	41	35	53	57	17
Consultants/ Supervisors of Instruction	10	7	8	14	6	14
Principals	45	41	46	56	40	35
Assistant Principals	71	53	94	94	63	41
Community Education Coordinators	7	1	2	3	8	
Total Administrators	191	143	185	220	174	107
Student to Administrator Ratio	200.3	208.7	237.6	195.2	240.9	266.2
Teachers						
Elementary Teachers (PK-6)	1,104	740	1,172	1,140	988	889
Secondary Teachers (7-12)	916	440	1,011	992	969	702
Exceptional Student Education Teachers	484	226	389	410	388	441
Other Teachers	55	7	68	35	74	82
Total Teachers	2,559	1,413	2,640	2,577	2,419	2,114
Student to Teacher Ratio	15.0	21.1	16.6	16.7	17.3	13.5
Professional Staff						
Guidance Counselors	98	56	97	98	97	65
Social Workers	13		15	16	11	6
School Psychologists	19	2	15	18	18	12
Librarians /Audio-Visual Workers	43	43	38	47	36	32
Other Professional Staff - Non-Administrative						
Instructional	160	114	279	289	237	120
Non-Instructional	193	139	188	173	149	69
Total Professional Staff	526	354	632	641	548	304
Student to Professional Ratio	72.7	84.3	69.5	67.0	76.5	93.7
Support Staff						
SROs	29	2	4			2
Para-professionals	588	52	39	961	360	684
Technicians	45	46	54	60	49	52
Administrative Support Workers	306	213	401	505	282	189
Service Workers	747	317	429	1,002	728	49
Skilled Crafts Workers	57	70	77	110	47	36
Laborers, Unskilled	6	15	31	24	20	1
Total Support Staff	1,778	715	1,035	2,662	1,486	1,013
Student to Support Staff Ratio	21.5	41.7	42.5	16.1	28.2	28.1
Total Full-Time Staff	5,054	2,625	4,492	6,100	4,627	3,538
Student to Total Full-Time Staff Ratio	7.6	11.4	9.8	7.0	9.1	8.0

Source: Florida Department of Education, 2019; Student to Staff Ratios calculated by Ressel & Associates.

As shown, the Student to Total Full-Time Staff Ratio is second lowest, indicating that CCSD has more total staff per student than the majority of its peers, which may indicate that CCSD is adequately staffed overall. CCSD has maintained a lower student to teacher ratio than all but one of its peers. In terms of Administrators, CCSD also has the second lowest ratio of students to administrators, which indicates that the district has more administrators than its peers on a per pupil basis. In order to drill down into these numbers, **Exhibit 2-3** provides a trend analysis of CCSD’s self-reported numbers for the last five years.

Exhibit 2-3
Full-Time Staffing by Category
Clay County School District
2014-15 to 2018-19

Clay County School District	2014-15	2015-16	2016-17	2017-18	2018-19	5-Year Change	% Change
Number of Students	35,835	36,638	37,052	37,521	38,264	2,429	6.8%
Number of Schools Graded "A"	18	7	12	18	26	8	44.4%
Administrators							
Officials, Administrators and Managers-Instructional	11	11	13	14	18	7	63.6%
Officials, Administrators and Managers-Non instructional	36	39	39	43	40	4	11.1%
Officials, Administrators, Managers - Total	47	50	52	57	58	11	23.4%
Consultants/ Supervisors of Instruction	6	7	7	10	10	4	66.7%
Principals	42	42	43	45	45	3	7.1%
Assistant Principals	65	63	69	72	71	6	9.2%
Community Education Coordinators			2	8	7	7	100.0%
Total Administrators	160	162	173	192	191	31	19.4%
Student to Administrator Ratio	224.0	226.2	214.2	195.4	200.3	(23.6)	-10.6%
Teachers							
Elementary Teachers (PK-6)	1,066	1,044	1,059	1,073	1,104	38	3.6%
Secondary Teachers (7-12)	903	889	911	938	916	13	1.4%
Exceptional Student Education Teachers	501	505	500	490	484	(17)	-3.4%
Other Teachers	1	4	13	29	55	54	5400.0 %
Total Teachers	2,471	2,442	2,483	2,530	2,559	88	3.6%
Student to Teacher Ratio	14.5	15.0	14.9	14.8	15.0	0.5	3.1%
Professional Staff							
Guidance Counselors	93	94	93	92	98	5	5.4%
Social Workers	11	12	11	11	13	2	18.2%
School Psychologists	20	20	20	14	19	(1)	-5.0%
Librarians /Audio-Visual Workers	39	36	36	39	43	4	10.3%
Other Professional Staff - Non-Administrative							
Instructional	141	154	170	166	160	19	13.5%
Non-Instructional	120	109	144	148	193	73	60.8%
Total Professional Staff	424	425	474	470	526	102	24.1%
Student to Professional Staff Ratio	84.5	86.2	78.2	79.8	72.7	(12)	-13.9%
Support Staff							
SROs					29	29	100.0%
Para-professionals	582	578	595	626	588	6	1.0%
Technicians	52	48	48	42	45	(7)	-13.5%
Administrative Support Workers	298	288	301	306	306	8	2.7%
Service Workers	760	753	743	721	747	(13)	-1.7%
Skilled Crafts Workers	58	59	56	56	57	(1)	-1.7%
Laborers, Unskilled	7	5	5	5	6	(1)	-14.3%
Total Support Staff	1,757	1,731	1,748	1,756	1,778	21	1.2%
Student to Support Staff Ratio	20.4	21.2	21.2	21.4	21.5	1.1	5.5%
Total Full-Time Staff	4,812	4,760	4,878	4,948	5,054	242	5.0%
Student to Total Full-Time Staff Ratio	7.4	7.7	7.6	7.6	7.6	0.1	1.7%

Source: Florida Department of Education, 2019; Student to Staff Ratios and Change Number and Percentages Calculated by Ressel & Associates.

As shown, over the last five years the total number of full-time staff has increased by 5.0 percent as compared to an increase in student enrollment of 6.8 percent. The Administrator category has, however, increased by 19.4 percent and the Professional category has increased by 24.1 percent in comparison to a student growth rate of 6.8 percent over the same time period. The Superintendent indicated that he restructured the administrative organization to provide additional oversight of the schools. **Exhibit 2-3** shows the number of CCSD schools receiving a Grade of “A” rose from seven in 2015-16 to 26 in 2018-19, which loosely corresponds to the increase in the number of Administrators and Professionals.

Sustaining this growing number of Administrators and Professionals may present challenges in the future as many of the positions found in the Support staff category, which includes the positions that are traditionally found in the maintenance and custodial areas, have decreased. This trend is problematic since CCSD has added a new school and is experiencing growing needs relating to aging facilities. This issue is discussed in greater detail in subsection **2.2.1 Maintenance Staffing Levels** below. Overall the Support category shows an increase of 1.2 percent, all of which is attributable to the addition of School Resource Officers (SROs) that were not reported to DOE until 2017-18.

One possible strategy for controlling salary costs, which cannot be paid from the Surtax proceeds, is reallocating some administrator positions to fully staff the operational functions to handle the current maintenance and support functions as well as the influx of new projects and the growing number of school facilities envisioned by the Surtax resolution.

The Superintendent pointed out that some of the administrative positions were added to address State requirements and were being paid for through grant funds. With that in mind, the DOE numbers point to the need for a realignment of staffing to ensure that scarce resources are used to adequately staff both the instructional and operational areas of the District. Further analysis of staffing levels and trends will be needed in order to confirm the best way to achieve overall staffing effectiveness and efficiency.

RECOMMENDATION

Recommendation 2-1:

Analyze the number of administrators, instructional and operational staff versus the statutory and operational needs to determine where reductions can be made that will allow for adequate staffing in critical areas of need.

2.1.2 Legal Services and Expenditures

OBSERVATION: The Board continues to incur significant legal expenses, including Surtax referendum costs, even though they have a full-time school board attorney.

School boards are required by law to have legal representation. Most large school districts have a full-time board attorney on staff. These larger districts often outsource certain special legal services, such as risk management, workers’ compensation, and special education legal issues. Smaller districts tend to outsource their school board attorney on a contractual or hourly basis.

Clay County School Board Policy 1.02 D states:

The School Board shall obtain an attorney, from outside its own membership, who shall act as legal advisor to the School Board and the Superintendent. The School Board shall provide a written contract for its attorney. Special counsel may be retained to assist the Board Attorney in any litigation or other matters when specifically approved by the School Board.

(Ref. F.S. §§ 1001.41, 1001.43(10), 1012.22, 1012.23, 1012.26) [Amended 06/07/18]

For six of the past eight years, the Clay County School Board has used a full-time, in-house attorney. Despite in-house legal counsel, outsourced legal expenditures are significantly high, as shown in **Exhibit 2-4**.

Exhibit 2-4
Legal Expenditures by Year
Clay County School District
2011-12 Through 2017-18 School Years

	2011-12	2012-13	2013-14	2014-15	2015-16	2016-17	2017-18
School Board Attorney	\$149,350.00	\$149,350.00	\$149,350.00	\$149,350.00	\$72,000.00*	\$48,000.00*	\$130,000.00
Outsourced Expenses	\$224,641.96	\$166,235.39	\$58,759.18	\$158,019.94	\$138,887.25	\$162,005.77	\$75,142.00
Subtotal	\$373,991.96	\$315,585.39	\$208,109.18	\$307,369.94	\$210,887.25	\$210,005.77	\$205,142.00
Benefits for Attorney (29.05%)	\$43,386.18	\$43,386.18	\$43,386.18	\$43,386.18	*	*	\$37,765.00
Total	\$417,378.14	\$358,971.57	\$251,495.36	\$350,756.12	\$210,887.25	\$210,005.77	\$242,907.00

Source: CCSD Finance Office

*School board attorney outsourced

In its 1998 Performance Audit of the Clay County School District, MGT praised the District for very low legal expenditures. In FY1996 legal costs were \$79,564 and in FY1997 they were \$67,746.

Currently, all human resources litigation, special education services, workers’ compensation, tort claims and bus accidents are examples of services being outsourced—no matter if the legal counsel was an employee or not.

Recently, in July 2019, the School Board contracted with another firm to provide legal advice regarding placement of a one-half cent surcharge referendum on the ballot. The fee for these services is \$350.00 per hour. In other Florida school districts (e.g., Lee and Martin) such Surtax services were provided by the Board attorney.

The Clay County School District has no guidelines for use of legal services through administrative procedures or other means. Also, there was no evidence that the Administration and Board is monitoring external legal expenditures to show they are contained and controlled.

Without an effective monitoring system for legal services, expenditures tend to escalate.

RECOMMENDATION

Recommendation 2-2:

Create guidelines for legal services, assign an administrator to monitor legal expenditures, and conduct a thorough analysis of in-house and outsourced legal expenditures to determine:

- how legal expenditures can be reduced; and
- whether the District should contract all legal expenditures and not have a full-time attorney.

2.2 FACILITIES PLANNING, USE, AND CONSTRUCTION

Section 2.2 examines the Maintenance and Facilities functions as follows:

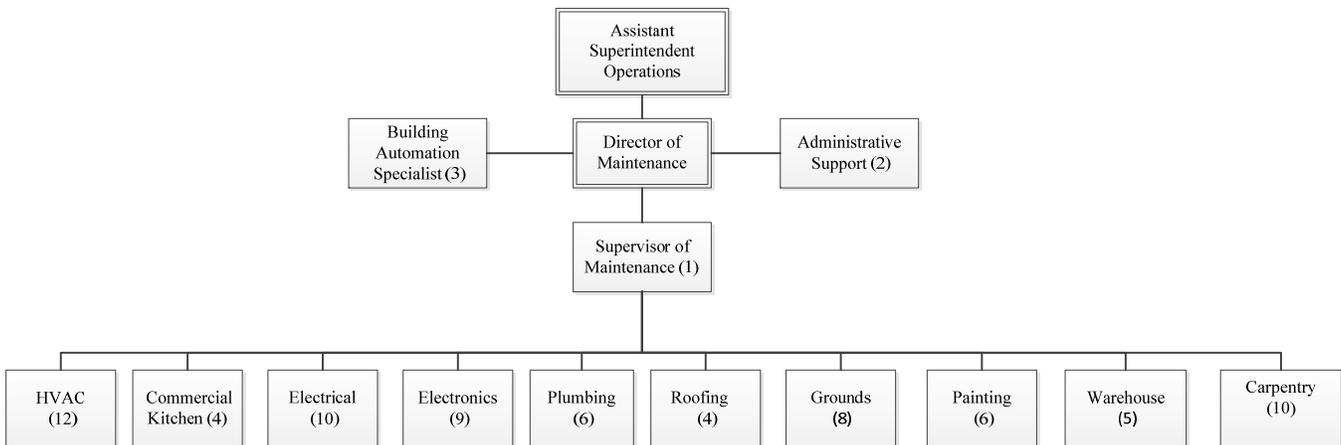
- 2.2.1 Maintenance Staffing Levels
- 2.2.2 Maintenance Job Descriptions
- 2.2.3 Maintenance Salary Levels
- 2.2.4 School Tours
- 2.2.5 Facility Planning and Construction Staffing Levels

2.2.1 Maintenance Staffing Levels

OBSERVATION: Even with contracted services, CCSD Maintenance Department staffing levels are low based on Florida Department of Education standards.

As shown in Exhibit 2-5, the Maintenance Department reports to the Assistant Superintendent of Operations.

**Exhibit 2-5
Maintenance Division Organization Chart
Clay County School District**



Source: Clay County School District, July 2019.

CCSD Maintenance Department has a total of 79 employees, supporting 42 schools and several ancillary buildings.

With nearly 40 percent of all classrooms in the district housed in aging portables, the maintenance workload increases, accordingly. Roofing, carpet, blinds, awnings, siding, painting, technology, air conditioning (BARD) systems, and electrical replacement are more frequent for portable classrooms.

Exhibit 2-6 provides the Florida Department of Education Maintenance Staffing Guidelines.

**Exhibit 2-6
Florida Department of Education
Maintenance Staffing Guidelines**

Maintenance Staffing Formula
Total facility square footage (as listed on FISH report)
Divided by
45,000 square feet
Equals
1 FTE building maintenance-related staff position
Plus
1 FTE support positions for each 6.8* building
maintenance-related staff positions
Equals
Total FTE for maintenance department.
(*based on sampling of school districts and community colleges)

Source: FLDOE, Florida Center for Community Design +Research, Chapter 6.0.

According to the District’s 2018-19 Maintenance staffing analysis and the Florida Inventory of Schools (FISH), CCSD has a total of 6,305,015 gross square feet (GSF). As shown in the Maintenance Organization Chart, the Maintenance Department has 79 positions, including the Director and grounds staff, which are considered by FLDOE in a separate formula. This equates to 90,072 square feet per one Maintenance employee; the State is one to 45,000 square feet. In their analysis, CCSD determined that based on a total of 6,305,015 GSF, they should be staffed with 140 tradesmen and 21 support personnel, for a total of 161 FTEs.

In CCSD **Exhibit 2-7** illustrates this disparity between the State’s recommended guidelines and the District.

**Exhibit 2-7
State Recommended Square Footage Allocation
Compared to Clay County School District Maintenance Staff**

	FLDOE Recommended	CCSD Actual
Maintenance Technicians & Leads	140	70
Support/Administration Total	21	9
Total	161	79
CCSD square feet		6,305,015
Total sf/45,000 square feet per one Technician & lead	45,000	90,071

Source: FLDOE Maintenance and Operations Guidelines, 2018-19.

For 2019-20, Maintenance has 70 technicians and nine (9) support personnel. But, due to the increased demand for kitchen repairs, Maintenance is allocating one lead and three technicians, some of which have not been filled. Currently, CCSD has nine vacancies for HVAC technicians, Building Automation (BAS) System Specialist, BAS Technician, Electrical Technician Assistant, Painter, Carpenter, and Cafeteria Kitchen Equipment Technicians. This will bring their 2019-20 count to 72 technicians.

In its 2017 *Elevate Clay: A Reflection of the First Six Months*, the Superintendent recognized the need for more staffing and qualified technicians in Maintenance, namely for a Building Automation Specialist (BAS) to address computerized infrastructure to control heating, ventilation and air conditioning (HVAC), security cameras, lighting, and bell schedules, in most of its schools. When fully staffed, this position will also help the District implement more effective energy management.

In its review, Ressel & Associates found that the Maintenance Department staffing levels are insufficient to meet the demands of CCSD facilities.

RECOMMENDATION

Recommendation 2-3:

Adopt appropriate staffing levels and eliminate some outsourced duties to compensate for the additional cost of staff as appropriate.

2.2.2 Maintenance Job Descriptions

OBSERVATION: The CCSD job descriptions in the Maintenance Department are not current, which means that the job descriptions cannot be used to accurately evaluate employee performance.

With the exception of the Building Automation Specialist, whose job description was last updated in 2018 and the HVAC technician whose job description was last updated in 2003, the majority of the other job descriptions were last updated more than 20 years ago.

Administrators recognized the need and during the course of this audit developed 32 updated job descriptions that are scheduled to go to the Board for approval in September 2019.

Ideally, school districts should refresh their job descriptions as new positions and responsibilities are added, and to keep up with current technology and skill sets. According to the Human Resources Department, the District typically updates the job descriptions when a vacancy occurs and the position is being posted.

The industry best practice is to systematically review all job descriptions over a three year period, with approximately one-third of the job descriptions being reviewed each year to ensure that new duties and responsibilities as well as new technology, equipment, or certifications are reflected. When job descriptions are current, supervisors and employees have a clear set of expectations against which performance can be evaluated.

RECOMMENDATION

Recommendation 2-4:

Once new Maintenance Department job descriptions are approved, implement a districtwide three-year review cycle for all job descriptions.

2.2.3 Maintenance Salary Levels

OBSERVATION: Maintenance Department salaries in CCSD are not competitive with the private sector or peer school districts.

Maintenance pay structure is based on a step scale which is set per Clay Educational Staff Professional Associate (union) negotiations with School Board approval. Some years there have been no step increases. According to management, Maintenance staff received a one-step pay increase in 2018-19,

As shown in **Exhibit 2-8**, when compared to its peer districts, CCSD Maintenance average salaries are low for selected trades. Other positions not reflected in this exhibit include: painters, pest control operators, roofers, plumbers, and locksmiths.

According to the Chief Financial Officer, salary scales districtwide have not been reviewed for many years. Adjustments to the salaries for individual positions are adjusted based on budgetary requests, identified areas of concern, etc. Budgetary constraints and the District's desire to keep classrooms and teachers the priority were the two reasons given by staff for salaries remaining low in the operational areas.

In 1994, the District hired a consulting firm to evaluate its salary rates. According to management the rates established at that time, still exist today. After the 2008 recession, one step raises were rare. There was also a time with Maintenance employees had not gotten a salary increase in nearly seven years, between 2008 and 2014. Every employee received a step increase unless they were topped out on the pay scale, plus a \$500 bonus. Due to a more robust economy, management says they cannot compete with private sector wages.

**Exhibit 2-8
Florida Department of Education
Salary Comparisons
2018-19 School Year**

District	Custodian/ Groundskeeper	Electrician	A/C Technician and Boiler Mechanic	Mechanic	Carpenter
Clay County School District	\$24,942.90	\$40,136.57	\$33,583.33	\$36,019.46	\$35,070.83
Alachua County School District	\$27,906.13	\$50,075.20	\$44,861.94	\$43,101.38	\$40,016.06
Lake County School District	\$23,563.53	\$42,491.01	\$38,802.85	\$36,495.49	\$32,611.55
Marion County School District	\$26,634.98	\$40,854.67	\$42,300.58	\$41,241.51	\$39,681.60
St. Johns County School District	\$28,349.40	\$47,517.12	\$46,924.42	\$42,966.00	\$47,517.12
Santa Rosa County School District	\$24,886.60	\$46,991.41	\$52,638.37	\$43,570.33	N/A
Average Salary	\$26,047.26	\$44,677.66	\$43,185.25	\$40,565.70	\$38,979.43
Percent below Peer District	-4%	-11%	-29%	-13%	-11%

Source: Florida Department of Education, Average Salaries for Select District Level Administrative Staff, 2018-19.

As a result, nine vacancies in the Maintenance area remain unfilled including one Building Automation Systems Technical Assistant; two HVAC Technicians; one Electrical Technician Assistant; one Painter; one Carpenter; and three Cafeteria Kitchen Equipment Technicians.

RECOMMENDATION

Recommendation 2-5:

Conduct a compensation and classification study to ensure salary levels are sufficient to attract and retain qualified staff.

2.2.4 School Tours

OBSERVATION: Tours of nine schools in the District where specific renovations and repairs were identified as needs in the list of projects to be paid for with Surtax proceeds, confirmed the primary needs and revealed that the facilities were clean, fresh smelling, and the outer structures were being presentably maintained to the extent possible.

Ressel & Associates conducted site visits of Green Cove Springs Junior High School, Charles E. Bennett Elementary School, W.E. Cherry Elementary School, and Orange Park High School and drove by to observe the structure, grounds and parameter security of five other facilities including Swimming Pen Creek Elementary School, Clay High School, Lake Asbury Elementary School, Lake Asbury High School, and Orange Park Junior High School.

Green Cove Springs Junior High School was built in 1952 and last renovated in 1992. It has seven portables. The campus was clean; no notable smells, dust, mold, or sanitation issues. The windows are need of replacement in that they cannot be updated with Plexiglas panes, and there is evidence of recent vandalism (i.e. broken windows). Renovations of the restrooms including plumbing, floors, and fixtures had been done recently. Gym, hallway, and cafeteria floors had been stripped and waxed. Some corroded steel beams on the walkway coverings were noted. Plywood was used to cover original sliding glass doors to classrooms for safety reasons,

although plywood is not a sturdy material. Front office shatter-resistant film, buzzer system, and cameras in the halls have been installed. However, the kitchen back door leads to a public street without *any* fencing, making it vulnerable to access. The District identified \$5,165,804 in needed upgrades in its *Penny Project Development 30-Year Plan* for Green Cove Springs Junior High School.

Charles E. Bennett Elementary School was built in 1954 and has 17 portables. It serves as a secondary hurricane shelter and its new wing is outfitted with hurricane shutters. The campus was clean; no notable smells, dust, mold, or sanitation issues. Restrooms, classrooms, floors, fixtures, etc., were in excellent shape, but windows are not. The front office has shatter-resistant film and a buzzer system, but classrooms do not have window film or curtains on classroom doors. The kitchen is very clean but in need of a renovation as it is small for the number of children it serves and its ventilation system does not meet code. The District identified \$2,661,366 in needed HVAC, roofing, fencing, school safety hardening, and the like, in its *Penny Project Development 30-Year Plan* for Charles E. Bennett Elementary School.

W.E. Cherry Elementary School was built in 1961, renovated in 1966, and has 32 portables. There is a fenced-in pond where goats are kept to keep growth under control. The campus was clean; no notable smells, dust, mold, or sanitation issues. Front office has shatter-resistant film and a buzzer system, but the counter next to the secure door can be easily jumped over. Front office space is cramped. Some corroded steel beams on the walkway coverings were noted. The kitchen and cafeteria are very clean, but its ventilation system does not meet code. In one classroom a stand-alone air conditioning unit was being held together with electrical tape and shims. Tarping covered the outdoor courts were filled with holes and sagging. The District identified \$6,113,866 in needed upgrades in its *Penny Project Development 30-Year Plan* for W.E. Cherry Elementary School.

Orange Park High School was built in 1974 and has 24 portables. At the time of the site visit, the school was getting a new roof and tile. The restrooms were old but clean; no notable smells, dust, mold, or sanitation issues. The Ressel team observed a 20-year old air conditioning unit in the gym, and an antiquated boiler and chiller system. The athletic stadium was in bad shape and it need of demolition. The District identified \$14,545,429 in needed upgrades in its *Penny Project Development 30-Year Plan* for Orange Park High School.

For the age of the facilities and the high number of portables, the campuses are clean, look fairly neat from the exterior, and didn't smell. Security hardware, such as buzzer systems and card swipes, are in the front entrance of front offices. While cameras were noticed in hallways and around the campuses, not much security equipment was on the periphery. Fencing is low and not sturdy in a lot of cases, making buildings prone to vandalism because of easy access. In some cases there was open access from roads to buildings, portables, and classrooms. Some stadiums are crumbling. HVACs, boiler, and chillers are in bad shape at some schools. And, kitchen ventilation systems were not to code.

Despite these challenges and the observed need for repairs, renovations and new structures, the custodial and maintenance staff on the campuses visited clearly took pride in their work, and invited the team to visit specific areas of the campus where the floors had been refinished or stripped and waxed during the summer, etc.

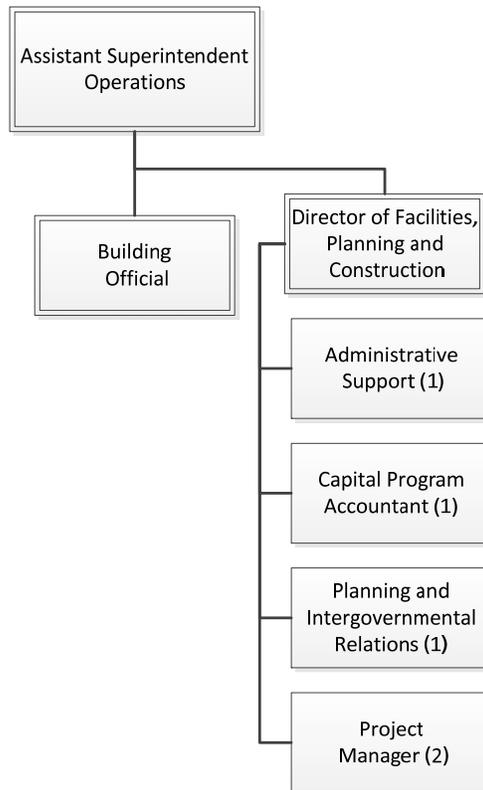
In its site visits of selected campuses, Ressel and Associates LLC found that needs assessment and plans are in place to address the infrastructure needs and upgrades, and, despite their age, the campuses looked good overall.

2.2.5 Facility Planning and Construction Staffing Levels

OBSERVATION: The Facility Planning and Construction area is understaffed to handle the volume of projects envisioned in the Surtax Referendum.

Exhibit 2-9 shows the current organizational structure of Facilities Planning and Construction.

**Exhibit 2-9
Facilities and Construction Management Organizational Chart
Clay County School District
July 2019**



Source: Clay County School District Operations Division Staff, July 2018

As shown, the Building Official and the Director of Facilities report to the Assistant Superintendent for Operations.

Staffing within Facilities is limited to the Director and five staff members. One of the Project Manager positions is currently vacant.

The Building Official works directly with the Facilities group and is responsible for fire code compliance and State Requirements for Education Facilities (SREF) standards.

For projects that impact the design of schools, the Building Official reviews architectural drawings to ensure compliance with SREF, secures permits, inspects the construction projects to ensure that the construction moves forward according to the design and adherence to SREF and fire code standards and inspects the properties when construction is complete to certify that the project meet code.

The Project Manager's duties are to oversee the entire project from beginning to end—including the selection of architects and engineers to begin the project, selecting a construction manager, monitoring the progress of work and authorizing progress payments, and closing out the project files when the project is complete.

The contracted architect supplements the staff by assisting staff to prepare bid documents, monitor construction in progress, and sign off on progress billings. The Construction Manager is contractually responsible for monitoring and directing the day-to-day work of the subcontractor. CCSD's Project Manager is responsible for overseeing these and all other contracted positions.

Over the last few years, Facilities Planning and Construction has directed the work of one new school construction project and number of smaller projects. Based on the Case Study performed of three recent projects, the structure and staffing level appear to have been sufficient for the work performed.

For future projects envisioned in the Surtax resolution, multiple large projects will be simultaneously in progress—meaning that each of the two project managers will be required to handle a much larger work load. The Building Official, in addition to regularly inspecting existing campuses for fire and whatever else, will be required to review all architectural designs, and spent considerable time at the construction site. To have a single person responsible for inspecting new and existing construction will be physically impossible assuming that as many as three to five major projects could be ongoing simultaneously.

CCSD staff recognized the need for reorganization of the facilities planning and construction functions and began addressing the need to help ensure the organizational capacity for effective planning and management of capital projects, including those envisioned in the referendum. One of the options discussed in ED F.I.R.S.T is the use of contract services to supplement staffing in this area.

In July 2017, the Superintendent issued his *Reflection on The First Six Months*, where he emphasized the priority to add capacity to Facilities and Construction Management:

The Code Enforcement Department needs an additional inspector who is licensed as a building inspector and who can become a Fire Safety Inspector within one year. The department will continue to provide the annual inspections and any inspections and plan review required for the new construction planned 2017-2018 and beyond. The Code Enforcement Department will need to either contract with a locally licensed Fire Safety Inspector to help or hire a full time inspector who can become licensed as a Fire Safety Inspector. The potential growth and work that is required for Clay County Schools to be safe

is very big and getting bigger every day. The next step is to make the schools the safest and most productive teaching environment it can be and to be a model for the rest of the state of Florida.

Facilities staff also expressed the need for additional Project Managers and potentially legal assistance in the bidding, contracting processes. Because the need for these services may have ebbs and flows during this period, a mix of full-time staff, supplemented by contract services, may be appropriate. In the Martin County School District, contract Building Officials are used because the demand for construction related services were only intermittent. Since Surtax dollars cannot be used to pay for staff, an additional benefit for contracting with Surtax dollars is the possibility of charging the contracting expenses to the project rather than using scarce operating dollars to pay for additional salaries.

Hiring experts as full-time employees, when the need is intermittent or may no longer be needed once a project ends, can result in overstaffing once the projects are completed. Contracting for temporary service of an expert when the expertise is required for more than a year could also be more costly than hiring a full-time employee. Determining the correct mix to ensure that adequate staff is available when needed is necessary when undertaking a large number of projects at one time.

RECOMMENDATION

Recommendation 2-6:

Determine the correct mix of contracted services and full-time staff to address the envisioned Surtax project needs.

2.3 SAFETY AND SECURITY IMPROVEMENTS

This section examines the staff levels and organizational structure of the groups that deliver safety and security related functions for the district.

2.3.1 Staffing and Organization Structure

OBSERVATION: The Clay County School District has comprehensive staffing in place to address its compliance with the Marjory Stoneman Douglas High School Public Safety Act legislated in Senate Bills 5026 and 7030, as well as for emergency management.

Under the new structure being implemented for the 2019-20 school year, each school has an assigned police officer assigned to it. In addition to 40 CCSD officers, the District has an inter-local agreement for School Resource Officers (SROs) with the Green Cove Springs Police Department's for the Charles E. Bennett Elementary and Green Cove Junior High Schools; and an inter-local agreement with the Orange Park Police Department for three officers at Grove Park Elementary, Orange Park Elementary, and Orange Park Junior High Schools.

With the implementation of an in-house Police Department, the inter-local agreement with Clay County Sheriff's Department for SROs will expire September 30, 2019. Of the total 47 police officers, four serve as relief employees. The Chief of Police manages the inter-local agreements.

Section 1006.12, Florida Statutes, requires safe-school officers at each public school:

For the protection and safety of school personnel, property, students, and visitors, each district school board and school district superintendent shall partner with law enforcement agencies or security agencies to establish or assign one or more safe-school officers at each school facility within the district, including charter schools.

(1) SCHOOL RESOURCE OFFICER.—A school district may establish school resource officer programs through a cooperative agreement with law enforcement agencies.

(2) SCHOOL SAFETY OFFICER.—A school district may commission one or more school safety officers for the protection and safety of school personnel, property, and students within the school district. The district school superintendent may recommend, and the district school board may appoint, one or more school safety officers.

(b) A school safety officer has and shall exercise the power to make arrests for violations of law on district school board property and to arrest persons, whether on or off such property, who violate any law on such property under the same conditions that deputy sheriffs are authorized to make arrests. A school safety officer has the authority to carry weapons when performing his or her official duties.

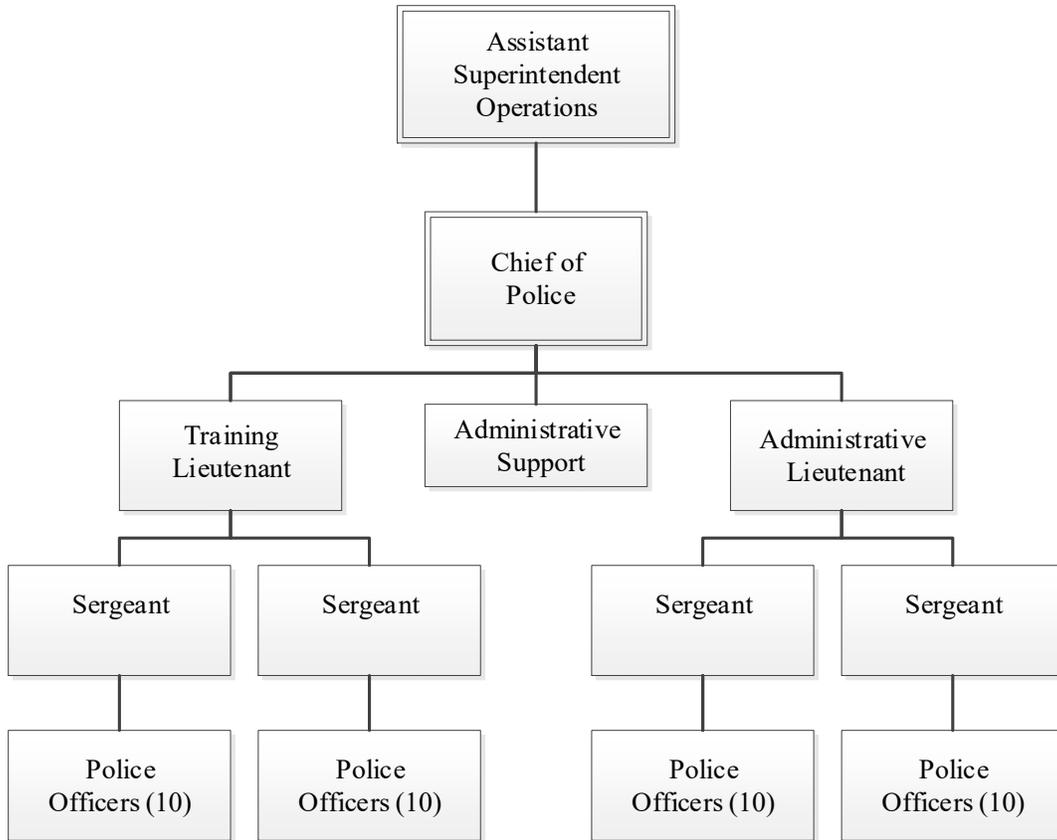
(c) A district school board may enter into mutual aid agreements with one or more law enforcement agencies as provided in chapter 23. A school safety officer's salary may be paid jointly by the district school board and the law enforcement agency, as mutually agreed to.

(3) SCHOOL GUARDIAN.—At the school district's or the charter school governing board's discretion, as applicable, pursuant to s. 30.15, a school district or charter school governing board may participate in the Coach Aaron Feis Guardian Program to meet the requirement of establishing a safe-school officer...upon satisfactory completion of the requirements under s. 30.15(1)(k) and certification by a sheriff."

CCSD has assigned a police officer at each campus, including SROs from two police departments, and guardians at 24 of its campuses, and is in compliance with this law. Job descriptions are in place for police officers and guardians, and all guardians have completed the certification process. As shown in the following exhibits, the staffing levels meet the legal requirements of the Marjory Stoneman Douglas Act.

Exhibit 2-10 shows the organizational chart for the CCSD Police Department.

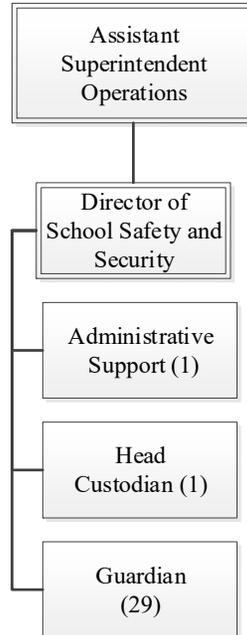
**Exhibit 2-10
CCSD Police Department
Organizational Chart
2019-20 School Year**



Source: CCSD Police Department, July 2019.

Exhibit 2-11 shows the organizational chart for the Operations Safety and Security Department. Guardians are assigned to 13 elementary schools, six junior high schools, and eight high schools, with one guardian serving in a relief position.

**Exhibit 2-11
Operations Safety and Security Department
Organizational Chart
2019-20 School Year**



Source: CCSD Operations Safety and Security Department, July 2019.

Duties for the Guardians are outlined in the administrative procedures for the Clay County District Schools Guardian Program.

This position is tasked to ensure that all mandated requirements by the Office of Safe Schools within the Department of Education are implemented and followed as defined as well as all safety & security policies/directives of the Clay County School Board and the Superintendent of Schools. The armed School Safety Officer position shall have no law enforcement authority, except to the extent necessary to prevent or actively respond to an active assailant incident on Clay County District Schools’ properties. The School Safety Officer will work collectively with the Principal at each school to identify and implement strategies related to ensuring safety on campus while maintaining a peaceful environment, deter crime, and conduct preliminary inquiries into violations of school board policies on school property or at school-sponsored events. The School Safety Officer will have the responsibility for performing a variety of duties related to protecting students, school staff, visitors, equipment, facilities, and school grounds at the request of the site administrator and under the supervision and direction the Director of Support Services.

The organization structure and staffing levels were established based on projected need. Initially, the administration considered having the Guardians report to the Police Chief, but decided to set up the current structure because the Guardian Program was established in 2018, before the Police Department was established. However, after the first year of operation, the administration said it

plans to assess the plan and make adjustments to the structure as well as staffing levels based on actual experience. Further, administrators said they used a similar approach for annual reviews under the former SRO structure.

Experience may show that some schools require more or less staff, and the type of staff assigned to each campus may vary as well. Either in January 2020 or prior to the 2020-21 school year, administrators said they will address the appropriateness of the guardians reporting structure once it is fully operational.

Additionally, as the safety and security related projects envisioned in the Surtax are implemented (campuses are hardened, perimeters are secured and surveillance camera systems are strengthened), the staffing types and levels, schedules and the like may also change.

RECOMMENDATION

Recommendation 2-7:

Periodically reassess the structure and staffing levels as Surtax safety and security related improvements are implemented.

2.4 TECHNOLOGY IMPLEMENTATION AND UPGRADES

This section examines the organization and staffing levels of the Information and Technology Services Department.

2.4.1 Staffing and Organization Structure

OBSERVATION: The current organization structure and staffing levels for the Information and Technology Services Department (ITS) are adequate and appropriate to support the District’s technology needs.

The organizational structure of the Information and Technology Services Department (ITS) has undergone recent changes. The ITS Director came into the District about two years ago—at which time he found the department to be dated and not well organized. To improve operational efficiency, an initial change was made to restructure the Information and Technology Services Department to better meet District needs.

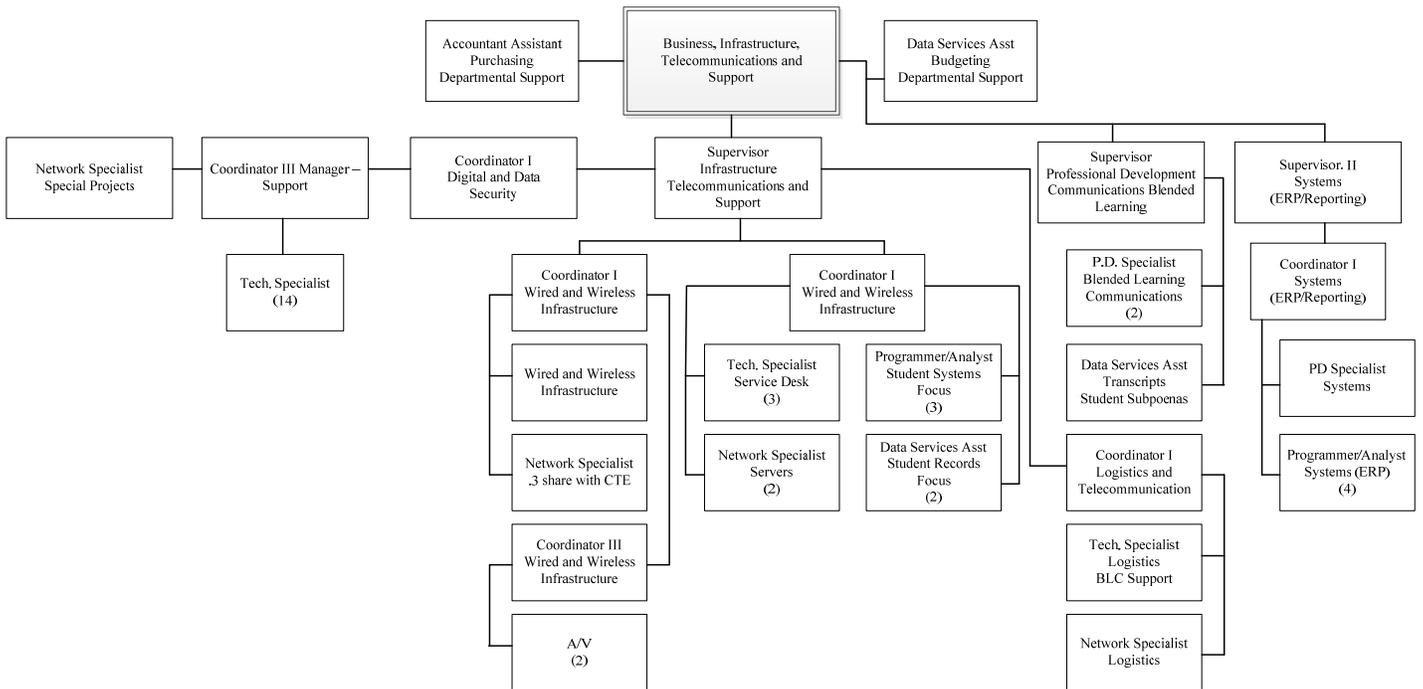
One focus of the organizational changes was to improve work processes districtwide, especially for installation and school-level support. ITS now refers to the organizational structure as having “project-based leadership”, in which an employee can be a project leader of one team and team member of another. ITS employees function in cross-functional teams with teams established to align best available talent to the knowledge and skills needed for a particular task. Focus group discussions indicated employee satisfaction with this model as it provides for continual training, cross training, and a dynamic work environment in which teams can formulate strategies and responses in a timely manner. Since technology is imbedded in substantially all aspects of the District, proactive and timely services are vital.

For a better alignment of ability and integration of functions and resources, what is now the ITS Electronics Unit was moved from the Maintenance Department to ITS effective July 1, 2019. The management and support of electronics (such as audio visual equipment and projectors) is more compatible with ITS duties for the connectivity between computers and the electronics). This integration improves efficiencies by streamlining service coordination thus allowing users to work through one rather than two departments.

Exhibit 2-12 shows the current organizational structure of the Information and Technology Department. According to District records and staff, there are a total of 54 Information and Technology Services positions with 22 of those functioning primarily as device support for districtwide staff and approximately 42,000 students in 42 schools.

These 22 positions are responsible for school staff, student, and district staff computers and are referred to as “Break/Fix” technicians. The remaining positions are responsible for functions relative to electronics, wired and wireless infrastructure, and instructional technology and software.

**Exhibit 2-12
Organizational Chart
Information and Technology Services Department
Clay County School District**



Source: CCSD ITS Department, July 2019.

Exhibit 2-13 shows the District’s current inventory of devices. While the District device “break/fix” staff can vary depending on user needs, the device to dedicated technical support staff ratio is approximately 1,917 students to 1 technician, which is high in comparison the older industry standard published in 2012-13 by School Dude of 814:1. With the advent of the Chromebook or other hand-held device model and many schools approaching a 1:1 ratio of students to computers, this model is changing. The 2012-13 study looked at an acceptable ratio of approximately 2,000 students per technician. Based on the current staffing of 22 “break-fix” technicians, the ITS Department meets that standard.

**Exhibit 2-13
Inventory of CCSD Devices
Supported by the Technology Department**

Description	Count
Computer - Teacher	2,797
Computer - Student	34,589
Computer - Staff	1,102
Computer - Lab	1,650
Computer - Other	2,044
Grand Total	42,182

Source: Device Inventory, ITS Department, July 2019.

CCSD has a goal, and has begun implementing an allocation of computers to students on a 1:1 ratio. As more devices are added, services and support for those devices will increase and fuel the need for enhanced staffing resources.

One indicator to determine adequate District information and technology services staffing levels is to review open help desk tickets through an aging report. Open items greater than 30 days that are specifically due to a lack of internal technology resources would indicate whether the department is staffed adequately. Without this aging information, Ressel & Associates is relying on District estimated averages of 1 ½ to 2 days between the time a help desk ticket is opened and when it is closed. Focus group discussions indicated the belief that help desk tickets are only one indicator as help desk tickets are usually used for requests of a routine nature.

2.5 SERVICE BOND INDEBTEDNESS

In this section, Ressel & Associates examines the organizational structure and staffing for functional areas with responsibility for planning and implementing the envisioned Surtax projects.

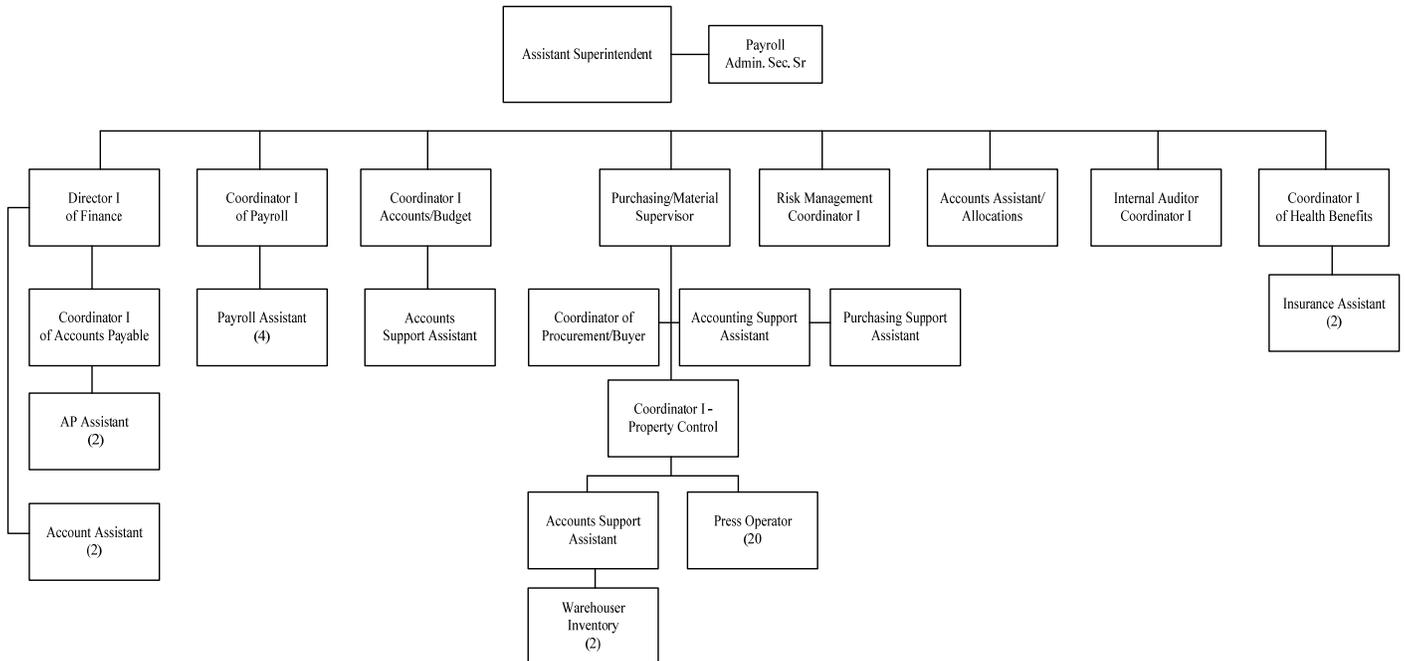
- 2.5.1 Staffing and Structure of Business Affairs
- 2.5.2 Intergovernmental Collaboration

2.5.1 Staffing and Structure of Business Affairs

OBSERVATION: The Business Services Department appears to be adequately staffed to handle the day-to-day finance related operations of the District; a contract for a Financial Advisor is used to supplement staff expertise in the debt service arena.

As shown in **Exhibit 2-14**, the Assistant Superintendent for Business Services is responsible for Financial Accounting and Budgeting, Payroll and Benefits, Purchasing, Risk Management, Asset Management and the Auditing of Internal Accounts.

**Exhibit 2-14
Business Services Organization**



Source: CCSD Assistant Superintendent for Business Services, July 2019.

The Facility Planning and Construction Department has a Capital Program Accountant that reports directly to the Assistant Superintendent for Operations and is responsible for tracking all Capital outlay funding from both general and capital revenue sources, processing purchase orders and invoices for Capital projects, oversees the competitive bidding and contracting processes, and prepares and submits state required reports relating to funding and facilities. This position is independent of Business Affairs but works closely with the Business Affairs staff.

The Business Services Purchasing Section handles all competitive bidding for all but capital projects, which are handled exclusively in Facility Planning and Construction. The Purchasing/Material Supervisor said that she and her staff are not familiar with the competitive bidding laws that govern construction related contracts. Their only role in that process is to open competitive sealed bids. Capital purchasing is addressed in greater detail in **Chapter 4: Program Performance and Monitoring.**

The Director of Finance is responsible for receiving and accurately recording revenues and will be the individual responsible for recording Surtax proceeds. She and her staff currently control the revenue and expenditure flows from federal, state and local sources and is in the automated workflow for expenditures to ensure that all expenditures are coded to the correct accounts.

Business Services also uses a Financial Advisor, Ford and Associates, to provide advice and support for investment and debt related activities on an ongoing basis. The Department also periodically seeks assistance from Bond Counsel as needed.

Business Services staff was heavily involved in the conversion of the accounting and payroll systems from Terms to Business Plus. The primary business accounting systems were brought on line in November 2017, but payroll continued to run through terms until January 2019. Staff has been required to work in both the new Business Plus system and the legacy terms system for nearly two years. According to staff, the transition required a great deal of time and effort, but overall they said the system should improve the workload and flow of work when all of the modules are working as intended. At this time, staff said they are still training and working closely with campus staff to educate them on the new system.

In all, the staffing levels within the Business Services Department appear adequate, and each of the individuals interviewed during the audit were knowledgeable of their job.

2.5.2 Intergovernmental Collaboration

OBSERVATION: CCSD has established a collaborative relationship with local area governments through the concurrency process, which is designed to track and mitigate the impact of growth on the District and community in general.

Planning for growth is an ongoing challenge for any high growth local government. In Florida, local governments are required to maintain a "concurrency management system" to keep track of the impacts of new development on concurrency facilities.

In 2005, the Florida Legislature passed Section 163.3180 (13), F.S. that requires adequate school facilities to be in place within three years of construction of new homes.

Clay County prepares and maintains the 2040 Comprehensive Plan, which is intended to be a guide for the future growth of Clay County. The Public School Facilities Element (PSF) portion of that plan [*emphasis added*]

*...establishes the public school concurrency system requirements, **including an adopted level of service (LOS) standard for public schools** and procedures for establishing a long-term concurrency management system to achieve and maintain the adopted LOS. School concurrency requires coordinated school planning among the County, the School District and the municipalities within Clay County **to ensure that public school capacity needs are met and that the public school facilities, necessary to achieve and maintain the adopted level of service for schools, are in place before or concurrent with the school impacts of new residential development.***

The PSFE focuses on coordinated planning among the School District, County and local governments to accommodate future student growth needs in the public school system. The PSF addresses school level of service; school utilization; school proximity and compatibility with residential development; availability of public infrastructure; colocation opportunities; and financial feasibility. Within Clay County, the local governments participating in school concurrency are Clay County, the Town of Orange Park, the City of Green Cove Springs, and Keystone Heights (hereinafter referred to as “Local Governments”).

The Coordinator for Planning and Government Relations represents the District in this process and acts as liaison between CCSD and the local municipalities and the county, attending all Commission and Council Meetings.

Responsibilities outlined in his job description include, but are not limited to, the following:

- *serves as liaison and coordinate the School District's requirements with the County and each Municipality on interlocal agreements, developer agreements, State of Florida comprehensive plan elements, school concurrency and educational facility planning and communication;*
- *coordinates requirements and discussions on mitigation resolution for all development within the County and each Municipality;*
- *coordinates site acquisitions and site donations according to District need and act as land agent for all School Board property; and*
- *maintains and administers the educational impact fee ordinance coordinating with the developers and local building departments, the payment and receipt of impact fees and permitting.*

Having a dedicated employee to maintain a close relationship with the County and municipalities through the concurrency processes is a positive methodology for staying on top of evolving issues and growth scenarios which could have a direct impact on projects to be financed with proceeds from the Surtax.

***CHAPTER 3:
ALTERNATIVE DELIVERY METHODS***

3.0 ALTERNATIVE DELIVERY METHODS

Chapter 3 presents audit findings related to alternative delivery methods used in the program areas under review. As part of the field work, Ressel & Associates examined the programs and services currently being provided through shared service or outsourced/contract arrangements and also assessed what, if any activities or services, might be delivered in an alternative method. Further, Ressel & Associates evaluated the manner in which the District assesses alternative delivery methods.

The specific audit evaluation tasks performed are provided below.

1. *Determined whether program administrators have formally evaluated existing in-house services and activities to assess the feasibility of alternative methods of providing services, such as outside contracting and privatization, and determine the reasonableness of their conclusions.*
2. *Determined whether program administrators have assessed any contracted and/or privatized services to verify effectiveness and cost savings achieved and determine the reasonableness of their conclusions.*
3. *Determined whether program administrators have made changes to service delivery methods when their evaluations/assessments found that such changes would reduce program cost without significantly affecting the quality of services.*
4. *Identified possible opportunities for alternative service delivery methods that have the potential to reduce program costs without significantly affecting the quality of services, based on a review of similar programs in peer entities (e.g. other counties, school districts, etc.).*

Finding on alternative delivery methods: In its evaluation, Ressel & Associates found that CCSD is actively pursuing alternative delivery methods to meet the District's growing needs. Processes for assessing the costs and benefits, and feasibility of such decisions were found to be reasonable and adequate. Formally documenting the required criteria and justification process would provide decision makers a consistent, organized method for future evaluations.

In this chapter, alternative delivery methods in the Clay County School District are presented in the following functional areas:

- 3.1 Districtwide Support for Areas Under Review
- 3.2 Facilities Planning, Use, and Construction
- 3.3 Safety and Security Improvements
- 3.4 Technology Implementation and Upgrades
- 3.5 Service Bond Indebtedness

3.1 DISTRICTWIDE SUPPORT FOR AREAS UNDER REVIEW

3.1.1 Alternative Methods Documentation

OBSERVATION: CCSD has made extensive use of contract services, outsourcing and other alternative delivery methods throughout the District by analyzing both the benefits of in-house staff options as well as external options. Formally documenting the current process in policy or procedure would ensure continuity in the future.

As shown by the list of contracted and outsourced services that follow in this chapter, CCSD is actively working to identify areas that can benefit from alternative delivery methods. In reviewing the considerable research and documentation associated with a number of these initiatives, the Ressel Team found evidence that District leaders are using sound approaches for making initial decisions, are establishing measurable expectations for future evaluation, and are then using those measures to evaluate whether the programs are achieving the desired results. One recent example is the presentation made to the Board that provided the costs and benefits of five staffing scenarios; on one end a scenario for retaining a full contingency of contracted School Resource Officers (SROs) and one on the opposite end of the spectrum with no contracted SROs. Based on the costs and benefits provided, decision-makers selection an option in the middle.

When determining whether to outsource certain tasks, administrators in the operations areas stated that the rationale was generally based on a need to get the job done in a timely manner. In the Maintenance Department, for example, staffing levels in the District are not sufficient to handle all of the repairs, renovations and preventative maintenance that are inherent for a district of this size.

Some of the contracted services reviewed were related to the District's inability to hire fully certified people for key positions.

According to industry experts, when there is need for highly technical services or the need is intermittent and would not occupy the time of a full-time employee, it may be more cost effective to contract for the service. Or, if the demand is ongoing with peaks that would demand an excessively large staff, a contract service that can guarantee coverage during peak periods may be more cost effective. However, the recent proposal to outsource some or all of the grounds keeping functions in an effort to free up custodial staff for inside cleaning duties is an example of a process where a formal assessment would be beneficial. Since the assumption is that existing staff would continue to clean buildings, there are no savings related to salaries and benefits, so the question becomes one of hiring additional staff to work exclusively on the grounds, or contract for an all-inclusive contract where the contractor would pay their own employees, use their own equipment, provide their own gas, etc. On the other hand, to keep the function in-house would require new salary and benefit costs for employees and would continue to incur the cost of purchasing, maintaining, and operating the equipment.

According to administrators, prior to any contracted service, CCSD has organizational controls in place that require senior staff members to identify actual need, perform a gap analysis, examine previous outcomes, project expected outcomes and the financial impact, and ensure that the proposal is strategically aligned with the District goals and objectives. Evidence of how this

process has been used can be seen in the options and proposal brought to the Board relating to the creation of a Police Department. Documenting this methodology in policy or procedure will ensure the continuity of this process into the future.

RECOMMENDATION

Recommendation 3-1:

Document in policy or procedure the process for justifying both contract services and the creation of new positions, which examines the full cost and benefits of both options.

3.2 FACILITIES PLANNING, USE, AND CONSTRUCTION

Section 3.2 examines the alternative delivery methods used by the Facility and Maintenance Planning and Construction Departments.

3.2.1 Facility and Maintenance Contracted Services

OBSERVATION: The District's use of outsourcing is the result of staffing constraints and its inability to perform some functions with in house staff.

The Facility and Maintenance functions of the District make use of a number of contracted services; however, it does not appear that the District is performing a formal cost benefit analysis to determine whether the work could be done more economically in-house. Another contributing factor is that these jobs require specific certifications that staff do not have, and the staffing levels are low given the size of the Clay County School District.

Examples of contracts include:

- HVAC installations and service;
- HVAC water systems;
- storm drain repair;
- paint purchases;
- boilers;
- fire sprinkler systems;
- chiller maintenance and repair;
- waste and wastewater treatment;
- roofing;
- carpet and tile;
- electrical;
- structural inspections;
- plumbing construction;
- site work and excavation;
- portable relocation;
- trash collection;
- asbestos resurveys;

- video surveillance and access control systems;
- grounds maintenance and landscaping (pending board approval);
- custodial services for administrative buildings;
- tree trimming (active bid).
- architects;
- engineers; and
- piggy-back contracts.

According to the Director of Maintenance, professional services such as architect, engineers, tree trimming, boiler inspection, fire sprinkler inspection, and HVAC chiller inspection and repair are specific skills that are not needed on a regular basis; however, they require a certain level of proficiency as well as certification to complete work in a timely manner. In these cases, it makes business sense to outsource these. Some Maintenance contracts, such as site work, require specific equipment, which is large and costly for the District to maintain and operate.

In two instances, the Maintenance Department determined that it was best to keep annual fire alarm inspections and the Building Automation System (HVAC controls) responsibilities in house. Both had been outsourced two to three years ago, but they determined that with proper training and certification they could do it more efficiently and cheaper. Once the CCSD Maintenance Team was qualified they did not renew the contracts for these jobs. Currently, the District is determining whether to outsource grounds keeping. Mowing requires a lot of staff and equipment to maintain district campuses and buildings on a weekly basis.

The Maintenance and Facility Department’s use of alternative delivery methods to meet needs has resulted in the district being able to meet some of its growing needs. As noted in the recommendation above, formalizing the cost benefit analysis process should help decision-makers decide with staffing versus contracting is most efficient.

3.3 SAFETY AND SECURITY IMPROVEMENTS

Alternative delivery methods used in the Safety and Security area include:

- 3.3.1 Inter-local Agreements
- 3.3.2 Alternative Funding Sources

3.3.1 Inter-local Agreements

OBSERVATION: The District’s inter-local agreement for School Resource Officers with the Orange Park and Green Cove Spring Police Departments are in place for 2019-20.

Per State law, school districts must have a School Resource Officer at each campus. The District conducted a cost-benefit analysis to determine if hiring its own police force was cost-effective. In doing so, they determined that continuing the Green Cove Springs and Orange Park inter-local agreements was more cost effective rather than hiring more police officers for the Charles E. Bennett Elementary, Green Cove Junior High, Grove Park Elementary, Orange Park Elementary,

and Orange Park Junior High schools. (The inter-local agreement with Clay County Sheriff's Department will expire September 30, 2019.)

3.3.2 Alternative Funding Sources

OBSERVATION: The District has sought and used funds from state and local sources to address immediate safety-related needs when operating funds were not sufficient to meet the need.

The Florida Legislature allocated funds to assist school districts with the rollout of Senate Bill 7026, Marjory Stoneman Douglas High School Public Safety Act. CCSD received a \$1.3 million grant.

To date, they have used those funds on:

- security cameras and surveillance;
- enhance perimeter hardening, fencing, and gate control;
- impact-resistance window film; and
- emergency communications systems.

Beginning in January 2020, the District will receive approximately \$12 million in property tax millage to fund safety and security hardening of schools, including: security cameras, perimeter doors, signage, access control; lockdown devices; and window film. It expects to receive \$5,780,000 for each of the two years following. In its Penny Project Development 30-Year Plan, the District identified \$10,929,000 in funding it needs to secure its schools including: security alarms; controlled access; external PA system; exterior campus lighting, traffic signage; pavement marking; fencing; safety nets, and, cover walkways.

In its evaluation, Ressel & Associates found the District has taken reasonable and timely steps to seek funding and secure its campuses.

3.4 TECHNOLOGY IMPLEMENTATION AND UPGRADES

3.4.1 Outsourcing of Technology Services

OBSERVATION: The Information and Technology Services Department outsources work to contractors where it makes sense financially or from a capacity perspective.

ITS staff implemented the Business Plus system to improve efficiencies across the District and provide a more reliable financial management system. The AS400 legacy system was previously maintained by now retired programmers who CCSD contracted with to program the move to the Business Plus system. The contractors were used for a period of nine months during the initial transition. According to staff, using contractors knowledgeable of the district and the AS400 made financial and practical sense.

ITS also bid and contracted for cabling services to enhance the District technology infrastructure. The bid was opened September 12, 2017 with services performed on an hourly basis.

Exhibit 3-1 shows the recent hourly costs for the outsourced services.

**Exhibit 3-1
Technology Outsourcing Summary
July 2019**

Service	Provider	Costs
Programming Services	Retired Programmer Contractors	\$60 per hour
Structured Cabling	Network Cabling Services	\$55 per hour for technicians \$45 per hour for helpers

Source: CCSD Information and Technology Services Department, July 2019

Making use of contractors at an hourly rate when the work is intermittent and required specialized expertise, is an effective and efficient way to address one-time needs.

3.5 SERVICE BOND INDEBTEDNESS

Ressel & Associates found no observable weaknesses or deficiencies in the debt service issuance, refunding or management processes. CCSD is using standard financing options and has strategically used refunding when appropriate. Refunding of bonds is the process of retiring or redeeming an outstanding bond issue at maturity by using the proceeds from a new debt issue.

CCSD's Financial Advisor monitors the market and alerts the District when bonds might be refunded or refinanced at a lower rate of interest, thereby saving the District money on interest payments and in some cases lowering the amount of debt service payments. When advised of such opportunities, the Assistant Superintendent for Business Affairs prepares a proposal to the Board for consideration. If approved, she then works through the Financial Advisor and Bond Counsel to take appropriate action.

***CHAPTER 4:
GOALS, OBJECTIVES AND PERFORMANCE MEASURES***

4.0 GOALS, OBJECTIVES AND PERFORMANCE MEASURES

Chapter 4 presents findings related to goals, objectives and performance measures. As part of the field work, Ressel & Associates examined major districtwide planning efforts and the manner in which management measures day-to-day performance and budgets, and the system of internal controls used to ensure that the program areas under review are meeting their goals and objectives.

The specific audit evaluation tasks are provided below.

1. *Reviewed program goals and objectives to determine whether they are clearly stated, measurable, can be achieved within budget, and are consistent with the county's or school district's strategic plan.*
2. *Assessed the measures, if any, the county or school district uses to evaluate program performance and determine if they are sufficient to assess program progress toward meeting its stated goals and objectives.*
3. *Evaluated internal controls, including policies and procedures, to determine whether they provide reasonable assurance that program goals and objectives will be met.*

Finding on goals, objectives, and performance measures: In its evaluation, Ressel & Associates found the planning efforts of the District are beginning to take shape under the leadership of the Superintendent; however, linkages between the various plans and clear and measurable strategies and objectives for accomplishing the goals do not currently exist. Board policies and procedures are outdated or, in some instances, are missing key elements. While all bid and contract documentation examined as part of the case studies were found to be in compliance with State and local purchasing guidelines, the decentralized purchasing functions currently handled by the Facilities Planning and Construction Department will require additional central office oversight and a stronger system of internal control to handle the volume and complexity of the purchasing processes for the envisioned Surtax-related projects.

In this chapter, the program performance and monitoring of the Clay County School District is presented in the following functional areas:

- 4.1 Districtwide Support for Areas Under Review
- 4.2 Facilities Planning, Use, and Construction
- 4.3 Safety and Security Improvements
- 4.4 Technology Implementation and Upgrades
- 4.5 Service Bond Indebtedness

4.1 DISTRICTWIDE SUPPORT FOR AREAS UNDER REVIEW

This section of the report addresses program performance and monitoring as follows:

- 4.1.1 Strategic Planning
- 4.1.2 Financing Strategies

4.1.1 Strategic Planning

OBSERVATION: The February 2018 Strategic Plan is embraced by senior staff, yet the Plan contains no measurable objectives and to date has not had an annual update.

Although not required in law or in Board policy, most Florida school districts have districtwide strategic plans. **Exhibit 4-1** provides the components of an effective strategic plan.

**Exhibit 4-1
Overview of an Effective Strategic Plan**

Area of Review	Component of the Plan	Specific Focus of the Review
<i>Where are we now?</i>	Internal/External Assessment	<ul style="list-style-type: none"> • Situation Inventory/Environmental Scan • Customer Analysis • Quality Assessment and Benchmarking • Strategic Issues
	Mission	<ul style="list-style-type: none"> • Broad Comprehensive Statement of the School District's Purpose • Core Values and Actions to Achieve Mission • Employees and Management Involvement
<i>Where do we want to be?</i>	Vision	<ul style="list-style-type: none"> • Identifies the School District's Uniqueness when Combined with the Mission and Principles • A Compelling Image of the Desired Future
	Strategic Plan Framework/ Goals and Objectives	<ul style="list-style-type: none"> • The Desired Result After Three or More Years • Specific and Measurable Targets for Accomplishment • Leads to Quality Initiative Goals and Objectives
<i>How do we get there?</i>	Action Plan	<ul style="list-style-type: none"> • Activities to Accomplish Goals and Objectives • Detailed Action Plans with Linkage to Budget • Leads to Resource Allocation
<i>How do we measure our progress?</i>	Performance Measures	<ul style="list-style-type: none"> • Ensures Accountability and Continuous Improvement-linked Performance Targets
	Monitoring and Tracking	<ul style="list-style-type: none"> • Methods to Measure Results • Systems to Monitor Progress • Compilation of Management Information • Maintains Plan on Track Toward Goals

Source: Created by Evergreen Solutions, 2016.

The vision, mission, and core values of the February 2018 Strategic Plan are identified in **Exhibit 4-2**. The Plan’s five goals are included in **Exhibit 4-3**.

Exhibit 4-2
Vision, Mission, and Core Values
Clay County School District
2018 Strategic Plan

OUR VISION
The School District of Clay County exists to prepare life-long learners for success in a global and competitive workplace and in acquiring applicable life skills.

OUR MISSION
Our mission is to work collaboratively with all stakeholders to provide a public education experience that is motivating, challenging and rewarding for all children. We will increase student achievement by providing students with learning opportunities that are rigorous, relevant and transcend beyond the boundaries of the school walls. We will ensure a working and learning environment built upon honesty, integrity and respect. Through these values, we will maximize student potential and promote individual responsibility.

OUR CORE VALUES
***Collaboration:** We work together to achieve our common mission*
***Equity:** We create environments that ensure equal opportunities and celebrate diversity*
***Excellence:** We expect the highest standards across our entire organization, from the Superintendent to student*
***Integrity:** We build positive relationships based on respect, transparency and honesty*
***Innovation:** We build robust and sustainable systems to solve problems and overcome challenges*

Source: Clay County School District website, 2019.

Exhibit 4-3
Strategic Plan Goals
Clay County School District

- GOAL 1:** Develop Great Educators and Leaders
- GOAL 2:** Improve management of district-wide operations and facilities
- GOAL 3:** Establish a respectful climate and culture that provides equity and access to all
- GOAL 4:** Create effective data systems and train individuals to leverage information
- GOAL 5:** Develop and support great educators, support personnel, and leaders

Source: Clay County School District website, 2019.

Each goal is supported by one or more strategies; with each strategy having many initiatives. **Exhibit 4-4** includes the strategies and initiatives for **GOAL 2**.

Exhibit 4-4
Clay County School District February 2018 Strategic Plan
Strategies and Initiatives of Goal 2

GOAL 2: Improve management of district-wide operations and facilities
<p>Strategy 2.1: <i>Improve technology in all classrooms and district buildings</i></p> <p>Initiative 2.1.1: Upgrade all output switches in schools in order to improve speed and access of internet</p> <p>Initiative 2.1.2: Develop and implement technology plan to increase wireless access points in all classrooms</p> <p>Initiative 2.1.3: Implement Digital Classroom Plan to decrease student-to-device ratio</p> <p>Initiative 2.1.4: Develop and implement plan to provide all staff with portable devices upon hire</p> <p>Initiative 2.1.5: Develop and implement plan to upgrade the CAT wiring in all buildings</p> <p>Strategy 2.2: <i>Improve efficiency and reliability of operations to all district stakeholders</i></p> <p>Initiative 2.2.1: Construction of Discovery Oaks Elementary School on time and within budget</p> <p>Initiative 2.2.2: Develop and implement plan to become more energy efficient</p> <p>Initiative 2.2.3: Develop and implement a plan to communicate and acquire School Board approval for redistricting plan to accommodate Discovery Oaks Elementary School</p> <p>Initiative 2.2.4: Restructure leadership in the Transportation Department</p> <p>Initiative 2.2.5: Increase the number of buses retrofitted with air conditioning</p> <p>Initiative 2.2.6: Establish and implement new recruiting plan for hiring, training, and retaining bus drivers</p> <p>Initiative 2.2.7: Acquire and implement new work order system for Maintenance Division to improve efficiency of services</p> <p>Strategy 2.3: <i>Improve security and safety of all district and school buildings</i></p> <p>Initiative 2.3.1: Increase the number of campuses with camera surveillance</p> <p>Initiative 2.3.2: Increase the number of campuses with front office access controls</p> <p>Initiative 2.3.3: Develop and implement a plan to install security systems at all schools</p> <p>Initiative 2.3.4: Develop and implement School Safety Plans</p> <p>Initiative 2.3.5: Develop and implement a plan for Code Red Drills</p> <p>Strategy 2.4: <i>Ensure effective and efficient use of resources for fiscal stability</i></p> <p>Initiative 2.4.1: Design and implement fiscal practices and policies that enable the district to maximize efficiency</p> <p>Initiative 2.4.2: Raise the school district's reserve fund balance above 5% threshold</p> <p>Initiative 2.4.3: Implement new business systems to meet the school district's financial needs including human resources and position control requirements</p> <p>Initiative 2.4.4: Maintain open communication by publishing the school district budget, monthly and annual financial reports, and annual audit reports on the school district's website</p> <p>Initiative 2.4.5: Develop and implement plan to upgrade the CAT wiring in all buildings</p> <p>Initiative 2.4.6: Develop and implement technology plan to increase wireless access points in all classrooms</p> <p>Initiative 2.4.7: Work to reduce audit findings annually and eliminate repeat findings</p> <p>Initiative 2.4.8: Provide quarterly financial updates and an annual budget workshop for the School Board</p>

Source: Clay County School District website, 2019.

Comparing the Clay County School District 2018 Strategic Plan to the components of an effective plan, it is clear that several components are missing:

- Most initiatives are not quantifiable.
- Initiatives have no timelines.
- Initiatives have no linkage to the budget.

It is particularly noteworthy that the reduction of portable classrooms, a significant issue for CCSD and a focus for the State, is not addressed in the Strategic Plan.

As can be seen in **Exhibit 4-4**, the initiatives are not quantifiable. For example, Initiative 2.2.5 states:

Increase the number of buses retrofitted with air conditioning.

By having such an initiative in vague terms, staff has no guidance as to:

- the number of buses to be retrofitted;
- the deliverable due date (or if it is spread out over several years); and
- the necessary fiscal resources needed each year to accomplish this initiative.

According to documented Board Agendas, Work Shop Minutes and emails provided by the administration, School Board Members were involved in reviewing, refining, and final approval of the Strategic Plan between November and February of 2018. Several Board members, however, told the auditors that they would have appreciated more direct involvement.

While the plan has not been formally updated, cabinet members said they meet quarterly with the Superintendent to specifically update targets, initiatives, and projects in the Strategic Plan, during which they must defend their current progress and focus.

The Superintendent has provided an annual update via the State of Schools events in January of 2018 and 2019. Additionally, the Superintendent provides monthly updates on related accomplishments at every School Board meeting.

RECOMMENDATION

Recommendation 4-1:

Provide a formal update to the February 2018 Strategic Plan including both accomplishments and any modifications, and with the approval of the Board, revise the structure of the Plan to include measurable outcomes and budget linkages.

4.1.2 Financing Strategies

OBSERVATION: CCSD has plans for financing priority needs in the first five years of the Surtax; however, financing strategies adopted and adhered to by the Board are needed to ensure adequate and appropriate financing to address CCSD's long-term needs.

The Financial Advisor has issued a preliminary document showing that leveraging the Surtax through bonded indebtedness could raise approximately \$128 million to fund a portion of the \$300 million in identified needs in the Surtax Resolution. In addition, CCSD prepared a 30-Year list of projected needs totaling \$600 million, which included new schools to address growth over that time period. Staff has put together a project list totaling approximately \$180 million in priority items that they believe should be addressed in the first five years, with the gap in revenues from debt service being supplemented by Impact Fees and Local Capital Improvement Funds (LCIF).

Exhibit 4-5 provides details on the Five-Year Financing Plan.

**Exhibit 4-5
CCSD Five-Year Financing Plan**

Estimated First 5-Year Project Needs	
\$182,446,650	TOTAL Estimated 5-Year Needs
\$128,000,000	Potential Bond Proceeds
(\$54,446,650)	Need Remaining After Bond Proceeds
Anticipated Annual Revenue Stream	
\$13,664,133	(a) Estimated Annual Sales Tax Surtax Proceeds
\$5,000,000	(b) Estimated Annual Supplement from LCIF and Impact Fees
\$18,664,133	Total Available Revenue Each Year
(\$7,200,000)	(c) Less Estimated Annual Debt Service on New Bond Issue
\$11,464,133	(d) Estimated Amount Available After Debt Service Each Year to Address 5-Year and Other Ongoing Capital Needs
\$57,320,665	TOTAL 5-Year Available Revenues After Debt Service (d) x 5 years
Summary	
(\$54,446,650)	Need Remaining After Bond Proceeds
\$57,320,665	Estimated 5-Year Revenues After Debt Service
\$2,874,015	Excess Revenues Available to Address Pricing Increases and Other Project Costs, As Needed

Source: Adapted by Ressel & Associates from Facility Planning and Construction Planning Document, August 2019.

Assuming no additional debt will be issued against the Surtax, the District will be left with approximately \$415 million in needs related to the Surtax projects *and* the growth projections that the district estimates at approximately \$600 million in total. Because these are projections that extend over many years, the initial estimates could grow over time with inflation and the rising cost of construction.

As a result of this gap between needs and revenues, carefully constructed strategies, supported by the Board, will be needed to ensure ability of CCSD to meet those needs. Strategies will have to include both cost cutting and revenue maximization components. Some of these strategies are discussed below.

Local Capital Improvement Funds (LCIF): Today, CCSD uses only a portion of the \$14 million generated annually through LCIF to fund capital projects. While entirely legal to use the funds for other purposes, in addition to the approximately \$6 million in projects that are funded annually from this fund, property insurance, the cost of some debt service, bus replacements, some Maintenance salaries and a number of other legal and appropriate expenses are also being

paid from this fund. According to staff, the decision to pay for some of these costs with LCIF funds was made when the fund balance had become dangerously low, and legally using these funds to supplement the operational needs would accelerate the rebuilding of the fund balance.

Impact Fees: Impact fees which currently generate approximately \$6 million per year are proceeds from a one-time tax imposed on all new residential and commercial construction by local governments to defray the cost of growth’s “impact” on vital services such as schools, parks, roads, ambulance and fire service and other infrastructure needs. As new development occurs the proceeds from impact fees will grow. A report generated by Urbanomics, Inc., in April 2017, and presented to the Board, recommended impact fee increases based on various factors including fees charged by other school districts. This recommendation was not approved by the Board and the Board’s decision to change the collection cycle for these fees caused a cash flow issue for the construction that was underway for the new elementary school.

Redistricting: The Superintendent presented a no-cost option for temporarily addressing overcrowding and the potential for eliminating some portables to the Board in October 2018. In the past, redistricting was used only when a new school was constructed and boundaries had to change accordingly. As shown in other sections of this report, CCSD has campuses that are severely overcrowded, while other linger around 85 percent occupancy. The Superintendent pointed out that by leveling the attendance through redistricting, the District could better address the educational needs of the students, save money by reducing the number of portables in use districtwide, and temporarily stave off the need for new facilities until funding from Impact Fees and state per-pupil funding rises to a point where new construction is possible.

E-Rate and Other Grants: E-Rate is the commonly used name for the Schools and Libraries Program of the Universal Service Fund, which is administered by the Universal Service Administrative Company (USAC) under the direction of the Federal Communications Commission (FCC). The program provides discounts to assist schools and libraries in the United States to obtain affordable telecommunications and Internet access. According to the Director of ITS, the District had not applied for or received E-Rate funding until recently. CCSD is using this funding to improve the technology infrastructure, and may be useful in the future for funding some technology needs for new schools. The Superintendent also alluded to the need to generate more community partnerships as way to mitigate the cost of growth.

While this list is not inclusive, there is potential for strategic planning related to each. In some cases, past decisions may have been sound at the time; however, developing a long term strategy that maximizes revenues and/or minimizes the drain on resources that can and should be directed to capital improvements will provide the administration and Board a standard by which to compare all related decisions. For example, if one of the strategies is to maximize impact fees, recommendations brought to the Board should contain evidence of how this recommendation will further that goal.

RECOMMENDATION

Recommendation 4-2:

In cooperation with the School Board, develop a long-term, strategic funding plan for funding and prioritization of the identified \$600 million in total needs.

4.2 FACILITIES PLANNING, USE, AND CONSTRUCTION

Program performance and managing are examined here in the following areas:

- 4.2.1 Educational Facilities Plan
- 4.2.2 Energy Management
- 4.2.3 Maintenance Procedures
- 4.2.4 Maintenance Work Order System
- 4.2.5 Planning and Construction Management

4.2.1 Educational Facilities Plan

OBSERVATION: CCSD's Educational Facilities Plan complies with the State's reporting requirements but is not laid out in the form and format of a typical Facility Master Plan, and the document does not contain linkages to the educational goals of the District.

Although the Educational Facilities Plan is in the form and format established by the State and contains a wealth of information on growth projections, current and future facility needs, and schematic drawings, the pieces are not linked nor presented in the form of a comprehensive facility master plan. In addition, there are no linkages to the District's educational goals and priorities as stated in the strategic plan readily apparent in all cases.

At a minimum, a Facilities Master Plan should address:

- laws, policies, and other guidelines (and annual changes) that impact facility planning and goals (i.e., class size, amenities by grade level, safety and security, etc.);
- the strategy required to meet the need for facilities improvements and for the capital investments necessary to support existing and projected educational needs;
- educational goals of the District to satisfy the needs of students, parents, educators, administrative staff, and the community;
- alternatives in allocating facility resources to achieve the District's goals and objectives; and
- realistic plans to help CCSD provide for its short- and long-range facility needs.

While many of these items are addressed in CCSD planning documents, in some instances, strategies and approaches for addressing specifics are fragmented. For example, the District and State reports show a utilization rate for each school based on the school's total capacity—including portables (See **Appendix D**). However, those reports do not discuss the District's position on the educational suitability of portables, the cost of maintaining portables (energy costs, custodial, etc.), or the capacity of the core infrastructure (cafeterias, rest rooms, auditoriums) and the stress that portables place on that infrastructure. A Long-Range Facility Master Plan would detail the parameters for the acceptable use, highlight the schools at or above those parameters, and lay out plans accordingly.

In many other districts, a Facilities Planning Committee comprised of key staff, community members, and experts in the field are brought in to ensure that priorities reflect community and district goals. Once developed, the Plan should be continually updated on an annual basis, with a new year added to the plan each year.

In its evaluation, Ressel & Associates found that although the District follows all state report guidelines and requirements to produce an annual *Educational Facilities Plan* in compliance with Section 1013.35, Florida Statutes, it does not have a long-range facility master plan that links the various documents and presents a comprehensive picture of facility and construction priorities, standards, and budgets—as well as growth and other planning projections and documents.

RECOMMENDATION

Recommendation 4-3:

Develop a Long-Range Facility Master Plan that incorporates its educational goals.

4.2.2 Energy Management

OBSERVATION: The Clay County School District has a coordinated energy-management plan.

In the District's strategic plan Goal 2 to improve management of districtwide operations is Initiative 2.2.2: to develop and implement plan to become more energy efficient.

According to *Evaluate Clay! A Reflection of the First Six Months*, CCSD has reduced its energy consumption by partnering with the Cenergistics group. The effort has been successful by combining energy saving projects such as new technology lighting, energy management controls, and conservative scheduling with modified behavior. When compared to January-May 2015 (when the Cenergistics was launched) the district used 5,500,842 kilowatts (KWH) less in 2019 at 22,153,352 KWH compared to 27,654,194 KWH in 2015. **Exhibit 4-6** shows the District's KWH cost savings since it launched its savings program. Moreover, the District's recycling program has taken off, reducing 2017-18 refuse consumption by \$170,920 as compared to 2011-12, a peak year.

**Exhibit 4-6
Kilowatt Usage and Cost Savings
Clay County School District**

Year	Total KWH Used	KWH Cost Savings
2015	71,493,256	\$0
2016	65,813,656	\$5,679,600
2017	61,932,047	\$9,561,209
2018	61,551,360	\$9,941,896
Total	260,790,319	\$25,182,705

Source: Director of Maintenance; BL-14 Executive Energy Profile, August 2019.

When looking at all of its energy consumption from 2016 to 2019 to date, the District has also realized cost savings in water (potable water) and sewer in addition to electricity as shown in Exhibit 4-7.

Exhibit 4-7
Clay County School District Energy Savings
January 2016-May 2019

Utility	Use			Cost				
	Actual	Avoidance	% Avoidance	Actual	Avoidance	% Avoidance	Other Savings	Total Savings
Electric	211,138,475	31,925,139	13.1	\$22,220,204	\$3,415,756	13.1		\$3,415,756
Water	46,755	(1,999)	-4.5	\$179,373	-\$3,663	-2.1		-\$3,663
Water & Sewer	268,912	(44,128)	-19.6	\$2,870,083	\$130,083	4.4	\$10,439	\$141,246

Source: School District of Clay County Overall Program Summary CAP, January 2016-May 2019.

This year, CCDS received recognition that 28 of 41 of the District's Brick and Mortar Schools were energy efficient and received Energy Star Certification.

While the District is already looking toward new opportunities for further reducing energy costs, administrators said this was the first time ever that Clay County Schools were recognized for making these significant improvements.

4.2.3 Maintenance Procedures

OBSERVATION: Maintenance Operations and Procedural manual has not been updated since 2012 but efforts to update those procedures are currently underway.

The *Maintenance Department's Operations and Procedural Manual* has not been updated since 2012. In reviewing the various chapters, much of it reads like an employee handbook for Maintenance employees in general, without specific procedures for each trade.

The Manual does contain good guidelines, such as safety on the job, but is not a step-by-step procedures manual. For example, there are no details provided for grounds-keeping tasks, nor what is required when performing HVAC systems inspections. Maintenance management said that no formal employee training is in place for its technicians but on the job training is provided.

Efforts to update the manual remained in progress at the time of on-site work, however staff indicated that a draft was nearing completion and would be presented to the School Board for review in September 2019.

The existence of procedures does not, in itself, ensure that the trades are doing their jobs and following procedure correctly. Procedures, do, however, establish minimum standards for performing the job, provide a basic training manual for new employees, and with regular use, can help the District to identify and document changes in the types of equipment being maintained, and address new technologies that may become available.

RECOMMENDATION**Recommendation 4-4:**

Complete the update of the *Maintenance Operations and Procedural Manual* and implement a plan for updates on a three-year basis with specific procedures for each trade.

4.2.4 Maintenance Work Order System

OBSERVATION: The Maintenance Department implemented a new work order system within the last few months, and is currently working with *Asset Essentials* to develop a good system for measuring performance using this new work order system.

To meet its strategic plan goal to improve management of district-wide operations, the District acquired *Asset Essentials* in March 2019.

Asset Essentials is a software program that District staff uses to submit and track progress on work orders. The work order process is fully online. A predesignated, onsite requester (i.e., head custodian or school administrator) enters a work request, which is forwarded to the appropriate lead. The lead assigns it to a technician who completes the work, enters action taken, parts used and labor hours used, and saves it in a completed status. The lead will check the work order for accuracy, add other charges or comments if needed, and save the work order into the Archived status.

Maintenance runs monthly reports to track incoming work orders, preventative maintenance, work completed, labor costs, and parts costs. Staff also run quarterly reclass reports for the Finance Department that provide a breakdown, per school and districtwide, of labor, parts, and non-inventory costs.

While *Asset Essentials* has worked well, and implementation is in the early stages, management is still exploring way that they can use the system to measure internal performance by work orders processed. Currently, the department is running monthly reports for turnaround time, man hours and expenditures and is broken down by trade. These reports are helpful in gauging what work is completed and what is outstanding. According to the Director of Maintenance, no policy or procedure exists for assigning Maintenance priorities; work is assigned daily, as needed, however the system has capabilities that can assist in the process. Additionally, other users have been able to use the system to identify ways to streamline processes. For example, one District found that some technicians had long drive times from the central warehouse to the schools they served, which meant less time on task in the schools. By either parking service vehicles at the schools that were being serviced or allowing technicians to take service vehicles home, much of the drive time could be eliminated. Having the ability to track this type of data with *Asset Essentials* can help management set priorities and goals based on a continual evaluation of its workload, improve productivity, streamline maintenance activities, and effectively manage its preventative and deferred maintenance effectively.

RECOMMENDATION**Recommendation 4-5:**

Continue to work with *Asset Essentials* to identify data needs and develop reports that can be used to monitor turnaround times, completion of work performed, and quality of work performed collectively and by technician.

4.2.5 Planning and Construction Management

OBSERVATION: The District drafted a Facility Planning and Construction Manual in response to the Auditor General’s findings; however, the value of the procedures will be enhanced as staff embraces the concept of using the document as a tool for continual improvement.

At the time of on-site work, staff was in the process of drafting a procedures manual, but indicated that the document was being prepared to address the auditor’s recommendations and to ward off future findings. A review of the final document found that the document contains detail specifically in response to the AG’s findings however actual day-to-day processes are not well documented.

Prior to the creation of the Procedures Manual, CCSO contracted with the former Director of Facilities to assist with specific projects and to provide training for newer staff. One of the key functions of well-documented procedures is the protection of institutional knowledge. As a result of recent transitions in staff and absence of sufficient and current procedural guidance, the institutional knowledge of the district is diminished. Recent retirements and changes in personnel have negatively impacted the working knowledge of staff as they adjust to their new roles and responsibilities and implementation of new work processes. Staff told the auditors that because staffing in the department has only been one-deep for a number of years, the workload demands made sharing of institutional knowledge and succession planning difficult.

As processes and procedures change with time, changes in statutes or policies, and changes in technology, a continually updated procedures manual provides a tool whereby the changes as well as the reasoning behind the changes can be documented.

Another key function of procedures is accountability. Detailed and complete procedures provide all employees clear guidance with district expectations and protocols. Clearly stated procedures help produce compliance and instill a sense of direction and urgency. Consequently, procedures should be assessed for risk by legal staff or other experts, particularly in areas where the complexity, amount of funding, and legal requirements are more critical. At this time, the newly created procedures have not undergone a legal review.

In creating and continually updating procedures, an opportunity exists for reassessing the processes and looking for ways to streamline operations, improve controls, or simply remove redundancies. In a dynamic environment, periodic review of the process and procedures counters the attitude that “we have always done it this way.”

RECOMMENDATION

Recommendation 4-6:

Reassess the concept of procedures for the purpose of training and protection of institutional knowledge as implementation of the Facility Planning and Construction Procedures Manual is completed.

4.3 **SAFETY AND SECURITY IMPROVEMENTS**

The program and performance of the safety and security functions under review are presented as follows:

- 4.3.1 Internal Performance Measures
- 4.3.2 SB 7030 Compliance Monitoring

4.3.1 **Internal Performance Measures**

OBSERVATION: CCSD Safety and Security functions are in transition for the new school year, and at this point, internal performance measures have not been fully developed.

Goal 2 of the District's Strategic Plan is to *Improve Management of District-wide Operations and Facilities*. The strategy for doing so is to *improve safety and security of all district and school buildings*.

Those initiatives are:

- *increase the number of campuses with camera surveillance;*
- *increase the number of campuses with front office access controls;*
- *develop and implement a plan to install security systems at all schools;*
- *develop and implement School Safety Plans;*
- *develop and implement a plan for Code Red Drill.*

Although the administration has acknowledged a long list of accomplishments in the area, not the least of which is the implementation of a new Police Department, the Operations Safety and Security and Police Departments have not yet established performance measures tied to the strategic plan's strategies.

Performance measures should be tied to District goals and should, at a minimum, contain linkages to accomplish those goals.

With the implementation of the Marjory Stoneman Douglas Act, the District will be responsible for reporting threat assessment data and School Environmental Safety Incident Report, Florida Safe Schools Assessment Tool, and Mental Health Assistance Allocation Annual Report. Safety and Security measures could be tied to these requirements.

Currently, the Director of Operations Safety and Security indicated that the strategic plan for safety and security is evolving with his transition into his new position. Further, he stated that, once the District completes all the state-mandated requirements, they will incorporate those related goals into the Strategic Plan.

RECOMMENDATION

Recommendation 4-7:

The Operations Safety and Security and Police Department should continue to collaboratively develop performance measures that are tied to District goals, strategies, and initiatives.

4.3.2 SB 7030 Compliance Monitoring

OBSERVATION: The District is using a tracking tool to monitor its compliance with SB 7030 implementation.

CCSD uses a tracking tool to monitor its implementation of SB 7030 legislative requirements for:

- FortifyFL App;
- School Environmental Safety Incident Report;
- Behavioral Threat Assessment Instrument;
- Transfer of Student Records;
- Initial Student Registration;
- Drills for Active Shooter and Hostage Situations;
- School Safety Specialist Duties;
- Active Assailant Response Plan;
- Behavioral Threat Assessment Instrument;
- Threat Assessment Team Duties;
- Safe-School Officers;
- Zero Tolerance Policy;
- Florida Safe Schools Assessment Tool; and
- Mental Health Assistance Allocation Plan.

In its review, Ressel & Associates LLC found no concerns for the District's handling of the implementation of safety and security measures required by law. To date, the District is on target to meet these legislative requirements, except where they are waiting on guidance and tools from the Department of Education Office of Safe Schools. Police officers and guardians are assigned to schools and each has written job descriptions. The Climate and Culture Department is providing mental health and threat assessment training.

4.4 TECHNOLOGY IMPLEMENTATION AND UPGRADES

This section examines the technology-related planning efforts of the district.

4.4.1 Technology Planning

OBSERVATION: Although there were a number of documents referred to by the Director of Information Technology Services as various planning documents, none of these documents appear to be a comprehensive Technology Master plan and none of the individual plans are directly linked to the CCSD Strategic Plan. During the course of this study a more comprehensive plan was drafted.

In response to a request for master planning documents, staff provided individual project plans and documents for the roll out of various software and hardware projects, such as a *Risk Assessment Plan* and the *2016-17 Digital Classroom Plan*, however, upon further discussion, the Director provided an outdated *School District of Clay County, District Technology Plan, July 2013-2016* which had little or no real relevance to the technology environment of the District today.

The District's Strategic Plan contains the following strategies specific to instructional technology, however a number of other strategies throughout the plan speak indirectly to improved technology. For example, one strategy is to implement a work order system for Maintenance – a project that has been completed.

Strategy 2.1: Improve technology in all classrooms and district buildings.

Initiative 2.1.1: Upgrade all output switches in schools in order to improve speed and access of internet

Initiative 2.1.2: Develop and implement technology plan to increase wireless access points in all classrooms

Initiative 2.1.3: Implement Digital Classroom Plan to decrease student-to-device ratio

Initiative 2.1.4: Develop and implement plan to provide all staff with portable devices upon hire

Initiative 2.1.5: Develop and implement plan to upgrade the CAT wiring in all buildings

A comprehensive technology master plan integrates business and instructional program needs and sets out a vision for the ideal state in both environments, and takes into account:

- operational needs (instructional and business);
- growth factors;
- financial constraints and opportunities;
- evolving technologies;
- level of Support and Service Needs;
- regulatory and Security Requirements; and

- linkages to other planning documents.

The individual project plans provided to the Ressel Team do not meet these guidelines, but some information contained in those documents could provide a framework for a comprehensive plan. For example, in the project description for the dark fiber project, the description of needs and the rationale for building a more robust network provide a basis for other infrastructure improvements in the future.

Technology is evolving rapidly and in some instances schools in particular become caught up in the move to technology for technologies sake. Creating a vision for the desired technology environment today and five to ten years in the future will ensure that individual projects and initiatives actually move the District in the intended direction.

At the time of this report, management provided a copy of a comprehensive Technology Plan for July 2019 through June 2024. The document had not yet been approved and adopted, but plans are underway to present the document to the Board within the month.

RECOMMENDATION

Recommendation 4-8:

Once the Technology Plan for July 2018 through June 2024 is adopted, continue to update the plan annually as progress is made and new initiatives are added.

4.5 SERVICE BOND INDEBTEDNESS

Program and performance monitoring for areas directly involved in the financial functions of the district's operations are presented here as follows:

- 4.5.1 Fund Balance
- 4.5.2 Internal Controls Over Purchasing
- 4.5.3 Central Office Oversight of Bidding and Contracting

4.5.1 Fund Balance

OBSERVATION: While the School Board's Fund Balance Policy seeks to comply with the minimum requirements of Section 1011.015, F.S., the policy does not specify what the Board considers an optimum fund balance.

Over the last five years, CCSD has made a concerted effort to increase the Fund Balance in the General Fund to meet or exceed State guidelines.

Excerpts from the Auditor General's Single Audit for FY 2015 illustrate the problem [*Emphasis Added*]:

- At the end of the current fiscal year, the fund balance of the General Fund totals \$6,584,542.68, which is \$753,025.35 less than the prior fiscal year balance. **The General**

Fund total assigned and unassigned fund balances, which represents net current financial resources available for general appropriation by the Board, was \$5,089,673.43, or 2.08 percent of total General Fund revenues.

- **Finding 1:** At June 30, 2015, and at the end of each of the two previous fiscal years (June 30, 2013, and June 30, 2014), the District's General Fund total assigned and unassigned fund balances have been only slightly over 2 percent of the Fund's total revenues. As a result, the District has had fewer resources for emergencies and unforeseen situations than other school districts of comparable size. **Similar findings were noted in audit reports for the 2012-13 and 2013-14 fiscal years.**

Excerpts from the Auditor General's Single Audit for FY 2018 illustrate the improvements [*Emphasis Added*]:

- At the end of the current fiscal year, **unassigned fund balance is \$12,452,270.63**, while the total fund balance is \$28,634,578.83. As a measure of the General Fund's liquidity, it may be useful to compare the total assigned and unassigned fund balances to General Fund total revenues. **The total assigned and unassigned fund balance is \$19,678,182.91, or 7.1 percent of the total General Fund revenues**, while total fund balance represents 10.4 percent of total General Fund revenues. The assigned and unassigned fund balance increased by \$4,179,896.12, or 27 percent, while the total fund balance increased by \$5,620,108.43, 24.4 percent, during the fiscal year.

The School Board Policy Manual contains the following policy statement:

The Superintendent shall use the following guidelines in preparing the budget for School Board consideration and adoption:

- a. **Balanced Operating Fund Budget.** The operating budget should be prepared to be in compliance with Chapter 1011, Florida Statutes.*
- b. **Targeted Minimum Operating Fund Balance.** The District shall endeavor to maintain a minimum operating fund balance budget in compliance with Section 1011.051, Florida Statutes.*

Section 1011.051, F.S., reads as follows:

Guidelines for General Funds—*The district school board shall maintain a general fund ending fund balance that is sufficient to address normal contingencies.*

1(1) If at any time the portion of the general fund's ending fund balance not classified as restricted, committed, or nonspendable in the district's approved operating budget is projected to fall below 3 percent of projected general fund revenues during the current fiscal year, the superintendent shall provide written notification to the district school board and the Commissioner of Education.

(2)(a) If at any time the portion of the general fund's ending fund balance not classified as restricted, committed, or nonspendable in the district's approved operating budget is

projected to fall below 2 percent of projected general fund revenues during the current fiscal year, the superintendent shall provide written notification to the district school board and the Commissioner of Education. Within 14 days after receiving such notification, if the commissioner determines that the district does not have a plan that is reasonably anticipated to avoid a financial emergency as determined pursuant to S. 218.503, the commissioner shall appoint a financial emergency board that shall operate under the requirements, powers, and duties specified in S.218.503(3)(g).

Although Policy is silent on an actual percentage, CCSD's Strategic Plan, Initiative 2.4.2 contains a goal to: "Raise the school district's reserve fund balance above 5% threshold."

The language of the law leaves the definition of "sufficient" undefined. The Government Finance Officers Association (GFOA) in its publication, *Fund Balance Guidelines for the General Fund* makes the following recommendation:

GFOA recommends that governments establish a formal policy on the level of unrestricted fund balance that should be maintained in the general fund for GAAP and budgetary purposes.³ Such a guideline should be set by the appropriate policy body and articulate a framework and process for how the government would increase or decrease the level of unrestricted fund balance over a specific time period. In particular, governments should provide broad guidance in the policy for how resources will be directed to replenish fund balance should the balance fall below the level prescribed.

*Appropriate Level. The adequacy of unrestricted fund balance in the general fund should take into account each government's own unique circumstances. For example, governments that may be vulnerable to natural disasters, more dependent on a volatile revenue source, or potentially subject to cuts in state aid and/or federal grants may need to maintain a higher level in the unrestricted fund balance. Articulating these risks in a fund balance policy makes it easier to explain to stakeholders the rationale for a seemingly higher than normal level of fund balance that protects taxpayers and employees from unexpected changes in financial condition. Nevertheless, GFOA recommends, at a minimum, that general-purpose governments, regardless of size, maintain **unrestricted budgetary fund balance in their general fund of no less than two months of regular general fund operating revenues or regular general fund operating expenditures...***

While the significant improvements in the financial position of the District's General Fund balance are notable, based on the GFOA guidelines and proposed General Fund budgeted expenditures for 2019-20, of approximately \$320 million, two months of operating expenditures would equate to approximately \$54 million. While CCSD had met its goal of bringing the fund balance in line with state minimum requirements, CCSD's audited financial statements for FY 2018 reported an unassigned fund balance of approximately \$12.5 million or approximately one fourth of GFOA's recommended optimum number.

RECOMMENDATION**Recommendation 4-9:**

Establish a fund balance policy in keeping with the GFOA recommendation that articulates a framework and process for building and maintaining the unrestricted fund balance at an acceptable level.

4.5.2 Internal Controls Over Purchasing

OBSERVATION: Board policies and administrative procedures are outdated and do not address key aspects of the District's purchasing functions; in some instances current practices are not in line with the intent of policy nor are they conducive to a strong system of internal control.

School Board Policy Section V: Business Affairs contains a Purchasing Section that provides general guidance on purchasing. The Introductory paragraph stipulates the role and responsibility of the Purchasing Director as follows:

A. Purchasing

1. *The Director of Purchasing will be responsible for organizing and administering acquisitions for the district in accordance with responsibility and authority delegated by the District's Superintendent, School Board and resultant policies. The procedures outlined in the handbook regarding centralized purchasing approved by the School Board will be used by the District Purchasing Department in its conduct of business.*

Although Policy refers to the position as Director of Purchasing, the current head of that department is the Purchasing/Material Supervisor, therefore, it is unclear whether Policy intends for the Supervisor or perhaps the Assistant Superintendent for Business Services to be the responsible party.

Policy as well as the *Handbook of Procedures Regarding Centralized Purchasing/Warehouse of Clay County Schools* that reiterate policy, stipulate when competitive bidding is required. Although the language may imply that the Board must approve all contracts and purchases above \$50,000, the policy is not explicit on that point:

Except as authorized by law or rule, competitive solicitations shall be requested from three (3) or more reputable sources for any authorized commodities or contractual services exceeding \$50,000 or more. The School Board may not divide the procurement of commodities or contractual services so as to avoid this monetary threshold requirement. For expenditures less than \$50,000 and when practical, quotations will be requested as follows:

- *\$15,000-\$24,999 - documented telephone quotes from 2 or more qualified vendors*
- *\$25,000-\$39,999 - written quotes from 3 or more qualified vendors*
- *\$40,000 - formal written sealed quotes*

Purchasing staff stated that some purchases and contracts can be signed by the Superintendent, however it is their practice to bring all larger purchases to the Board for approval. During interviews, staff responses regarding what items went to the Board were varied, with \$50,000 being the predominant response, however, the absence of clear language in policy is an opportunity for misinterpretation.

Policy is also silent on any aspect of construction bidding or contracting. During interviews, the Purchasing/Material Supervisor indicated that neither she nor her staff was familiar with the specific purchasing laws relating to those types of purchases. Facilities handles their own advertisements and develop their own solicitation documents using a pre-approved template, etc. Policy makes no mention of the laws or guidelines for soliciting or contracting with Architects.

Policy also requires that all contractors be prequalified. Although the prequalification requirement is found in Section VI of the Policy Manual which deals specifically with Support Services, staff said that all vendors are required to be prequalified. Purchasing is involved with the pre-qualification of all contractor/vendors wanting to do business with the district, including those wishing to do business with the Facilities group. The process for Facilities is directed by Facilities with review and signoff by Purchasing, but it is the Facilities group that takes the final request for prequalification packet for their contractors to the Board for review and approval.

Policy and Purchasing Procedures also require sealed bids and bid evaluations to be handled by Purchasing:

Purchasing Procedures

C. Receipt for Bids - Sealed bids are to be received in the Office of the Purchasing Agent at the designated place, date, and time as set forth in all bid invitations.

D. Evaluation of Bids - All competitive bids for materials and services shall be evaluated by the Director or Purchasing and staff members involved in the use of materials on bid. The Purchasing Director shall make recommendations to the Board for awarding of contracts, giving careful consideration to prices, quality of materials, services, responsibility of bidder, and other factors consistent with good purchasing practices. The School Board of Clay County is not necessarily bound by the recommendations.

The Purchasing/Material Supervisor stated that, although Facilities handles much of the bidding process, she is responsible for opening sealed bids in accordance with policy. Facilities staff indicated that they contract with the Architect for a project, and the Architect is the one who is responsible for handling the majority of the competitive bid process.

As described above, policy and procedures are missing key purchasing components:

- threshold for purchases requiring Board approval; and
- acceptable solicitation and contracting methods for professional and construction services.

In addition, Board Policy does not appear to intend for the Facilities area to operate autonomously, but rather vests the responsibility and authority with the Purchasing/Material Supervisor.

RECOMMENDATION

Recommendation 4-10:

Update Board Purchasing Policies and Administrative Procedures to address the missing components and clarify the roles and responsibilities of all parties to the purchasing process.

Every effort should be made during this process to ensure that internal controls are strong in terms of separation of duties, so that no individual or department is operating without significant oversight by the Purchasing Department.

4.5.3 Central Office Oversight of Bidding and Contracting

OBSERVATION: Based on an examination of bid and contract documents as part of the three case studies conducted by Ressel & Associates, the team found that CCSD complied with purchasing statutes. However, additional central office oversight of the construction bidding and contracting processes will be needed to manage the volume and complexity of Surtax projects.

As noted above, Board Policies and Administrative procedures lack clarity. The practice of authorizing the Facilities Department to handle all of its own solicitation, contracting and contract management functions does not provide for an adequate separation of duties, as the same individuals are involved in issuing and negotiating contracts, monitoring the contracts and paying the contractors. There are approvals by Business Affairs staff prior to the issuance of a check to a contractor, but staff said their review primarily involves ensuring the right funds are being used for the right purposes rather than validating the quality and quantity of work performed. Consequently, the *opportunity* exists in the current system for an individual to manipulate the system for their own gain or the gain of the contractor.

The processes within Facilities include the following high-level steps that are in some case derived from the newly-developed procedure manual and staff interviews:

- Prequalification of Contractors: Contractors must be prequalified in order to respond to an Invitation to Bid (ITB), Request for Qualifications (RFQ) or a Request for Proposal (RFP).
- Board Approves the Capital Projects list with dollars attributed to each project during the budget cycle; if emergency needs are identified mid-year, these also go to the Board for approval. Procedure is silent on this component.
- Architects and Engineers:

- Request for Qualifications is advertised.
- Two interviews are held with a specified number of bidders (Interviewers include representatives from Facilities, Planning & Construction; Maintenance; Code Enforcement; User representative, as needed; and a School Board Member (final interview only)
- Typically, an annual contract is given to the winning contractor where price is set by contract as a percent of the assigned project cost. Procedure is silent on whether a standard contract is used, however staff indicated that a template prepared by legal staff is used rather than a standard AIA contract.
- Project Delivery Method is determined by Facility Staff
 - Checklist in procedure does not stipulate who makes the final decision
- Construction Manager: Procedure is silent on the solicitation methods and steps however Board Policy VI: Support Services provides a framework. The following outline was provided by staff during interviews:
 - The project design is prepared by the Architect and brought to the Board for approval; if modifications are required, the final design is brought back to the Board for approval.
 - The Architect works with facility staff to draft the scope of work and prepares the final solicitation documents.
 - Once approved by Facilities, the Architect advertises the bid and answers all questions from the potential bidders.
 - Sealed bids come in and are opened by Purchasing.
 - Various departments check the bids to determine if the bid complies (i.e., is insurance adequate, etc.)
 - According to staff, evaluation is strictly based on price, so low bid wins. Board Policy contains language that bids are evaluated by a committee and decisions are based on multiple criteria. Additionally, Policy discusses contract negotiations following the selection of the recommended contractor.
 - Contract is drafted and goes to the Board for approval. Staff indicated that AIA contracts are used for the construction manager. The School Board Attorney said that he reviews every contract that goes to the Board; however, none of these steps are outlined in policy or procedure.
 - Once approved the contract is signed and work begins.

- Progress invoices are reviewed by the architect and sent to Facilities Project Manager (PM) for approval. PM reviews, signs and sends to Accounts Payable for payment. CCSD’s Business Plus accounting system contains workflows for signoffs by appropriate staff.

In addition, although the Board Attorney said that he reviews all contracts before they are sent to the Board for approval, he said he is not involved with solicitations, evaluations and negotiation processes. There is, however, considerable reliance by CCSD staff on the Architects and Engineers in this process.

This decentralized purchasing process has worked for CCSD primarily because a small group of dedicated individuals with a significant amount of institutional knowledge was able to make it work. Ressel & Associates has found that Purchasing Best Practices often include these common elements:

- well documented policies and procedures;
- fully-trained staff;
- centralized oversight and monitoring to ensure legal and policy compliance; and
- a strong IT system with encumbrance and accounting controls.

The administration has an IT system with strong encumbrance and accounting controls and has recognized that the volume and complexity of the Surtax-related projects will require additional staff resources, some of which will be under contract. Consequently, continuing to operate a decentralized purchasing system when key staff is no longer able to manually control every aspect of the process opens the District to significant risk.

RECOMMENDATION

Recommendation 4-11:

Centralize the competitive bid and contracting functions for all departments within the Purchasing Department.

Purchasing staff should be trained to handle construction related bidding and contracting functions, or staff should be hired with the type of expertise needed to provide central oversight of those functions currently handled by Facilities Planning and Construction.

***CHAPTER 5:
REPORTING ACCURACY AND ADEQUACY***

5.0 REPORTING ACCURACY AND ADEQUACY

Chapter 5 presents findings related to reporting accuracy and adequacy. During the performance audit, Ressel & Associates examined districtwide information systems as well as any ancillary systems used in each of the functional areas under review to determine if the systems are meeting the business needs of the organization and are capable of delivering timely, accurate and useful information for management and stakeholders. The auditors also examined the District’s website and other tools used to keep the general public informed about ongoing projects and business activities. The Open Records processes were also assessed for responsiveness and accuracy.

The specific audit evaluation tasks are provided below.

- 1. Assessed whether the program has financial and non-financial information systems that provide useful, timely, and accurate information to the public.*
- 2. Reviewed available documents, including relevant internal and external reports, that evaluate the accuracy or adequacy of public documents, reports, and requests prepared by the county or school district related to the program.*
- 3. Determined whether the public has access to program performance and cost information that is readily available and easy to locate.*
- 4. Reviewed processes the program has in place to ensure the accuracy and completeness of any program performance and cost information provided to the public.*
- 5. Determined whether the program has procedures in place that ensure that reasonable and timely actions are taken to correct any erroneous and/or incomplete program information included in public documents, reports, and other materials prepared by the county or school district and that these procedures provide for adequate public notice of such corrections.*

Finding on reporting accuracy and adequacy: In its evaluation, Ressel & Associates found no instances of non-compliance. However, policies relating to the handling of Open Records requests need to be reviewed and updated. A review of information provided to the public on the District website and through public requests found that information being provided is accurate and complete. Enhancements to the information available on the website are recommended to further improve communication with targeted groups for specific purposes, such as potential vendors and contractors.

In this chapter, the reporting accuracy and adequacy of CCSD is presented in the following functional areas:

- 5.1 Districtwide Support for Areas Under Review
- 5.2 Facilities Planning, Use, and Construction
- 5.3 Safety and Security Improvements

- 5.4 Technology Implementation and Upgrades
- 5.5 Service Bond Indebtedness

5.1 DISTRICTWIDE SUPPORT FOR AREAS UNDER REVIEW

Reporting accuracy and adequacy is addressed in this section in the following areas:

- 5.1.1 Open Records Policy and Procedures
- 5.1.2 District Website
- 5.1.3 Citizens Advisory Committee

5.1.1 Open Records Policy and Procedures

OBSERVATION: The Clay County School District has a 2012 Board-approved document that serves as policy for open record requests.

Sections 1001.42 and 1001.43, Florida Statutes as well as Chapter 119, Florida Statutes provide specific guidelines for open records requests.

In CCSD, the IT Department is responsible for open records requests. Requests are logged into a spreadsheet. The only information on the District's website regarding public records requests states the following:

Public record requests may be directed to the Public Records Custodian, Clay County District Schools, 900 Walnut Street, Green Cove Springs, Florida 32043, ATTN: PRR; Phone: 904 336 6504; E-Mail: PRR@myoneclay.net. Clay County District Schools complies with the state statute for public records according to Chapter 119.

At the time of onsite work, no School Board Policy relating to Open Records was found on CCSD's Policy webpage. Administrators later located a 2012 Board-approved document entitled *Training for Open Records Requests*, and uploaded it to the Board's Policy page. The document, authored by a former Deputy Superintendent, outlines very detailed procedures for responding to requests, redacting information that is not subject to open records, estimating labor and copying costs, and invoicing for the cost of preparing the requested documents.

Most school districts in Florida have adopted a policy on Open Records Requests that includes information such as the following:

- All public records shall be available for inspection and copying under the supervision of the custodian (or designee) of the public records at reasonable times during the normal business hours.
- Records that are presently provided by law to be confidential or prohibited from being inspected by the public are exempt from production.
- The Board attorney should review requests, as needed.
- A request to inspect or copy a public record may be made verbally or in writing.

- Requests for public records shall be fulfilled in a limited reasonable amount of time.
- The maximum cost of duplication prescribed by law shall be charged and collected before the work is completed.
- In addition to the actual cost of duplication, a special service charge shall be imposed for the cost of the extensive use of information technology resources or of clerical or administrative personnel.
- A request for information is a request in which the requested information does not already exist in public record form. A specific request for information may or may not have a record that can fulfill the request and if a record exists it will be provided as permitted by law.
- All district records will be maintained in accordance with the GS1-SL and GS7 records retention schedules established by the Florida Department of State.
- The Superintendent or designee is authorized to establish processes and procedures to implement this policy.

Training for Open Records Requests, although adopted by the Board, is not presented in the form of a policy, but rather appears to guide staff in basic handling procedures. In addition, the document does not specifically assign a District Records Management Officer or address records retention, the time frame required for responses or the handling of requests to inspect records versus those requesting hard or electronic copies.

In addition, the IT Department has handling procedures which include information on the contact person for public information requests with a cross-reference to the website, a tentative timeline for response, cost to be charged in any, and how information will be shared through Google. As stated in **Subsection 1.1.2** of this report, the Policy Manual of the Clay County School Board is very outdated and lacks several important policies.

An example Board policy used in another school district for public information requests is shown in **Exhibit 5-1**.

RECOMMENDATION

Recommendation 5-1:

Adopt an updated Open Records Policy that includes the role of legal counsel regarding the process and the formal designation of a District Records Management Officer.

Exhibit 5-1
Example Public Records Policy

- (1) Any District employee or agent possessing, maintaining or controlling public records is the custodian of said records.
- (2) Requests for information and questions regarding the District shall be submitted to the Superintendent's office located at 75 North Pace Boulevard, Pensacola, Florida 32505.
- (3) Except as otherwise provided by law, all records of the Board are public records. Requests for inspection and copying of public records of the Board as a whole shall be submitted to the Superintendent's office. Requests for inspection and copying of records pertaining to individual Board members shall be submitted to the individual board member.
- (4) Responses to requests shall be made by the custodian of the requested public records as quickly as possible. Sufficient time shall be allowed to determine whether the records, documents, or information requested is by law confidential, or otherwise exempt from disclosure.
- (5) The Deputy Superintendent is designated as the District Records Management Liaison Officer ("RMLO"). District personnel are encouraged to confer with the General Counsel and the RMLO as necessary to ensure compliance with this section.
- (6) Copies of public records shall be furnished upon the payment of the cost for duplication and any other service charge or fee set by Section 119.07(4), F.S. (7) Schools and departments shall maintain records in accordance with Section 257.36, F.S.; governing retention and disposition of records.

Source: Escambia County School District Policy Manual, 2019.

5.1.2 District Website

OBSERVATION: With few exceptions, the District's website is up-to-date and easy to navigate; access to older Board meeting agendas and minutes may prove helpful to the public.

Significant information is available for the community, teachers, students, and staff—including excellent portals. One exception, which was previously identified, relates to the Board Policy Manual. Only Section 1 of the Board Policy Manual is easy to navigate. The other sections have yet to be revised and cannot be pulled individually from the website.

Another exception, which is addressed in **Chapter 6**, is the absence of visible information on the Surtax.

5.1.3 Citizen Advisory Committees

OBSERVATION: The Clay County School District has not been successful in the use of citizen advisory committees in recent years.

CCSD indicated in the adopted Surtax resolution that an Oversight Committee would be appointed by the School Board, but administrators said that plans for the appointment of an Oversight Committee and the identification of potential committee members by the Board have been put on hold pending the final decision regarding the timing of the referendum.

Although not required by law, most school districts use community-based advisory committees for a number of purposes. Generally, these advisory committees are comprised of community members appointed by the School Board or Superintendent and are charged with overseeing some aspect of a school district's operations.

External advisory committees are generally comprised of community experts in the field; outcomes from these committees help to drive the District's continual improvement efforts.

The two committees most other school districts have that are engaged with capital projects are a Construction Advisory Committee and the Finance Advisory Committee. Each is described below:

- **Construction Advisory Committee:** The purpose of a Construction Advisory Committee is to provide input, advice, and support to a district's Capital Plan. This Committee could also review proposed new construction and renovation projects, as well as review plans for compliance with safety-to-life issues.
- **Finance Advisory Committee:** The purpose of a Finance Advisory Committee is to provide input, advice, and support in the preparation of the capital and operation budget for the district. Generally, community representatives with expertise in Finance are asked to serve on a committee of this type.

In addition, many district superintendents have effectively used a Business Roundtable or Business Advisory Committee to provide advice on community-related business issues among CEOs in a community.

The Clay County School District has no effective model for using committees of this type. In fact, last year the CCSD District Advisory Committee was disbanded citizen due to ineffectiveness and lack of volunteers who asked to serve on the Committee.

During interviews with Board members and administrators, the Ressel Team heard that, based on past experiences, some Clay County citizens may be disenchanted with their role and responsibilities as members of an ineffective advisory committee. As such, the Clay County community may be skeptical as to whether this new Surtax Oversight Committee can be effective in carrying out its charge. Documenting clear expectations for the committee and providing training for prospective members could dispel this perception and establish a framework for its success.

RECOMMENDATION

Recommendation 5-2:

Inform the public of the importance of the Surtax Oversight Committee, establish clear guidelines for the role and responsibility of the committee and when the Board appoints the Oversight Committee, provide training for committee members as to their valuable role and responsibilities.

5.2 FACILITIES PLANNING, USE, AND CONSTRUCTION

This section addresses reporting accuracy and adequacy in the following areas:

- 5.2.1 Terminology
- 5.2.2 Vendor/Contractor Information

5.2.1 Terminology

OBSERVATION: The terminology used by CCSD officials when referring to District needs and planning efforts relating to the Surtax projects and growth needs need clarification and consistency.

When the Ressel Team initially began work, a number of documents and references made to initiatives led to some confusion among the team members about which project lists related directly to the Surtax referendum. In the documentation requested and received from the district, the team received one project needs document entitled *ED F.I.R.S.T Proposed Projects* and another called *PENNY PROJECT DEVELOPMENT 30 YEAR*.

Both ED F.I.R.S.T and the “Penny Project” are terms used somewhat interchangeably by staff in reference to the envisioned Surtax projects; however the Penny Project document contains the 30-Year needs assessment, only a portion of which is included in the Surtax resolution. When asked about this, staff indicated that the penny reference was actually a reference to the half-cent Sales Surtax but the document itself includes the full \$600 million in needs including needs relating to projected growth.

While using this terminology appears to be an attempt on the part of the administration to create a “branding” concept for the projects, inconsistencies in numbers and naming conventions may have an opposite effect.

RECOMMENDATION:

Recommendation 5-3:

Bring consistency to the terminology used when referencing the two phases of the envisioned projects to improve community understanding.

5.2.2 Vendor/Contractor Information

OBSERVATION: All vendors and contractors wishing to do business with the District must go through a prequalification process before they are able to submit a bid; making the information on the Website more visible to vendors/contractors could be a tool for increasing participation.

Section VI of Board Policy requires contractors to be prequalified and outlines the steps that a vendor/contractor must go through to be prequalified. The policy also stipulates that the qualification will be effective for one year after the date of approval. The pre-qualification process is managed by the Administrative Secretary in Facilities Planning and Construction.

The general process described by staff includes the following:

- An interested vendor/contractor accesses a packet of information describing what they need to provide and the forms they need to complete and return.
- The forms are mailed to the district and processed by the Administrative Secretary.
- The packet is distributed to various groups for review and signoff (Insurance, Purchasing, School Board Attorney)
- The packet is returned to the Administrative Secretary and sign off is sought from the Assistant Superintendent of Operations, Director of Maintenance, Purchasing/Material Supervisor, Risk Manager and the Board Member assigned to sign after Board approval.
- Assuming the packet is signed off on by all parties, the vendor/contractor is sent a Pre-Qualification Certificate that is valid for one year.
- Each year the vendor/contractor must reapply and the process begins again.
- If for any reason the vendor/contractor is disqualified at any point, the Administrative Secretary sends a notice to staff that this vendor/contractor is no longer eligible for purchases, and a hold is placed on the Business Plus system to prevent purchases from that vendor/contractor.

The prequalification process appears to add additional controls, and the vendor/contractors that are currently doing business with the district are well aware of the process. Although staff said that all vendors and contractors, whether for construction projects or general purchasing, must go through the prequalification process, CCSD's Purchasing webpage contains no reference to the need for prequalification prior to doing business with the district.

Exhibit 5-2 shows the instructions provided to vendor/contractors wishing to be pre-qualified.

Exhibit 5-2 Vendor Pre-Qualification Instructions

<p>For pre-qualification in Clay County, you must submit at a minimum one copy of the following, in the following order:</p>
<p>1. A copy of any and all state licenses you hold.</p>
<p>2. If you wish to do work over \$300,000.00, a letter from your surety company showing the name of the company who will be bonding you and the amount, single and aggregate, they will bond you for (see above School Board Policy for bonding amounts and ratings).</p>
<p>3. A company profile (you may use the AIA Document 305A or any format you wish for this). At a minimum, you should list your company name, address, phone numbers, fax, email, how long you have been in business, what service you provide and who the officers of the company are.</p>
<p>4. The Sworn Statement of Public Entity Crimes (above) signed and notarized.</p>
<p>5. A list of projects completed by your company in the past five years. If the list is extremely long, you may pull out similar work and submit that.</p>
<p>6. A statement regarding any litigation or claims against your company in the past five years. If there has been none, you must state that.</p>
<p>7. Insurance certificate showing your liability, automobile and workers comp coverage (see School Board Policy above for limits).</p>
<p>8. A statement saying that everything submitted is true and correct and this must be signed and notarized.</p>
<p>Also, PLEASE submit a new W-9 and New Vendor Questionnaire with your package, so we can forward it to the Business Affairs Division for a Vendor ID Number.</p>
<p>This pre-qualification is good for one year from approval by the School Board.</p>
<p>To renew your pre-qualification, you must update and resubmit all of the above.</p>
<p>Please submit your packages to:</p> <p>Clay County District Schools Michelle Todd, Administrative Secretary Facility Planning and Construction 925 West Center Street Green Cove Springs, FL 32043</p> <p>For questions, please call (904) 336-6851.</p>

Source: Facilities Planning and Construction, August 2019.

The information provided on the Facilities Planning and Construction website contains a reference to the address where the prequalification information needs to be sent, but there is no verbiage with it to explain the process nor was the link to the information packet readily found. (See **Exhibit 5-3.**) At the bottom of the page, following the list of staff contacts, is a link to the Prequalification forms and instructions. However, without knowing that the forms are at the bottom of the page, a potential new vendor/contractor may not intuitively go to that file to obtain the additional information.

Exhibit 5-3 Reference on CCSD Website to Vendor/Contractor Pre-Qualification



Source: <https://www.oneclay.net/Page/4101>

Many school districts have a link on the Purchasing Webpage referred to as “Doing Business with the District” that provides a guide for any vendor wishing to be considered. For example, the Lee County School District, FL has a page for vendors or potential vendors (<https://www.leeschools.net/cms/One.aspx?portalId=676305&pageId=1390333>) that provides:

- Links to Purchasing Policies and Procedures
- Vendor Registration forms (similar to pre-qualification)
- Links to current and recent Solicitations and Awards
- Fingerprinting requirements
- Other information such as how and when payments are processed, etc.

In conversations with administrators in the Lee County School District, it was apparent that the reason for the webpage was two-fold: 1) reduce the number of phone calls from vendors, and; 2) increase participation among the vendor community as a whole. In their opinion, broadening the number of contractors/vendors bidding on projects resulted in more competitive bids.

As CCSD moves forward with the many projects envisioned in the Surtax Resolution, expanding the vendor base to ensure that a sufficient pool of vendors is available to use when multiple projects run simultaneously.

RECOMMENDATION

Recommendation 5-4:

Expand the Webpage to include more information for vendor/contractors, and more easily accessible vendor/contractor information regarding the process for doing business with CCSD.

5.3 SAFETY AND SECURITY IMPROVEMENTS

This section discusses the system and information sharing practices relating to safety and security functions.

5.3.1 Systems and Information Sharing

OBSERVATION: CCSD has systems and procedures in place regarding the sharing of information, however the program could be enhanced by making it easier for students, staff and community members to report suspicious activity by more prominently displaying local phone numbers and local and state tip lines on CCSD's website.

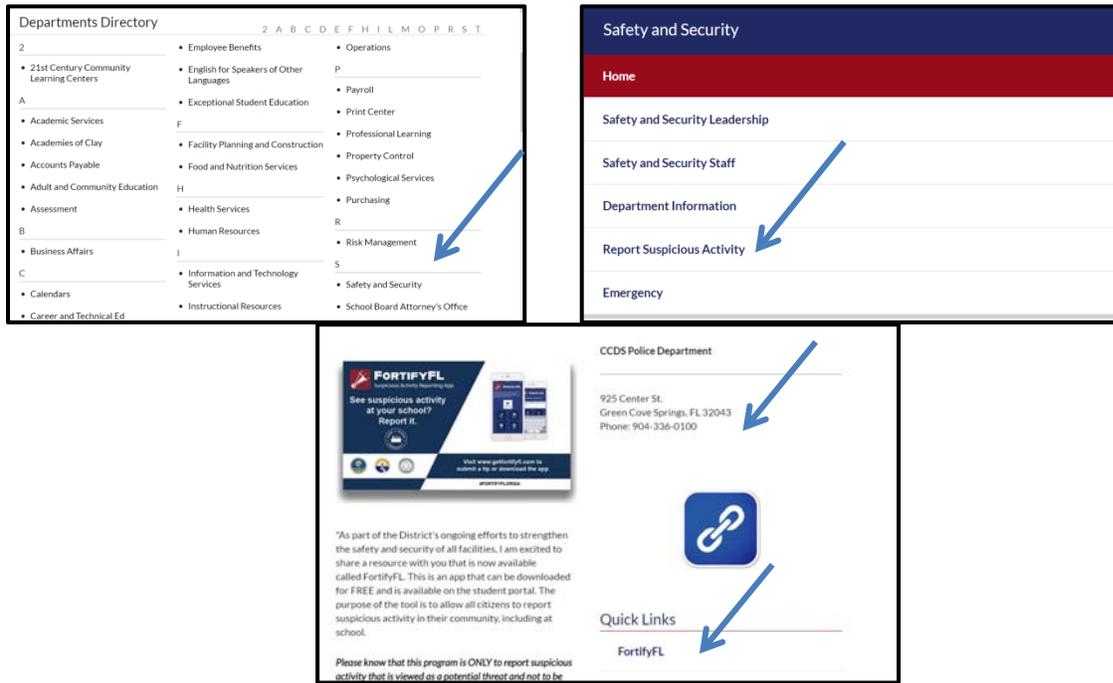
Sensitive and confidential information such as various emergency response plans are not and should not be shared with the public as this information could place the District at risk should it fall into the hands of someone with evil intent. Further, student information is not shared in compliance with federal privacy requirements. If the District receives a request for information regard incidents or planning documents, the practice is to direct the individual to submit an open records request and depending on the type of report, any confidential information would be redacted.

CCSD's Police Department uses *TraCS* software, which provides the ability to record, retrieve, and manage incident information for law enforcement. *TraCS* is also used by other county law enforcement agencies, improving the District's ability to exchange confidential and sensitive information.

The District does not have a hotline to report threats and suspicious activity. During interviews, staff indicated that threats are to be reported to the CCSD Police Department number through a 24-hour dispatch; however, the CCSD website does not list the CCSD Police Department in its list of departments. (See **Exhibit 5-4.**)

If the inquirer knows to look under Safety and Security, there is a link that has been added for Reporting Suspicious Behavior, and that link instructs the inquirer to call the CCSD Police Department or use the state's *FortifyFL* application, which notifies law enforcement and school officials immediately.

Exhibit 5-4 Webpages Relating to Reports of Suspicious Behavior



Source: CCSD Website, August 2019.

When a call is placed to the CCSD Police Department after hours, the Superintendent and Director of Operations and Safety and Security are notified.

According to the Assistant Superintendent for Climate and Culture, the District launched a bullying hotline in 2018-19, and students are routinely reminded about it. However, he indicated that it is rarely used because, in most instances, students will report these incidents to an adult on campus. A search of the website located the Bully Prevention link under Student Services, but as with the information on reporting suspicious behavior, the individual must search to find that link.

Many school districts around the state and nation have been able to avert a major catastrophic event because someone in the school system or community reported bullying and/or suspicious behavior. In several instances, a search of Florida schools found a number of links on the home page along with links to cafeteria calendars, transportation services and the like.

Placing the links for reporting suspicious behavior and bullying in a more prominent location on the CCSD website and adding the CCSD Police Department to the departmental list, would provide a readily available manner for reporting such things.

RECOMMENDATION

Recommendation 5-5:

Enhance the website to prominently provide a mechanism and instructions to students, staff and the community members for reporting bullying and suspicious behavior.

5.4 TECHNOLOGY IMPLEMENTATION AND UPGRADES

This section addresses the business technology in use by the district at this time.

5.4.1 Business Technology

OBSERVATION: Business technology in the District is improving with the conversion to Business Plus.

In 2016, the District made the decision to replace the Legacy Terms business software. Business Plus was selected and the conversion of the accounting and purchasing modules from Terms to Business Plus was completed in November of 2017. Payroll continued to run through Terms until January 2019 when the first payroll was produced through the new system. Due to the mid-year conversion, the two payroll systems continue to be used.

Converting to the new system with the more robust controls was an important move for the District in controlling over budget expenditures that were contributing to the dangerously low fund balance.

The encumbrance controls within Business Plus are being used effectively with work flows requiring approval and review by various levels of management. Depending on the type of purchase, the system electronically sends the purchasing requests through a chain of approvals. If the purchase is for an item valued at \$1,000 or more, the system will automatically alert the individual responsible for tracking fixed assets. If the purchase amount requires a competitive bid, the system will stop the process until the appropriate quotes or bids are obtained.

Business Affairs Department staff indicated that training bookkeepers at the campus level to use the more robust system for entering requisitions, obtaining online approvals and monitoring budgets has been a challenge. While some employees would still like to buy what they want from a local store without prior approval, training and monitoring are helping them to understand and appreciate the system.

The Purchasing staff provided a copy of a 22-page *Welcome Back* document that is shared with Bookkeepers at the beginning of the year that provides helpful hints on the use of Business Plus. The Guide contains screen shots of the Business Plus system and most frequently used codes and instructions on various types of purchases. The guide also provides contact names and numbers for the individuals in Purchasing should the bookkeeper need assistance as well as contact information and purchasing guidance for ordering from pre-approved vendors.

5.5 SERVICE BOND INDEBTEDNESS

This section is intended to provide information regarding the external audits.

5.5.1 External Audits

OBSERVATION: CCSD's external audits revealed that over the last four years, the District has received unmodified opinions on its annual external audits.

CCSD is subject to an Auditor General Single Audit every three years, and contracts for an independent external audit in the years where the AG is not scheduled. At this time, CCSD uses the audit service of Purvis Gray and Company for those audits.

As shown in **Exhibit 5-5**, CCSD has received unmodified opinions on its external audits over the last five years.

Significant Deficiencies in Federal Awards were identified in two of the four years; an explanation of the finding is found below the chart.

One of the Strategic Plan Strategies is as follows:

Initiative 2.4.7: Work to reduce audit findings annually and eliminate repeat findings

As shown above, over the last four years there have been findings, however, when identified, the District has taken corrective action to prevent repeat findings.

The Auditor General also conducts operational audits that contain findings and recommendation for improving overall operations. Some of the same type of findings are provided each year in management letters. The identified findings may not be financial in nature, or rise to the level of a reportable condition. The findings are issued in both the management letter and the AG reports are intended to alert the district to areas where improvement is possible.

The most recent AG Operational Audit issued in is available on the districts website as well as the AG website at <https://flauditor.gov/pages/Reports.aspx>.

The most recent Operational Audit is referenced throughout this report where the findings and recommendation are relevant to areas under review. At the time of this report, CCSD was in the process of preparing a follow-up response to the AG on the District's progress to date.

Exhibit 5-5
Clay County School District
Four Year Summary of Audit Results

	FY 2014-15	FY 2015-16	FY 2016-17	FY 2017-18
Auditor General Report/ Independent Auditor	Auditor General	Purvis Gray & Company	Purvis Gray & Company	Auditor General
Type of Auditor's Report Issued – Financial Statements	Unmodified	Unmodified	Except for the exclusion of the discretely presented component unit from the scope of the audit, there was no modification to the opinion on the financial statements	Unmodified
Material Weaknesses –Financial Reporting	No	No	No	No
Significant Deficiency – Financial Reporting	None Reported	None Reported	None Reported	None Reported
Material Non-Compliance – Financial Statements	No	No	No	No
Material Weaknesses – Federal Awards	No	No	No	No
Significant Deficiency – Federal Awards	Yes	None Reported	Yes	None Reported
Type of auditors report issued on compliance for major programs	Unmodified	Unmodified for all major programs	Unmodified for all major programs	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516(a)? (formerly Section 510(a) of OMB Circular A-133)?	Yes	No	Yes	Yes
Prior Year Audit Findings Corrected	No	Yes	N/A	Yes
Significant Deficiencies in 2014-15	<p>Federal Awards Finding No. 2015-001: The District did not maintain required documentation to support salary and benefit charges for several District employees. <i>Report No. 2016-157 March 2016 Page iii</i></p> <p>Federal Awards Finding No. 2015-002: The District's contributions to its workers' compensation self-insurance program did not follow a consistent costing policy and were not allocated as a general administrative expense to all District activities, resulting in questioned costs of \$97,009.36 for the Child Nutrition Cluster, \$98,425.76 for the Special Education Cluster, and \$42,605.77 for the Title I Program.</p> <p>2016-17</p>			
Significant Deficiencies in 2016-17	<p>Federal Awards Finding No. 2017-1: ...the District received a communication from the Department of Defense Education Activity Headquarters that it had been reimbursed for certain salary and related benefit amounts that were in excess of the approved budget for one such grant project. Upon further inquiry it was also noted that there were allowable and budgeted costs for equipment and other items that were not captured in the project codes and, therefore, not reimbursed in accordance with the approved budget. These costs equaled or exceeded the amounts of salaries and related benefits that were incorrectly charged to the grant. The District did not overcharge the grant project in total.</p>			
Significant Deficiencies in 2018	<p>Federal Awards Finding No. 2018-001: The District did not comply with Federal regulations and follow a consistent costing policy for contributions to the District workers' compensation self-insurance program, resulting in Title I Program questioned costs totaling \$157,143.</p>			

Source: CCSD's Audited Financial Reports for Fiscal Years 2015, 2016, 2017, and 2018.

***CHAPTER 6:
PROGRAM COMPLIANCE***

6.0 PROGRAM COMPLIANCE

Chapter 6 presents findings related to program compliance. As part of the performance audit, Ressel & Associates assessed the adequacy of processes and internal controls used to ensure compliance with and remediate instances of non-compliance with federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures applicable to the program areas under review. Ressel & Associates further assessed the District's compliance with Florida Statute Title XIV, 212.055: Discretionary sales surtaxes; legislative intent; authorization and use of proceeds.

The specific audit evaluation tasks are provided below.

1. *Determined whether the program has a process to assess its compliance with applicable (i.e., relating to the program's operation) federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies.*
2. *Reviewed program internal controls to determine whether they are reasonable to ensure compliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures.*
3. *Determine whether program administrators have taken reasonable and timely actions to address any noncompliance with applicable federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies and procedures identified by internal or external evaluations, audits, or other means.*
4. *Determine whether program administrators have taken reasonable and timely actions to determine whether planned uses of the surtax are in compliance with applicable state laws, rules, and regulations.*

Finding on program compliance: Of the program areas and processes reviewed, Ressel & Associates found no areas of non-compliance with related federal, state, and local laws, rules, and regulations; contracts; grant agreements; and local policies as they relate to general operations and small to mid-sized construction and renovation projects. However, controls will need to be enhanced in order to handle the volume and complexity of the projects envisioned in the Surtax Resolution. The administration has taken reasonable steps to plan for increased needs in terms of Building Officials and Project Managers. Further efforts are required to address the need for additional oversight and monitoring of the competitive bidding and construction management processes.

In this chapter, program compliance for the Clay County School District is presented in the following functional areas:

- 6.1 Districtwide Support for Areas Under Review
- 6.2 Facilities Planning, Use, and Construction;
- 6.3 Safety and Security Improvements
- 6.4 Technology Implementation and Upgrades
- 6.5 Service Bond Indebtedness

6.1 DISTRICTWIDE SUPPORT FOR AREAS UNDER REVIEW

In this chapter, the School Board, Legal Counsel and the School Leadership Team are involved in compiling documentation, passing a resolution in support of the Sales Surtax, and complying with the terms and conditions of the law in respect to Surtax. In this subsection the following areas are reviewed:

- 6.1.1 Discretionary Sales Tax Resolution
- 6.2.1 Dissemination of Information to the Public

6.1.1 Discretionary Sales Tax Resolution

OBSERVATION: The Clay County School Board passed a Discretionary Sales Tax Resolution that substantially complies with the requirements of Title XIV, 212.055 of the Florida Government Code.

On July 8, 2019 the Clay County School Board passed a resolution calling for the Surtax Referendum. On July 9, 2019, the Board of County Commissioners voted unanimously to reject the referendum on the November 2019 General Election ballot. Subsequently, on July 23, 2019 the CCSD School Board voted to sue the County in an effort to force the referendum to be held on November 5, 2019.

Identified facility, technology and safety and security needs of more than \$300 million coupled a lack of funding from other sources prompted the request for a referendum.

Exhibit 6-1 provides a 10-year history of referenda for the Clay County School District and its peer school districts.

Exhibit 6-2 shows similar information conducted by the Florida Finance Council in 2018.

**Exhibit 6-1
Referenda in Last 10 Years
in Comparison School Districts**

District	Referendum (Yes/No)	# of Referenda	Issues	Years	Amount
Clay County School District	Yes (1 mill property tax)	1	Safety and Security and other operational expenses	Four years (July 1, 2019-June 30, 2023)	\$12 million annually
	October - November 2019	Pending	New construction, reconstruction and improvement of school facilities including land acquisition; safety and security improvements; technology implementation and upgrades; and service bond indebtedness	30 years (January 1, 2020 – December 31, 2049)	\$403,929,990
Alachua County School District	Yes (Half-cent Sales Tax)	1	Safety and security improvements; repair, renovation and remodeling of Board-owned schools, including modernization of classrooms, science labs and other spaces; technology; elimination of portable classrooms; new construction; land acquisition and improvement	2019-2030	Estimated \$20 million annually over 12-year period
Lake County School District	Yes (Property Tax and County 1 cent Sales Tax)	2	Safety and security (Property Tax); capital projects and purposes (District’s allowance of County 1-cent sales tax)	2019-2022 (Property Tax); 2018-2033 (County 1 cent Sales Tax)	Approximately \$16 million annually (Property Tax); Approximately \$5.3 million to the District (County 1 cent sales tax)
Marion County School District	Yes (Millage Referendum)	1	Additional safe school measures; faculty competitive pay and raises, the arts programs; library media services; vocational programs	2019-2023	Estimated \$18 million annually for four-year period
St. Johns County School District	Yes (Half-cent Sales Tax)	1	New construction; safety and security improvements; building expansions, renovation; and technology upgrades	2016-2025	\$13 million annually over 10-year period
Santa Rosa County School District	Yes (Half-cent Sales Tax)	1	New school district facilities, renovations, and additions; land acquisition and improvements; technology equipment upgrades; and design and engineering costs	2019-2028	Approximately \$9.1 million annually over 10-year period

Source: Phone calls to Comparison Districts, July 2019.

**Exhibit 6-2
Florida Millage Survey Results
2018**

District	Operating Millage							
	Does your district currently levy a voter approved millage (Mil) levy for operations?	If yes, how much?	What is the money used for (salaries, security, etc.)?	Do you share the revenues with charter schools?	If no, do you plan to ask for an additional millage (Mil) levy in the future?	Primary 2018 Local Tax and Millage (Mil) Referendums	If you are planning a referendum, how much are you planning to ask for and which election? Are you planning to share with your charter schools?	What do you plan to use the money for (salaries, security, etc.)?
Clay County School District	No	NA		N/A	Yes	1 Mil for safety and security needs as well as other operational expenses	1 Mil August	Safety and security and other operational expenses
Alachua County School District	Yes	1 Mil	Instructional tech, magnet, art & music programs, guidance counselors.	No	N/A			
Lake County School District	No			N/A	Yes	.75 Mil for school safety and student welfare	.75 Mil, 2018 primary, haven't decided	School safety and security
Marion County School District	Yes	1 Mil	Salaries for class size reduction, paraprofessionals, art, music media, PE at elementary schools, vocational programs	No	No	1 Mil for operating expenses	Asking for a renewal of another 4 years	Salaries for CSR teachers; paras ;art music media PE for elementary schools; vocational programs and safety
St. Johns County School District	No			N/A	No			
Santa Rosa County School District	N/A	N/A	N/A	N/A	N/A	N/A	N/A	N/A

**Exhibit 6-2 (Continued)
Florida Millage Survey Results
2018**

District	Sales Tax				
	Do you have an approved sales tax?	How much is your sales tax, or your portion of the shared sales tax (.5, .25, etc.)?	Do you share your sales tax revenues with charter schools?	If you don't have a sales tax, do you plan to ask for one in the year future?	If you are planning a sales tax referendum, how much would you receive and which election? Do you plan to share the revenue with charter schools?
Clay County School District	Yes, the Local Government Infrastructure Surtax that is shared with the county	0.10	No	Yes, the School Capital Outlay Surtax	Half-cent sales tax, approximately \$12.5 million per year, no to charter schools
Alachua County School District	No	N/A	N/A	Yes, the School Capital Outlay Surtax	\$22 million annually, November 2018
Lake County School District	Yes, the Local Government Infrastructure Surtax that is shared with the county	0.33	No	N/A	N/A
Marion County School District	No	N/A	N/A	No	N/A
St. Johns County School District	Yes, School Capital Outlay Surtax	0.50	No	N/A	N/A
Santa Rosa County School District	N/A	N/A	N/A	N/A	N/A

Source: Florida Finance Council, 2018.

Florida law authorizes local governments to impose several types of local option taxes. In some cases, the Florida Department of Revenue administers the tax for the local government and, in other cases, the local government administers the tax. When the Department administers the tax, its responsibilities include collecting the tax and distributing the funds to local governments to spend on locally authorized projects.

Title XIV, 212.055: “Discretionary sales surtaxes; Legislative Intent; authorization and use of proceeds” outlines the intended uses and restrictions on the uses of the proceeds from the School Capital Outlay Surtax:

It is the legislative intent that any authorization for imposition of a discretionary sales surtax shall be published in the Florida Statutes as a subsection of this section, irrespective of the duration of the levy. Each enactment shall specify the types of counties authorized to levy; the rate or rates which may be imposed; the maximum length of time the surtax may be imposed, if any; the procedure which must be followed to secure voter approval, if required; the purpose for which the proceeds may be expended; and such other requirements as the Legislature may provide. Taxable transactions and administrative procedures shall be as provided in s. 212.054.

(6) SCHOOL CAPITAL OUTLAY SURTAX.—

(a) *The school board in each county may levy, pursuant to resolution conditioned to take effect only upon approval by a majority vote of the electors of the county voting in a referendum, a discretionary sales surtax at a rate that may not exceed 0.5 percent.*

(b) *The resolution shall include a statement that provides a brief and general description of the school capital outlay projects to be funded by the surtax. The statement shall conform to the requirements of s. 101.161 and shall be placed on the ballot by the governing body of the county. The following question shall be placed on the ballot:*

<i>FOR THE</i>	<i>CENTS TAX</i>
<i>AGAINST THE</i>	<i>CENTS TAX</i>

(c) *The resolution providing for the imposition of the surtax shall set forth a plan for use of the surtax proceeds for fixed capital expenditures or fixed capital costs associated with the construction, reconstruction, or improvement of school facilities and campuses which have a useful life expectancy of 5 or more years, and any land acquisition, land improvement, design, and engineering costs related thereto. Additionally, the plan shall include the costs of retrofitting and providing for technology implementation, including hardware and software, for the various sites within the school district. Surtax revenues may be used for the purpose of servicing bond indebtedness to finance projects authorized by this subsection, and any interest accrued thereto may be held in trust to finance such projects. Neither the proceeds of the surtax nor any interest accrued thereto shall be used for operational expenses.*

(d) *Surtax revenues collected by the Department of Revenue pursuant to this subsection shall be distributed to the school board imposing the surtax in accordance with law.*

Exhibit 6-3 provides a copy of the CCSD Resolution for the Surtax in its entirety.

**Exhibit 6-3
Clay County School District
Resolution for Surtax Referendum**

THE SCHOOL BOARD OF CLAY COUNTY

AMENDED RESOLUTION

A RESOLUTION OF THE SCHOOL BOARD OF CLAY COUNTY, FLORIDA, CALLING FOR A REFERENDUM TO BE HELD ON NOVEMBER 5, 2019, FOR THE PURPOSE OF SUBMITTING TO THE DULY QUALIFIED ELECTORS OF CLAY COUNTY, FLORIDA, A QUESTION REGARDING THE LEVY BY THE SCHOOL BOARD OF A DISCRETIONARY SALES SURTAX OF ONE-HALF CENT FOR THE FUNDING OF NEW CONSTRUCTION, RECONSTRUCTION AND IMPROVEMENT OF SCHOOL FACILITIES INCLUDING LAND ACQUISITION, SAFETY AND SECURITY IMPROVEMENTS, TECHNOLOGY IMPLEMENTATION, AND UPGRADES, AND TO SERVICE BOND INDEBTEDNESS THEREFOR, IF ANY; PROVIDING FOR PROPER NOTICE OF SUCH ELECTION; PROVIDING FOR ABSENTEE VOTING, EARLY VOTING AND FOR PRINTING OF BALLOTS; AUTHORIZING CERTAIN RESOLUTION INCIDENTAL ACTIONS; AND PROVIDING AN EFFECTIVE DATE,

WHEREAS, The School Board of Clay County, Florida ("School Board"), has developed a long range capital outlay needs assessment establishing those needs on the basis of growth projected in Clay County, Florida; and

WHEREAS, the School Board has determined that it has insufficient existing capital outlay funding to meet its established capital outlay needs of construction, renovation and technology and security upgrades for school facilities, which needs are being driven by growth in Clay County, Florida; and

WHEREAS, the lack of funding throughout the School District of Clay County, Florida ("the District"), for the cost of construction, reconstruction and improvement of new and existing public school facilities, and for the cost of providing and retrofitting, schools for technology implementation, including hardware and software and security upgrades, has become more acute; and

WHEREAS, surveys by the School Board indicate the need for construction of new facilities, renovation of existing school facilities and installation of new computer technology and retrofitting of existing facilities for technology implementation and security upgrades throughout the District; and

WHEREAS, needed construction and improvements to the Clay County District Schools' facilities and physical plants, security and technology infrastructure are critically overdue; and

WHEREAS, it is the School Board's duty to ensure the establishment of new schools and the many needed new construction projects and critical improvements to the existing schools and technology and security infrastructure within the district which cannot be funded with existing revenue sources in the foreseeable future; and

WHEREAS, the School Board desires to limit the financial impact of its capital outlay and technology implementation programs on local property owners by minimizing the use of ad valorem taxes;

NOW, THEREFORE, BE IT RESOLVED by The School Board of Clay County, Florida;

Exhibit 6-3 (Continued)
Clay County School District
Resolution for Surtax Referendum

SECTION 1 - AUTHORITY FOR RESOLUTION: This adopted resolution is pursuant to Title XVI, Section 212.055(6), Florida Statutes, and other applicable provision of law.

SECTION 2 - FINDINGS: *The School Board, as the governing body of the District, pursuant to Article IX, Section 4(b), Florida Constitution and Section 1001.32(2) and 1001.40, Florida Statutes, hereby finds and determines the following;*

A. That the school district has grown and will continue to grow as projected by more than 600 students per year for the next ten (10) years. Additional funding is needed to construct, renovate, repair, render safe and secure and technologically update school facilities to accommodate the current and increasing student enrollment.

B. That the Board has experienced substantial funding reductions in recent years related to capital expenditures and fixed capital costs associated with new construction, reconstruction and improvement of school facilities, including safety and security improvements and technology upgrades, along with phased replacement.

C. That Section 212.055(6), Florida Statutes, authorizes the levy of a one-half cent school capital outlay surtax for the purposes of funding new construction, reconstruction and improvement of school facilities including safety and security improvements and technology upgrades, upon approval by a majority vote of the electors of Clay County. Proceeds will be used for school safety and security, technology needs, and capital improvements to, and new construction of, school facilities,

D. That the Board hereby determines that it is in the best interest of the School District of Clay County, Florida (“the District”) and its students to levy the sales surtax authorized by and in accordance with Sections 212.055(6), and 212.054 Florida Statutes, in an amount equal to one-half cent per dollar (the “Sales Surtax”),

E. That the levy of a one-half cent school capital outlay sales surtax as authorized by Section 212.055(6), Florida Statutes, for a period of thirty (30) years, commencing on January 1, 2020, and terminating December 31, 2049, is necessary for the School Board to provide sufficient funds to repair, reconstruct, improve and sustain its existing facilities and fund the construction of new facilities needed to accommodate an aging plant and growing enrollment and/or to make lease payments under lease purchase agreements pursuant to Sections 1001.42 (1)(b)5 and 1013.15(2), Florida Statutes, or pay bond indebtedness issued to finance capital projects, all of which is permitted by Section 212.055(6), Florida Statutes.

F. That the levy of a one-half cent school capital outlay sales surtax is subject to approval by the electors of the County at a referendum held as provided in Section 212,055(6), Florida Statutes, and if approved is hereby levied and will be collected as authorized in the manner required by law,

G. That a citizen advisory committee consisting of Clay County citizens will be appointed by the School Board to monitor and advise the School Board and school district staff on the expenditure of funds.

SECTION 4 - CONTINUING LEVY OF SCHOOL CAPITAL OUTLAY SALES SURTAX:
Subject to approval by the electors of the county at a referendum held as provided in Section 212.055(6), Florida Statutes, the School Board hereby levies a one-half cent school capital outlay sales surtax and the same is hereby levied for the period commencing, January 1, 2020, and ending December 31, 2049. The Sales Surtax, in an amount equal to one-half cent per dollar shall be collected as authorized in the manner required by law.

**Exhibit 6-3 (Continued)
Clay County School District
Resolution for Surtax Referendum**

SECTION 5 - REFERENDUM ELECTION ORDERED: The School Board hereby requests that the Board of County Commissioners of Clay County, Florida, call a special election/referendum to be held throughout Clay County, Florida, on November 5, 2019 for the purpose of submitting to the duly qualified electors of Clay County the question set forth herein, The Clay County Supervisor of Elections shall conduct said special election pursuant to the provisions of the election laws of the State of Florida.

SECTION 6 - NOTICE OF REFERENDUM ELECTION: Not less than thirty (30) days' notice of said election shall be given by publication in the manner and at the times required by Florida law. Said notice shall be substantially in the following form together with such additional information as the Supervisor of Elections and the County Clerk of Clay County, Florida, shall require;

NOTICE OF ELECTION
TUESDAY, NOVEMBER 5, 2019
IN
CLAY COUNTY, FLORIDA

NOTICE IS HEREBY GIVEN THAT AN ELECTION HAS BEEN CALLED BY THE BOARD OF COUNTY COMMISSIONERS OF CLAY COUNTY, FLORIDA, AT THE REQUEST OF THE SCHOOL BOARD OF CLAY COUNTY, FLORIDA, FROM 7:00 A.M. UNTIL 7:00 P.M. ON TUESDAY, THE 5TH DAY OF NOVEMBER, 2019, AT WHICH TIME THERE SHALL BE SUBMITTED TO THE DULY QUALIFIED ELECTORS OF CLAY COUNTY, FLORIDA, THE FOLLOWING QUESTION:

SHALL A ONE-HALF CENT SALES SURTAX BE LEVIED IN CLAY COUNTY FOR A PERIOD OF THIRTY (30) YEARS, BEGINNING JANUARY 1, 2020, TO FINANCE CONSTRUCTION, RECONSTRUCTION, RENOVATION, REMODELING, LAND ACQUISITION AND IMPROVEMENT OF SCHOOL FACILITIES, INCLUDING SAFETY, SECURITY, TECHNOLOGY UPGRADES, AND FACILITY IMPROVEMENTS? A LIST OF CRITICALLY NEEDED PROJECTS HAS BEEN PUBLISHED AND EXPENDITURES WILL BE MONITORED BY AN INDEPENDENT CITIZENS ADVISORY COMMITTEE.

Instructions to Voters
____ FOR THE 1/2% (0.5 CENTS) TAX
____ AGAINST THE 1/2% (0.5 CENTS) TAX

A RESOLUTION ADOPTED BY THE SCHOOL BOARD OF CLAY COUNTY, FLORIDA, ON JUNE 27, 2019, AND AMENDED AS SET FORTH HEREIN ON JULY 8, 2019, PROVIDES FOR THE IMPOSITION OF A ONE-HALF CENT SALES TAX, THE PROCEEDS OF WHICH SHALL BE EXPENDED BY THE SCHOOL BOARD FOR FIXED CAPITAL EXPENDITURES OR FIXED CAPITAL COSTS ASSOCIATED WITH THE CONSTRUCTION, RECONSTRUCTION OR IMPROVEMENT OF SCHOOL FACILITIES AND CAMPUSES WHICH HAVE A USEFUL LIFE EXPECTANCY OF FIVE (5) OR MORE YEARS, AND ANY LAND ACQUISITION, LAND IMPROVEMENT, DESIGN AND ENGINEERING COSTS RELATED THERETO, AND FOR THE COSTS OF RETROFITTING AND PROVIDING FOR TECHNOLOGY AND SAFETY AND SECURITY COSTS RELATED THERETO, AND FOR

**Exhibit 6-3 (Continued)
Clay County School District
Resolution for Surtax Referendum**

THE COSTS OF RETROFITTING AND PROVIDING FOR TECHNOLOGY AND SAFETY AND SECURITY IMPLEMENTATION, INCLUDING HARDWARE AND SOFTWARE, FOR THE VARIOUS SITES WITHIN THE DISTRICT. SUCH PROCEEDS AND INTEREST THEREON MAY ALSO BE USED FOR THE PURPOSE OF MAKING LEASE PAYMENTS UNDER LEASE PURCHASE AGREEMENTS AND FOR THE PURPOSE OF SERVICING BOND INDEBTEDNESS ISSUED TO FINANCE PROJECTS AUTHORIZED ABOVE.

IN ACCORDANCE WITH THE CONSTITUTION AND THE ELECTION LAWS OF THE STATE OF FLORIDA, ALL DULY QUALIFIED ELECTORS OF CLAY COUNTY, FLORIDA, SHALL BE ENTITLED TO VOTE IN THE ELECTION OF WHICH THIS NOTICE PERTAINS.

THE SCHOOL BOARD OF CLAY COUNTY, FLORIDA, SHALL BE AUTHORIZED TO LEVY THE TAX COVERED BY THE QUESTION STATED ABOVE IF THE QUESTION IS APPROVED BY VOTE OF A MAJORITY OF THE DULY QUALIFIED ELECTORS OF CLAY COUNTY, VOTING THEREON.

SECTION 7 - PLACES OF VOTING. INSPECTORS AND CLERKS: The Clay County polls will be open at the voting places on the date of the referendum election from 7:00 a.m. until 7:00 p.m. All qualified electors residing within the County will be entitled and permitted to vote at the referendum election on the proposition provided in the Resolution. The places of voting and the inspectors and clerks of the referendum election will be those designated by the Supervisor of Elections of Clay County in accordance with law.

SECTION 8 - OFFICIAL BALLOT: The ballots to be used in the referendum election to be held on November 5,2019, shall be in English and Spanish and shall be in full compliance with the laws of the state of Florida and shall be substantially in the following form:

OFFICIAL BALLOT

THE SCHOOL BOARD OF CLAY COUNTY, FLORIDA,
REFERENDUM ELECTION
NOVEMBER 5,2019
LEVY OF A ONE-HALF CENT SALES
SURTAX FOR EDUCATIONAL FACILITIES,
TECHNOLOGY AND SECURITY.

SHALL A ONE-HALF CENT SALES SURTAX BE LEVIED IN CLAY COUNTY FOR A PERIOD OF THIRTY (30) YEARS, BEGINNING JANUARY 1,2020, TO FINANCE CONSTRUCTION, RECON-STRUCTION, RENOVATION, REMODELING, LAND ACQUISITION AND IMPROVEMENT OF SCHOOL FACILITIES, INCLUDING SAFETY, SECURITY, TECHNOLOGY UPGRADES, AND FACILITY IMPROVEMENTS? A LIST OF CRITICALLY NEEDED PROJECTS HAS BEEN PUBLISHED AND EXPENDITURES WILL BE MONITORED BY AN INDEPENDENT CITIZENS ADVISORY COMMITTEE.

Instructions to Voters
 FOR THE 1/2% (0.5 CENTS) TAX
 AGAINST THE 1/2% (0.5 CENTS) TAX

Exhibit 6-3 (Continued)
Clay County School District
Resolution for Surtax Referendum

If a majority of the ballots cast at such election shall be "FOR THE ONE-HALF CENT TAX," the levy of such tax shall be approved and said surtax shall be levied as provided by law.

SECTION 9 - ABSENTEE VOTING: Adequate provision will be made for absentee voters. The form of ballots to be used in the referendum for absentee voters will be the same as used in the polling places for the election.

SECTION 10-PRINTING OF BALLOTS: The Supervisor of Elections of Clay County is authorized and directed to have printed, as needed, ballots for absentee electors entitled to cast ballots in the referendum election and to make appropriate arrangements for conducting the election at the polling places specified

SECTION 11 - REFERENDUM ELECTION PROCEDURE: The Supervisor of Elections of Clay County shall hold, administer and conduct the referendum election in the manner prescribed by law for holding election in the County. Returns shall show the number of qualified electors who voted at the referendum election on the proposition and the number of votes cast respectively for and against approval of the proposition. The returns will be canvassed in accordance with law.

SECTION 12 - FINANCIAL RESPONSIBILITY: The Board shall be responsible for the cost of the special election. The Superintendent of Schools is authorized and directed to process payment of election costs as needed.

SECTION 13 - SEVERABILITY: In the event any word, phrase, clause, sentence, or paragraph of this Resolution shall be held invalid by any court of competent jurisdiction, such holding shall not affect any other word, clause, phrase, sentence, or paragraph.

SECTION 14 - ADDITIONAL ACTION: The Board Chair through the School Board Attorney is authorized, without further action of the School Board, to take whatever steps or actions are necessary to ensure that the requested election is set in a timely manner and is set to take place within the time frame set forth in this Resolution.

SECTION 15 - REPEALING CLAUSE: All Resolutions in conflict or inconsistent with this Resolution are repealed insofar as there is conflict or inconsistency.

SECTION 16 - EFFECTIVE DATE: This Amended Resolution shall take effect immediately upon its adoption.

DULY ADOPTED AND APPROVED this [8th] day of July 2019, by the School Board of Clay County, Florida.

Source: Clay County School District, July 2019

Exhibit 6-4 examines the statutory requirements and provides an explanation of how the District has answered the requirements.

**Exhibit 6-4
Statutory School Capital Outlay Requirements**

Statutory Requirement	District Response
<p>The resolution shall include a statement that provides a brief and general description of the school capital outlay projects to be funded by the Surtax.</p>	<p>Ballot language appears to comply with requirements.</p> <p><i>BALLOT LANGUAGE:</i></p> <p><i>Shall a one-half cent sales surtax be levied in clay county for a period of thirty (30) years, beginning January 1,2020, to finance construction, reconstruction, renovation, remodeling, land acquisition and improvement of school facilities, including safety, security, technology upgrades, and facility improvements? A list of critically needed projects has been published and expenditures will be monitored by an independent citizens advisory committee.</i></p> <p><i>Instructions to Voters:</i></p> <p>_____ FOR the 1/2% (0.5 CENTS) TAX</p> <p>_____ AGAINST the 1/2% (0.5 CENTS) TAX</p> <p>Approval by the Clay County Commissioners for inclusion on the November Ballot remains pending as of this publication.</p>
<p>The statement shall conform to the requirements of s. <u>101.161</u> and shall be placed on the ballot by the governing body of the county.</p>	<p>Ballot language includes only acceptable uses of the surtax: <i>Proceeds of the surtax will be used to fund the acquisition, construction, renovation, equipping and financing of public school facilities and technology.</i></p> <p>Exhibit 6-5, above provides a complete list of the planned projects.</p>
<p>The resolution providing for the imposition of the surtax <u>shall set forth a Plan for use of the surtax proceeds for fixed capital expenditures or fixed capital costs</u> associated with the construction, reconstruction, or improvement of school facilities and campuses which have a useful life expectancy of 5 or more years, and any land acquisition, land improvement, design, and engineering costs related thereto.</p>	<p>The plan contains classroom technology retrofits including hardware and software improvements.</p>
<p>Additionally, the Plan shall include the costs of retrofitting and providing for technology implementation, including hardware and software, for the various sites within the school district.</p>	<p>CCSD plans to leverage the revenues through bonded indebtedness and has preliminary information on the amount of debt that may be supported by the Surtax revenues.</p>
<p>Surtax revenues may be used for the purpose of servicing bond indebtedness to finance projects authorized by this subsection, and any interest accrued thereto may be held in trust to finance such projects.</p>	<p>Neither the proceeds of the surtax nor any interest accrued thereto shall be used for operational expenses.</p>
	<p>No operating expenditures are included in the envisioned projects.</p>

Source: Compiled by Ressel & Associates, August 2019

Although a comprehensive spreadsheet with significant project details exists, **Exhibit 6-5** provides a high level summary of the priority projects that will be funded with debt to “jump start” the ED.F.I.R.S.T. (Education Facility Infrastructure Restricted Sales Tax) comprehensive project plan that incorporates \$318 million in immediate, identified facility needs as well as \$300 million for five to seven new schools to meet projected growth demand over the next decade.

**Exhibit 6-5
Proposed Surtax Project List**

Area	Proposed Projects	Allocation
Safety and Security	<ul style="list-style-type: none"> • Fire Alarm Replacements (Design & Bid) • Surveillance Cameras (Current Bid) • Controlled Access (Design & Bid) • External PA Communication Systems (Design & Bid) • External Campus Lighting (Design & Bid) • Additional Traffic Signage (Bid) • Pavement Marking (Bid) • Fencing (Bid) • Safety Netting (Bid) • Covered Walkway Replacements (Bid) 	\$10,330,000
Heating Ventilation and Air Conditioning (HVAC)	<ul style="list-style-type: none"> • HVAC- BARD units (Bid) • OTHER HVAC (Chiller, RTU, AHU – Design/Bid) • HVAC Controls (Design/Bid) 	\$13,230,000
Roofing	<ul style="list-style-type: none"> • Orange Park Elementary (Design/Bid) • Grove Park Elementary (Design/Bid) • Doctors Inlet Elementary (Design/Bid) • S. Bryan Jennings (Design/Bid) • Lakeside Elementary (Design/Bid) • Wilkinson Elementary (Design/Bid) • Montclair Elementary (Design/Bid) • Ridgeview Elementary (Design/Bid) • Ridgeview High (Design/Bid) 	\$3,539,600
Food Services	<ul style="list-style-type: none"> • Kitchen Equipment Modernization (Bid) • Cafeteria Seating (Bid) 	\$11,943,050
Plumbing	<ul style="list-style-type: none"> • Restroom Renovation (Design/Bid) • Water Fountain/Filling Station (Bid) 	\$6,571,500
Technology Upgrades	<ul style="list-style-type: none"> • Classroom Technology Upgrades @ \$3500/per classroom (Bid) • Digital Signage Upgrades (Bid) 	\$9,702,500
Physical Education Upgrades	<ul style="list-style-type: none"> • Physical Education Upgrades -Elementary Playgrounds (Bid) • Permanent Shade Structures (Bid) 	\$5,040,000
Facility Improvements/Upgrades	<ul style="list-style-type: none"> • Stage Floors/Curtains (Bid) • Classroom Furniture Replacement Districtwide (Bid) • Outdoor Court Resurfacing (Bid) • Indoor Gym Flooring Replacements (Bid) • Stadium (Design/Bid)/ Gym Seating Replacements (Bid) • Track &Field Improvements (Bid) 	\$38,090,000
Capital Improvements/Modernization	<ul style="list-style-type: none"> • Permanent Classroom Additions (Design/Bid) • New Growth Construction (School “R”, New Keystone Elementary/JH Renovation/Improvements) 	\$84,000,000
	Total	\$182,446,650

Source: ED F.I.R.S.T proposed Projects, First Five August 2019.

6.1.2 Dissemination of Information to the Public

OBSERVATION: The District has not yet published detailed Surtax-related information for review by the public.

There is no specific requirement in law for the publication of detailed information regarding the use of the Surtax funds except as required in the Surtax Resolution, but the legislative intent appears to be clear that the public be informed and kept informed throughout the process, as evidenced by excerpts from Florida Statutes containing the following:

***212.055 Discretionary sales surtaxes; legislative intent; authorization and use of proceeds.**—It is the legislative intent that any authorization for imposition of a discretionary sales surtax shall be published in the Florida Statutes as a subsection of this section, irrespective of the duration of the levy. Each enactment shall specify the types of counties authorized to levy; the rate or rates which may be imposed; the maximum length of time the surtax may be imposed, if any; the procedure which must be followed to secure voter approval, if required; the purpose for which the proceeds may be expended; and such other requirements as the Legislature may provide. Taxable transactions and administrative procedures shall be as provided in s. 212.054...*

Only a limited amount of information is available to the public on the CCSD website and it is not shown prominently on the District’s homepage. Instead, it is very difficult to locate. In order to find information on the Surtax on the Web, one must go to District’s Homepage and click Department, then click Communications Department, and then click District News.

The excerpt shown in **Exhibit 6-6** can be found there under ‘District News’.

**Exhibit 6-6
2019 Surtax Information on the District’s Website**

<p>School Board Approves Resolution for Half-Cent Sales Tax</p> <hr/> <p>In June, the School Board approved a resolution for a half-cent sales tax 3-2. The resolution must be approved by the Clay County Board of County Commissioners. The Office of Program Policy Analysis and Government Accountability (OPPAGA) must do an audit and the findings must be posted to the District’s website for 60 days. The Supervisor of Elections has 90 days to post the resolution on a ballot.</p> <p>As written into the agenda item, this resolution would allow Clay County voters to decide if they want a half-cent discretionary sales tax. If approved by Clay County voters, this funding would be used exclusively for school reconstruction and renovations, new construction, and improvement of school facilities including future safety and security improvements as well as technology upgrades. This half-cent sales tax would begin January 1, 2020 and would automatically sunset and terminate after a period of thirty years. School district staff shall identify a list of critically-needed projects within Clay County District Schools and all expenditures will be monitored by a citizen advisory committee.</p> <p>Clay County District Schools currently has 42 schools with the oldest being 92 years old. The district also has more than 900 ‘portable classrooms’ throughout the county, many of which are at, or beyond, their expected lifespan. Currently, existing facility upgrades total more than \$300 million. New growth construction is projected at \$300 million over the next 5-10 years. Funds raised from this half-cent sales tax will provide facility renovation and repair, new construction, safety and security improvements, and technology upgrades.</p> <p>At current levels, a half-cent discretionary sales tax is projected to generate nearly \$13.5 million annually for school district capital projects. Over the course of thirty years this discretionary Surtax would generate more than \$400 million for Clay County District Schools. This figure is expected to grow significantly and compound over time as more than 12,000 new homes are currently scheduled to be built in southern Clay County. The outer beltway will also drive additional revenue from out-of-county individuals.</p>
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Source: CCSD ED F.I.R.S.T Presentation, July 2019.

The Superintendent and Assistant Superintendent for Operations have prepared both an enormous spreadsheet detailing every facet of the need by school as well as an attractive PowerPoint presentation to convey the importance of the Surtax to the community through business groups (e.g., Rotary, Optimist, etc.). **Exhibit 6-7** provides an example slide. These presentations have not been widely communicated.

**Exhibit 6-7
Proposed Projects**

Proposed Projects

- Safety/Security Upgrades
- Capital Improvements- Permanent Classroom Additions (*Portable Reduction*)
- New Growth Construction – 7 NEW SCHOOLS
- Classroom Technology Improvements
- Energy Efficiency Improvements
- Building Envelope Improvements
- Mechanical- HVAC/Control Upgrades
- Plumbing Upgrades
- Food and Nutrition Service Upgrades
- Educational Program Improvements
- Classroom Furniture Replacement
- Transportation Facility Upgrade
- Centralized Services Facility

SAFETY/SECURITY
NEW CONSTRUCTION
RENOVATION/REPAIR
TECHNOLOGY

Source: CCSD ED F.I.R.S.T Presentation, July 2019.

According to administrators, there is a complete communication plan in progress for ED FIRST that includes: project list documents, presentation schedules, community meetings, and other web-based media. The Superintendent has scheduled community meetings upon notice that a referendum will be on a ballot. In addition, a dedicated EDFIRST webpage will be developed to report progress of EDFIRST projects and expenditures. District administrators said that this plan is in place awaiting final approval from the School Board and Board of County Commissioners. The Superintendent and administrators said that they have attended Rotary meetings, business meetings, open forums, and local news slots to discuss the overview of the project. Leadership said they felt it was premature and unprofessional to circulate this information throughout the community when all parties have not yet approved a November 2019 Referendum.

School Board members as well as County Commissioners were quoted in the press as saying that the community’s major concern is a perception that there is a need for more transparency in the District. Both groups indicated that ensuring the public was kept informed was a priority. Therefore, if user friendly and accurate information is not made available to the public in a timely manner, this perception could continue.

Open and detailed communication about the intended use of the Surtax proceeds and following through on the promise of an Oversight Committee are two factors needed to build trust with the community and comply with the intent of the law.

RECOMMENDATION

Recommendation 6-1:

At the appropriate time, publish a detailed list of proposed uses of the Surtax proceeds, display these data on the District website homepage, appoint an Oversight Committee for the Clay County School District to monitor Surtax expenditures, and report back on the use of Surtax funds to the Board and community on at least a quarterly basis.

6.2 FACILITIES PLANNING, USE, AND CONSTRUCTION

6.2.1 Contract Management

OBSERVATION: Contract management for major projects is carried out by the Facility Planning and Construction group without the benefit of a formal construction audit.

As noted in **Chapter 4: Program Performance and Monitoring**, the construction purchasing, project oversight and authorization to pay function is handled almost exclusively in the Facility Planning and Construction area. According to staff interviews, the contracted Architect plays a major role in the monitoring process. Not only does the Architect prepare designs, he or she also assists staff in preparing and evaluating bid documents as well as reviewing and approving payments to the Construction Manager (CM) before the invoices are submitted to the District. While this process may have worked well for single large projects or multiple smaller projects, managing more than \$100 million in projects over the next five years will stretch staff and contractor resources, which in turn could result in a greater risk of malfeasance.

Many Districts use the services of an internal or external construction auditor with expertise in the construction field to validate the work of the CM, assess risks, and seek to identify any leakages in the process, which could include overbillings, unauthorized material substitutions and the like. While the Architect appears to be performing some of the functions of a construction auditor, having an unrelated third party sign off on a project prior to the final payment to the CM could provide the Board and community stakeholders another level of assurance that all funds are being used in the manner intended.

The Auditor General's 2018 Operational Audit of CCSD included several recommendations including a need to enhance controls over negotiating, monitoring, and documenting the reasonableness of CME general conditions costs. The Department has created a Facility Planning and Construction Procedures Manual which includes a checklist of the critical steps starting with the bid process to the point when the district occupies the facility. However, the process for monitoring the actual construction phases places a great deal of responsibility on the contractors.

According to staff interviews, the District does not have an internal auditor dedicated to the Facility Planning & Construction Department. However, the department is audited annually via FLDOE and results are published as appropriate. Administrators indicated in the ED FIRST plan that they intended to utilize contracted services for critical personnel required to execute the projects. Staff said that one such contracted position they had discussed was a construction auditor.

In light of the Surtax referendum and the potential for a number of very large projects, pre- and post-project construction audits are a best practice in the industry. For example, in the Lee County School District, the internal auditor examines all project documents and prepares a report to the Board recommending that the final payment to the contractor be authorized. If the audit finds issues, the final payment to the contractor, which is typically the amount of retainage, is withheld until all requirements are met.

To implement construction-related audits for all Surtax projects, as well as other projects of amounts greater than \$100,000, the District would need to contract for the services of a firm with construction auditing expertise or hire an in-house internal auditor with specific training and expertise in construction auditing.

RECOMMENDATION

Recommendation 6-2:

Arrange for construction audits to provide the Board and the public assurances that the projects and the project management activities are being accomplished effectively and efficiently, and within all legal guidelines.

6.2.2 Role of Building Official and Project Managers

OBSERVATION: The Facilities Planning and Construction Department relies heavily on the Code Enforcement Department to conduct all compliance inspections relating to fire codes and State Requirements for Education Facilities (SREF); as Surtax projects are undertaken, a clear delineation of the roles and responsibility of the Building Official and Project Managers in compliance monitoring are needed.

As discussed in **Chapter 2** of this report, the Facilities Planning and Construction Department is staffed by two Project Managers that are responsible for leading major projects; one of those positions is currently vacant.

The job descriptions for both the Building Official and the Project Manager positions were last updated in 2014. Two of the key job functions found in the Project Manager's job description are to:

- Ensure compliance with Florida Statutes, State Board Rules and the Florida Building Code for Educational Facilities.

- Certify to the Building Official that upon substantial completion, the project has been completed in accordance with the contract documents and the Florida Building Code.

According to the District's website:

The Code Enforcement Department is dedicated to providing a safe, healthy, motivational learning environment for all students, staff, and community by ensuring that all educational and ancillary facilities are safe and meet all standards established by state regulatory agencies.

The general duties of the Building Official include coordinating, overseeing and performing building inspections, plan examinations, and permitting operations for the purpose of enforcing codes, regulating building construction, and general code enforcement. SREF has very specific requirements where the Building Official is required to sign off on and report at various stages of the construction process.

The Building Official is generally out in the schools for the majority of his day conducting inspections relating to fire code, alerting campus staff and the Maintenance Department of potential issues and concerns, and ensuring that issues and concerns are addressed in a timely manner. When major projects require his attention, his priorities must shift.

As part of the case studies of three past projects (**See Appendices A through C**) the Ressel Team observed evidence of the Building Officials involvement in the original design approval, permitting and sign offs required at appropriate times during the project. The job duties of the Project Managers was less clearly defined, but involved close coordination with the Building Official. In all instances, these positions appeared to work collaboratively. However, as pressures increase with new projects, new people and new timelines, greater pressure will be placed on both the Project Managers and the Building Official. Hiring or contracting for additional help in this area is the topic of a recommendation in **Chapter 2**. Based on the Ressel Team observations, updating the job descriptions for both positions is also needed in order to clearly delineate the lines of responsibility between these two positions so that as new people are brought in to assist both areas, the expectations regard compliance monitoring are clear and understandable.

RECOMMENDATION

Recommendation 6-3:

Update the job descriptions for the Building Official and the Project Manager positions to clearly delineate the roles and responsibilities for compliance monitoring and ensure that new employees are trained to assume those responsibilities.

6.3 SAFETY AND SECURITY IMPROVEMENTS

This section addresses the manner in which CCSD has ensured compliance with state and federal requirements for enhanced safety and security in the schools.

6.3.1 Compliance Monitoring

OBSERVATION: In its evaluation, Ressel & Associates found the Clay County School District (CCSD) has adequate safety and security procedures in place to ensure compliance with Florida statutes, local policies, and inter-local agreements.

Procedures, plans, and inter-local agreements are in place. SB 7030 implementation is underway. \$1.3 million in state grant was used in hardening schools and security measures to be in compliance with state guidelines.

Safety and Security planning and monitoring is the focus of both federal and state legislation—particularly following a number of violent school incidents in Florida and around the nation, as well as natural disasters.

In March 2018, the Florida Legislature and Governor enacted the Marjory Stoneman Douglas High School Public Safety Act, Senate Bill 7026, mandating that all districts have Security Resource Officers (SRO) on each school campus and other requirements, such as:

- providing active shooter training to district staff;
- designating a school safety specialist for each district school;
- completing a security risk assessment for each school;
- establishing a threat assessment team with expertise in mental health counseling, academic instruction, law enforcement, and school administration;
- hiring security resource officers (SRO);
- training to identify signs of youth mental illness; and
- establishing school-based mental health care.

In May 2019, the Florida Legislature enacted Senate Bill 7030 for the Implementation of Legislative Recommendations of the Marjory Stoneman Douglas High School Public Safety Commission. In addition to the above, this legislation further requires:

- sheriffs to establish a school guardian program or contract with another sheriff's office that has established a program under a certain condition;
- the Office of Safe Schools to annually provide training for specified personnel; requiring district school boards and school district superintendents to partner with security agencies to establish or assign safe-school officers;
- revise requirements for school district zero-tolerance policies;
- the Florida Safe Schools Assessment Tool (FSSAT) to be the primary site security assessment tool for school districts.

To address these laws, CCSD put in place policies and administrative procedures, some of which are highly sensitive. The Ressel team examined the following documents and found them to meet or exceed the legal requirements:

- *Response to Active Assailant Plan.* This policy includes procedures to respond to an active assailant incident at a campus CCSD and to mitigate threats through an organized and uniform method in an effort to protect the lives of students, faculty, staff, and visitors, in an efficient and expedient manner. [S. 1006.07(4)(a), F.S.]. This statute also includes procedures for fire alarms, evacuation and drills.
- *Guardian Program.* These procedures outline the roles and responsibility of the school safety officers assigned to CCSD schools. Their role is to be visible on campus through patrolling and monitoring, provide support during a crisis or emergency situation, and serve on the School-level Threat Assessment Team, among many things (30.15 F.S.).
- *Emergency management.* CCSD is covered by Clay County Division of Emergency Management' emergency procedures (CEMP) outlined in the *Clay County Comprehensive Emergency Management Plan*. Clay County has an inter-local agreement for the use of emergency shelters at schools in the event of disasters. In Florida, all 67 counties have primary emergency management authority in 252, F.S. The school district is an integral part of all their communication and activation as sited in the CEMP and many annexes.
- *Pet Friendly Shelter Inter-agency Coordinating Procedure.* This procedure provides a safe haven for residents' pets during a disaster. It includes a process for registering pets in cooperation with Clay County Animal Services staff and the Emergency Operations Center.
- *Special Population Inter-agency Coordinating Procedure.* In working with the Clay County Sheriff and Clay County Emergency Management, this outlines the process for sheltering persons that are currently registered as sexual predators, sexual offenders, or placed on house arrest during a disaster (775.215 F.S.).

In addition, the Florida Legislature allocated funds to assist school districts with the rollout of Senate Bill 7026 and later amended in Senate Bill 7030, which "award grants to schools to improve the safety and security of school buildings based upon recommendations of the security risk assessment." CCSD received a \$1.3 million grant, the purpose of which is for educational facilities security.

In keeping with the legislative intent for the additional allocation, the District has used these funds to:

- install additional security cameras and surveillance;
- enhance perimeter hardening, fencing, and gate control;
- install impact-resistance window film; and
- implement an emergency communications systems.

The administration has taken reasonable and timely steps ensure that students, employees, and citizens are kept safe during crises and disasters and that a communication structure is in place as outlined in Florida Statutes and inter-local policies.

6.4 TECHNOLOGY IMPLEMENTATION AND UPGRADES

6.4.1 Updated Policies and Procedures

OBSERVATION: Although the ITS Department has documented certain operating procedures and is in the process of updating its procedures, the procedures available to the auditors at the time of the study were not yet complete.

The draft ITS Technology Services Manual, effective for 2019, contains references to Section VII: Information and Technology Services Policies, Employee Handbook, and Student Code of Conduct and procedures for “how to” guidance on subjects such as:

Common Tech Fixes

- Turn it off. Wait 10 seconds. Turn it on.
- Clear Your Cache
- Call the Service Desk (with contact number provided)
- Add (Map) a CCSD Network Printer
- Switch One Clay Portal Profiles
- Submit a Help Desk Ticket
- Password Reset
- 2019-2020 Student
- Communications
- Information
- Password Information
- Information

CCSD Phone Information

- Speed Dials and Voicemail
- Phone Directory
- Phone Book

OneClay Portal

- OneClay Portal Basics
- Add an APP
- Remove an APP

Application Information

- Accessing Applications

- i-Ready Troubleshooting Tips
- Achieve3000 Troubleshooting Tips

Business Plus

- Time and Attendance
- How to Login
- Additional Documentation
- Focus Information

Focus Information

- Focus Parent Portal Information
- For Help with Focus, Call Service Desk (with contact number provided)

Gmail-Staff Email

- How to Use Gmail
- Need to be added/removed to an email list
- Need to grant access

Getting Started with Google

A lack of written, appropriately communicated, procedures creates opportunities for miscommunications and lapses in system protocols. Inadequate controls over access and system security pose potentially disastrous impacts to CCSD.

Strong, effective information and technology procedures provide a pathway for compliance to ensure safety and security of the District’s information system. Safety and security of District technology is imperative. Well documented district protocols give notice of expectations to all involved including district staff, vendors, contractors, bidders, and the general public.

RECOMMENDATION

Recommendation 6-4:

Continue to update and document Information and Technology Services procedures.

6.5 SERVICE BOND INDEBTEDNESS

6.5.1 Financial Advisory Services

OBSERVATION: CCSD uses the financial advisory services of Ford & Associates to ensure that the District remains in compliance with bonding covenants, principal and interest payments.

CCSD, like many smaller governmental entities, does not have employees on staff with the expertise to navigate the market in terms of bonds, certificates of participation, capital leases and other long-term debt issuances.

As a result, the District has contracted for the services of Ford & Associates, a firm that advises CCSD on credit, structure, and sale of new debt issues, alerts them when refunding of debt is to the advantage of the district, and assists them in the budgeting and scheduling of repayments of principal and interest each year. As shown in **Exhibit 6-8**, the financial advisor provides the District an updated list of due dates and payment requirements each year based on the debt series.

Exhibit 6-8
Clay County School District
2018-19 Outstanding Certificate of Participation Repayment Schedule

The School Board of Clay County, Florida Aggregate Certificate of Participation Lease Requirements									
Date	Series 2017		Series 2014		Series 2012		Aggregate		Annual Debt Service
	Principal	Interest	Principal	Interest	Principal	Interest	Principal	Interest	
1/1/2019		\$55,421		\$176,942		\$451,231	\$0	\$683,594	
7/1/2019	\$2,352,000	\$55,421	\$529,000	\$176,942	\$860,000	\$451,231	\$3,741,000	\$683,594	\$5,108,188
1/1/2020		\$35,312		\$169,562		\$438,331	\$0	\$643,205	
7/1/2020	\$2,397,000	\$35,312	\$540,000	\$169,562	\$885,000	\$438,331	\$3,822,000	\$643,205	\$5,108,410
1/1/2021		\$14,817		\$162,029		\$425,056	\$0	\$601,903	
7/1/2021	\$335,000	\$14,817	\$554,000	\$162,029	\$3,085,000	\$425,056	\$3,974,000	\$601,903	\$5,177,805
1/1/2022		\$11,953		\$154,301		\$347,931	\$0	\$514,185	
7/1/2022	\$337,000	\$11,953	\$568,000	\$154,301	\$3,240,000	\$347,931	\$4,145,000	\$514,185	\$5,173,370
1/1/2023		\$9,072		\$146,377		\$266,931	\$0	\$422,380	
7/1/2023	\$349,000	\$9,072	\$581,000	\$146,377	\$3,400,000	\$266,931	\$4,330,000	\$422,380	\$5,174,760
1/1/2024		\$6,088		\$138,272		\$215,931	\$0	\$360,291	
7/1/2024	\$351,000	\$6,088	\$604,000	\$138,272	\$3,500,000	\$215,931	\$4,455,000	\$360,291	\$5,175,583
1/1/2025		\$3,087		\$129,847		\$128,431	\$0	\$261,364	
7/1/2025	\$361,000	\$3,087	\$617,000	\$129,847	\$3,670,000	\$128,431	\$4,648,000	\$261,364	\$5,170,729
1/1/2026				\$121,239		\$64,206	\$0	\$185,446	
7/1/2026			\$4,287,000	\$121,239	\$635,000	\$64,206	\$4,922,000	\$185,446	\$5,292,891
1/1/2027				\$61,436		\$52,300	\$0	\$113,736	
7/1/2027			\$4,404,000	\$61,436	\$665,000	\$52,300	\$5,069,000	\$113,736	\$5,296,472
1/1/2028						\$39,000	\$0	\$39,000	
7/1/2028					\$1,950,000	\$39,000	\$1,950,000	\$39,000	\$2,028,000
	\$6,482,000	\$271,497	\$12,684,000	\$2,520,012	\$21,890,000	\$4,858,700	\$41,056,000	\$7,650,208	\$48,706,208

Source: Assistant Superintendent for Business Services, August 2019.

As part of the planning process for the Sales Surtax, CCSD identified more than \$300 million in needs, much of which were immediate deferred maintenance needs that will require attention in the next few years. Understanding that proceeds from the Sales Surtax would result in only \$13 million annually, the resolution passed by the Board included using some of the proceeds to service debt. At the request of the district, the Financial Advisor issued a document containing

information on the hypothetical issuance of bonds that could generate approximately \$128 million based on annual debt service of approximately \$7.2 million per year.

Using the services of the Financial Advisor in this way has helped the District to explore various options for financing that will provide the district the funds they need to address immediate needs.

In a document drafted in early August, the District laid out its *ED.F.I.R.S.T. (First 5 Years)* “to bond out up to \$128 million to jumpstart critical projects and make needed repairs/renovations.” This prioritization and planning effort was predicated on the initial work of the Financial Advisor.

***APPENDIX A:
CASE STUDY OF THE FLEMING ISLAND
HIGH SCHOOL PROJECT***

APPENDIX A CASE STUDY OF THE FLEMING ISLAND HIGH SCHOOL PROJECT

General Information

Project Name: Fleming Island High School AICE Project
Project Start Date: April 26, 2018
Expected Final Project Completion Date: January 21, 2019
Actual Project Completion Date: March 14, 2019
Projected Project Cost: \$1,082,636
Final Actual Project Cost: \$1,126,427
Project Cost Variance: \$43,791, or approximately 4%, and within District tolerance of 10%
Location: 2233 Village Square Parkway, Orange Park, FL 32003
Land Size: 60 Acre Total School Site
Building/Addition Size: 6,175 Square Feet Gross
Construction Type: Addition/New Construction Type II
Funding Source(s): AICE Funds (New Construction) /LCIF Funds (Erosion Control)

Project Overview

The Fleming Island High School AICE Project is a new construction addition of an AICE testing facility on the existing Fleming Island High School site. AICE, Advanced International Certificate Education, is a set of challenging college-level classes for high school students of Education developed by Cambridge Assessment, a non-profit department of the University of Cambridge in England.

The strategic location of the AICE building site to Fleming High School was important because Fleming Island High used funds earned and received from their AICE program to build the testing facility for the students. As this project is a testing facility, CCSD student station capacity did not change as a result of this building addition.

To the recollection of current CCSD staff, this project ran relatively smoothly with the original final completion date scheduled for January 21, 2019 with final completion on March 14, 2019. Fleming Island High School was an active school campus during construction, and unexpected site conditions were discovered. Storm drain repairs had to be addressed after damage was uncovered. Multiple storm drains located adjacent to the building needed repairs. Required storm drains repair was added to the original contract and funded by CCSD Local Capital Improvement Funds (LCIF).

Rationale

This project was important to meet dynamic programmatic needs for Fleming Island High School students and administration. The Cambridge AICE testing was interfering with other

school testing. Scheduling complications and insufficient dedicated space were impediments to providing an environment most conducive to learning and assessment.

Project Funding

Funding for this project was substantially from AICE Funds with CCSD Local Capital Improvement Funds (LCIF) funding the erosion control necessary as a result of the damaged storm drains. The non-voted LCIF funds are advertised in the local newspaper for public review each year, and a public hearing is held prior to CCSD Board approval of the tentative budget.

Procurement of Services

Procurements of services were done by the Facility Planning and Construction Department staff in accordance with school board policies on Construction Manager Selection, Contractor Pre-Qualification, Bonding, and Purchasing. The School Board published a legal advertisement in a newspaper circulated in Clay County describing the need for professional services and explaining application procedures for interested professional firms considered by the School Board. The advertisement was published for three consecutive weeks prior to commencement of the selection procedure. The School Board considered all firms that timely submitted written requests to be considered for these professional services. Staff experienced no unexpected impediments during the process.

Contracts for Contractors and Service Providers Relevant to This Project

Architectural Design and Services

Brian Boatright Architect, Inc.
914 Plainfield Avenue
Orange Park, FL 32073
Date Board Approved Ranking - October 5, 2017
Contract Execution – October 5, 2017
Amount of Contract - \$108,996.64

Mechanical Engineering Services

Contractor
Michael Gregory Engineering (Included in the Architect above)

Construction Manager

Contractor
Thomas May Construction Company
310 College Drive
Orange Park, FL 32065
Date Board Approved Ranking – October 5, 2017
Contract Execution - April 5, 2018
Amount of Contract - \$1,082,616.00

Site Variables, Concerns, Issues

This project site was selected because of its proximity to the AICE program specific to Fleming Island High School. This site was approved by Fleming High School and the CCSD Facility Planning and Construction Department. Variables such as health, safety, and student needs were considered with the selection of this site as well as minimization of potential transportation costs and disruptions to student schedules. District school and administration staff were involved with the site selection, but not the general public at large directly, except for any opportunities during public School Board meetings.

There were safety and scheduling concerns with active construction close to an open campus and concerns with interference with the school's day to day activities. District staff worked with school and building officials to ensure safety and minimal disruptions.

The proximity of this site to the parking lot, however, provided opportunities to allow ease of access for testing on the weekends and allows the school to isolate this testing location from the main school campus when appropriate.

Unexpected site conditions did impact this project. Due to past hurricanes and tropical storms, there were several storm drains that failed and caused severe erosion control. This had to be corrected in order to complete the project. Another storm drain had to be relocated from under the corner of the new building.

Construction Cost Estimates

The AICE testing facility at Fleming Island High School was over the original contract of \$1,082,636 with the total actual at \$1,126,427, for a project cost variance of \$43,791, or approximately 4%, and within District tolerance of 10%.

The process involved in establishing the project cost and scheduling estimates includes the contractor who then works with the architect and subs. A Statement of Probable Construction Cost is the responsibility of the architect and their engineers as stated in Article I, item G 1.c (page 6) of the agreement with the architect dated October 5, 2017. The architect and project manager reviewed the schedule of values and change orders before approval.

Change orders were a result of the storm drain issues from the storms and working around the high school testing schedule.

Permitting

Building Permits are obtained through the School District of Clay County's Internal Building Department. Plans are required to be reviewed and signed off by the Code Official. The Project Manager verifies insurance, bonds, and licenses. The bond is recorded at the courthouse and a building permit is issued by Clay County Schools Building Department. District officials experienced no permitting or approval impediments to this project.

District Staff Project Responsibilities

Clay School District staff positions involved with this project planning, performance and implementation and respective position project responsibilities were:

James Connell – Project Manager

Coordinated all school district department comments into the plans

Liaison between the CM, architect/engineers, and the District

Tod Sweatland – Building Inspector/Plan Reviewer

Reviewed and signed off on plans prior to construction

Performed all required building inspections

Becky Smith – Project Accounting Assistant

Lessons Learned and Impacts

District staff anticipate no process changes but highlight the importance of scheduling for weather contingences and unforeseen challenges especially relative to storms.

In summary, storm drains failed at the boxes and the ground around storm drain boxes opened and created sinkholes from drainage issues due to Hurricanes Irma and Matthew. Fleming Island and Fleming Island High School flooding is an ongoing issue due to the nature of the site. District staff are addressing any problems as they arise. If funding allows, exploratory studies of the existing storm water pipe are desired in an effort to catch any failures in the early stages of impact instead of waiting for complete failure.

***APPENDIX B:
CASE STUDY OF THE KEYSTONE HEIGHTS
ELEMENTARY SCHOOL PROJECT***

APPENDIX B

CASE STUDY OF THE KEYSTONE HEIGHTS ELEMENTARY SCHOOL PROJECT

General Information

Project Name: Keystone Heights Elementary Parent/Pickup Parking Improvement
Location: Keystone Heights Elementary
Project Start Date: May 14, 2019
Expected Project Substantial Completion Date: August 9, 2019
Actual Project Substantial Completion Date: August 9, 2019
Projected Final Project Cost: \$475,443
Final Actual Project Cost: Not available until Final Completion
Project Cost Variance: Not available until Final Completion
Land Size: .71 acre
Construction Type: Site Improvements (New Parent Pickup/Parking)
Funding Source(s): LCIF (1.5 mil) Funds (Local Capital)

Project Overview

The Keystone Heights Elementary School parking lot improvement project is substantially complete on August 9, 2019 with final completion scheduled for August 24, 2019. The Keystone Heights parking improvement is to be completed by the end of summer, so it will be ready for the new school year. This project is needed to provide a safe clean area for parking and student pickup.

This project is located in the Keystone Heights area of Clay County and is important because the traffic during parent pick up was disrupting and crowding the surrounding neighborhood streets and properties. Keystone Heights is located in a remote area of Clay County and, as such, presented challenges with a lack of contractor interest and higher than normal prices. Construction has run smoothly; however, a water main had to be relocated by the local utility company.

Rationale

This project is important to keep a good relationship with the school and the City and surrounding neighborhoods. This project will alleviate long-term traffic and parking challenges the school has been experiencing.

Project Funding

Funding for this project is from Local Capital Improvement (LCIF); 1.5 millage funds which are the only funds eligible for expenditure on this type project. The non-voted LCIF funds are advertised in the local newspaper for public review each year, and a public hearing is held prior to approval of the tentative budget.

Community Collaboration

District facilities staff held meetings with Keystone Heights school staff, parents, and the City of Keystone Heights to discuss school and community needs to ensure an appropriate design and agreement on the plan.

Procurement of Services

Procurements of services were done by the Facility Planning and Construction Department staff in accordance with school board policies on Construction Manager Selection, Contractor Pre-Qualification, Bonding, and Purchasing. The School Board published a legal advertisement in a newspaper circulated in Clay County describing the need for professional services and explaining application procedures for interested professional firms considered by the School Board. The advertisement was published for three consecutive weeks prior to commencement of the selection procedure. The School Board considered all firms that timely submitted written requests to be considered for these professional services. Staff experienced no unexpected impediments during the process.

Contracts for Contractors and Service Providers Relevant to This Project

Civil Engineering Design and Services

CHW, Inc., 1801 Research Drive, Alachua, FL 32615

Date Board Approved Ranking: August 3, 2017 (County Wide Engineer)

Contract Execution: October 31, 2018

Amount of Contract: \$40,412.66

Contractor (in accordance with bid)

Besch & Smith Civil Group, Inc., 345 Cumberland Industrial Court, St. Augustine, FL 32095

Date Board Approved Contract: March 7, 2019

Contract Execution: May 14, 2019

Amount of Contract: \$475,443

Site Variables, Concerns, Issues

This project site was selected because it is located adjacent to the Keystone Heights Elementary School property. The property had to be purchased in order to expand the parking lot and is an ideal location to expand the parent pick-up and parking because it is adjacent to the existing parent pick-up.

Variables such as the health, safety, and student needs were considered as well as cost and efficiency. The selected site will help make parent pickup and drop off safer for stakeholders and the surrounding neighborhood. The school and Keystone Heights communities were involved with the project discussions.

Although it was not unexpected, the local utility authority, Clay County Utility Authority (CCUA) had a water main running through the site. The water main had to be lowered and relocated in order to build the site according to engineer recommendations. Coordination

with the local utility authority was managed effectively with no cost overruns. Days were added to the contract in order to give the local utility authority time to move their water main. The contractor was able to work around the site while the main was moved.

Land Purchase

At its May 2018 regular School Board meeting, the School Board of CCSD granted authority to purchase a portion of St. William Catholic Church property, through the Diocese of St. Augustine, for \$30,000 to improve the Keystone Heights Elementary School parking lot. In addition, \$8,000 was authorized for installation of a fence to secure the property perimeter. This purchase was approximately .71 acres of St. William Catholic Church grounds and is adjacent to Keystone Heights Elementary School.

Section 1013.14(b), Florida Statutes, requires one appraisal on purchase of land greater than \$100,000. Clearly this transaction falls below that threshold. The District's appraiser, Moody Appraisal Group, valued the property at \$15,000 in January 2018. The appraisal obtained by the Diocese of St. Augustine valued the property at \$33,000 in November 2017. There were negotiations, as the original offer by the Diocese was \$100,000.

Construction Cost Estimates

The Keystone Heights parking/pickup project is expected to come in on budget at the original cost of \$475,443 with no amendments to the project.

The process involved in establishing the project cost and scheduling estimates includes the contractor who then works with the architect and subs. A Statement of Probable Construction Cost is the responsibility of the architect and their engineers as stated in Article I, item G 1.c (page 6) of the agreement with the architect dated October 5, 2017. The Architect and Project Manager review the schedule of values and any change orders (none with this project) before approval.

Permitting

Permitting was required by St. Johns River Water Management and the required building permit was issued by the Clay County School District Building Official. The District has a positive working relationship with local permitting agencies and experienced no impediments with the permitting process.

District Staff Project Responsibilities

Clay School District staff positions involved with this project planning, performance and implementation and respective position project responsibilities are as follows:

Bryce Ellis – Project Manager

Coordinated all school District department comments into the plans
Liaison between the CM, architect/engineers, and the District

Tod Sweatland – Building Inspector/Plan Reviewer

Reviewed and signed off on plans prior to construction
Performed all required building inspections

Becky Smith – Project Accounting Assistant

Lessons Learned and Impacts

District staff anticipate no process changes but highlight the established best practice of meeting with the school administration and the City to communicate project design, expectations, and outcomes.

The land for this project was apparently strategically important to the school because of its proximity to the school and safety concerns. In an effort to effectively drive purchase negotiations, Facilities staff wisely obtained a property appraisal resulting in a purchase price significantly lower than the original sales offer. Facilities staff are updating the District Facilities and Construction Procedures Manual and plan to include guidance on property acquisition to ensure consistency and efficiency.

Further, the Project Manager plans to observe site use to help implement new traffic patterns and report to engineer on any issues.

***APPENDIX C:
CASE STUDY OF THE DISCOVERY OAKS
ELEMENTARY SCHOOL PROJECT***

APPENDIX C

CASE STUDY OF THE DISCOVERY OAKS ELEMENTARY SCHOOL PROJECT

General Information

Project Name: Discovery Oaks Elementary School
Project Start Date: June 29, 2017
Expected Final Completion Date: July 2, 2018
Actual Project Final Completion Date: July 30, 2018
Original Contract Amount: \$20,770,188 (includes Sitework Cost \$2,564,555)
Final/Actual Project Cost: \$21,014,300
Project Cost Variance: \$244,112, approximately 1%, and within District tolerance of 10%
Location: 950 Plantation Oaks Parkway, Orange Park, FL 32065
Land Size: 63 acres
Building/Addition Size: 110,000 Square Feet
Construction Type: Type 2 New Construction
Funding Source(s): Impact Fees and LCIF

Project Overview

The Discovery Oaks Elementary School is new school construction project located in the Orange Park area of Clay County called Oakleaf. This project was new construction and added 862 student capacity built to accommodate STEAM, Science, Technology, Engineering, Art and Math programs upon its completion July 30, 2018. The Oakleaf location was chosen because of high growth in the area.

The Discovery Oaks Elementary School presented timeline and scheduling challenges. This project had to be completed in 12 months in order to open on time for the 2018-19 school year. A typical timeline for a school this size is approximately 18 months. Weather also presented challenges in that Hurricane Irma and Tropical Storm Emily both struck the area during the early stages of construction, August and September 2017. Discovery Oaks Elementary school was built in an Enhanced Hurricane Protected Area (EHPA) in order to harden the cafeteria/multipurpose space and add a 400 kilowatt generator. Days were added to the original contract to accommodate changes due to weather, but the school was finished in time for the beginning of school year.

Rationale

This project was important to alleviate overcrowding due to extensive student growth in the Oakleaf area. The School was built to help relieve Plantation Oaks Elementary of its over 100 percent utilization. The School opened at 97 percent capacity and, because of the continued growth in this area, is expected to be at or over 100 percent capacity next school year.

Project Funding

Funding for this project was from Impact Fees and Local Capital Improvement Funds (LCIF). LCIF funds are advertised in the local newspaper for public review each year. A public hearing is held prior to approval of the tentative budget.

Community Collaboration

School and local community discussions occurred during planning and construction of the Discovery Oaks Elementary School. District staff held a public meeting at Oakleaf Junior High to discuss the attendance zone of the Discovery Oaks Elementary School, and organized a school naming committee. CCSD facilities staff collaborated with other local governmental officials to facilitate the expedited project timeline. District staff and the Construction Manager communicated with the homeowners surrounding the site while construction was ongoing.

Procurement of Services

Procurements of services were done by the Facility Planning and Construction Department staff in accordance with School board policies on Construction Manager Selection, Contractor Pre-Qualification, Bonding, and Purchasing. The School Board published a legal advertisement in a newspaper circulated in Clay County describing the need for professional services and explaining application procedures for interested professional firms considered by the School Board. The advertisement was published for three consecutive weeks prior to commencement of the selection procedure. The School Board considered all firms that timely submitted written requests to be considered for these professional services. Staff experienced no unexpected impediments during the process.

Contracts for Contractors and Service Providers Relevant to This Project

Architectural Design and Services

Contractor (Reuse of Plans)

Bhide & Hall Architects Inc.

1329 Kingsley Avenue Suite C

Orange Park, FL 32073

Contract Execution: February 2, 2017

Amount of Contract: \$852,800

Mechanical Engineering Services

Contractor

Star Works Engineering (included Above in Contractor)

Contract Execution: February 2, 2017

Amount of Contract: The cost was included in the \$852,800 for Bhide above.

Construction Manager

Contractor

Parrish McCall Constructors, Inc.
3455 S.W. 42nd Avenue
Gainesville, FL 32608
Date Board Approved Ranking: April 6, 2017
Contract Execution: April 6, 2017
Amount of Contract: \$20,770,188

Building Official(s)

Contractor

Threshold Inspector: Ellis and Associates
Anis Elkaz, E.I.T.
Staff Project Manager, or
Miguel A. Santiago, P.E.
Director of Construction Services

Board Approved Ranking: District staff solicited quotes for Threshold inspection service following CCSD procurement rules.

Contract Execution - April 4, 2017 for \$7,500
Internal Inspector – Tod Sweatland - CCSD Building Official performed all required code inspections.

Site Variables, Concerns, Issues

This project site was donated to CCSD due to its location in the high growth Oakleaf area of Orange Parks and proximity to Plantation Oaks Elementary School. In addition to location, variables such as health, safety, and student needs were considered along with cost and efficiency. This site is conveniently located and is easily accessible for stakeholders.

Although it was not unexpected, results of a property survey showed the site was not entirely suitable for building. Of the 33 acres on this site, 19 acres are wetland conservation limiting available acreage for school construction.

CCSD staff worked with the Clay County Engineering Department for stoplight and school zone signage and with Clay County Utilities Authority (CCUA) for utilities.

The Construction Manager was in touch with the homeowner’s association of the neighborhood directly adjacent to the school property and kept them up to date on schedule and if/when there would be early morning concrete pours and/or other atypical were disruptions.

Construction Cost Estimates

Site work and underground utilities started while project specific design and value engineering took place. The site work package was \$2,564,555.
Original total project cost was \$18,205,633, for a total of \$20,770,188.

Amendments include direct purchase of construction materials to realize tax savings of \$395,684 which was an increase in the original cost estimate of \$275,000.

The process involved in establishing project cost and scheduling estimates includes the contractor who then works with the architect and subs. A Statement of Probable Construction Cost is the responsibility of the Architect and their engineers as stated in Article I, item G 1.c (page 6) of the agreement with the architect dated February 2, 2017. Upon selection of Construction Manager, Parrish McCall worked with the architect and engineers to determine an initial cost. Parrish McCall was hired for pre-construction services to help value engineer and assist in pre-construction estimates. Construction Manager, Parrish McCall reviewed the schedule of values and any change orders before approval.

District officials developed and executed the accelerated timeline for completion of Discovery Oaks Elementary School in time for the first day of school August 14, 2018. Although not totally unexpected considering Florida weather during hurricane season, District staff and contractors experienced the added challenges of Hurricane Irma and Tropical storm Emily.

Permitting

Building Permits are obtained through the School District of Clay County's Internal Building Department. Plans are required to be reviewed and signed off by the Code Official. The Project Manager verifies insurance, bonds, and licenses. The bond is recorded at the courthouse, and a building permit is issued by Clay County Schools Building Department.

Water Management Permitting is the responsibility of the Civil Engineer. The School District worked with the Civil Engineer and Construction Manager on documentation necessary to obtain required water management permits.

District Staff Project Responsibilities

Clay School District staff positions involved with project planning, performance and implementation and respective position project responsibilities are as follows:

Bryce Ellis – Project Manager

Coordinated all school District department comments into the plans
Liaison between the CM, architect/engineers, and the District

Tod Sweatland – Building Inspector/Plan Reviewer

Reviewed and signed off on plans prior to construction
Performed all required building inspections

Becky Smith – Project Accounting Assistant

Lessons Learned and Impacts

District staff identified changes to improve District project processes and implementation. Changes to the District's process for transparency and accountability include:

- Subcontractor review, contracts, and licenses were maintained on file in the Facilities office.
- CCSD Representative was present at the bid opening of subcontractors.

***APPENDIX D:
CLAY COUNTY SCHOOL DISTRICT SCHOOL
CAPACITY - AUGUST 2019***

APPENDIX D
CLAY COUNTY SCHOOL DISTRICT
SCHOOL CAPACITY
AUGUST 2019

Elementary Schools	Year Built	Enrolled June '19	Enrolled Aug '19 **	Capacity	% Capacity	Portables	Total SF
Argyle	2005	713	660	825	80.00%	24	114,354
Charles E. Bennett	1954	686	612	804	76.12%	17	112,135
Clay Hill	1984	403	406	474	85.65%	4	78,355
Coppergate	2005	562	498	725	68.69%	5	111,014
Discovery Oaks	2018	831	825	847	97.40%	0	104,121
Doctors Inlet	1977	625	611	735	83.13%	21	88,913
Fleming Island	1996	704	720	912	78.95%	32	144,617
Grove Park	1972	494	466	512	91.02%	14	97,751
Keystone Heights	1956	841	829	823	100.73%	23	128,423
Lake Asbury	1986	882	842	970	86.80%	35	130,984
Lakeside	1974	726	734	876	83.79%	28	117,811
McRae	1996	554	525	550	95.45%	20	109,372
Middleburg	1938	571	522	650	80.31%	9	103,492
Montclair	1977	515	462	649	71.19%	24	79,505
Oakleaf Village	2007	1076	998	1043	95.69%	12	156,555
Orange Park	1929	478	484	504	96.03%	14	71,435
Patterson	1992	1085	1055	1105	95.48%	36	123,535
Plantation Oaks	2008	1031	958	992	96.57%	5	148,570
Rideout	2000	556	474	679	69.81%	4	103,969
Ridgeview	1983	579	534	565	94.51%	18	104,557
S. Bryan Jennings	1967	522	461	676	68.20%	18	91,552
Shadowlawn	2007	724	684	863	79.26%	0	140,166
Swimming Pen Creek	2002	502	487	547	89.03%	10	103,916
Thunderbolt	2000	940	828	1110	74.59%	25	142,743
Tynes	1994	1021	983	1004	97.91%	32	151,288
W. E. Cherry	1961	752	688	855	80.47%	32	89,827
Wilkinson	1989	832	770	810	95.06%	26	120,555
Elementary School Total		19205	18116	21105	85.62%	488	

Junior High Schools	Year Built	Enrolled June '19	Enrolled Aug '19 **	Capacity	% Capacity	Portables	Total SF
Green Cove Springs	1952	774	838	922	90.89%	7	153,851
Lake Asbury	2004	1110	1167	1334	87.48%	21	197,738
Lakeside	1972	810	861	1204	71.51%	22	128,410
Oakleaf	2005	1113	1168	1474	79.24%	35	182,628
Orange Park	1970	744	770	1062	72.50%	15	136,186
Wilkinson	1976	726	765	761	100.53%	11	155,389
Junior High Total		5277	5569	6757	83.69%	111	

High Schools	Year Built	Enrolled June '19	Enrolled Aug '19 **	Capacity	% Capacity	Portables	Total SF
Bannerman Learning Center	1958	353	248	332	74.70%	30	65,776
Clay	1971	1423	1502	1892	79.39%	15	247,085
Fleming Island	2002	2151	2057	2375	86.61%	56	269,140
Keystone Heights	1974	1150	1190	1399	85.06%	33	227,049
Middleburg	1979	1673	1711	1637	104.52%	41	284,399
Oakleaf	2008	2495	2579	2459	104.88%	39	348,035
Orange Park	1974	1568	1547	2343	66.03%	24	283,754
Ridgeview	1985	1456	1469	2254	65.17%	49	313,810
High School Total		12269	12303	14691	84.52%	287	

Source: Clay County School District Facilities Planning and Construction Department, 2018-19.

***APPENDIX E:
CLAY COUNTY SCHOOL DISTRICT
RESPONSE TO AUDIT***



CLAY COUNTY DISTRICT SCHOOLS

900 WALNUT STREET, GREEN COVE SPRINGS, FL 32043

P (904) 336-6500 F (904) 336-6536 W oneclay.net

SUPERINTENDENT OF SCHOOLS

Addison G. Davis

BOARD MEMBERS:

Janice Kerekes, District 1
Carol Studdard, District 2
Tina Bullock, District 3
Mary Bolla, District 4
Ashley Gilhousen, District 5

September 4, 2019

Ms. Betty Ressel, Managing Partner
Ressel and Associates, LLC
11707 Oakwood Dr, Austin, TX 78753

RE: Response to the Performance Audit Report dated August 28, 2019

Clay County District Schools would like to thank Ressel and Associates, LLC for taking the time to conduct a performance audit related to a potential surtax needed in Clay County to improve the facilities and infrastructure. After review of the performance audit findings and recommendations, please find our explanations presented below that address specific areas:

Finding 2.1.1: Florida Department of Education reports indicate that CCDS is adequately staffed overall, with the total number of full-time staff increasing by only 5.0 percent over the last five years as compared to a student growth rate of 6.8 percent. However the increases in the number of Administrators and Professional staff positions have outpaced enrollment, while most positions in the support area have remained unchanged or declined.

District Response: The District provided Ressel and Associates, LLC with information related to the analytics used to develop and identify this particular finding along with recommendation. It is evident that Ressel and Associates, LLC did not capture accurate data related to the administrative organizational charts used for surrounds/comparable counties. Ressel and Associates, LLC accessed information from the FLDOE website instead, which provides inaccuracies on how school districts report information. Clay County District Schools confirmed that Lake and St. John's County had significantly more administrators than reported based upon their current organization charts. We pushed Ressel and Associates, LLC to contact all surrounding counties to obtain current organizational charts, however this step was not taken. Additionally, it was noted that Clay County District Schools has increased in administrative staff (increase of eight administrative positions) due to the expansion of Discovery Oaks Elementary along with the new requirements outlined by the Marjory Stoneman Douglas Act. Therefore, the following positions have been added to the District over the last three years:

Position Added	Rationale
Principal at Discovery Oaks	Expansion of Enrollment
Assistant Principal at Discovery Oaks	Expansion of Enrollment
Chief of Police	Safety and Security

Coordinator of Mental Health	Safety and Security/Mental Health
Coordinator of School Counselors	Safety and Security/Mental Health
Coordinator of SEDNET	Safety and Security/Mental Health
Coordinator of Educational Services/Nursing	Safety and Security/Mental Health
Coordinator of School Choice and Charter Schools	Expansion of School Choice

Finding 4.1.1: The February 2018 Strategic Plan is embraced by senior staff, yet the Plan contains no measurable objectives and to date has not had an annual update.

District Response: The Superintendent of School has consistently provided an annual update of the Strategic Plan to School Board Members, Staff, and Community Members in order for all stakeholders to stay apprised of the status of the school district. Annually, the Superintendent hosts a State of School event (January 18, 2018 and January 15, 2019) that unpacks each strategic plan goal and identified strengths, accomplishments, areas of opportunities, and next steps. This event is broadcasted live and posted to the district webpage for all community members to view. Additionally, the Superintendent sends out periodic emails to Board Members and staff identifying annual accomplishments. On a monthly basis, the Superintendent also provides updates on strategy plans and accomplishments at every monthly school board meeting for all stakeholders to understand the positive educational movement that has occurred along with potential next steps. The District is in the process of developing a final report of the 2018-19 outcomes and accomplishments to present to the community. To ensure that all cabinet and senior staff members are held accountable for meeting strategic plan initiatives, projects, and targets, they are required to meet with the Superintendent to discuss current status of all items and defend what steps have been taken to ensure progression. Documentation has been provided to Ressel and Associates that confirms that Clay County’s Strategic Plan is filled with measurable objectives along with many sample strategic plans from other school districts that mirror the identical format.

Finding 5.3.1: CCSD has systems and procedures in place regarding the sharing of information; however, the program could be enhanced by making it easier for students, staff and community members to report suspicious activity by more prominently displaying local phone numbers and local and state tip lines on CCSD’s website.

District Response: Information for contacting the Clay County School Police Department, FortifyFL App, and the Bullying Hotline continues to be located under the Safety and Security tab under the Department page on oneclay.net. This information was provided to Ressel and Associates, LLC numerous times. We also note that the ability to navigate a website with ease or user-friendliness is a subjective stance. The district posed this concern to others and found that this information was found immediately.

Finding 6.1.2: The District has not yet published detailed information on the use of the Surtax funds for review by the public.

District Response: The Clay County School District values transparency and due to the fact that the resolution has not been approved by both the School Board and Board of County

Commissioners, the Surtax has not been published for review. Clay County District Schools has an overall master and marketing plan, but this will not be presented to all community members until both boards approve of the surtax.

Once again, we appreciate the time that Ressel and Associates, LLC spent reviewing all elements related to the potential need of a surtax in Clay County District Schools. Our school district will continue to work hard as we seek to provide a world-class education to all students.